

Board Packet List of Documents

Board of Trustees Meeting

May 14, 2024

- Meeting Agenda

- New Business
 - 2.1 Update on Employees' Retirement System Related Bills

- APPROVAL OF MINUTES – March 11, 2024

Board Packet Documents are available to the public for inspection on the Employees' Retirement System's Website: <https://ers.ehawaii.gov/board-and-committee-agendas-and-meeting-packets>, and in the Employees' Retirement System's Office, 201 Merchant Street, Suite 1400, Honolulu, HI 96813

NOTICE OF REGULAR MEETING

AGENCY: Board of Trustees of the Employees' Retirement System of the State of Hawaii

PLACE: City Financial Tower, 201 Merchant Street, Suite 1200, Honolulu, Hawaii 96813

The meeting will be conducted pursuant to HRS §92-3.7, under which Members of the Board of Trustees may participate via interactive conference technology; and members of the public may also participate via interactive conference technology or in person at the meeting place stated above.

DATE: Tuesday, May 14, 2024; 10:00 a.m.

AGENDA

QUORUM/CALL TO ORDER

Motion to hold the meeting allowing Trustees and members of the public to participate by interactive conference technology, pursuant to HRS §92-3.7, with at least one meeting location open to the public that has audiovisual connection.

PUBLIC COMMENT

Members of the public may submit written testimony on these agenda items via e-mail or postal mail with receipt recommended by 4:30 p.m. on Monday, May 13, 2024, in order to ensure it is distributed in time for consideration. Please address written testimony if by e-mail to: dale.kanae@hawaii.gov or by postal mail to: Employees' Retirement System of the State of Hawaii, Board of Trustees, 201 Merchant Street, Suite 1400, Honolulu, HI 96813. Members of the public may also attend the meeting and provide testimony in person or by teleconference, either audio or video, at the following link or phone number:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_MGI1YzUzZmItZmYzYS00MDJLWE1YTQtMjk0OTRmMzZlYjk2%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%228f795840-377f-479d-bb5d-6ec41c4a01bc%22%7d

Or join by entering meeting ID: 252 506 217 127 Passcode: agaNjt

Individuals testifying at the meeting are requested to limit their testimony to three (3) minutes or an amount of time otherwise designated by the Chairperson.

or

+1 808-829-4853 United States, Honolulu (Toll)

Conference ID: 409 358 779#

PRESENTATION

1. Resolution Presentation for Kanoë Margol.

REPORTS BY STAFF

1. Executive Director's Report.
2. Deputy Executive Director's Report.
3. Information Systems Branch Report.

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 these matters.

NEW BUSINESS

1. Report by the Administrative & Audit Committee.

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 these matters.

2. Report by the Legislative Committee.
 - 2.1. Update on Employees' Retirement System Related Bills During the 2024 Legislative Session.

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 these matters.

3. Report by the Human Resources Committee.

3.1. Discuss the Exempt Staff Compensation Plan.

Pursuant to HRS §92-5(a)(2) and (4), the Board of Trustees may enter into Executive Session where matters affecting privacy will be involved, 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 this matter.

4. Report by the Investment Committee.

Pursuant to HRS §88-27.5(a)(1) and HRS §92-5(a)(4), the Board of Trustees may enter into Executive Session to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that requires 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 these matters.

APPROVAL OF MINUTES – March 11, 2024

EXECUTIVE SESSION

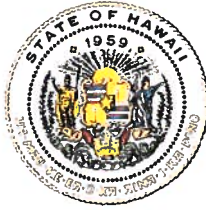
1. Executive Session, pursuant to HRS§ 92-5(a)(2) and (4), to discuss the Employees' Retirement System's Budget, Staffing, and Consulting Services, where matters affecting privacy will be involved, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities; appropriate action.
2. Executive Session, pursuant to HRS § 92-5(a)(4) and (8) and HRS §88-27.5(a)(2), to deliberate or make a decision regarding the designation and compensation of members of the Employees' Retirement System Medical Board which requires the consideration of information that must be kept confidential pursuant to State law and, to the extent applicable, to conduct discussions and deliberations relating to procurements that are exempt from Chapter 103D, to the extent that it would be required to be done confidentially if subject to Chapter 103D, 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 foregoing; appropriate action.
3. Executive Session, pursuant to HRS § 92-5(a)(2) and (4), to discuss the Chapter 76, HRS exempt staff of the Employees' Retirement System, with respect to the Evaluations and use of Not-to-Exceed Employment Dates, where matters affecting privacy will be involved, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities; appropriate action.
4. Executive Session, pursuant to HRS§ 92-5(a)(2) and (4), to discuss the compensation recommendations of Chapter 76, HRS exempt Executive Director, Chief Investment Officer, Deputy Chief Investment Officer, and Investment Officers of the Employees' Retirement System, and to evaluate such staff, as may be necessary, where matters affecting privacy will be involved, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities; appropriate action.
5. Executive Session, pursuant to HRS §92-5(a)(8), to Review and Approve Executive Session Minutes of March 11, 2024.

ADJOURNMENT

If you require auxiliary aid/service or other accommodation due to a disability, please contact Dale Kehau Kanae at (808) 586-1706 or dale.kanae@hawaii.gov as soon as possible, preferably by Thursday, May 9, 2024, and the ERS will try to obtain the auxiliary aid/service or accommodation, but cannot guarantee that the request can be fulfilled.

Upon request, this notice can be made available in large print.

JOSH GREEN, M.D.
GOVERNOR



THOMAS WILLIAMS
EXECUTIVE DIRECTOR

STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

May 14, 2024

TO: Board of Trustees
Employees' Retirement System of the State of Hawaii

FROM: Thomas Williams, Executive Director
Employees' Retirement System of the State of Hawaii

SUBJECT: Final 2024 Legislative Session Update

Attached is an updated list of select ERS-initiated or ERS-related bills with status updates for the 2024 Legislative Session, which ended May 3, 2024.

Action: Receive and file

Attachment



Employees' Retirement System
of the State of Hawaii

City Financial Tower • 201 Merchant Street, Suite 1400 • Honolulu, Hawaii 96813-2980
Telephone (808) 586-1735 • Fax (808) 586-1677 • <http://ers.ehawaii.gov>

2024 ERS Related Legislation

#	Bill No	Subject	Title	Summary	Final Status	ERS STAFF NOTES
1	SB3070 HD1 CD1	ERS; Funding Period	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM FUNDING PERIOD.	Lowering the Employees' Retirement System's funding period to amortize the System's total unfunded accrued liability.	S 5/2/2024: Enrolled to Governor.	<p>1/30 - Letters sent to Committee Chairs to request our bill to be scheduled for a hearing</p> <p>2/6 - LBT scheduled a hearing for 2/9 at 3:15pm</p> <p>2/8 - ERS submitted testimony to support the measure</p> <p>2/9 - LBT recommends that the measure be passed as is, unamended</p> <p>2/20 - Letters sent to WAM Committee Chair & Vice Chair to request our bill to be scheduled for a hearing</p> <p>2/23 - WAM scheduled a hearing for 2/28 at 10:01am</p> <p>2/26 - ERS submitted testimony to support the measure</p> <p>2/28 - WAM recommends that the measure be passed as is, unamended</p> <p>CROSSED OVER</p> <p>3/7 - Letters sent to Committee Chairs to request our bill to be scheduled for a hearing</p> <p>3/11 - LGO scheduled a hearing for 3/14 at 9:15am</p> <p>3/12 - ERS submitted testimony to support the measure</p> <p>3/14 - LGO recommends that the measure be passed with amendments</p> <p>3/25 - Request ltr sent to FIN Chair to sched for a hearing; scheduled for 3/28 at 3:30pm</p> <p>3/27 - ERS submitted testimony to support the measure</p> <p>3/28 - FIN recommends that the measure be passed as is, unamended</p> <p>SECOND CROSSOVER</p> <p>4/5 - Senate disagrees with House amendments</p> <p>4/19 - CC scheduled for 4/22 at 10:01am. Reconvene on 4/23 at 10:01am & 4/24 at 10:15am</p> <p>4/24 - CC recommends that the measure be passed with amendments</p> <p>5/1 - Senate Passed Final Reading, as amended (CD 1).</p> <p>5/1 - House Passed Final Reading as amended in CD 1.</p> <p>ENROLLED TO GOVERNOR</p>
2	HB2382 HD1 SD1	Employees' Retirement System; Service-Connected Disability; Accidental Death	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Clarifies the Employees' Retirement System's eligibility requirement definitions for service-connected disability and accidental death benefits.	<p>S 3/20/2024: Report adopted; Passed Second Reading, as amended (SD 1) and referred to JDC/WAM.</p> <p>Bill was not scheduled for a hearing by the Second Decking Deadline 4/5/2024</p>	<p>1/30 - Letters sent to Committee Chairs to request our bill to be scheduled for a hearing</p> <p>2/2 - LGO scheduled a hearing for 2/6 at 9:15am</p> <p>2/5 - ERS submitted testimony to support the measure</p> <p>2/6 - LGO recommends that the measure be passed with amendments</p> <p>2/20 - Letters sent to FIN Committee Chair & Vice Chair to request our bill to be scheduled for a hearing</p> <p>2/23 - FIN scheduled a hearing for 2/27 at 2:00pm</p> <p>2/26 - ERS submitted testimony to support the measure</p> <p>2/27 - FIN recommends that the measure be passed as is, unamended</p> <p>CROSSED OVER</p> <p>3/8 - Letters sent to Committee Chairs to request our bill to be scheduled for a hearing</p> <p>3/8 - LBT scheduled a hearing for 3/13 at 3:00pm</p> <p>3/12 - ERS submitted testimony to support the measure</p> <p>3/13 - LBT recommends that the measure be passed with amendments</p> <p>3/25 - Letter sent to JDC and WAM Chairs to request our bill to be scheduled for a hearing</p>

2024 ERS Related Legislation

#	Bill No	Subject	Title	Summary	Final Status	ERS STAFF NOTES
3	HB2385	ERS; Personnel; Civil Service; Exemption	RELATING TO EMPLOYEES' RETIREMENT SYSTEM PERSONNEL.	Amends section 76-16(b), Hawaii Revised Statutes, to exempt the Deputy Executive Director, Chief Compliance Officer, and branch managers of the Employees' Retirement System of the State of Hawaii from civil service.	H 2/6/2024: The committee(s) on LGO recommend(s) that the measure be deferred.	1/30 - Letters sent to Committee Chairs to request our bill to be heard 2/2 - LGO scheduled a hearing for 2/6 at 9:15am 2/5 - ERS submitted testimony to support the measure 2/6 - LGO recommends that the measure be deferred
4	SB3099 SD2 HD1	ERS; Credited Service; Benefits	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Reduces the minimum number of years of credited service qualified Tier 2 Employees' Retirement System members must have to be eligible for vested benefit status for service retirement allowance purposes from ten years to five years. Appropriates funds for investments of the ERS.	H 3/21/2024: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with Representative(s) Garcia voting aye with reservations; Representative(s) Pierick voting no (1) and Representative(s) Martinez, Nakashima excused (2). Bill was not scheduled for a hearing by the Second Decking Deadline 4/5/2024	2/6 - LBT scheduled a hearing for 2/9 at 3:15pm 2/8 - ERS submitted testimony to support the measure 2/9 - LBT recommends that the measure be passed with amendments 2/28 - WAM scheduled a hearing for 3/1 at 9:55am 2/29 - ERS submitted testimony to support the measure 3/1 - WAM recommends that the measure be passed with amendments CROSSED OVER 3/15 - LGO scheduled a hearing for 3/19 at 10:00am 3/17 - ERS submitted testimony to support the measure 3/19 - LGO recommends that the measure be passed with amendments

2024 ERS Related Legislation

#	Bill No	Subject	Title	Summary	Final Status	ERS STAFF NOTES
5	HB1800 HD1 SD1 CD1	State Budget	RELATING TO THE STATE BUDGET.	Adjusts and requests appropriations for fiscal biennium 2023-2025 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.	S 5/3/2024: Received notice of passage on Final Reading in House (Hse. Com. No. 830).	3/4 - FIN scheduled a hearing for 3/6 at 10:00am 3/6 - FIN recommends that the measure be passed with amendments CROSSED OVER 3/15 - WAM scheduled a hearing for 3/20 at 10:00am 3/20 - WAM deferred the measure until 3/27 at 10:00am 3/27 - WAM recommends that the measure be passed with amendments SECOND CROSSOVER 4/5 - House disagrees with Senate amendments 4/12 - CC scheduled for 4/15 at 5:00pm (Reconvened several times until 4/23 at 5:00pm) 4/23 - CC recommends that the measure be passed with amendments 4/23 - Reported to House from Conference Committee (Conf Com. Rep. No. 1-24) as amended in (CD 1). 4/26 - Senate Passed Final Reading, as amended (CD 1). 5/1 - House FA No. 13 offered by Rep. Pierick. FA failed. Passed Final Reading as amended in CD 1 TRANSMITTED TO GOVERNOR 5/3 - Senate received notice of House agreement and passage on Final Reading
6	SB582 SD2 HD1 CD1	Wildfires; Expenditure Ceiling; Emergency Appropriation	RELATING TO STATE BUDGET.	Appropriates funds to support the State's response to the August 2023 wildfires that affected the county of Maui. Declares that the general fund expenditure ceiling is exceeded. (SD1)	S 5/3/2024: Act 010, 05/03/2024 (Gov. Msg. No. 1110).	2/14 - WAM recommends that the measure be passed with amendments 2/21 - WAM deferred the measure 2/29 - WAM recommends that the measure be passed with amendments 3/4 - Governor Message (GM4) - Recommendation for immediate passage CROSSED OVER 3/7 - Governor Message (GM6) - Corrects a typo in GM4 4/3 - FIN recommends that the measure be passed with amendments 4/5 - Passed Second Reading as amended in HD 1 4/9 - Passed Third Reading SECOND CROSSOVER 4/11 - Senate disagrees with House amendments. 4/22 - CC will reconvene on 4/23 at 2:00pm 4/23 - Received notice of change in Senate conferees 4/24 - CC will reconvene on 4/25 at 2:00pm 4/25 - CC recommends that the measure be passed with amendments 4/26 - Reported from Conference Committee as amended CD 1 (Conf. Com. Rep. No. 184-24). 5/1 - Senate Passed Final Reading, as amended (CD 1). 5/1 - House Passed Final Reading as amended in CD 1. ENROLLED TO GOVERNOR 5/3 - GOVERNOR SIGNS INTO LAW - ACT 010

2024 ERS Related Legislation

#	Bill No	Subject	Title	Summary	Final Status	ERS STAFF NOTES
7	HB40 SD1 CD2	Mandatory Tax Credit; Emergency and Budget Reserve Fund; Other Post-Employment Benefits Trust Fund; Constitution; Appropriations	RELATING TO THE GENERAL FUND.	Provides a tax credit to taxpayers and makes deposits to the emergency and budget reserve fund and other post-employment benefits trust fund pursuant to article VII, section 6, of the Hawaii State Constitution. Appropriates funds. Effective 7/1/2050. (SD1)	H 5/3/2024: Transmitted to Governor.	4/24 - House & Senate Conferees Appointed 4/24 - CC scheduled for 4/25 at 4:30pm 4/25 - CC will reconvene on 4/26 at 2:00pm 4/26 - CC will reconvene on 4/26 at 4:00pm, 4:45pm, and 5:45pm 4/26 - CC recommends that the measure be passed with amendments 5/1 - House Floor Amendment (FA) No. 10 offered by Rep. Yamashita. FA adopted as amended CD 2. 5/1 - Senate Floor Amendment (FA) No. 8 offered. FA adopted as amended (CD 2). Separated Committee Report. Report filed. 48 Hrs. Notice (as amended CD 2) 05-03-24 5/3 - Passed Final Reading in Senate 5/3 - Passed Final Reading in House TRANSMITTED TO GOVERNOR
8	HB2395 HD1 SD2	Militia; National Guard; Employees' Retirement System	RELATING TO THE HAWAII NATIONAL GUARD.	Exempts Hawaii National Guard service members activated by the Governor or the Governor's designated representative to state active duty from enrollment in the Employees' Retirement System of the State of Hawaii.	S 4/22/2024: Received notice of House agreement and passage on Final Reading (Hse. Com. No. 782).	2/6 - LGO/CMV scheduled a hearing for 2/14 at 9:10am 2/12 - ERS submitted comments 2/14 - LGO/CMV recommends that the measure be passed with amendments 2/23 - FIN scheduled a hearing for 2/27 at 2:00pm 2/26 - ERS submitted comments 2/27 - FIN recommends that the measure be passed as is, unamended CROSSED OVER 3/12 - PSM/LBT scheduled a hearing for 3/15 at 3:00pm 3/13 - ERS submitted comments 3/15 - PSM/LBT recommends that the measure be passed with amendments 4/1 - WAM scheduled a hearing for 4/3 at 10:30am 4/1 - ERS submitted comments 4/3 - WAM recommends that the measure be passed with amendments SECOND CROSSOVER 4/11 - House disagrees with Senate amendments 4/18 - House reconsiders action taken on 4-11-24 & agrees with Senate amendments 4/19 - House passed Final Reading as amended in SD2 TRANSMITTED TO GOVERNOR 4/22 - Senate received notice of House agreement and passage on Final Reading

2024 ERS Related Legislation

#	Bill No	Subject	Title	Summary	Final Status	ERS STAFF NOTES
9	HB1832 HD1 SD2 CD1	State Departments; Department of Human Resources Development; Civil Service; Minimum Qualification Review	RELATING TO HIRING.	Authorizes a state department, division, or agency, rather than the Department of Human Resources Development, to conduct a minimum qualification review of applicants for vacant positions within the department, division, or agency. Requires the Department of Human Resources Development to provide state departments, divisions, and agencies the applications received for vacancies under certain circumstances.	S 5/3/2024: Received notice of passage on Final Reading in House (Hse. Com. No. 830).	1/29 - LGO scheduled a hearing for 2/1 at 9:00am 2/1 - LGO deferred measure until 2/6 at 9:15am 2/6 - LGO recommends that the measure be passed with amendments 2/27 - FIN scheduled a hearing for 2/27 at 2:00pm 2/27 - FIN recommends that the measure be passed as is, unamended CROSSED OVER 3/11 - LBT/GVO scheduled a hearing for 3/14 at 3:20pm 3/14 - LBT/GVO recommends that the measure be passed with amendments 4/1 - WAM scheduled a hearing for 4/3 at 10:30am 4/3 - WAM recommends that the measure be passed with amendments SECOND CROSSOVER 4/11 - House disagrees with Senate amendments 4/19 - CC scheduled for 4/22 at 10:05am (Reconvened several times until 4/26 at 10:15am) 4/26 - CC recommends that the measure be passed with amendments 4/26 - Reported from Conference Committee (Conf Com. Rep. No. 102-24) as amended in (CD 1). 5/1 - Senate Passed Final Reading, as amended (CD 1). 5/1 - House Passed Final Reading as amended in CD 1 TRANSMITTED TO GOVERNOR 5/3 Senate received notice of passage on Final Reading in House
10	HB1598 HD1 SD2	Sunshine Law; Board Packet; Public Inspection; Notice; Testimony	RELATING TO THE SUNSHINE LAW.	Establishes that board packets shall be made available for public inspection no later than two business days, rather than forty-eight hours, before a board meeting. Clarifies that public testimony may be submitted to the board before the meeting.	S 5/3/2024: Act 011, 05/03/2024 (Gov. Msg. No. 1111).	2/21 - JHA scheduled a hearing for 2/23 at 2:00pm 2/23 - JHA recommends that the measure be passed with amendments CROSSED OVER 3/11 - GVO scheduled a hearing for 3/14 at 3:00pm 3/14 - GVO deferred the measure until 3/19 at 3:00pm 3/19 - GVO recommends that the measure be passed with amendments 3/27 - JDC scheduled a hearing for 4/2 at 10:05am 4/2 - JDC recommends that the measure be passed with amendments SECOND CROSSOVER 4/11 - House disagrees with Senate amendments 4/16 - House reconsiders action taken on 4-11-24 4/17 - House agrees to Senate amendment(s). Passed Final Reading as amended in SD 2. TRANSMITTED TO GOVERNOR 4/18 - Senate received notice of House agreement and passage on Final Reading 5/3 - GOVERNOR SIGNS INTO LAW - ACT 011

2024 ERS Related Legislation

#	Bill No	Subject	Title	Summary	Final Status	ERS STAFF NOTES
11	HB1599 HD1 SD2	Public Meetings; Remote Testimony; Visibility	RELATING TO THE SUNSHINE LAW.	Requires public meeting notices to inform members of the public how to provide remote oral testimony in a manner that allows the testifier, upon request, to be visible to board members and other meeting participants.	S 5/3/2024: Act 012, 05/03/2024 (Gov. Msg. No. 1112).	2/21 - JHA scheduled a hearing for 2/23 at 2:00pm 2/23 - JHA recommends that the measure be passed with amendments CROSSED OVER 3/11 - GVO scheduled a hearing for 3/14 at 3:00pm 3/14 - GVO deferred the measure until 3/19 at 3:00pm 3/19 - GVO recommends that the measure be passed with amendments 3/27 - JDC scheduled a hearing for 4/2 at 10:05am 4/2 - JDC recommends that the measure be passed with amendments SECOND CROSSOVER 4/11 - House disagrees with Senate amendments 4/16 - House reconsiders action taken on 4-11-24 4/17 - House agrees to Senate amendment(s). Passed Final Reading as amended in SD 2. TRANSMITTED TO GOVERNOR 4/18 - Senate received notice of House agreement and passage on Final Reading 5/3 - GOVERNOR SIGNS INTO LAW - ACT 012
12	HB1600 HD1 SD2	Sunshine Law; Permitted Interaction Groups; Scheduling; Open Meetings	RELATING TO OPEN MEETINGS.	Requires that a board may only schedule a meeting for discussion and decisionmaking on a report by an investigative group six days after the investigative group has made a report of its findings to the board.	S 5/3/2024: Act 013, 05/03/2024 (Gov. Msg. No. 1113).	2/21 - JHA scheduled a hearing for 2/23 at 2:00pm 2/23 - JHA recommends that the measure be passed with amendments CROSSED OVER 3/11 - GVO scheduled a hearing for 3/14 at 3:00pm 3/14 - GVO deferred the measure until 3/19 at 3:00pm 3/19 - GVO recommends that the measure be passed with amendments 3/27 - JDC scheduled a hearing for 4/2 at 10:05am 4/2 - JDC recommends that the measure be passed with amendments SECOND CROSSOVER 4/11 - House disagrees with Senate amendments 4/16 - House reconsiders action taken on 4-11-24 4/17 - House agrees to Senate amendment(s). Passed Final Reading as amended in SD 2. TRANSMITTED TO GOVERNOR 4/18 - Senate received notice of House agreement and passage on Final Reading 5/3 - GOVERNOR SIGNS INTO LAW - ACT 013
13	GM704	Board of Trustees of the Employees' Retirement System		Submitting for consideration and confirmation to the Board of Trustees of the Employees' Retirement System, Gubernatorial Nominee, VINCENT BARFIELD, for a term to expire 06-30-2030.	S 5/1/2024: Confirmed. Ayes, 25. Aye(s) with reservations: none. Noes, 0 (none). Excused, 0 (none).	3/28 - Referred to LBT 4/9 - Senate committee on LBT has scheduled a public hearing on 04-16-24 10:00AM; CR 225 4/16 - LBT recommendation is to ADVISE AND CONSENT to the nomination 4/26 - Senate Reported from LBT (Stand. Com. Rep. No. 3943) with recommendation to Advise and Consent. 5/1 - Senate Confirmed. Ayes, 25. Aye(s) with reservations: none. Noes, 0 (none). Excused, 0 (none). CONFIRMED

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

MARCH 11, 2024

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

Trustees present: Mr. Emmitt Kane, Chair* (in person)
(by teleconference) Mr. Vincent Barfield*
Dr. Catherine Chan*
Dr. Genevieve Ley*
Mr. Bennett Yap*

Trustees absent: Mr. Lance Mizumoto, Vice Chair
Mr. Luis Salaveria

Staff present: Mr. Thomas Williams, Executive Director*
(City Financial Tower Mr. Kona Mann, Chief Compliance Officer*
by teleconference) Mr. Bart Asato, Program Specialist*
Mr. James Greubel, Program Specialist*
Ms. Shanna Sakagawa, Program Specialist*
Mr. Keith Miyamoto, Information Services Branch Manager*
Ms. Sandra Straub, Information Services Systems Supervisor*
Mr. Karl Kaneshiro, Retirement Benefits Branch Manager
Ms. Lori Kobayashi, Retirement Benefits Branch General Professional
Ms. Kristin Varela, Chief Investment Officer*
Mr. Anthony Goo, Deputy Chief Investment Officer*
Mr. Aaron Au, Investment Officer – Private Equity
Ms. Christine Chang, Investment Officer – Diversifying Strategies*
Mr. Andrew Chen, Investment Officer – Credit Markets
Mr. Ian Wetzel, Investment Officer – Real Assets
Ms. Gerri Konishi, Member Home Loan Assistant
Ms. Dale Kehau Kanae, Recording Secretary*
Ms. Lori Kim, Secretary*
Ms. Andrea Gasper, Secretary*
Ms. Diana Gomes, Secretary

Attorney present: Ms. Jenny Nakamoto, Deputy Attorney General*
(by teleconference) Ms. Lori Tanigawa, Deputy Attorney General*
Ms. Elmira Tsang, Deputy Attorney General*
Ms. Diane Wong, Deputy Attorney General*

Guests present: Mr. Peter Hanashiro, KMH LLP
(by teleconference) Mr. Alfred Ko, RSM US LLP
Ms. Samantha Rosenstock, Man Solutions (FRM Man)
Mr. Colin Bebee, Meketa Investment Group, Inc.

Public present: Mr. Douglas Appell, Pensions & Investments
(by teleconference) Mr. Joe Ebisa, With Intelligence
Mr. Roman Mahi

*Attended Executive Session.

QUORUM/CALL TO ORDER

A quorum being present (Chair Kane, Trustees Barfield, Chan, Ley, 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 10:02 a.m. and requested each Trustee identify themselves and confirm that they are the only ones present at their remote location while attending the meeting. Each of the Trustees present confirmed same.

On a motion made by Trustee Barfield, seconded by Trustee Ley, and unanimously carried, to be able to hold a meeting allowing Trustees and members of the public to participate by interactive conference technology, pursuant to HRS §92-3.7, with at least one meeting location open to the public that has audiovisual connection.

PUBLIC COMMENT

Chair Kane called for public comment. There was no public present in person, however, three (3) members of the public were present by teleconference, but they had no public comment. Also, no written testimony was received for this meeting.

RESOLUTION PRESENTED TO KARL KANESHIRO

Chair Kane, on behalf of the ERS Board of Trustees, presented a Resolution to Mr. Kaneshiro, Retirement Benefits Branch Manager, and thanked him for his dedication of nearly 40 years of service to the ERS. Mr. Kaneshiro shared parting words with the Board and ERS staff attending the meeting.

Chair Kane announced that agenda items would be taken out of order starting with the Committee Reports, New Business Items 3, 4, 5, and 6.

REPORT BY THE ADMINISTRATIVE & AUDIT COMMITTEE

Administrative & Audit Committee (Committee) Chair Chan reported to the Board that the Committee met on January 31, and March 4, 2024, and she was elected Chair and Trustee Barfield as Vice Chair. The Committee reviewed and accepted changes provided by the Compliance Support Staff and auditor's KMH LLP to the Committee Charters, as reported to the Board at the last meeting regarding consistency of annual review times within each of the Administrative and Audit Committee, Internal Audit, and Ethics and Compliance Charters. The Charter review also included an assessment of the Committee's performance during 2023. The Committee is requesting the Board's approval. (The Charters are attached to these minutes for clarification.)

REVIEW AND DISCUSS THE ADMINISTRATIVE AND AUDIT COMMITTEE AND INTERNAL AUDIT CHARTERS TO INCLUDE ADMINISTRATIVE AND AUDIT COMMITTEE PERFORMANCE

On a motion made by Committee Chair Chan, seconded by Committee Vice Chair Barfield, and unanimously carried, the Board approved, as recommended by the Administrative and Audit Committee, the Administrative and Audit Committee, Internal Audit, and Ethics and Compliance Charters as presented.

KMH LLP's 2024 INTERNAL AUDIT REPORT AND UPDATE ON COMPLETED AND IN-PROGRESS PROJECTS

KMH LLP's Peter Hanashiro and RSM US LLP's Alfred Ko joined the meeting by teleconference and presented an oral and written report to the Board on KMH LLP's 2024 Internal Audit Report and Update on Completed and In-Progress Projects and discussed in summary:

PROPOSED INTERNAL AUDIT PLAN – January 1, through December 31, 2024

On a motion made by Committee Chair Chan, seconded by Committee Vice Chair Barfield, and unanimously carried, the Board accepted the recommendation by the Committee and approved KMH LLP's 2024 Internal Audit Report as presented.

After their presentation, Messrs. Hanashiro and Ko left the meeting by ending their teleconference.

COMPLIANCE SUPPORT STAFF REPORT AND UPDATE

Chair Kane discussed with the Board that the Compliance Support Staff Report and Update by Chief Compliance Officer (CCO) Kona Mann was likely included in KMH LLP's 2024 Internal Audit Report and unless the Committee had further questions for CCO Mann, he recommended proceeding to the next agenda item. The Committee had no questions for CCO Mann.

REVIEW HAWAII ADMINISTRATIVE RULES §6-24, ELECTION OF MEMBERS AND RETIRANT OF THE SYSTEM TO THE BOARD OF TRUSTEES GOVERNING THE ELECTED TRUSTEES NOMINATION PROCESS; FOR APPROPRIATE ACTION

Program Specialist (PS) Bart Asato presented an oral and written report on the Hawaii Administrative Rules (HAR) §6-24, Election of Members and Retirant of the System to the Board of Trustees Governing the Elected Trustees Nomination Process to the Board stating that the Committee recommends making the following changes to the HAR by adding to:

- §6-24-3(2). For identification and verification purposes, alternatives to the last four digits of the Social Security Number.
 - ERS Alternate ID.
 - Month and Day of Birth
- §6-24-3. Notice to submit petition to be published in a newspaper of general circulation.
 - Other means of advertisement (staff to research other options such as social media).

PS Asato further reported to the Board that the Committee also recommended ERS staff pursue procurement of electronic voting, which is stated in the HAR as §6-24-4.01, Electronic voting authorized.

Trustee Ley requested that the employee identification number be added to §6-24-3(2) alternatives to the last four digits of the Social Security Number. However, in the Committee meeting, ERS staff only agreed to consider it if the information was readily available within the ERS system, which it was reported was not. Trustee Ley stated that although the employee identification number is not known to ERS, she would like it to be included as an added amendment as it could be helpful in the future.

Chair Kane suggested that the Board consider the recommendations agreed by the Committee and that consideration regarding the employee identification number be discussed further within the Committee.

On a motion made by Committee Chair Chan, seconded by Committee Vice Chair Barfield, and unanimously carried, the Board approved, as recommended by the Committee, that sections of the Hawaii Administrative Rules be updated as described above to §6-24-3(2), to include ERS alternate identification, and month and day of birth, as options of alternate identification alternatives to the last four digits of the Social Security Number; and to §6-24-3, other means of advertisement such as social media, as an option to publishing in a newspaper (options to be researched by ERS staff). The Board also approved, as recommended by the Committee, that staff pursue procurement of electronic voting.

REPORT BY THE LEGISLATIVE COMMITTEE

REVIEW AND APPROVE THE LEGISLATIVE COMMITTEE CHARTER TO INCLUDE EVALUATION OF COMMITTEE PERFORMANCE FOR 2023

Legislative Committee (Committee) Chair Yap reported to the Board that the Committee last met on February 2, 2024, and re-elected him as Chair and elected Trustee Ley as Vice Chair. Committee Chair Yap stated that the Committee reviewed and accepted the Legislative Committee Charter that included the performance evaluation of the Committee for 2023 and approval was requested by the Board. (The Charter is attached to these minutes for clarification.)

On a motion made by Committee Chair Yap, seconded by Trustee Barfield, and unanimously carried, the Board approved, as recommended by the Legislative Committee, the Legislative Charter and evaluation of the performance of the Committee for 2023, as presented.

REVIEW AND APPROVE THE LEGISLATIVE PROPOSALS RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

Committee Chair Yap further reported that the Committee accepted the Lists of Legislative Proposals Relating to the ERS for the 2024 Legislative Session and Program Specialist Bart Asato reviewed and updated the Board on the status of the Legislative Proposals as presented. (The lists are attached to these minutes for clarification.)

FOR THE 2024
LEGISLATIVE SESSION
FOR RECOMMENDATION
(INCLUDED ON
SCHEDULE A)

Committee Chair Yap thanked the ERS staff for their hard work during the session.

DISCUSSION OF
POTENTIAL
LEGISLATIVE
PROPOSALS RELATING
TO THE EMPLOYEES'
RETIREMENT SYSTEM

Committee Chair Yap requested any ideas and suggestions from the Board for any future Potential Legislative Proposals Relating to the Employees' Retirement System. Chair Kane suggested a discussion by the Board after the conclusion of the Legislative Session, taking into consideration any Legislative Proposals that may have passed or not. Chair Yap agreed to table the discussion and requested that the Board think about any potential Legislative Proposals until such time.

REPORT BY THE HUMAN
RESOURCES COMMITTEE

Human Resources Committee (Committee) Chair Barfield reported to the Board that the Committee last met on February 12, 2024, and he was elected Chair and Trustee Ley elected as Vice Chair. Committee Chair Barfield stated that the Committee reviewed and accepted the Human Resources Committee Charter, as presented, including the performance evaluation of the Committee for 2023, approval was requested by the Board; the Committee also reviewed the timeline for 2024, meetings will be focused on exempt staff compensation supported by performance review recommendations; and finally the Committee will be reviewing the exempt staff compensation plan, a framework established last year that will continue to be used this year.

REVIEW AND
APPROVE THE HUMAN
RESOURCES
COMMITTEE CHARTER
TO INCLUDE
EVALUATION OF
COMMITTEE
PERFORMANCE FOR
2023

On a motion made by Committee Chair Barfield, seconded by Committee Vice Chair Ley, and unanimously carried, the Board approved, as recommended by the Human Resources Committee, the Human Resources Committee Charter which included the evaluation of the performance of the Committee for 2023, as presented. (The Charter is attached to these minutes for clarification.)

REPORT BY THE
INVESTMENT COMMITTEE

In the absence of Investment Committee (Committee) Chair Mizumoto, Vice Chair Yap reported to the Board that the Committee last met on February 20, 2024, and reviewed and accepted the Investment Committee Charter that included the performance evaluation of the Committee for 2023, approval was requested by the Board; reviewed the Total Fund Performance Q4 for 2023; and reviewed the Alternative Asset Class Performance Diversifying Strategies Q4 2023.

REVIEW AND APPROVE
THE INVESTMENT
COMMITTEE CHARTER
TO INCLUDE
EVALUATION OF
COMMITTEE
PERFORMANCE FOR 2023

On a motion made by Vice Chair Yap, seconded by Trustee Ley, and unanimously carried, the Board approved, as recommended by the Investment Committee, the Investment Committee Charter which included the evaluation of the performance of the Committee for 2023, as presented. (The Charter is attached to these minutes for clarification.)

REVIEW TOTAL FUND
PERFORMANCE Q4
2023

Chief Investment Officer (CIO) Kristin Varela reported the remainder of the Committee items to the Board starting with the Review Total Fund Performance Q4 2023. Meketa Investment Group Inc.'s Colin Bebee presented an oral and written report to the Board on the Total Fund Performance Q4 2023 and highlighted:

INTRODUCTION

Portfolio Valuation

Performance vs. Policy Benchmark and Median Public Fund

Asset Allocation vs. Target as of December 31, 2023

Hawaii ERS vs. Public Fund Peers

REVIEW TOTAL FUND
PERFORMANCE Q4
2023 (CONT'D)

- On a risk-unadjusted basis, the ERS Total Portfolio outperformed the Median Public Fund Peer Group over the trailing 3-, 5-, 10-, and 20-year periods. The ERS has also closely matched the Median Public Fund since inception.
- On a risk-adjusted basis, the ERS Total Portfolio has consistently, and materially, outperformed relative to the Median Public Fund over most time periods. This is indicative of a more efficient (i.e., higher return per unit of risk) portfolio that was explicitly constructed by the ERS over the last several asset-liability studies.

ERS PORTFOLIO REVIEW

Performance Attribution vs. Policy Benchmark – Trailing 1-Year ending December 31, 2023

Performance Attribution vs. Policy Benchmark – Trailing 5-Year ending December 31, 2023

Asset Class Performance Summary

REVIEW
ALTERNATIVE ASSET
CLASS PERFORMANCE
DIVERSIFYING
STRATEGIES Q4 2023

CIO Varela further reported to the Board that Investment Officer – Diversifying Strategies (IO-DS) Christine Chang would give an overview of the portfolio, joined by Man Solutions (MS) Samantha Rosenstock, who would Review the Alternative Asset Class Performance Diversifying Strategies for Q4 2023.

IO-DS Chang and MS's Ms. Rosenstock, presented an oral and written report to the Board and highlighted:

OVERVIEW OF THE PORTFOLIO

Diversifying Strategies – Liquid Diversifying (DS-LD)

- SLC Intermediate Treasury account was launched in December, supported by four manager redemptions.
- Despite the strong performance in Q2 and Q3, DS-LD class finished the year underperforming the benchmark due to a challenging final quarter. This resulted in net DS-LD performance of -1.51% vs. the benchmark performance of 4.56% for 2023.
- DRC and STF components were the largest source of negative performance whereas DA and TADC contributed positively.
- DS-LD finished the year in a slight positive territory driven by gains in converts and fixed income which offset the losses coming from equities and FX.

Diversifying Strategies – Illiquid Diversifying (DS-ID)

- DS-ID finished the year with 9.30% net performance, vs. benchmark performance of 12.45%. The benchmark for DS-ID is an insurance-linked index, while the DS-ID portfolio contains GP stakes, litigation finance, private assets, and multi-strategy mandates in addition to insurance-linked mandates.

Chair Kane asked if the Board had any questions, there were no questions, therefore, Ms. Rosenstock left the meeting.

DISCUSS 2024 BOARD OF
TRUSTEES ELECTION OF
OFFICERS AND
COMMITTEE
ASSIGNMENTS

Chair Kane continued with the remainder of New Business agenda Items 1, 2, and 7, and discussed with the Board the Committee Assignments thanking those Trustees serving as Chair and Vice Chair. (A revised 2024 ERS Board Officers & Committee Assignments list is attached to these minutes for clarification.)

REPORT BY THE
GOVERNANCE POLICY
COMMITTEE

Chair Kane reported to the Board that it has been a while since the Governance Policy Committee (Committee) last met, however, requested a discussion to consider modifications to the Committee.

CONSIDERATION OF
MODIFYING THE
MEETING SCHEDULE
AND REPORTING
REQUIREMENTS OF
THE GOVERNANCE
POLICY COMMITTEE

Chair Kane discussed with the Board that the Committee was established to ensure consistency of all Committee Charters, procedures, and processes as some responsibilities were being transitioned from the Board to each of the Committees. Chair Kane stated that since the transition has been completed, and because final approvals are decided by the full Board, it makes sense to suspend the Committee at this time. Chair Kane also requested that the Committee Charter reflect changes that the Committee meet at such times as it deems necessary, and that the Committee's Charter and performance evaluation be reviewed periodically. Chair Kane asked the Board if there were any discussion or opposition to the requested changes. The Board agreed to the suggested changes and there was no opposition.

REVIEW AND
APPROVE THE
GOVERNANCE POLICY
COMMITTEE CHARTER

On a motion made by Chair Kane, seconded by Trustee Ley, and unanimously carried, the Board approved the recommended changes to the Governance Policy Committee Charter, as discussed and presented. (The Charter is attached to these minutes for clarification.)

DISCUSS AND APPROVE
BUDGET RELATING TO
THE EMPLOYEES'
RETIREMENT SYSTEM
2024 INVESTMENT
SUMMIT

ED Williams and Deputy Chief Investment Officer (DCIO) Anthony Goo discussed and presented to the Board the Budget Relating to the ERS 2024 Investment Summit.

DCIO Goo discussed with the Board that the ERS 2024 Investment Summit would be held from October 15-18, 2024, and the site location would be the Island of Hawaii. As presented, properties considered and evaluated included the Fairmont Orchid, Four Seasons Hualalai, Westin Hapuna Beach, and Hilton Waikoloa Village. Using a variety of scoring criteria, the Four Seasons Hualalai was selected to be the best venue with an estimated budget of \$63,573.00. ED Williams requested the Board's approval of the ERS 2024 Investment Summit by contracting with the Four Seasons Hualalai and approval of an estimated budget of \$63,573.00.

On a motion made by Trustee Ley, seconded by Trustee Barfield, and unanimously carried, the Board approved the budget relating to the ERS 2024 Investment Summit in the amount of \$63,573.00, as presented.

APPROVAL OF MINUTES
– JANUARY 8, 2024

On a motion made by Trustee Yap, seconded by Trustee Barfield, and unanimously carried, the Board approved the Minutes of January 8, 2024, as presented.

PUBLIC COMMENT

Chair Kane called for public comment. There were no public comments from public members attending.

Chair Kane identified all the participants in Executive Session, the Board, staff members, Deputy Attorneys general, and Guests are identified with an asterisk on these minutes and listed on the Executive Session Minutes.

Chair Kane provided the reason to enter into Executive Session:

Executive Session, pursuant to HRS §92-5(a)(2), (4), (6) and (8), to evaluate the performance of duties and compensation of the Employees' Retirement System's personnel where consideration of matters affecting privacy will be involved, and to consider and 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 Evaluations and the Use of Not-to-Exceed Employment Dates; and to consider sensitive matters related

to Cyber Security Updates; and to deliberate and make a decision on the approval of Executive Session Minutes which are confidential under State law.

ENTER EXECUTIVE SESSION

On a motion made by Trustee Ley, seconded by Trustee Chan, and unanimously carried, the Board entered into Executive Session at 11:08 a.m.

(Public participation concluded by ending the teleconference link.)

All attendees participating by teleconference affirmed that no other persons were in their rooms or able to listen in on their audio or audiovisual connection. Recording Secretary Dale Kehau Kanae confirmed that no unauthorized persons were in the conference room or able to listen in via audio or audiovisual connection while on the teleconference.

EXECUTIVE SESSION

- Pursuant to HRS §92-5(a)(4) and (6), to consider and consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities, and to consider sensitive matters related to Cyber Security Updates.
- Pursuant to HRS § 92-5(a)(2) and (4), to evaluate the performance of duties and compensation of Employees’ Retirement System’s personnel, where consideration of matters affecting privacy will be involved, 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 Evaluations and the Use of Not-to-Exceed Employment Dates; appropriate action.
- Pursuant to HRS §92-5(a)(8), to Review and Approve Executive Session Minutes of January 8, 2024.

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(4)
AND (6), TO CONSIDER AND
CONSULT WITH THE BOARD’S
ATTORNEYS ON QUESTIONS
AND ISSUES PERTAINING TO
THE BOARD’S POWERS,
DUTIES, PRIVILEGES,
IMMUNITIES, AND
LIABILITIES, AND TO
CONSIDER SENSITIVE
MATTERS RELATED TO
CYBER SECURITY UPDATES

EXECUTIVE SESSION,
PURSUANT TO HRS § 92-5(a)(2)
AND (4), TO EVALUATE THE
PERFORMANCE OF DUTIES
AND COMPENSATION OF
EMPLOYEES’ RETIREMENT
SYSTEM’S PERSONNEL,
WHERE CONSIDERATION OF
MATTERS AFFECTING
PRIVACY WILL BE INVOLVED,
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 EVALUATIONS AND
THE USE OF NOT-TO-EXCEED
EMPLOYMENT DATES;
APPROPRIATE ACTION

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(8),
TO REVIEW AND APPROVE
EXECUTIVE SESSION
MINUTES OF JANUARY 8, 2024

EXIT EXECUTIVE SESSION

On a motion made by Trustee Ley, seconded by Trustee Barfield, and unanimously carried, the Board exited Executive Session at 11:30 a.m.

Chair Kane announced that while in Executive Session, the Board discussed matters related to ERS Cyber Security Updates; the Use of Not-to-Exceed Employment Dates for exempt staff, and appropriate action taken; and the Board also approved Executive Session Minutes of January 8, 2024.

**EXECUTIVE DIRECTOR'S
REPORT**

Executive Director (ED) Williams gave an oral report to the Board as follows:

- Legislation as reported in the Legislative Committee Report, as well as, many draft testimonies for possible upcoming hearings.
- Staff retirements and hiring of the DED position effective April 1, 2024, Karl Kaneshiro retiring April 1, 2024, and Bart Asato retiring June 1, 2024.
- Investment Summit as reported, will be in October, however, the 2025 ERS Summit will be the 100th Anniversary of ERS scheduled to be held on Kauai, site to be selected.
- Dannenberg case, of which ERS is not a defendant, however, has been providing information for many years. The State has prevailed in this case and defendants have not been found to be at loss of retiree medical benefits.
- Actuarial presentations in the beginning of the year to the Legislature, Finance Officers, Unions, ERS, and EUTF.
- Working with ERS financial institution and local authorities to report and correct fraudulent checks issued to members.

**DEPUTY EXECUTIVE
DIRECTOR'S REPORT**

ED Williams gave updates to the Board on ERS staffing and projects of Administration, Accounting, Information Services, Retirement Benefits and Staff Support Services Branches as presented in the February 2024 Monthly Operations Report.

**RETIREMENT BENEFITS
BRANCH REPORT**

Retirement Benefits Branch (RBB) Manager Karl Kaneshiro and RBB General Professional Lori Kobayashi gave an oral and written report to the Board on a brief overview of the services the Retirement Benefits Branch provides and discussed: Overview, Core Activities, 2023 Accomplishments, 2024 Upcoming Projects, RBB Staff, and Challenges.

RBB Manager Kaneshiro gave parting words to the Board and thanked them for the Resolution presented to him and for their support over the years.

ADJOURNMENT

On a motion made by Trustee Barfield, seconded by Trustee Yap, and unanimously carried, Chair Kane adjourned the meeting at 12:09 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

I. PURPOSE

The Administrative & Audit Committee (“Committee”) of the Employees’ Retirement System (“ERS”) of the State of Hawaii is a committee of the Board of Trustees (“Board”). Its primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- A. The integrity of the ERS’s financial statements, accounting and financial reporting processes including internal and external audits;
- B. The ERS’s compliance with legal and regulatory requirements;
- C. The qualifications, independence and the performance of the ERS’s Internal and External Auditors;
- D. Monitoring the performance of the systems of internal controls established by Management and the Board;
- E. The business practices and ethical standards of the ERS;
- F. The review and monitoring of the administration of the ERS; and
- G. The review and monitoring of the Compliance Program.

The Committee provides an avenue of open and free communication between the Board, the Internal Auditors, the External Auditors, the Chief Compliance Officer, and Management of the ERS.

II. COMMITTEE MEMBERSHIP

- A. The membership of the Committee shall consist of at least three members of the Board.
- B. The Board members of the Committee shall be appointed annually by the Board Chair. Committee appointments can be changed at the discretion of the Board Chair at any time. In the event of a vacancy (due to member resignation, removal, or death), the Board Chair will appoint a replacement to serve the remainder of the term.



Employees' Retirement System of the State of Hawaii
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ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- C. The members of the Committee shall be responsible for electing its Chair and Vice Chair.

III. MEETINGS

- A. The Committee must meet at least three (3) times per year or more frequently as circumstances require, with prior notice and publication of the agenda as provided by law.
- B. The Committee may ask members, ERS Management, advisors, and others to attend Committee meetings to provide pertinent information as necessary.

IV. AUTHORITY

The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. In the conduct of any investigation, the Committee shall have the authority to seek information it requires from ERS employees, Management, and external parties; and to engage advisors, or otherwise obtain independent legal, accounting, consulting, or other professional services it requires, at the expense of the ERS, with the approval of the Board.

V. RESPONSIBILITIES

The Committee provides oversight of various ERS functions: Administration, Risk Assessment, Internal Audits, External Audits, and Others. In fulfilling its oversight responsibilities, Committee members need to maintain an independent stance. Members of the Committee shall be considered independent if they have no relationship to the ERS that may interfere with the exercise of their fiduciary responsibilities.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

It is the duty of the Committee to report regularly to the Board with respect to any issues that arise concerning:

- A. The quality or integrity of the ERS's financial statements;
- B. The ERS's compliance with legal or regulatory requirements;
- C. The performance and independence of the ERS's External Auditors;
- D. The performance of the internal audit function;
- E. The allegations of serious suspected misconduct;
- F. Or any other matter within the scope of the Committee's function.

In carrying out its oversight responsibilities, the Committee's practices/procedures should remain flexible in order to best react to changing conditions and assure the Board that the risk assessment process, the accounting and financial reporting processes, internal controls, and internal and external auditing are in accordance with all related requirements and are of the highest quality.

Oversight Responsibilities Regarding Administration:

- A. Annually review the ERS strategic goals and objectives adopted by the Board and if appropriate, recommend any changes.
- B. Monitor Administration's implementation of these strategic goals and objectives.
- C. Provide direction to the Executive Director (ED) and Deputy Executive Director (DED) on priorities and actions to successfully execute the responsibilities of the Administrative Branch.
- D. Monitor compliance with administrative policies.
- E. Review and monitor the operating budget and provide recommendations to the full Board as necessary.

Oversight Responsibilities Regarding Risk Assessment:

- A. Inquire of Management, the Internal Auditors, and the External Auditors about significant risks or exposures.



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ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- B. Meet with the necessary parties to discuss the results of periodic risk assessments and obtain a clear understanding of the risk assessment process.
- C. Assess the steps Management has taken to minimize significant risks or exposures to the ERS.

Oversight Responsibilities Regarding Internal Audits:

- A. Where appropriate, oversee the procurement of internal auditing services and recommend to the Board:
 - 1. The Internal Auditor to be nominated;
 - 2. Approval of fees for the Internal Auditor; and
 - 3. The discharge of the Internal Auditor.
- B. Review the adequacy and effectiveness of the ERS's accounting and financial controls (including information technology and security controls) with:
 - 1. Personnel (from financial, accounting, and information systems);
 - 2. Internal and External Auditors; andelicit any recommendations to improve the system of internal controls or particular areas where new or more detailed controls or procedures are desirable.
- C. Obtain an understanding of any corrective actions to be taken with regard to controls and procedures.
- D. Recommend to the Board any co-sourcing or outsourcing internal audit services.
- E. Review the ERS Internal Audit Charter, including the independence and authority of the internal audit function, and its reporting obligations, qualifications, and staffing for the calendar year.
- F. Review the annual Internal Audit Plan (and all major changes to the plan) and recommend its approval to the Board.
- G. Review the reports and findings/recommendations of the Internal Auditors and the responses of the ERS Management, and monitors completion of Management's action plans.



Employees' Retirement System of the State of Hawaii
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ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- H. Review a summary of major findings from completed internal audits and a progress report on the execution of the Internal Audit Plan and Management's implementation of action plans.
- I. Meet separately with the Chief Audit Executive¹ and/or Management to discuss any matters that the Committee, or these parties, believe should be discussed privately.
- J. Review the effectiveness of the internal audit functions, including compliance with the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing.
- K. Report the results of the Internal Audit Plan to the Board. At the invitation of the Committee, the Internal Auditors will attend Board meetings to assist in reporting the results of the Internal Audit Plan and to answer questions.

Oversight Responsibilities Regarding External Audits:

- A. Obtain a basic understanding of government accounting, financial reporting, auditing processes, and critical policies, and ensure that the financial leadership team is qualified and competent.
- B. The State Office of the Auditor is responsible for the procurement of external auditing services and determines:
 - 1. The External Auditor to be nominated;
 - 2. Approval of the audit fees of the External Auditor; and
 - 3. The discharge of the External Auditor.
- C. Review prior year comments from the Government Finance Officers Association (GFOA) in its determination of the ERS's compliance with the requirements for the Certificate of Achievement in Financial Reporting, where applicable.
- D. Review with Management and the External Auditor the draft financial statements to be filed with the GFOA.
- E. Assess the integrity of the annual financial statements and related disclosures, including significant accounting judgements and estimates.

¹ The Chief Audit Executive may be an individual employee or a firm contracted to outsource or co-source the internal audit function.



Employees' Retirement System of the State of Hawaii
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ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- F. Review and examine the independence (including any potential conflict of interest) of the External Auditor, including a review of Management consulting services and related fees provided by the External Auditor.
- G. Review with the External Auditor the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- H. Review, at least annually, with Management and/or the External Auditor:
 - 1. Scope of the proposed audit for the current fiscal year and the procedures to be utilized.
 - 2. The ERS's annual financial statements and related footnotes.
 - 3. The External Auditor's audit of the financial statements and audit report thereon.
 - 4. The adequacy of the ERS's internal financial controls.
 - 5. Any significant changes required in the External Auditor's scope and audit plan.
 - 6. Other matters related to the conduct of the audit, which are to be communicated to the Committee under Generally Accepted Government Auditing Standards, including audit adjustments made and passed.
 - 7. Judgments about the quality, not just the acceptability of accounting principles and the clarity of the financial disclosures.
 - 8. Any difficulties encountered in the course of the external audits, including any disputes with Management, restrictions on the scope of their work or access to required information.
- I. Consider and review with Management any significant findings during the fiscal year and recommendations of the External Auditor's and Management's responses thereto.
- J. Meet separately with the External Auditor and/or Management to discuss any matters the Committee, or these parties, believe should be discussed privately with the Committee.



Employees' Retirement System of the State of Hawaii
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ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- K. Report the results of the annual external audit to the Board. At the invitation of the Committee, the External Auditor will attend Board meetings to assist in reporting the results of the annual audit and to answer questions.

Oversight Responsibilities Regarding the Ethics and Compliance Program:

- A. Annually review the goals and objectives adopted by the Board and, if appropriate, recommend any changes.
- B. Periodically review the Ethics and Compliance Program Charter and make revisions, if necessary.
- C. Periodically evaluate the program and exercise reasonable oversight with respect to the implementation and effectiveness of the program.

Other Oversight Responsibilities:

- A. Report Committee actions, including any investigative actions, to the Board with such recommendations as the Committee may deem appropriate.
- B. Monitor the implementation of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing or other matters, including mechanisms for anonymous submission of related concerns by ERS employees or the appropriate bodies.
- C. Consult with the Attorney General on legal matters regarding financial transactions, fraud, or any other issue that could have a significant impact on the annual reports.
- D. Obtain any information and training needed to enhance the Committee members' understanding of the role of Internal and External Auditors, the risk management process, internal controls and a certain level of familiarity in government financial reporting standards and processes.
- E. Obtain the Board's approval of this Charter and, on an annual basis, evaluate the adequacy of this Charter and recommend any proposed changes to the Board for approval.



Employees' Retirement System of the State of Hawaii
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ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- F. Confirm annually that the Committee has performed its responsibilities as outlined in this Charter.
- G. Coordinate with the Legislative Committee, Investment Committee, Governance Policy Committee, and ~~Compensation Review~~ Human Resources Committee, as deemed necessary.
- H. Perform such other functions as assigned by the Board.

VI. LIMITATIONS OF THE ADMINISTRATIVE AND AUDIT COMMITTEE'S ROLE

- A. It is not the duty of the Committee to plan or conduct audits or to determine that the ERS's financial statements are complete, accurate, and in accordance with Generally Accepted Accounting Principles. This is the responsibility of Management and the External Auditors.
- B. While the Committee is responsible for reviewing the ERS's policies and practices with respect to risk assessment and management, it is the responsibility of the Executive Director and Senior Management to determine the appropriate level of the ERS's exposure to risk.

Adopted and Approved by the Board of Trustees: June 12, 2012, August 10, 2020, April 11, 2022, March 13, 2023, March 11, 2024

Accepted by the Governance Policy Committee: March 28, 2022, March 7, 2023

Revised and Accepted by the Administrative & Audit Committee: July 21, 2020, February 9, 2022, February 22, 2023, January 31, 2024



Employees' Retirement System of the State of Hawaii

BOARD OF TRUSTEES

INTERNAL AUDIT CHARTER

I. INTRODUCTION

Internal auditing is an independent, objective assurance and consulting activity¹ designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

II. ROLE OF INTERNAL AUDIT

The Internal Audit function of the Employees' Retirement System ("ERS") is established by the ERS Board of Trustees ("Board") and its responsibilities are defined in this charter which is approved by the Board. The Chief Audit Executive ("CAE"), which may be an individual employee or a firm contracted to outsource or co-source the internal audit function, reports functionally to the ERS Administrative & Audit Committee ("Committee") and administratively to the ERS Executive Director ("ED") or designee. Approval from the Board is required for the hiring, compensation, removal, or replacement of the CAE.

The objectives of Internal Audit are to assist management and employees of the ERS in the effective discharge of their responsibilities by providing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed and to promote effective internal controls at a reasonable cost.

¹ As defined by the Institute of Internal Auditors, an *assurance* activity is an examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization, while *consulting* refers to advisory and related client service activities intended to add value and improve an organization's processes.



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III. AUTHORITY

The CAE and the Internal Audit staff are authorized to:

- A. Review all areas of the ERS;
- B. Have full, free, and unrestricted access to all of the ERS's activities, records, physical property, and personnel necessary to complete their work;
- C. Have full, free, and unrestricted access to the Board, Committee, ED, Deputy ED, Chief Investment Officer, Branch Chiefs, and all members of management;
- D. Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives; and
- E. Obtain the necessary assistance of personnel in units of the ERS where they perform audits, as well as other specialized services from within or outside the ERS.

The CAE and the Internal Audit staff are not authorized to:

- F. Perform any operational duties for the ERS;
- G. Initiate or approve accounting transactions external to the internal audit function; nor
- H. Direct the activities of any ERS employee not employed by the internal audit function, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

IV. INDEPENDENCE & OBJECTIVITY

Internal auditors have no direct responsibility or any authority over any of the activities or operations that they review. They should not develop and install procedures, prepare records, or engage in activities that would normally be reviewed by internal auditors.

Internal Audit's objectivity is not adversely affected, however, by recommending standards of controls to be applied in developing systems and procedures, or by evaluating existing



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or planned financial and operating systems and related procedures, and making recommendations for modification and improvements thereto in order to improve controls and/or enhance operational effectiveness.

V. SCOPE OF WORK

The scope of work of the Internal Audit function is to determine whether the ERS's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employee actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the ERS's control process.
- Significant legislative or regulatory issues impacting the ERS are recognized and addressed properly.

Opportunities for improving management control, process efficiency, and the ERS's image may be identified during audits. They will be communicated to the appropriate level of management.



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VI. RESPONSIBILITIES

Internal Audit is responsible for the following activities:

Standards

- A. The CAE is responsible for ensuring that all activities of the internal audit function are carried out in compliance with the Institute of Internal Auditors' ("IIA") mandatory guidance including the "Definition of Internal Auditing," the "Code of Ethics," and applicable standards found in the "International Standards for the Professional Practice of Internal Auditing."
- B. Conduct a periodic risk assessment for the ERS and present the results to the Committee.
- C. Develop a flexible annual Internal Audit Plan using an appropriate risk-based methodology, which considers risks or control concerns identified by management, and submit the plan to the Committee and the Board for review and approval.
- D. Implement the annual Internal Audit Plan, as approved, including, and as appropriate, any special tasks or projects requested by management, the Committee, and the Board.

Ethics

- E. Review the adequacy of the ERS's adopted code of conduct activities, including the process to receive, retain, and treat complaints received on accounting and auditing matters.
- F. Monitor management's process for ensuring compliance with Hawaii Revised Statutes – Chapter 84, Standards of Conduct ("State Ethics Code").



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Monitoring & Follow-Up

- G. Evaluate any plans to correct reported conditions for satisfactory improvement of the business process.
- H. Provide adequate follow-up to ensure corrective action is taken and evaluate its effectiveness before recommending closure of an issue.
- I. Monitor and evaluate the effectiveness of the organization's risk management processes.

Reporting

- J. Prepare and issue a written report following the conclusion of each audit and follow-up audit. This report shall include significant findings, recommendations to management, and management's action plan. A copy of the report will be forwarded to the Committee, ED, Deputy ED, Chief Compliance Officer, and appropriate members of management.
- K. Inform and advise management and the Committee as to significant deficiencies or other substantive issues noted in the course of its activities.
- L. Provide periodic reports on Internal Audit's progress on implementing the annual Internal Audit Plan, including management's progress on addressing previously reported matters, the impact of resource limitations, and significant interim changes.
- M. On a regular basis, the CAE will meet separately with the Committee to discuss any matters that is deemed necessary by the Committee or Internal Audit.

Other

- N. Conduct special examinations at the request of management or the Committee.
- O. Perform consulting services, beyond internal auditing assurance services, to assist management in meeting its objectives. Examples may include facilitation, consultation on internal control improvement initiatives, training, and advisory services.



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- P. Assist in the investigation of significant suspected fraudulent activities within the organization and notify management and the Committee of the results.
- Q. Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- R. Keep the Committee informed of emerging trends and successful practices in internal auditing.
- S. Review this Internal Audit Charter on an an ~~periodic~~-annual basis to ensure the purpose, authority, and responsibilities of Internal Audit continue to be adequate in accomplishing its objectives. Modify as appropriate and submit to the Committee and ED for review and approval.

Adopted and Approved by the Board of Trustees: June 12, 2012, April 11, 2022, March 13, 2023, March 11, 2024

March 11, 2024

Accepted by the Governance Policy Committee: March 28, 2022, March 7, 2023

Revised and Accepted by the Administrative & Audit Committee: June 9, 2020, February 22, 2023, January 31, 2024

January 31, 2024



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ETHICS & COMPLIANCE CHARTER

I. INTRODUCTION

The Employees' Retirement System ("ERS") Ethics and Compliance function is an independent monitoring, advisory, review, and reporting activity established within ERS to assist the organization in fulfilling its mission, vision, and fiduciary responsibilities by complying with laws, regulations, and ERS policies, for which oversight has been assigned. The function strives to ensure, promote and support an organizational culture that builds ethics and compliance awareness into the daily business processes for ERS. ERS's Compliance Program will accomplish this mission by monitoring business activities, policies and procedures, and by establishing an infrastructure that provides additional assurance to management that program areas are in compliance.

The Chief Compliance Officer ("CCO") is authorized to engage in independent reviews and activities for the development and implementation of a comprehensive system of operational controls to prevent illegal, unethical, or improper conduct and to implement compliance policies and procedures relating to standards of ethics and conduct for ERS' Board, employees, and vendors.

II. ROLES & RESPONSIBILITIES

Under the direction of the Executive Director ("ED") and oversight of the Board, the CCO:

- A. Pursuant to the Ethics and Compliance Program Charter, manages day-to-day operation of the compliance program;
- B. Monitor and assess the Policy Management Framework and oversee the completion of the Policy Lifecycle;
- C. Assesses and audits ERS' controls and compliance with all applicable laws, statutes, administrative rules, regulations and best practices outlined in policies;



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- D. Collaborates with other divisions to implement compliance policies and procedures and to direct compliance issues to appropriate channels for investigation and resolution;
- E. Collaborates with the Information Technology Branch Chief to build a strategic security program and coordinates all phases of security projects from requirement definition to design, architecture, implementation, testing, support, and maintenance;
- F. Develops and periodically reviews and updates standards of ethics and conduct to ensure that continuing effective guidance is provided to the Board, management, and employees;
- G. Coordinates with the Department of the Attorney General on legal matters so that ERS may faithfully execute its duties and responsibilities;
- H. Coordinate with [the Internal Auditor](#) to monitor and provide independent oversight over the implementation of the approved annual Internal Audit Plan;
- I. Coordinates with management, the Committee, and the Board on any special tasks or projects aligned with the long-term interests of ERS;
- J. Ensures that compliance issues and concerns within the organization are being appropriately evaluated, investigated, and resolved;
- K. Coordinate audit efforts with those of the ERS's external auditors and other regulatory agencies;
- L. Responds to alleged violations of rules, regulations, policies, procedures, and standards of ethics and conduct by evaluating and, if necessary, recommending the initiation of investigative procedures;
- M. Develops and oversees a system for uniform handling of such violations;
- N. Identifies potential areas of compliance vulnerability and risk;
- O. Develops/implements corrective action plans for resolution of problematic issues and provides general guidance on how to avoid or deal with similar situations in the future;



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- P. Works in coordination with management and the Branch Chiefs to develop, maintain, and test the disaster recovery, business continuity, risk management and access control needs of the organization;
- Q. Provides reports as directed or requested to keep the Board, Administrative ~~and~~ Audit Committee, and management informed of the operation and progress of compliance efforts;
- R. Ensures proper reporting of violations or potential violations to duly authorized enforcement agencies as appropriate and/or required; and
- S. Works with the Board, Administrative ~~and~~ Audit Committee, Internal Auditor, Department of the Attorney General, and management to develop an effective compliance training program for Board Members, managers, and employees, including appropriate introductory training for new employees.

In carrying out these responsibilities, the CCO shall:

- A. Ensure objectivity and independence;
- B. Remain free of actual or perceived conflicts of interest;
- C. Discharge professional responsibilities with due care, competence, and diligence;.
- D. Have access to all functions, records, property, and personnel necessary to complete responsibilities; and
- E. Have full and free access to the Board and the Administrative & Audit Committee.

III. CHARTER REVIEW & HISTORY

The Administrative & Audit Committee shall, on behalf of the Board, ~~shall~~ review this Charter at least every three years annually to ensure it remains relevant and appropriate.

Adopted and Approved by the Board of Trustees: March 13, 2023, March 11, 2024

Accepted by the Governance Policy Committee: March 7, 2023

Introduced and Accepted by the Administrative & Audit Committee: February 22, 2023, January 31, 2024



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
LEGISLATIVE COMMITTEE CHARTER

I. PURPOSE

The Legislative Committee (“Committee”) of the Employees’ Retirement System (“ERS”) of the State of Hawaii is a committee of the Board of Trustees (“Board”). Its primary function is to assist the Board in fulfilling its fiduciary oversight responsibilities by reviewing and advising on recommendations on proposed legislation.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three (3) trustees. The members of the Committee shall be appointed by the Board. The members of the Committee shall be appointed for a one-year term and shall serve for such term or terms as the Board may determine or until earlier resignation. The Board may remove any member from the Committee at any time with or without cause.

III. MEETINGS

The Committee shall meet at least one (1) time a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee may invite such members of management and advisors to its meetings as it deems appropriate. The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

IV. AUTHORITY AND RESPONSIBILITIES

The members of the Committee shall elect its Chairperson and Vice Chairperson.



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LEGISLATIVE COMMITTEE CHARTER

The Committee shall have the following authority and responsibilities regarding ERS Legislation:

- To review and approve annually the ERS's goals and objectives applicable to the legislative process.
- To review proposed legislation introduced by the ERS and by other parties, and to assign and provide direction for the Executive Director and Deputy Executive Director on priorities and actions to successfully support the legislative goals and responsibilities of the ERS.
- To recommend support or opposition of proposed legislation to the full Board for its consideration.

V. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to obtain the advice of any ERS consultant or ERS service provider as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall have the authority, in its sole discretion, to obtain the advice and assistance of ERS's legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall not be required to implement or act consistently with the advice or recommendations of its consultant, legal counsel or other advisor to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter. The consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the ERS's in-house counsel) shall be independent as determined in the discretion of the Committee.



**Employees' Retirement System of the State of Hawaii
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LEGISLATIVE COMMITTEE CHARTER**

VI. PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

Adopted and Approved by the Board of Trustees on February 13, 2017, August 10, 2020, April 11, 2022, March 13, 2023, March 11, 2024
Accepted by the Governance Policy Committee: March 28, 2022, March 7, 2023
Revised and Accepted by the Legislative Committee: August 10, 2020, February 7, 2022, January 31, 2023, February 2, 2024

ERS Initiated as of 3/6/2024										
#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
1	HB2381 HD1	ERS; Funding Period	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM FUNDING PERIOD.	Lowering the Employees' Retirement System's funding period to amortize the System's total unfunded accrued liability.	H 2/9/2024: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) Nakashima excused (1). Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	SAIKI (Introduced by request of another party)	LGO, FIN	SB3070	dead	Support
2	HB2382 HD1	Employees' Retirement System; Service-Connected Disability; Accidental Death	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Clarifies the Employees' Retirement System's eligibility requirement definitions for service-connected disability and accidental death benefits.	H 3/5/2024: Passed Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Cochran, Martinez, Woodson excused (3). Transmitted to Senate.	SAIKI (Introduced by request of another party)	LGO, FIN	SB3071	active	Support
3	HB2385	ERS; Personnel; Civil Service; Exemption	RELATING TO EMPLOYEES' RETIREMENT SYSTEM PERSONNEL.	Amends section 76-16(b), Hawaii Revised Statutes, to exempt the Deputy Executive Director, Chief Compliance Officer, and branch managers of the Employees' Retirement System of the State of Hawaii from civil service.	H 2/6/2024: The committee(s) on LGO recommend(s) that the measure be deferred.	SAIKI (Introduced by request of another party)	LGO, FIN	SB3074	deferred	Support
4	SB3070	ERS; Funding Period	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM FUNDING PERIOD.	Lowering the Employees' Retirement System's funding period to amortize the System's total unfunded accrued liability.	H 3/5/2024: Received from Senate (Sen. Com. No. 258).	KOUCHI (Introduced by request of another party)	LBT, WAM	HB2381	active	Support
5	SB3071	Employees' Retirement System; Service-Connected Disability; Accidental Death	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Clarifies the Employees' Retirement System's eligibility requirement definitions for service-connected disability and accidental death benefits.	S 1/26/2024: Referred to LBT, JDC/WAM. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	KOUCHI (Introduced by request of another party)	LBT, JDC/WAM	HB2382	dead	Support
6	SB3074	ERS; Personnel; Civil Service; Exemption	RELATING TO EMPLOYEES' RETIREMENT SYSTEM PERSONNEL.	Amends section 76-16(b), Hawaii Revised Statutes, to exempt the Deputy Executive Director, Chief Compliance Officer, and branch managers of the Employees' Retirement System of the State of Hawaii from civil service.	S 1/26/2024: Referred to LBT, WAM. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	KOUCHI (Introduced by request of another party)	LBT, WAM	HB2385	dead	Support

Investment Related as of 3/6/2024										
#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
7	SB2388	ERS; Russia Divestment; Belarus Divestment; Russo-Ukrainian War	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Prohibits the Employees' Retirement System from acquiring securities of companies that have active business operations with Russia or Belarus.	S 1/22/2024: Referred to LBT/TCA, WAM/JDC. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	RHOADS	LBT/TCA, WAM/JDC		dead	Oppose

Membership & Benefits Related as of 3/6/2024

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
8	HB1644 HD1	Employees' Retirement System; Overtime; Compensation; Definition	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	For members of the Employees' Retirement System hired after July 1, 2012, includes overtime in the definition of compensation when an employee has been directed by their supervisor or an appropriate authority to work more than their normal hours of service to perform specific duties and tasks related to an active emergency proclamation.	H 2/13/2024: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) Kila, Takayama excused (2). Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	MATAYOSHI, GARRETT	LGO, FIN		dead	Oppose
9	HB1850	City and County of Honolulu Package; ERS; Retirement; Government Employees	RELATING TO VESTING IN THE EMPLOYEES' RETIREMENT SYSTEM.	Amends the vesting period to 5 years for tier 2 government employees of the Employees' Retirement System who are in service on the effective date of the Act or return to service after the effective date of the Act, and for employees who become a member on or after the effective date of the Act.	H 1/24/2024: Referred to LGO, FIN, referral sheet 1 Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	SAIKI (Introduced by request of another party)	LGO, FIN	SB2220	dead	Provide Comments
10	HB1947 HD1	Public Employees; Employees' Retirement System; Credited Service; Retirement; Appropriation; Expenditure Ceiling	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Reduces the minimum number of years of credited service from ten years to five years qualified Tier 2 employee's retirement system members must have to be eligible for vested benefit status for service retirement allowance purposes. Appropriates funds.	H 2/6/2024: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; Representative(s) Pierick voting no (1) and Representative(s) Kapela, Nakashima, Ward excused (3). Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	MATAYOSHI, BELATTI, CHUN, COCHRAN, EVSLIN, GARRETT, KAPELA, KITAGAWA, KOBAYASHI, LA CHICA, MARTEN, MIYAKE, NISHIMOTO, PERRUSO, TAKENOUCI, TAM, TARNAS	LGO, FIN		dead	Support

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
11	HB2198	Collective Bargaining; Retirement Benefits	RELATING TO PUBLIC EMPLOYMENT.	Allows public employee organizations to negotiate retirement benefits.	H 1/30/2024: The committee(s) on LGO recommend(s) that the measure be deferred.	GARRETT, AMATO, BELATTI, CHUN, HOLT, HUSSEY-BURDICK, KILA, LOWEN, MARTEN, MIYAKE, TAKENOUCI, TAM	LGO, JHA, FIN		deferred	Oppose
12	HB2200	Student Loan Forgiveness; Elder; UH; ERS; Appropriation; General Fund Expenditure Ceiling Exceeded	RELATING TO STUDENT LOAN FORGIVENESS FOR THE ELDERLY.	Establishes a student loan forgiveness program within the University of Hawaii to forgive outstanding student loans of elders who have graduated from an institution of higher education in the United States and have worked for at least 10 years in public service. Requires the Employees' Retirement System to assist applicants with demonstrating proof of public employment. Appropriates moneys. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.	H 1/26/2024: Referred to HET, LGO, FIN, referral sheet 3 Bill was not scheduled for a hearing by the House Triple Referral Deadline 2/7/2024	GARRETT (Introduced by request of another party)	HET, LGO, FIN		dead	Oppose
13	HB2395 HD1	Militia; National Guard; Employees' Retirement System	RELATING TO THE HAWAII NATIONAL GUARD.	Exempts Hawaii National Guard service members activated by the Governor or the Governor's designated representative to state active duty from enrollment in the Employees' Retirement System of the State of Hawaii.	S 3/5/2024: Passed First Reading.	SAIKI (Introduced by request of another party)	LGO/CMV, FIN	SB3084	active	Provide Comments
14	HB2410	ERS; Credited Service; Benefits	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Reduces the minimum number of years of credited service qualified Tier 2 Employees' Retirement System members must have to be eligible for vested benefit status for service retirement allowance purposes from ten years to five years. Appropriates funds for investments of the ERS.	H 1/26/2024: Referred to LGO, FIN, referral sheet 3 Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	SAIKI (Introduced by request of another party)	LGO, FIN	SB3099	dead	Support
15	HB2595	Retirement for Public Officers and Employees; Allowances; Pension and Retirement Systems; Law Enforcement Employees	RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.	Amends chapter 88, HRS, to include new definitions for certain law enforcement administrators and employees established in Act 278, SLH 2022, as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers.	H 1/26/2024: Referred to LGO, FIN, referral sheet 3 Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	HASHEM	LGO, FIN	SB2846	dead	Provide Comments
16	SB2220	City and County of Honolulu Package; ERS; Retirement; Government Employees	RELATING TO VESTING IN THE EMPLOYEES' RETIREMENT SYSTEM.	Amends the vesting period to 5 years for tier 2 government employees of the Employees' Retirement System who are in service on the effective date of the Act or return to service after the effective date of the Act, and for employees who become a member on or after the effective date of the Act.	S 1/18/2024: Referred to LBT, WAM. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	KOUCHI (Introduced by request of another party)	LBT, WAM	HB1850	dead	Provide Comments

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
17	SB2398	Employees' Retirement System Benefits; Retirement Benefits; Felony Conviction; Forfeiture	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Authorizes a court to order the forfeiture of all of the 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.	S 1/22/2024: Referred to LBT, JDC/WAM. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	DECOITE, CHANG, HASHIMOTO, KIDANI, RICHARDS, San Buenaventura	LBT, JDC/WAM		dead	Provide Comments
18	SB2494	ERS; Police Officers; Retirement; Medical Coverage; Minimum Age; Years of Credited Service	RELATING TO THE EMPLOYEE'S RETIREMENT SYSTEM.	Provides police officers who become members of the Employees' Retirement System after 6/30/2023 with retirement benefits similar to those provided for members of the Employees' Retirement System who became members before 7/1/2012, including but not limited to calculation of retirement allowance, minimum age or years of credited service requirements, and vesting period.	S 1/24/2024: Referred to PSM/LBT, WAM. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	DECOITE, CHANG, HASHIMOTO, KIDANI, RICHARDS, McKelvey	PSM/LBT, WAM		dead	Oppose
19	SB2608	ERS; Public Employment; Pension Calculation; Overtime	RELATING TO PENSION CALCULATIONS.	Includes overtime pay earned during an emergency proclamation as part of the pension calculation for individuals who became a member of the Employees' Retirement System after 6/30/2012.	S 1/24/2024: Referred to LBT, WAM. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	AQUINO	LBT, WAM		dead	Oppose
20	SB2716	Collective Bargaining; Retirement Benefits.	RELATING TO COLLECTIVE BARGAINING.	Allows retirement benefits to be negotiated during collective bargaining negotiations.	S 2/9/2024: The committee on LBT deferred the measure.	AQUINO, CHANG, FEVELLA, HASHIMOTO, Kidani, San Buenaventura	LBT, WAM		deferred	Oppose
21	SB2846	Retirement for Public Officers and Employees; Allowances; Pension and Retirement Systems; Law Enforcement Employees	RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.	Amends chapter 88, HRS, to include new definitions for certain law enforcement administrators and employees established in Act 278, SLH 2022, as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers.	S 1/24/2024: Referred to PSM/LBT, WAM. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	WAKAI, FEVELLA, KIDANI, MCKELVEY	PSM/LBT, WAM	HB2595	dead	Provide Comments
22	SB2871	ERS; Retirement; Sheriff; Deputy Sheriff; Police Officer	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Authorizes a sheriff, deputy sheriff, or police officer to retire after twenty-five years of service and receive employment benefits through the Employees' Retirement System.	S 1/24/2024: Referred to LBT/PSM, WAM. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	MCKELVEY (Introduced by request of another party)	LBT/PSM, WAM		dead	Oppose
23	SB3084 SD1	Militia; National Guard; Employees' Retirement System	RELATING TO THE HAWAII NATIONAL GUARD.	Exempts Hawaii National Guard service members activated by the Governor or the Governor's designated representative to state active duty from enrollment in the Employees' Retirement System of the State of Hawaii.	H 3/5/2024: Received from Senate (Sen. Com. No. 260) in amended form (SD 1).	KOUCHI (Introduced by request of another party)	PSM/LBT, WAM	HB2395	active	Provide Comments

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
24	SB3099 SD2	ERS; Credited Service; Benefits	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Reduces the minimum number of years of credited service qualified Tier 2 Employees' Retirement System members must have to be eligible for vested benefit status for service retirement allowance purposes from ten years to five years. Appropriates funds for investments of the ERS.	H 3/5/2024: Received from Senate (Sen. Com. No. 264) in amended form (SD 2).	KOUCHI (Introduced by request of another party)	LBT, WAM	HB2410	active	Support

Miscellaneous as of 3/6/2024 (removed companion bills)

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
25	HB1598 HD1	Sunshine Law; Board Packet; Public Inspection; Notice; Testimony	RELATING TO THE SUNSHINE LAW.	Establishes that board packets shall be made available for public inspection no later than two business days, rather than forty-eight hours, before a board meeting. Clarifies that public testimony may be submitted to the board before the meeting.	H 3/5/2024: Passed Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Cochran, Martinez, Woodson excused (3). Transmitted to Senate.	TARNAS, AMATO, COCHRAN, GANADEN, KAPELA, MARTEN, MATSUMOTO, MIYAKE, NAKASHIMA, PERRUSO, TAKAYAMA, TAKENOUCI, Kobayashi	JHA		active	Monitor
26	HB1599 HD1	Public Meetings; Remote Testimony; Visibility	RELATING TO THE SUNSHINE LAW.	Requires public meeting notices to inform members of the public how to provide remote oral testimony in a manner that allows the testifier, upon request, to be visible to board members and other meeting participants.	H 3/5/2024: Passed Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Cochran, Martinez, Woodson excused (3). Transmitted to Senate.	TARNAS, BELATTI, COCHRAN, GANADEN, KAPELA, KITAGAWA, LAMOSAO, MARTEN, MATAYOSHI, MIYAKE, NAKASHIMA, POEPOE, TAKAYAMA, Amato, Kobayashi, Morikawa	JHA		active	Monitor
27	HB1600 HD1	Sunshine Law; Permitted Interaction Groups; Scheduling; Open Meetings	RELATING TO OPEN MEETINGS.	Requires that a board may only schedule a meeting for discussion and decisionmaking on a report by an investigative group six days after the investigative group has made a report of its findings to the board.	H 3/5/2024: Passed Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Cochran, Martinez, Woodson excused (3). Transmitted to Senate.	TARNAS, AMATO, COCHRAN, GANADEN, KAPELA, MIYAKE, NAKASHIMA, NISHIMOTO, PERRUSO, POEPOE, TAKAYAMA, TAM	JHA		active	Monitor
28	HB1800	State Budget	RELATING TO THE STATE BUDGET.	Adjusts and requests appropriations for fiscal biennium 2023-2025 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.	H 3/4/2024: Bill scheduled to be heard by FIN on Wednesday, 03-06-24 10:00AM in House conference room 308 VIA VIDEOCONFERENCE.	SAIKI (Introduced by request of another party)	FIN	SB2234	active	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
29	HB1832 HD1	State Departments; Department of Human Resources Development; Civil Service; Minimum Qualification Review	RELATING TO HIRING.	Authorizes a state department, division, or agency, rather than the Department of Human Resources Development, to conduct a minimum qualification review of applicants for vacant positions within the department, division, or agency. Requires the Department of Human Resources Development to provide state departments, divisions, and agencies the applications received for vacancies under certain circumstances.	S 3/5/2024: Passed First Reading.	SAIKI, AIU, AMATO, BELATTI, CHUN, COCHRAN, EVSLIN, GANADEN, GARRETT, GATES, HASHEM, HOLT, HUSSEY-BURDICK, ICHiyAMA, ILAGAN, KAHALOA, KAPELA, KILA, KITAGAWA, KOBAYASHI, LA CHICA, LAMOSAO, LOWEN, MARTEN, MARTINEZ, MATAYOSHI, MIYAKE, M. MIZUNO, MORIKAWA, NAKAMURA, NAKASHIMA, NISHIMOTO, ONISHI, PERRUSO, POEPOE, QUINLAN, SAYAMA, TAKAYAMA, TAKENOUCI, TAM, TARNAS, TODD, WOODSON, Yamashita	LGO, FIN	SB3007	active	Monitor
30	HB1858	Hawaii Council of Mayors Package; Meetings; Supplemental Information	RELATING TO PUBLIC AGENCY MEETINGS.	Provides that supplemental information received within 48 hours of a meeting of a board subject to state opening meetings law may be added to the board packet; provided that the public is promptly provided access to the supplemental information.	H 1/24/2024: Referred to JHA, referral sheet 1 Bill was not scheduled for a hearing by the House Single Referral Deadline 2/28/2024	SAIKI (Introduced by request of another party)	JHA	SB2198	dead	Monitor
31	HB1859	Hawaii Council of Mayors Package; Closed Meetings; Training	RELATING TO PUBLIC AGENCY MEETINGS.	Authorizes any board that is subject to state open meetings law to hold a closed meeting for the purpose of providing training to new and current board members.	H 1/24/2024: Referred to JHA, referral sheet 1 Bill was not scheduled for a hearing by the House Single Referral Deadline 2/28/2024	SAIKI (Introduced by request of another party)	JHA	SB2199	dead	Monitor
32	HB2211	Salaries; Employees; Executive Branch; Limitation	RELATING TO PUBLIC EMPLOYEE COMPENSATION.	Prohibits a board or commission from authorizing a base salary for a position and prohibits an employee from receiving a base salary, in excess of the amount designated in the budget enacted by the Legislature or other legislative enactment, unless approved by the Legislature.	H 1/26/2024: Referred to LGO, FIN, referral sheet 3 Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	AIU, KILA, MIYAKE	LGO, FIN	SB2599	dead	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
33	HB2320	Public Servants; Public Officials; Government Records; Public Records; Personal Information; Disclosure; Prohibition; Criminal Offense; Unlawful Publication of Personal Information	RELATING TO THE DISCLOSURE OF PERSONAL INFORMATION OF CERTAIN PUBLIC SERVANTS.	Exempts certain personal information of public servants from government records that are subject to disclosure under the State's Uniform Information Practices Act. Establishes within the State's Address Confidentiality Program protection for public servants that prohibits upon written request from the public servant or representative any person or organization from disclosing certain personal information. Establishes the offense of unlawful publication of personal information that prohibits any person or organization from knowingly disclosing protected personal information of public officials with the intent to cause reputational harm, emotional injury, or bodily injury. Takes effect 9/1/2024.	H 1/26/2024: Referred to JHA/CPC, referral sheet 3 Bill was not scheduled for a hearing by the House Single Referral Deadline 2/28/2024	SAIKI	JHA/CPC	SB2686	dead	Support (written only)
34	HB2482 HD1	Sunshine Law; Public Meetings; Public Notice	RELATING TO MEETING NOTICES.	Mandates the Office of the Lieutenant Governor or the appropriate county clerk's office to ensure access to paper or electronic copies of all meeting notices and deletes the requirement to post notices in a central location in a public building.	H 3/5/2024: Passed Third Reading as amended in HD 1 with none voting aye with reservations; none voting no (0) and Representative(s) Cochran, Martinez, Woodson excused (3). Transmitted to Senate.	SAIKI (Introduced by request of another party)	JHA, FIN	SB3171	active	Monitor
35	HB2519	EUTF; Board of Trustees; Composition; Quorum; Voting	RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND BOARD OF TRUSTEES.	Amends the composition of the Hawaii employer-union health benefits trust fund board of trustees. Clarifies vacancy procedures. Amends quorum requirements and voting powers.	H 2/2/2024: The committee(s) on LGO recommend(s) that the measure be deferred.	SAIKI	LGO, FIN	SB2530	deferred	Monitor
36	HB2625	Administrative Procedure; Contested Cases; Vexatious Litigants	RELATING TO CONTESTED CASES.	Clarifies that a contested case hearing is not required when an identical or substantially similar administrative matter has been finally adjudicated. Includes administrative contested case proceedings within the scope of the vexatious litigant statute.	H 1/26/2024: Referred to JHA, referral sheet 3 Bill was not scheduled for a hearing by the House Single Referral Deadline 2/28/2024	TARNAS	JHA		dead	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
37	SB578 SD3	ATG; ERS; Retirees; Hawaii Employer-Union Health Benefits Trust Fund; Benefits; Investigators; Counties; Report	RELATING TO GOVERNMENT.	Allows a retirant to be employed without reenrollment in the Employees' Retirement System (ERS) and without loss or interruption of benefits provided by the ERS or under chapter 88, HRS, if the retirant is employed as an investigator in a position identified by the Department of the Attorney General as a labor shortage or difficult-to-fill position, subject to certain conditions. Requires the Director of Human Resources of the appropriate state jurisdiction or the human resources management chief executive of each county to include in their annual reports to the Legislature, details on the employment of retirants as investigators pursuant to this measure. Takes effect 7/1/2050. (SD2)	H 3/5/2024: Received from Senate (Sen. Com. No. 52) in amended form (SD 3).	KANUHA	LBT, WAM/JDC		active	Provide Comments
38	SB582 SD2	Wildfires; Expenditure Ceiling; Emergency Appropriation	RELATING TO STATE BUDGET.	Appropriates funds to support the State's response to the August 2023 wildfires that affected the county of Maui. Declares that the general fund expenditure ceiling is exceeded. (SD1)	H 3/5/2024: Received from Senate (Sen. Com. No. 53) in amended form (SD 2).	KANUHA	WAM		active	Monitor
39	SB2116 SD1	Interactive Conference Technology; Remote Participation; Live Broadcast; Boards and Commissions	RELATING TO BOARD MEETINGS.	Requires boards to use interactive conference technology to remotely conduct public meetings in conjunction with in-person meetings that allow for public participation. Requires boards to archive minutes of meetings on their websites.	S 2/16/2024: Report adopted; Passed Second Reading, as amended (SD 1) and referred to JDC/WAM. Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	KEOHOKALO, CHANG, DECOITE, FEVELLA, FUKUNAGA, GABBARD, HASHIMOTO, KIDANI, MCKELVEY, RICHARDS, San Buenaventura, Wakai	GVO, JDC/WAM		dead	Monitor
40	SB2172 SD1	Boards; Commissions; Absence of Chairperson; Assumption of Duties	RELATING TO BOARDS AND COMMISSIONS.	Establishes the priority of who may assume the authority and duties of a chairperson of a board or commission in the chairperson's and all co-chairperson's absence at a hearing or meeting of a board or commission. Prohibits staff members from assuming the authority and duties of the chairperson of a board or commission.	H 3/5/2024: Received from Senate (Sen. Com. No. 81) in amended form (SD 1).	INOUYE, CHANG, FEVELLA, Kim	GVO, JDC		active	Monitor
41	SB2292	Boards and Commissions; Ex Officio Members; Advice and Consent; Senate	RELATING TO BOARDS AND COMMISSIONS.	Clarifies that the procedures for selecting members of boards and commissions also apply to ex officio members.	S 2/16/2024: Report adopted; Passed Second Reading and referred to JDC. Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	DELA CRUZ	GVO, JDC		dead	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
42	SB2379	Judiciary Package; Safety; Public Servants; Personal Information	RELATING TO THE DISCLOSURE OF PERSONAL INFORMATION ASSOCIATED WITH CERTAIN PUBLIC SERVANTS.	Prohibits government agencies, persons, and organizations from publicly disclosing the personal information of certain public servants and their families upon receiving a written request. Establishes a misdemeanor offense for individuals who post personal information on the Internet in reckless disregard of the risk of harm to certain public servants and their families. Authorizes the display of personal information that is relevant to and displayed as part of a news story, commentary, editorial, or other speech on a matter of public concern. Effective 1/1/2025.	S 1/22/2024: Referred to GVO, JDC. Bill was not scheduled for a hearing by the Senate Single Referral Deadline 2/29/2024	KOUCHI (Introduced by request of another party)	GVO, JDC	HB1916	dead	Monitor
43	SB2506	EUTF; Board of Trustees; Quorum	RELATING TO THE BOARD OF TRUSTEES OF THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.	Decreases the number of board members of the Employer-Union Health Benefits Trust Fund from 10 trustees to 9. Changes the composition of board members to include 2 citizens of the State who are not employees, among other things. Limits the trustee's service after the end of the term to until the trustee's successor is appointed or 120 days after the trustee's term ends, whichever comes first.	S 1/24/2024: Referred to LBT/GVO, WAM. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	DELA CRUZ, AQUINO, HASHIMOTO, KIDANI	LBT/GVO, WAM		dead	Monitor
44	SB2517 SD1	Public Agency Meetings and Records; Sunshine Law; Executive Session; Personnel; Voting; Hiring; Officers; Employees	RELATING TO PUBLIC AGENCY MEETINGS.	Required that heads of agencies that require board appointments be made through a publicly established process and timeline. Requires that a vote by a public agency board to hire an officer or employee be conducted in an open meeting.	S 2/16/2024: Report adopted; Passed Second Reading, as amended (SD 1) and referred to JDC. Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	DELA CRUZ	GVO, JDC		dead	Monitor
45	SB2597	Boards; Commissions; Holdover Member; Limitation	RELATING TO BOARDS AND COMMISSIONS.	Clarifies that the prohibition against board and commission holdover members from holding office beyond the end of the second regular legislative session following the expiration of the member's term of office takes precedence over any conflicting statutes.	H 3/5/2024: Received from Senate (Sen. Com. No. 157).	KIM, CHANG, WAKAI	GVO, JDC		active	Monitor
46	SB2636	Boards; Remote Testifiers; Remote Testimony; Removal	RELATING TO REMOTE MEETINGS.	Requires a board to offer remote testifiers an option to be seen and heard by the board and the public when offering remote testimony. Authorizes a board to remove or block any persons who intentionally disrupt or compromise the conduct of a meeting.	S 2/16/2024: Report adopted; Passed Second Reading and referred to JDC. Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	IHARA	GVO/LBT, JDC		dead	Monitor
47	SB2637 SD2	Public Agency Meetings; Reports; Sunshine Law	RELATING TO PUBLIC AGENCY MEETINGS.	Clarifies that the third meeting of public agency meetings must occur not less than six calendar days after the second.	H 3/5/2024: Received from Senate (Sen. Com. No. 164) in amended form (SD 2).	IHARA	GVO, JDC		active	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
48	SB2638 SD1	Board Packets; Public Inspection; Timeframe; Public Testimony	RELATING TO BOARD PACKETS.	Requires boards to make available for public inspection board packets, if created, at the time the board packet is distributed to the board members but no later than two business days before the meeting. Carves out an exception by allowing public testimony to be distributed to board members within two business days before the meeting.	S 2/13/2024: Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM. Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	IHARA	JDC, WAM		dead	Monitor
49	SB2639	OIP; UIPA; Sunshine Law; Public Appeal	RELATING TO PUBLIC AGENCY MEETINGS.	Updates the enforcement mechanisms for the Uniform Information Practices Act and the Sunshine Law.	S 2/8/2024: The committee on GVO deferred the measure.	IHARA	GVO, JDC		deferred	Monitor
50	SB2830 SD1	Sunshine Law; Open Meetings; Policymaking Groups; Definitions	RELATING TO MEETINGS.	Amends the definitions of "board", "board business", and "meeting" within state open meetings law to expand the scope of the law to include state and county policymaking groups, including groups created by emergency proclamations.	S 2/16/2024: Report adopted; Passed Second Reading, as amended (SD 1) and referred to JDC. Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	MCKELVEY	GVO, JDC	HB2168	dead	Monitor
51	SB2844	Uniform Information Practices Act; Critical Infrastructure Information	RELATING TO THE UNIFORM INFORMATION PRACTICES ACT.	Excludes critical infrastructure information from disclosure requirements under the Uniform Information Practices Act.	S 1/24/2024: Referred to PSM, JDC. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	WAKAI, FEVELLA, KIDANI, San Buenaventura	PSM, JDC	HB1543	dead	Support
52	SB3203	Sunshine Law; Legislative Intent; Boards; Definitions; Permitted Interactions; Limited Meetings; Board Packets; Minutes; Exceptions	RELATING TO PUBLIC AGENCY MEETINGS AND RECORDS.	Enables boards to operate more effectively by amending sections of the Sunshine Law pertaining to the declaration of policy and intent, permitted interactions of members, limited meetings, executive meetings, exceptions, board packets, and minutes. Amends the definition of the term "meeting".	S 1/29/2024: Referred to GVO, JDC. Bill was not scheduled for a hearing by the First Lateral Filing Deadline 2/15/2024	KOUCHI (Introduced by request of another party)	GVO, JDC		dead	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/6/2024	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
53	SB3307 SD1	OIP; Public Agency Meetings; Sunshine Law; Exemption; Trusted Public Representatives; Report	RELATING TO PUBLIC AGENCY MEETINGS.	Requires the Director of the Office of Information Practices to adopt rules to establish a process for the selection and appointment of trusted public representatives. Allows the Director of the Office of Information Practices to assign trusted public representatives to observe board meetings closed to the public. Requires the Director of the Office of Information Practices to include in the Director's annual report the activities of trusted public representatives. Requires trusted public representatives to submit a confidential report to the Director of the Office of Information Practices that a board meeting was conducted in conformance with chapter 92, Hawaii Revised Statutes. Defines "trusted public representative". Allows boards to hold certain meetings closed to the public if a trusted public representative is assigned to the meeting by the Director of the Office of Information Practices and is present at the meeting.	S 2/16/2024: Report adopted; Passed Second Reading, as amended (SD 1) and referred to JDC. Bill was not scheduled for a hearing by the First Decking Deadline 3/1/2024	IHARA	GVO, JDC		dead	Monitor



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE CHARTER

I. PURPOSE

The Human Resources Committee (“Committee”) of the Employees’ Retirement System (“ERS”) of the State of Hawaii is a committee of the Board of Trustees (“Board”). Its primary function is to provide oversight of Human Resources Management and to determine and recommend compensation for executive and exempt positions in the ERS for Board approval based on annual performance assessments.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of no more than four (4) trustees. The members of the Committee shall be appointed by the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation. The Board may remove any member from the Committee at any time with or without cause.

III. MEETINGS

The Committee shall meet at least one (1) time a year at such times and places as it deems necessary to fulfill its responsibilities. After each meeting, the Committee shall report to the Board regarding its actions and recommendations. The Committee may invite ERS officers and employees to its meetings as it deems appropriate. Except as otherwise directed by the Committee, the Executive Director, Deputy Executive Director, the Chief Investment Officer, and exempt Investment Office staff shall not be present at Committee meetings at which their compensation or performance is discussed or determined.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE CHARTER

IV. AUTHORITY AND RESPONSIBILITIES

The Committee shall elect from its members a Chairperson and Vice Chairperson. The Committee shall have the following authority and responsibilities:

- To oversee the Executive Director's execution of the human resources management function within the State's policy framework and Budget & Finance's directives and guidance.
- To review, ~~and approve,~~ and monitor, the annual goals and objectives of the Executive Director, Deputy Executive Director, and Chief Investment Officer as adopted by the Board. Successful accomplishment of the goals and objectives shall be the basis of compensation recommendations for the Executive Director and the Chief Investment Officer.
- Evaluate at least annually the Executive Director's, Deputy Executive Director's, and Chief Investment Officer's performance relative to the goals and objectives of their positions and those of the ERS.
- The Committee shall make recommendations to the Board regarding the compensation of the Executive Director and Chief Investment Officer.
- The Committee shall consult with the Executive Director on the goals and objectives applicable to the Deputy Executive Director, Chief Investment Officer, and exempt Investment Office staff.
- To review at least annually the Executive Director's and Chief Investment Officer's performance evaluations of exempt Investment Office staff's goals and objectives of staff's positions and those of the ERS.
- The Committee shall consult with the Executive Director and Chief Investment Officer regarding compensation recommendations for exempt Investment Office staff. The Committee shall make recommendations to the Board regarding the compensation of exempt Investment Office staff.
- To review with the Executive Director the implementation of performance goals and Committee recommendations at mid-year.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE CHARTER

- To review and make recommendations to the Board regarding the adoption, amendment, or termination of employment agreements and severance arrangements or plans, including any benefits to be provided in connection with the appointment of the Executive Director and Chief Investment Officer. To develop and recommend to the Board for approval a succession plan ("Succession Plan"), to review the Succession Plan periodically with the Executive Director, to develop and evaluate potential candidates for the Executive Director, Deputy Executive Director, and Chief Investment Officer positions, and to recommend to the Board any changes to, and any candidates for succession under, the Succession Plan.
- To review the Training and Development Plan annually with the Executive Director and report on plan implementation to the Board.

V. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of compensation consultants as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of each compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of legal counsel and other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its legal counsel and other advisors. The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant(s), legal counsel, or other advisors, and the authority granted in this Part V shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE CHARTER

VI. PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

Adopted and Approved by the Board of Trustees: April 10, 2017, August 10, 2020, April 11, 2022, March 13, 2023, March 11, 2024

Accepted by the Governance Policy Committee: March 28, 2022, March 7, 2023

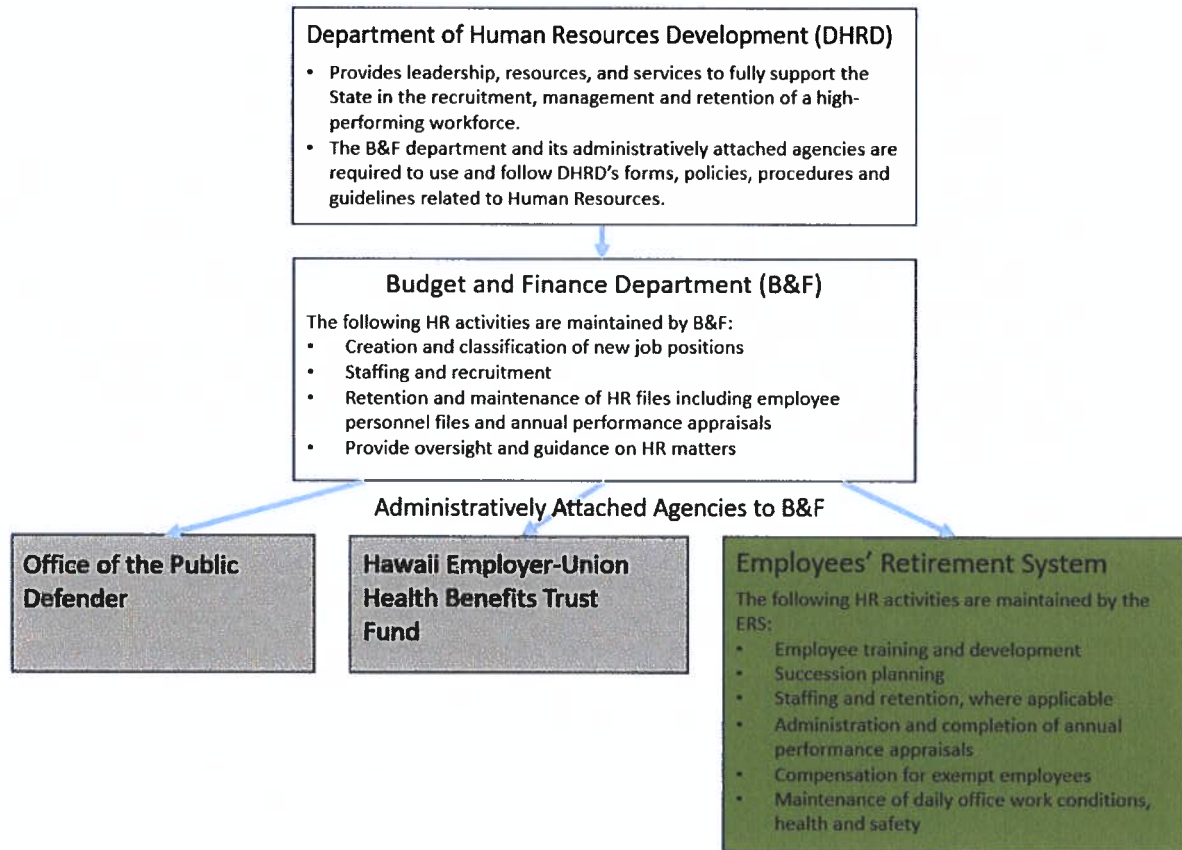
Revised by the Compensation Review Committee: March 23, 2020, February 25, 2021, February 10, 2022, February 6, 2023, February 12, 2024

Attached for Reference:

Page 2, Human Resources Personnel Development and Retention Review, Internal Audit Report, September 2020, Report No.: STA011-XX-XX

The Performance Appraisal System is the annual employee review process required by the State of Hawaii (Section 76-41, Hawaii Revised Statutes). The purpose of the system is to evaluate the performance of employees in the civil service system and to improve employee performance. The ERS' managers and supervisors are responsible for performing and completing annual reviews of their staff member. Once completed, the employee performance appraisal forms are submitted to B&F. B&F is responsible for the tracking, collection and file maintenance of the performance appraisal form. Copies of each performance appraisal are provided to the ERS and individual employees. This process is the primary performance management tool used by the ERS to provide periodic feedback to its employees.

Human Resources Role Hierarchy for the Employees' Retirement System



The updated ERS Strategic Plan includes certain strategic HR initiatives. One of the Plan's Objectives is to "Maintain Plan Sustainability" and it includes the strategic initiative to "Optimize Operational Effectiveness." The measures and targets related to this initiative include:

- Develop, implement and maintain new and ongoing comprehensive staff training plan
 - Make job appropriate training available to all staff
- Institute an annual staff resources assessment, including a succession plan to maintain operational effectiveness
 - Assess staff resources annually, including a succession plan by FY 2020, updated annually



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INVESTMENT COMMITTEE CHARTER

I. PURPOSE

The Investment Committee (“Committee”) of the Employees’ Retirement System (“ERS”) of the State of Hawaii is a committee of the Board of Trustees (“Board”). Its primary function is to carry out the policy development and investment decision-making responsibilities delegated by the Board to include specified oversight, review and monitoring of investment decision-making, implementation, process compliance and reporting responsibilities of the Investment Office and its staff, consultants, and advisors.

II. COMMITTEE MEMBERSHIP

The Investment Committee of the Board of Trustees of the Employees’ Retirement System of the State of Hawaii shall consist of no more than four (4) Board members who shall be appointed by the Board Chair and approved by the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation. The Board may remove any member from the Committee at any time with or without cause.

III. MEETINGS

The Committee shall in general meet in advance of each Board meeting, except when there is a Special Board meeting, and at such other times and places as the members of the Committee deem necessary to fulfill the Committee’s responsibilities. The Committee shall report regularly to the Board regarding its actions and those of the investment staff and make recommendations to the Board as appropriate. The Committee may invite such member of management to its meetings as it deems appropriate. The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INVESTMENT COMMITTEE CHARTER

IV. AUTHORITY AND RESPONSIBILITIES

Hawaii Revised Statutes (HRS) §88-110 vests authority for investing ERS assets with its Board. The Board, acting within its discretion, has delegated certain specified investment oversight and decision-making authority to the Investment Committee of the Board. The Board retains fiduciary responsibility for all ERS investment and non-investment decisions.

The members of the Committee shall designate from amongst its membership persons to serve as Chair and Vice-Chair.

The Committee shall have the following authority and responsibilities:

- To review and make investment policies and guideline recommendations for the Board's consideration.
- Establish the guidelines applicable to implementation and investment decision-making delegated to investment staff.

While guidelines are intended to be durable, they may be revised at the Committee's discretion.

- Establish and monitor investment office reporting requirements, process, and policy compliance.
- To review and make recommendations annually about the ERS's goals and objectives applicable to the Investment Office.
- To review and approve ongoing activities of the Investment Office in regards to the goals and objectives and any additional tasks assigned to the Investment Office from the Board.
- To assign and provide direction to the Chief Investment Officer (CIO) and, if applicable, the Executive Director (ED) on priorities and actions to successfully execute the responsibilities of the Investment Office.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INVESTMENT COMMITTEE CHARTER

The Committee shall consult with the ED on the goals and objectives applicable to the CIO and Investment Office.

V. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to obtain the advice of any ERS consultant or ERS service provider for the purposes of carrying out its duties related to the Investment Office and investment activities. The Committee shall have the authority, in its sole discretion, to obtain the advice and assistance of ERS's legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall not be required to implement or act upon the advice or recommendations of its consultant, legal counsel or other advisor to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter. The consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the ERS's in-house counsel) shall be independent as determined in the discretion of the Committee and Board.

VI. PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it and the Board deems appropriate.

Adopted and Approved by the Board of Trustees: September 30, 2013, November 9, 2020, April 11, 2022, July 10, 2023, March 11, 2024

Accepted by the Governance Policy Committee: November 5, 2020, March 28, 2022, July 10, 2023

Revised and Accepted by the Investment Committee: January 24, 2022, May 22, 2023, February 20, 2024

2024
BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII

OFFICERS & COMMITTEE ASSIGNMENTS

BOARD MEMBERS

Emmit Kane, Chair
Lance Mizumoto, Vice Chair
Vincent (Vince) Barfield
Catherine Chan
Genevieve (Genny) Gines Ley
Luis Salaveria
Bennett Yap

ADMINISTRATIVE & AUDIT COMMITTEE (1/31/24)

Catherine Chan, Chair
Vincent (Vince) Barfield, Vice Chair
Genevieve (Genny) Gines Ley
Luis Salaveria

HUMAN RESOURCES COMMITTEE (2/12/24)

Vincent (Vince) Barfield, Chair
Genevieve (Genny) Gines Ley, Vice Chair
Catherine Chan
Luis Salaveria

INVESTMENT COMMITTEE (2/20/24)

Lance Mizumoto, Chair
Bennett Yap, Vice Chair
Vincent (Vince) Barfield
Emmit Kane

LEGISLATIVE COMMITTEE (2/2/24)

Bennett Yap, Chair
Genevieve (Genny) Gines Ley, Vice Chair
Lance Mizumoto
Luis Salaveria

GOVERNANCE POLICY COMMITTEE

Emmit Kane, Chair
(Board Chair)
Lance Mizumoto, Vice Chair
*(Board Vice Chair &
Investment Committee Chair)*
Vincent (Vince) Barfield
(Human Resources Committee Chair)
Catherine Chan
(Administrative & Audit Committee Chair)
Bennett Yap
(Legislative Committee Chair)



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
GOVERNANCE POLICY COMMITTEE CHARTER

I. PURPOSE

The purpose of the Governance Policy Committee (“Committee”) is to carry out the responsibilities delegated to it by the Board of Trustees of the Employees’ Retirement System of the State of Hawaii (“Board”) relating to research, implementation and monitoring of best practices for governance toward fulfillment of fiduciary duties, oversight of investment policies and guidelines, and the efficient, effective administration of the Employees’ Retirement System of the State of Hawaii (“ERS”).

II. COMMITTEE MEMBERSHIP

The Committee shall be composed of the Chairpersons of the standing committees of the Board. The Board Chair and Board Vice Chair will be the Governance Policy Committee Chair and Vice Chair, however, if the Board Vice Chair is not a chair of a standing committee, the Governance Committee will appoint the Board Vice Chair as a member and to serve as Vice Chair of the Committee. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation. The Board may remove any member from the Committee at any time with or without cause.

III. MEETINGS

The Committee shall meet ~~at least one (1) time a year~~ at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report ~~regularly~~ to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee may invite such members of management and advisors to its meetings as it deems appropriate. The Committee shall review this Charter ~~at least annually periodically~~ and recommend any proposed changes to the Board for approval.



**Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
GOVERNANCE POLICY COMMITTEE CHARTER**

IV. AUTHORITY AND RESPONSIBILITIES

The Committee shall have the following authority and responsibilities regarding the administration of the ERS:

- To review ~~annually~~ the ERS's Governance Plans and Procedures.
- To assign and provide direction to the Executive Director and Deputy Executive Director on priorities and actions to successfully execute the governance responsibilities of the Administrative Branch.
- To review and draft governance policies, guidelines and recommendations for the Boards consideration.

The Committee shall have the following authority and responsibilities regarding ERS Legislation:

- To recommend and review proposed legislation relating to the ERS governance introduced by the ERS and by other parties, and to assign and provide direction for the Executive Director and Deputy Executive Director on priorities and actions to successfully support such legislative goals and responsibilities of the ERS.
- To recommend support, opposition, or monitor of proposed legislation relating to the ERS governance to the full Board for its consideration.

V. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to obtain the advice of any ERS consultant or ERS service provider as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall have the authority, in its sole discretion, to obtain the advice and the assistance of ERS's legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall not be required to implement



**Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
GOVERNANCE POLICY COMMITTEE CHARTER**

or act consistently with the advice or recommendations of its consultant, legal counsel or other advisor to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter. The consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the ERS's in-house counsel) shall be independent as determined in the discretion of the Committee.

VI. PERFORMANCE EVALUATION

The Committee shall conduct ~~an annual~~ periodic evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

Adopted and Approved by the Board of Trustees: December 9, 2019, September 14, 2020, April 11, 2022, March 13, 2023, March 11, 2024
Revised and Accepted by the Governance Policy Committee: July 24, 2020, March 28, 2022, March 7, 2023