

Board Packet List of Documents

Governance Policy Committee Meeting September 3, 2026

- Meeting Agenda
- New Business
 1. ERS Board of Trustees Governance Policy Committee Charter
 - 1.1 ERS Board of Trustees Legislative Committee Charter (for reference)
 3. Hawaii State Procurement Office Travel Guidelines & Procedures
 - 3.1 Trustee Education and Travel FY 2025 & FY 2026
 4. Proposed Legislative Bill and Justification Relating to the Exemption from Civil Service of the Information Systems Branch Manager Position
- APPROVAL OF MINUTES – March 7, 2023

Board Packet Documents will be available for 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: Governance Policy Committee of the Board of Trustees of the Employees' Retirement System of the State of Hawaii

DATE: Thursday, September 3, 2026, 1:00 p.m.

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 Governance Policy Committee of the Board of Trustees and members of the public may participate via interactive conference technology or in person at the meeting place stated above.

Members of the public may provide testimony in person or by teleconference, either audio or video, at the following link or phone number:

<https://teams.microsoft.com/meet/250537878937297?p=m5kpKYUDptwgd4Siq5>

Or join by entering meeting ID: 250 537 878 937 297 Passcode: qW28pv3i

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: 335 330 323#

In the event audiovisual communication cannot be maintained with participating Trustees and quorum is lost, the meeting shall be automatically recessed for up to 30 minutes, during which time, an attempt to restore audiovisual communication will be made. If such attempt is unsuccessful, all Trustees, members of the public, staff and other interested individuals may continue to participate in the meeting via telephone using the above-listed telephone and conference ID numbers, whereby audio-only communication will be established for all participants and the meeting will continue. If reconvening the meeting is not possible because neither audiovisual nor audio-only communication can be re-established, the meeting will be terminated.

AGENDA

QUORUM/CALL TO ORDER

PUBLIC COMMENT

Members of the public may provide in-person testimony at the meeting or, alternatively, may submit written testimony in advance on these agenda items via e-mail or postal mail with receipt recommended by 4:30 p.m. on Wednesday, September 2, 2026, 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, Governance Policy Committee, 201 Merchant Street, Suite 1400, Honolulu, HI 96813.

NEW BUSINESS

1. Review and Discuss Revisions to the Governance Policy Committee Charter.
2. Discuss Governance Oversight Structure and Policies Needed in Committee Functional Oversight Areas.
3. Discuss Procedure and Policy for Board Education and Travel.
4. Discuss Proposed Legislation to Exempt from HRS Chapter 76 Civil Service the Employees' Retirement System's Information Technology Band D Position (Information Systems Branch Manager) for Submittal to Budget and Finance as a Part of the Administrative Package for the 2027 Legislative Session.

Pursuant to HRS §92-5(a)(4), the Committee may enter into Executive Session to consult with the Committee's attorneys on questions and issues pertaining to the Committee's powers, duties, privileges, immunities, and liabilities with respect to these matters.

APPROVAL OF MINUTES – March 7, 2023

APPROVAL OF EXECUTIVE SESSION MINUTES – March 7, 2023

Pursuant to HRS § 92-5(a)(2), (4), (6) and (8), the Committee may enter into executive session if such approval requires the consideration of sensitive matters relating to public safety or security; the consideration of information that must be kept confidential pursuant to State law; the consideration of the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved; and/or 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.

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 Monday, August 31, 2026, and the ERS will try to obtain the auxiliary aid/service or accommodation, but cannot guarantee that the request will be fulfilled.

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



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 comprised of four (4) members of the Board of Trustees: (1) the Board Chair, who shall serve as the Chair of the Committee; (2) the Board Vice Chair, who shall serve as the Vice Chair of the Committee; for members (3) and (4) a Chairperson from either the Administrative and Audit Committee, Human Resources Committee, Investment Committee, or Legislative Committee, as assigned by the Board Chair. 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 a one-year terms and shall serve for such term or terms as the Board Chair may determine or until earlier resignation. The Board Chair may remove any member from the Committee at any time with or without cause.

III. MEETINGS

The Committee shall meet at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report to the Board regarding its actions and make



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

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 periodically and recommend any proposed changes to the Board for approval.

IV. AUTHORITY AND RESPONSIBILITIES

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

- To review 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



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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 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 aperiodic 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, March 10, 2025

Revised and Accepted by the Governance Policy Committee: July 24, 2020, March 28, 2022, March 7, 2023, September 3, 2026



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.



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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, March 10, 2025, March 9, 2026
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, February 13, 2025, February 26, 2026

STATE PROCUREMENT OFFICE
TRAVEL GUIDELINES & PROCEDURES

INTRODUCTION

Effective July 1, 2026, these travel guidelines, procedures, and the applicable forms and worksheets shall be used for purposes of Intra-State and Out-of-State travel. Department may impose additional requirements in its departmental travel procedures.

I. PURPOSE

To provide travel guidelines and procedures for Executive Branch Department (excluding DOE, UH, OHA, and HHSC) employees in accordance with collective bargaining agreements (BU 2, 3, 4, 9 and 13), Hawaii Administrative Rules (HAR 3-10) and procurement circulars.

II. DEFINITIONS

- A. **Federal Allowable Rate** – The maximum allowable rates for per diem (lodging and M&IE) set by the General Services Administration (GSA) for the 48 Contiguous United States and the District of Columbia (**CONUS**), and by the Department of Defense (DOD) for Outside Contiguous United States, Non-Foreign Overseas and Foreign (**OCONUS**) travel.
- B. **Hawaii Government Employees Association (HGEA) Settlement Agreement** (for BUs 2,3,4, 9 & 13) – Summary agreement dictating how travel time is calculated, regarding work-related travel outside of working hours for those employees, on same-day travel, who may earn overtime pay.
- C. **Incidental Expenses** – Necessary costs incurred while on official business, including but not limited to fees and tips for baggage carriers, porters, hotel maids, transportation drivers, and laundry.
- D. **Intra-State Travel** – Authorized travel within the State of Hawaii, which includes inter-island travel (one-day travel or overnight travel). Note: Hawaii is considered OCONUS.
- E. **Lodging** – Allowable expenditure to cover lodging/hotel costs of intra-state and out-of-state travel where lodging costs are necessary and reasonable.
- F. **Meals & Incidental Expenses (M&IE)** – The maximum amount authorized for daily meals and incidental expenses determined by the business destination set by the GSA for CONUS travel and the Department of Defense for OCONUS travel.
- G. **Out-of-State Travel** – Authorized travel outside the State of Hawaii to the United States and its territories and foreign localities.
- H. **Per Diem** – Allowance for lodging, meals and related incidental expenses. A maximum specified amount for each day of authorized intra-state or out-of-state travel, established by collective bargaining agreements, aligned with the federal rates.
- I. **Statement of Completed Travel** – This form is utilized to record incurred expenses following the traveler's return.
- J. **Travel Approval Form (TAF), SPO-030** – Form used to document travel details, projected expenses, and obtain written approval by designated authority.
- K. **Travel Worksheets** – Forms (SPO-030A, SPO-030B, SPO-030C, SPO-030D) used to do document airfare, lodging, M&IE, and ground transportation, itineraries and related expenses.

STATE PROCUREMENT OFFICE
TRAVEL GUIDELINES & PROCEDURES

III. APPLICABILITY

- A. Applies to all persons employed by the State, and to all persons representing the State on official business, unless otherwise provided by statute. (HAR 3-10-3).
- B. Except as otherwise provided by statutes, this applies to all travel expenses regardless of the source of funding, unless a non-state entity pays for the entire cost of travel (including per diem and all incidental costs) and makes all travel arrangements.
- C. Whenever there is a conflict between these procedures and provisions of the collective bargaining agreement, the provisions of the collective bargaining agreement shall take precedence.
- D. Under Chapter 89, HRS, excluded employees shall receive the same benefits as employees in related bargaining units.

IV. TRAVEL REQUESTS/APPROVALS

- A. All travel requests shall be approved in writing using the Travel Approval Form (TAF) and related Worksheets.
- B. Out-of-state travel requires department head approval.
- C. Intra-state travel may be delegated to division chiefs or as determined by the department.

V. TRAVEL ADVANCES

- A. Travel Advances, with receipt or confirmation, may be requested prior to a trip to cover estimated expenses for:
 - Lodging up to the Federal Allowable Rate or the quoted rate, whichever is less.
 - M&IE up the Federal Allowable Rate.
 - Identifiable costs, i.e. ground transportation, including car rental (if applicable).
- B. Advance per diem and expenses (M&IE) shall be submitted no earlier than fourteen (14) calendar days prior to travel commencement and no less than five (5) calendar days prior to departure date.
- C. Advance payment for lodging, including excess lodging, ground transportation, and other official travel expenses that are approved by the department head or designee, shall be supported by a written invoice, proof of payment, or confirmed reservations that include all reservation details (i.e. hotel confirmation showing nightly room rates and reservation dates). Requests for these types of advance payments shall be submitted together with the request for Advance Per Diem.
- D. Request for advance payments, not supported by proper documentation, shall be rejected but may be submitted with the Statement of Completed Travel, after travel has been completed.
- E. Employees receiving a stipend or funds, from a 3rd party, after the State has prepaid travel expenses shall deposit the stipend back to the General Fund.
- F. A travel advance must be returned immediately if an authorized trip is cancelled or indefinitely postponed. A personal check from the traveler, for the full amount of the advance must be obtained.

**STATE PROCUREMENT OFFICE
TRAVEL GUIDELINES & PROCEDURES**

AIRFARE AND BAGGAGE EXPENSES: WORKSHEET A

I. AIR TRAVEL COMMERCIAL AIRLINES

- A. Economy Class – Airfare shall not be more than Economy Class. Any incremental costs, such as but not limited to, preferred seating, extra leg room seating, meals, etc. is the responsibility of the traveler. This applies to all CONUS and OCONUS travel, regardless of the purpose or source of funding. (Note: Choice of fare may include a fare category that allows for a seat selection)
- B. Economy Plus (e.g. Preferred or Extra Leg Room seating, Premium Economy) Business or First Class may **ONLY** be authorized under special circumstances for example: reasonably accommodate a disability or medical need of a traveler.
- C. Travel Route – Travel routes shall be the most economical and direct route(s) available to the point(s) of destination. Any changes related to travel not applicable to state business is the responsibility of the employee.
- D. Personal deviations include personal preferences regarding air carriers, side trips, stopovers, routings, schedules, and similar choices. Any additional costs resulting from deviations are the responsibility of the traveler. The traveler shall obtain an airfare quote for the authorized portion of the trip, as well as any costs associated with personal deviations.
- E. The pCard shall be used for authorized airfare. Any increase in airfare due to personal deviation(s) is the responsibility of the traveler. The pCard shall not be used to cover any additional expenses resulting from personal deviations.
- F. A nonrefundable ticket associated with a cancelled trip by a pCard or purchase order shall be used for the employee's next trip or travel credit towards another employee's authorized travel.

II. WORKSHEET A - COMPUTATION OF AIRFARE AND BAGGAGE EXPENSES

Worksheet A is used to collect airfare quotes, document baggage fees, and identify the selected itinerary for Intra-State or Out-of-State Travel. It ensures compliance with travel requirements, including the requirement for multiple quotes.

- 1. Select travel type (one box only):**

AIRFARE AND BAGGAGE EXPENSES			
WORKSHEET A <i>Minimum of two quotes required</i>			
Check One:	INTRA-STATE (VL Contract No. 23-09):		Out-of-State:

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TRAVEL GUIDELINES & PROCEDURES

- ☐ **Intra-State Travel (travel within Hawaii)** requires two airfare quotes for authorized/official business, from two different vendors. See VL Contract 23-09, or as amended.
- ☐ **Out-of-State Travel:** A minimum of two airfare quotes from different sources (i.e. travel agency, United Airlines, American Airlines, Travelocity, Expedia, etc.) are required for authorized/official business.

2. **Airfare Quotes:** Worksheet A shall reflect the two authorized flight schedules (Itinerary #1 and #2) using the same travel parameters (same dates, similar times, and same destination). Itinerary #3 may be used to document airfare quotes that combine authorized travel with personal deviation(s).

- **Vendor:** Enter the name of the airline(s) or travel vendor(s) providing the quote.
- **Selected Itinerary:** Check the box for only ONE itinerary. Select the most economical airfare (unless otherwise justified) based on the itinerary that best meets the business requirements. The airfare & baggage for the itinerary selected will be reflected in the Worksheet total.
- **Airfare Quote:** Enter the exact airfare total quoted by the vendor.
- **Baggage Fee:** List the total expected baggage cost based on the traveler's needs for all segments. If there is no checked baggage, or no charge for luggage, enter "\$0."

Baggage is limited to one checked bag in accordance with the airline's standard weight and size limits. Travelers must provide justification why more than one (1) bag is necessary.

- **Date of Quote:** Enter the date the quote was received. Multiple quotes must be obtained on the same day to ensure comparability.
- **Flight details:**
 - Date: Travel date for each flight segment
 - Airline: Airlines
 - From: Airport of origin (use airport code, e.g., HNL)
 - To: Destination airport (use airport code, e.g., OGG)
 - Estimated Departure Time: Scheduled departure time
 - Estimated Arrival Time: Scheduled arrival time

Note: The collective bargaining agreement eliminated the 10-hour minimum requirement to arrive at the destination, but it will still be observed for practical reasons.

3. **Justification:** Complete this section if the selected itinerary is NOT the lowest airfare. Examples: "Lowest fare had unreasonably long layovers," "Lowest fare did not meet meeting schedule."

Note: If the original airfare quotes expire or are no longer valid, Worksheet A shall be revised accordingly. Routine fare fluctuations do not require an amended TAF.

4. Enter the total cost of authorized airfare into the appropriate field on the TAF.

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5. Confirmed reservations shall not be made until the TAF has been approved and signed by the appropriate approving authority.

WORKSHEET A <i>Minimum of two quotes required</i>					
Check One:		INTRA-STATE (VL Contract No. 23-09):		Out-of State: ☒	
Itinerary 1	Vendor:	United Airlines		Select Itinerary:	☐
Airfare Quote:		\$ 821.23	Baggage fee:	\$ 80.00	Date of Quote: 05/10/26
DATE	AIRLINE	FROM	TO	DEPT TIME	ARR TIME
06/02/26	United	HNL	SFO	7:10 AM	3:15PM
06/07/26	United	SFO	HNL	7:05 AM	9:40AM
Itinerary 2	Vendor:	Expedia		Select Itinerary:	☒
Airfare Quote:		\$ 623.13	Baggage fee:	\$ 80.00	Date of Quote: 05/10/26
DATE	AIRLINE	FROM	TO	DEPT TIME	ARR TIME
06/02/26	Alaska	HNL	SFO	11:37AM	7:57PM
06/07/26	American	SFO	HNL	11:37 AM	5:47PM
Itinerary 3	Vendor:	Hawaiian Airlines		Select Itinerary:	☐
Airfare Quote:		\$ 944.00	Baggage fee:	\$ 120.00	Date of Quote: 05/10/26
DATE	AIRLINE	FROM	TO	DEPT TIME	ARR TIME
06/02/26	Hawaiian	HNL	SFO	12:10PM	8:25PM
06/07/26	Alaska	SFO	LAS	5:00PM	6:45PM
06/10/26	Hawaiian	LAS	HNL	6:05PM	9:26PM
All quotes shall be obtained on the same 8-hour work day using the same parameters, i.e., dates, similar times, and destination.					

**STATE PROCUREMENT OFFICE
TRAVEL GUIDELINES & PROCEDURES**

PER DIEM: MEAL ALLOWANCES, AND INCIDENTAL EXPENSES (M&IE): WORKSHEET B

- I. **PER DIEM** includes an allowance for lodging, meals and related incidental expenses. A maximum specified amount for each day of authorized intra-state or out-of-state travel is established by collective bargaining agreements. The collective bargaining agreement provisions, effective July 1, 2026, have been revised to align with the federal rates.

- A. **Intra-state travel** allowance (overnight) is based on the Department of Defense for Outside Contiguous United States, Non-Foreign Overseas and Foreign (OCONUS) travel.

Website: <https://www.travel.dod.mil/Travel-Transportation-Rates/Per-Diem/Per-Diem-Rate-Lookup/>.

Example: Islands of Hawaii (Note: There is no chart that reflects the breakdown for meals.)

Locality	Seasons (Beg-End)	Maximum Lodging	Local Meals	Proportional Meals	Local Incidental	Footnote	Footnote Rate	Maximum Per Diem	Effective Date
[OTHER]	01/01 - 12/31	242	130	74	33			405	10/01/2025
CAMP H M SMITH	01/01 - 12/31	202	130	74	33			365	10/01/2025
CNI NAVMAG PEARL HARBOR-HICKAM	01/01 - 12/31	202	130	74	33			365	10/01/2025
FT. DERUSSEY	01/01 - 12/31	202	130	74	33			365	10/01/2025
FT. SHAFTER	01/01 - 12/31	202	130	74	33			365	10/01/2025
HICKAM AFB	01/01 - 12/31	202	130	74	33			365	10/01/2025
HONOLULU	01/01 - 12/31	202	130	74	33			365	10/01/2025
SLE OF HAWAII: HILO	01/01 - 12/31	199	117	68	29			345	10/01/2025
SLE OF HAWAII: LOCATIONS OTHER THAN HILO	01/01 - 12/31	242	144	81	36			422	10/01/2025
SLE OF KAUAI	01/01 - 12/31	350	132	75	33			515	10/01/2025
SLE OF LANAI	01/01 - 12/31	242	130	74	33			405	10/01/2025
SLE OF MAUI	01/01 - 12/31	354	122	70	31			507	10/01/2025
SLE OF MOLOKAI	01/01 - 12/31	242	130	74	33			405	10/01/2025
SLE OF OAHU	01/01 - 12/31	202	130	74	33			365	10/01/2025

- B. **Out-of-State (OCONUS)** travel allowance is based on the Department of Defense for Outside Contiguous United States, Non-Foreign Overseas and Foreign travel.

Website: <https://www.travel.dod.mil/Travel-Transportation-Rates/Per-Diem/Per-Diem-Rate-Lookup/>.

Sample: Japan (Note: There is no chart that reflects the breakdown for meals.)

Locality	Seasons (Beg-End)	Maximum Lodging	Local Meals	Proportional Meals	Local Incidental	Footnote	Footnote Rate	Maximum Per Diem	Effective Date
[OTHER]	01/01 - 12/31	208	86	52	21			315	12/01/2025
ADACHI	01/01 - 12/31	358	100	59	25	8		483	12/01/2025
AKASHI	01/01 - 12/31	337	162	90	41			540	12/01/2025
AMAGASAKI	01/01 - 12/31	337	162	90	41			540	12/01/2025
ARAKAWA	01/01 - 12/31	358	100	59	25	8		483	12/01/2025
ASHIYA	01/01 - 12/31	113	91	55	23			227	12/01/2025
ATSUGI	01/01 - 12/31	208	86	52	21	13		315	12/01/2025
ATSUGI NAF	01/01 - 12/31	208	86	52	21	13		315	12/01/2025
AWASHIMA	01/01 - 12/31	212	118	68	29			359	12/01/2025
AYASE	01/01 - 12/31	208	86	52	21			315	12/01/2025

STATE PROCUREMENT OFFICE TRAVEL GUIDELINES & PROCEDURES

- C. **Out-of-State (CONUS)** travel allowance is based on the General Services Administration (GSA) for the 48 Contiguous United States and the District of Columbia

Website: <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Use the drop-down box to select a specific State, City or Zip Code. If a city is not represented, the Standard Rate shall apply for all locations without specific rates.

This sample chart represents the maximum daily rates for M&IE for the County of Los Angeles

Primary destination ①	County ①	M&IE total	Breakfast	Lunch	Dinner	Incident expense
Los Angeles	Los Angeles / Orange / Ventura / Edwards AFB less the city of Santa Monica	\$86	\$22	\$23	\$36	\$5

Example: Maximum standard daily lodging rates (excluding taxes) for the State of California

Primary destination ①	County ①	2025 Oct	Nov	Dec	2026 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Standard Rate	Applies for all locations without specified rates	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110

- D. **Federal rates** are based on the federal fiscal year October through September. For travel commencing before July 1, 2026, and terminating after July 1, 2026, the current State per diem rates will prevail. For example, travel commencing on June 29, 2026, and returning on July 2, 2026, the current rates of \$145.00 for out-of-state, and \$90.00 intra-state shall be used.

The applicable federal rates will be used for travel commencing after July 1, 2026, irrespective of any subsequent changes to those rates. For example, the M&IE is \$86.00 per day for travel to Los Angeles commencing on September 29, 2026, returning October 2, 2026. Although the federal rate may change on October 2, 2026, the rate effective as of September 29, 2026 will prevail.

- E. **Computing M&IE Allowance** – in computing the M&IE allowance, the calendar day (midnight to midnight) shall be the unit. For fractional M&IE allowance for departure and return days, use the following table:

If Time of	Allowed on Day of:	
Departure/Return	Departure	Return
12:01 am – 6:00 am	1 day	¼ day (0.25)
6:01 am - Noon	¾ day (0.75)	½ day (0.50)
12:01 pm – 6:00 pm	½ day (0.50)	¾ day (0.75)
6:01 pm - midnight	¼ day (0.25)	1 day

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II. WORKSHEET B – COMPUTATION OF MEALS AND INCIDENTAL EXPENSES - CONUS

Worksheet B is used to calculate Meals and Incidental Expenses (M&IE) for travel to the 48 contiguous United States and District of Columbia. It also determines the appropriate meal allowance when meals are provided at no cost to the traveler or the State. Worksheet B is essential for calculating:

- Rates for overnight travel
 - Allowance for same day travel
 - M&IE when lodging is provided at no cost to the traveler or State
 - Rates when meals are supplied at no cost to the traveler or State
1. Complete the top and bottom sections, as indicated, with type of travel, travel destination, travel dates/times, traveler's name, and preparer's name(s).
 2. **PART A – Computation of M&IE**
 - **Departure Day:** Enter the fractional day based on 90 minutes prior to departure time (using the chart)
 - **Full Days:** Count every full 24-hour period between departure and return days.
 - **Return Day:** Enter the fractional day based on 30 minutes after the scheduled arrival time at the employee's home airport (using the chart).
 - **Total Days:** Automatically calculated.
 - **Rate:** Enter the daily M&IE rate based on the information from the GSA website <https://www.gsa.gov/travel/plan-book/per-diem-rates>

ATTACH A SCREENSHOT OF THE M&IE TO DOCUMENT THE RATE.

Sample M&IE for Dallas, Texas

Primary destination	County	M&IE total	Breakfast	Lunch	Dinner	Incidental expenses	First and last day of travel
Dallas	Dallas	\$80	\$20	\$22	\$33	\$5	\$60.00

- Total A will automatically be calculated based on the input provided.
3. Enter the total M&IE cost from Worksheet B on the appropriate line on the TAF, as applicable.
 4. **Part B – Computation of M&IE when lodging is provided** at no cost to the traveler/state. Only meals and incidentals are provided for the full days (unless meals are included in the meeting, training etc.)

<i>Example: Dallas, Texas</i>	Rate	Number of Days	Total
Breakfast	\$20	1	\$20.00
Lunch	\$22	1	\$22.00
Dinner	\$33	1	\$33.00
Calculate the daily incidental rate	\$5	x 6	\$30.00
		TOTAL B	\$105.00

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5. Part C: Deduction of Meals when meals are provided.

<i>Example: Dallas, Texas</i>	Rate	Number of Meals	Meal	
	\$20	1	Breakfast	\$20.00
	\$22	1	Lunch	\$22.00
	\$33	1	Dinner	\$33.00
Total C				\$75.00

Note: Incidental Expense rate is not adjusted

Note: M&IE shall not be reduced when meals are provided as part of a conference program. See CM 2012-15 for additional information.

The Grand total will be based on the input of A, B, or C (as applicable).

Worksheet B-CONUS Grand Total: \$ -

III. WORKSHEET B - COMPUTATION OF MEALS AND INCIDENTAL EXPENSES – OCONUS

Worksheet B is used to calculate Meals and Incidental Expenses (M&IE) for travel OCONUS *outside* the 48 contiguous United States, non-foreign overseas (Hawaii and Alaska), and foreign destinations. It also determines the appropriate meal allowance when meals are provided at no cost to the traveler or the State. Worksheet B is essential for calculating:

- Rates for overnight travel
 - Allowance for same day travel (Hawaii only)
 - M&IE when lodging is provided at no cost to the traveler or State
 - Rates when meals are provided at no cost to the traveler or State
1. Complete the top and bottom sections, as indicated, with the type of travel, destination, travel dates/times, traveler's name, and preparer's name(s).
 2. Insert the **Local Meals Rate** and **Local Incidental Rate** from the federal website: <https://www.travel.dod.mil/Travel-Transportation-Rates/Per-Diem/Per-Diem-Rate-Lookup/>. This will be used to calculate the meal percentages.
 3. **PART A – Computation of M&IE for OCONUS:**
 - **Departure Day:** Enter the fractional day based on 90 minutes prior to departure time (using the chart).
 - **Full Days:** Count every full 24-hour period between departure and return.
 - **Return Day:** Enter the fractional day based on 30 minutes after the scheduled arrival time at the employee's home airport. Use the provided quarter-day chart.
 - **Total Days:** Automatically calculated.

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- **Rate:** Enter the daily M&IE rate based on the information from the **DOD** website:
<https://www.travel.dod.mil/Travel-Transportation-Rates/Per-Diem/Per-Diem-Rate-Lookup/>
- **Total A** will automatically be calculated based on the input provided.

ATTACH A SCREENSHOT OF THE M&IE TO DOCUMENT THE RATE.

OCONUS Example: Frankfurt, Germany

Locality	Seasons (Beg-End)	Maximum Lodging	Local Meals	Proportional Meals	Local Incidental	Footnote	Footnote Rate	Maximum Per Diem	Effective Date
FRANKFURT AM MAIN	01/01 - 12/31	258	108	63	27			393	08/01/2025

- Enter the total M&IE cost from Worksheet B on the appropriate line on the TAF.
- Part B – Computation of M&IE** when lodging is provided at no cost to the traveler/state. Only meals and incidentals are provided for the full days (unless meals are included in the meeting, training, etc.)

<i>OCONUS Example:</i> <i>Frankfurt, Germany</i>	Local Meals	Rate/Meal		Number of Meals	Total
20% for Breakfast	\$108	\$22	x	1	\$22.00
30% for Lunch	\$108	\$32	x	1	\$32.00
50% for Dinner	\$108	\$54	x	1	\$54.00

Incidental Expenses	\$27	x	5	\$135.00
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Note: Incidental Expenses rate is not adjusted.

Part C – Deduction of Meals when meals are provided.

<i>OCONUS Example:</i> <i>Frankfurt, Germany</i>	Local Meals	Rate/Meal		Number of Meals	Total
20% for Breakfast	\$108	\$22	x	1	\$22.00
30% for Lunch	\$108	\$32	x	1	\$32.00
50% for Dinner	\$108	\$54	x	1	\$54.00
TOTAL C					\$108.00

The Grand total will be based on the input of A, B, or C (as applicable)

Worksheet B-OCONUS Grand Total: \$ -

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IV. WORKSHEET B - COMPUTATION OF MEALS AND INCIDENTAL EXPENSES – INTRA-STATE (OVERNIGHT)

1. Complete the top and bottom sections, as indicated, with type of travel, travel destination, travel dates/times, traveler's name, and preparer's name(s).
2. Insert the **Local Meals Rate** and **Local Incidental Rate** from the federal website:
<https://www.travel.dod.mil/Travel-Transportation-Rates/Per-Diem/Per-Diem-Rate-Lookup/>. This will be used to calculate the meal percentages.
3. **PART A – Computation of M&IE:**
 - **Departure Day:** Enter the fractional day based on 90 minutes prior to departure time (using the chart.
 - **Full Days:** Count every full 24-hour period between departure and return.
 - **Return Day:** Enter the fractional day based on 30 minutes after the scheduled arrival time at the employee's home airport. Use the provided quarter-day chart.
 - **Total Days:** Automatically calculated.
 - **Rate:** Enter the daily M&IE based on the information from the **DOD** website:
<https://www.travel.dod.mil/Travel-Transportation-Rates/Per-Diem/Per-Diem-Rate-Lookup/>

ATTACH A SCREENSHOT OF THE M&IE TO DOCUMENT THE RATE.

Total A will automatically be calculated based on the input provided.

Locality	Seasons (Beg-End)	Maximum Lodging	Local Meals	Proportional Meals	Local Incidental	Footnote	Footnote Rate	Maximum Per Diem	Effective Date
[OTHER]	01/01 - 12/31	242	130	74	33			405	10/01/2025
CAMP H M SMITH	01/01 - 12/31	202	130	74	33			365	10/01/2025
CNI NAVMAG PEARL HARBOR-HICKAM	01/01 - 12/31	202	130	74	33			365	10/01/2025
FT. DERUSSEY	01/01 - 12/31	202	130	74	33			365	10/01/2025
FT. SHAFTER	01/01 - 12/31	202	130	74	33			365	10/01/2025
HICKAM AFB	01/01 - 12/31	202	130	74	33			365	10/01/2025
HONOLULU	01/01 - 12/31	202	130	74	33			365	10/01/2025
ISLE OF HAWAII: HILO	01/01 - 12/31	199	117	68	29			345	10/01/2025
ISLE OF HAWAII: LOCATIONS OTHER THAN HILO	01/01 - 12/31	242	144	81	36			422	10/01/2025
ISLE OF KAUAI	01/01 - 12/31	350	132	75	33			515	10/01/2025
ISLE OF LANAI	01/01 - 12/31	242	130	74	33			405	10/01/2025
ISLE OF MAUI	01/01 - 12/31	354	122	70	31			507	10/01/2025
ISLE OF MOLOKAI	01/01 - 12/31	242	130	74	33			405	10/01/2025
ISLE OF OAHU	01/01 - 12/31	202	130	74	33			365	10/01/2025

3. Enter the total M&IE cost from Worksheet B on the appropriate line on the TAF
4. **Part B – Computation of M&IE** when lodging is provided at no cost to the traveler/state. Only meals and incidentals are provided for the full days (unless meals are included in the meeting, training, etc.)

Intra-state Travel Example:

Hilo, Hawaii

	Local Meals	Rate/Meal		Number of Meals	Total
20% for Breakfast	\$117	\$23	x	1	\$23.00
30% for Lunch	\$117	\$35	x	1	\$35.00
50% for Dinner	\$117	\$59	x	1	\$59.00

Incidental Expenses	\$29	x	5	\$145.00
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Note: Incidental Expenses rate is not adjusted.

Note: M&IE shall not be reduced when meals are provided as part of a conference program. See CM 2012-15 for additional information.

Part C: Deduction of Meals when meals are provided.

<i>Intra-state Travel Example:</i>	Local Meals	Rate/M Meal		Number of Meals	Total
<i>Hilo, Hawaii</i>					
20% for Breakfast	\$117	\$23	x	1	\$23.00
30% for Lunch	\$117	\$35	x	1	\$35.00
50% for Dinner	\$117	\$59	x	1	\$59.00
TOTAL C					\$117.00

V. COMPUTATION OF INTRA-STATE TRAVEL (Same-Day Travel)

1. Complete the top and bottom sections, as indicated, with type of travel, travel destination, travel dates/times, traveler's name, and preparer's name(s).
2. Skip Parts A, B, and C.
3. Complete **Section D** (if applicable, traveler is entitled to a \$30.00 allowance for same-day travel).
4. Enter the \$30.00 allowance on the TAF.

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COMPUTATION OF LODGING EXPENSES: WORKSHEET C

- I. **PER DIEM** is an allowance for **lodging**, meals and related incidental expenses. A maximum specified amount for each day of authorized intra-state or out-of-state travel is established by collective bargaining agreements. The collective bargaining agreement effective July 1, 2026, has been revised to align with the federal rates.
- II. **WORKSHEET C** is used to document lodging quotes, identifies the selected property, and calculates excess lodging costs. It ensures compliance with State travel requirements for both intra-state and out-of-state lodging stays, including the requirement of multiple quotes.

Travelers who receive lodging at no cost, whether through accommodation with family or friends, are not eligible to receive lodging expenses.

1. Select travel type (one box only):

Check	☐	HAWAII, ALASKA, AND FOREIGN COUNTRIES (OCONUS) Click here to look up OCONUS Rates
One:	☐	48 CONTIGUOUS STATES & DISTRICT OF COLUMBIA (CONUS) Click here to look up CONUS rates

Intra-state and Out-of-State travel require a minimum of **two** authorized quotes nearest the place of business/meeting/conference, unless staying a conference hotel.

Conference Hotel must be checked if the traveler is staying at a conference hotel (does not require additional quotes).

2. Complete the check-in/out dates.
3. Complete destination (of authorized business).
4. Complete the lodging/hotel information:
 - The number of nights will be calculated based on the check-in & check-out dates.
 - Rates: Insert the daily and total Lodging/hotel rates including taxes and mandatory fees, including the Federal Maximum Rates.
 - Excess lodging will be automatically calculated and displayed, as applicable.

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Selected Hotel	Name of Hotel	Number of Nights	Hotel Rate (per day, incl. taxes & fees)	Total Hotel Rate	Federal Max Lodging (Per Night)	Total Federal Max Lodging	Total Excess Lodging
	Someplace		\$386.28	\$764.56			\$56.56
X	Nowhere		\$355.00	\$710.00	\$354.00	\$708.00	\$2.00

Excess Lodging refers to expenses that exceed the federal allowable rate established by the Department of Defense or the General Services Administration (GSA).

Intra-State and foreign destinations: <https://www.travel.dod.mil/Travel-Transportation-Rates/Per-Diem/Per-Diem-Rate-Lookup/>

Locality	Seasons (Beg-End)	Maximum Lodging	Local Meals	Proportional Meals	Local Incidental	Footnote	Footnote Rate	Maximum Per Diem	Effective Date
ISLE OF MAUI	01/01 - 12/31	354	122	70	31			507	10/01/2025

Locality	Seasons (Beg-End)	Maximum Lodging	Local Meals	Proportional Meals	Local Incidental	Footnote	Footnote Rate	Maximum Per Diem	Effective Date
LONDON	01/01 - 12/31	424	139	79	35			598	06/01/2025

- When the lowest-priced lodging or hotel is not chosen, a justification for the selection must be documented.

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COMPUTATION OF GROUND TRANSPORTATION EXPENSES: WORKSHEET D

I. GROUND TRANSPORTATION

Worksheet D is used to document all ground transportation expenses related to official State travel. It includes but not limited to: Intra- and out-of-State car rentals, ride-share, taxis, shuttles, parking, and public transportation.

A. Intra-State Car Rentals

1. Executive Branch Departments are required to use the Intrastate Car Rental Contract, PL25-04 (or as amended).
2. Car size is limited to a compact car, unless other justified and approved by the department's approving authority. Traveler is personally responsible for deviations (i.e. upgrades).
3. Insurance. The State is self-insured; therefore, travelers do not need to purchase insurance. Any insurance purchased is the personal responsibility of the traveler.

B. Out-of- State Car Rentals

1. Travelers shall use airport and/or hotel shuttle whenever possible. If a car rental is necessary, a minimum of two quotes for a compact car from two different sources, for authorized travel, are required. The pCard may not be used for out-of-state car rentals.
2. Car rentals may be used only when no other cost-effective means are available. Employees are personally responsible for deviations (upgrades, overtime, extensions).
3. Insurance: Loss Damage Waiver (LDW), or Collision Damage Waiver (CDW), or Physical Damage Waiver (PDW) are the ONLY insurance options permitted and reimbursable by the State. All other insurance options are the personal responsibility of the traveler.

II. WORKSHEET D – Computation of Ground Transportation

A. Worksheet D – Intra or Out-of-State Car Rental

Complete the following:

- Pick-up and drop off locations
- Pick up and return dates
- Daily rental rate, including any mandatory fees (for intra-state use the drop-down box to select the duration (daily/weekly/monthly))
- Number of authorized days for the car rental
- Total cost for the authorized dates
- Justification for not renting a compact sized car

B. Worksheet D - Other Ground Transportation Costs

This section captures all **non-rental-car transportation expenses**. Complete the following fields:

- Taxi or Ride Share: Estimated total costs
- Airport/Hotel Shuttle: Estimated shuttle fares
- Parking: Parking fees related to official travel
- Other (subway, bus, rail, metro, etc.): Any public transit used
- Total Estimated Cost: Sum of all ground transportation expenses

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TRAVEL APPROVAL FORM (TAF)

The Travel Approval Form is used to capture all estimated costs from the applicable worksheets and secure written approval from the traveler and approving authorities.

1. Destination: Check the appropriate travel destination designation

TRAVEL APPROVAL FORM			
Check	OCONUS (Foreign or Alaska):		CONUS (Contiguous 48 States):
One:	Intra-state Same Day:		Intra-state Overnight Travel:

2. Traveler Information – Complete all areas, including a justification for the travel

Name of Traveler:	Phone:
Position/Title:	Bargaining Unit:
Dept./ Div. / Office:	
Contact Person:	Phone:
E-mail Address:	
Justification: (Attach additional sheets if necessary including conference/meeting agenda and training)	

3. Event Information – Complete all areas

Date & Time Event Begins:	Date & Time Event Ends:
(Indicate time employee needs to be at destination including any preconference meetings, etc.)	
Location(s) of Event:	

4. Cost Information – Gather expense information from the Worksheets and input in the appropriate sections.

COST INFORMATION			
Worksheet A: Airfare/Baggage Expenses	_____		
Worksheet B: Meals & Incidental Expenses	_____		
Worksheet C: Lodging Expenses	_____		
Excess Lodging	_____		
Worksheet D: Ground Transportation Expenses	_____		
Other Expenses (registration fee, training, materials, etc.)	_____		
Describe Other Expenses: _____			
	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 5px;">TOTAL</td> <td style="padding: 2px 5px; text-align: right;">\$0.00</td> </tr> </table>	TOTAL	\$0.00
TOTAL	\$0.00		
Program ID: _____	Appropriation Symbol: _____		

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5. Route the TAF and applicable worksheets to the traveler for affirmation of travel costs and check the box affirming that the traveler is entitled to reimbursement for expenses, not previously advanced.

	☐	<i>By checking this box, the employee affirmatively agrees to personally fund travel costs in lieu of a travel advance, with the understanding that they will be reimbursed following the submission of a Statement of Completed Travel.</i>
Traveler Signature	Date	
Traveler Name		

6. Route the TAF to department's requesting and approving authority as required by departmental procedures.
7. Upon receiving signed approval, traveler (or designee) can proceed with making definite travel reservations.
8. An amended TAF is required only if changes are made to the travel dates, destination, and purpose.

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STATEMENT OF COMPLETED TRAVEL

Statement of Completed Travel, Form SPO-031, (May 2026) shall be used for all submissions. Failure to use the form may result in delays and/or re-submission.

The Statement of Completed Travel, with all applicable worksheets, supporting documents, and receipts are to be submitted within 10 working days upon return to duty. Failure to submit the Statement of Completed Travel in a timely manner may delay the traveler's reimbursement.

Complete ALL applicable sections:

I. Travel/Traveler Information

- a. Check the appropriate type of travel (only one allowed)

STATEMENT OF COMPLETED TRAVEL

Check One:	OCONUS (Foreign or Alaska): ☒	CONUS (Contiguous 48 States): ☐
	Intra-state Same Day: ☐	Intra-state Overnight Travel: ☐

- b. Complete the traveler information and business destination dates/times based on the flight information

as follows.

Travel Location:

Business-Only Departure Date: **Time:**

Business-Only Return Date: **Time:**

Personal Deviation (if applicable): to

<u>Air Transportation</u>			
Paid by (check one):	pCard: ☐	Traveler: ☒	Third Party: ☐
Total Airfare & Baggage Cost to State:			
Total Reimbursable Airfare & Baggage:			

II. Air Transportation Information – indicate how payment was made

- a. Total reimbursable Airfare & Baggage should only be completed if the traveler paid for the airfare

<u>Air Transportation</u>			
Paid by (check one):	pCard: ☐	Traveler: ☒	Third Party: ☐
Total Airfare & Baggage Cost to State:			
Total Reimbursable Airfare & Baggage:			\$1,000.00

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- b. If payment made by pCard or a third party, indicate Total Airfare & Baggage Cost to the State.

Air Transportation			
Paid by (check one):	pCard: ☒	Traveler:	Third Party:
Total Airfare & Baggage Cost to State:			\$1,000.00
Total Reimbursable Airfare & Baggage:			

III. Meals & Incidentals Expenses

- a. Ensure all relevant sections are accurately completed for CONUS or OCONUS, including any meals that are added or deducted
- b. The selection of CONUS, OCONUS, or Intra-State travel will dictate which section you will be allowed to complete.

Meals & Incidentals Expenses- CONUS ONLY																																																
M&IE for CONUS- (Full or fraction days)																																																
Dept. Day	Full Days	Rtn. Day	Total Day	Rate	Total																																											
0.50	1.00	0.25	1.75	\$ 180.00	\$ 315.00																																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="3">Meal when lodging is provided</th> <th colspan="3">DEDUCT meals provided at no cost</th> </tr> <tr> <th>Rate</th> <th>Days</th> <th>Total</th> <th>Rate</th> <th>Days</th> <th>Total</th> </tr> <tr> <td>Breakfast \$ 20.00</td> <td>1</td> <td>\$ 20.00</td> <td>\$ 20.00</td> <td>1</td> <td>\$ 20.00</td> </tr> <tr> <td>Lunch</td> <td></td> <td>\$ -</td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>Dinner</td> <td></td> <td>\$ -</td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>Incidental</td> <td></td> <td>\$ -</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Total</td> <td>\$ 20.00</td> <td colspan="2"></td> <td>\$ 20.00</td> </tr> </table>							Meal when lodging is provided			DEDUCT meals provided at no cost			Rate	Days	Total	Rate	Days	Total	Breakfast \$ 20.00	1	\$ 20.00	\$ 20.00	1	\$ 20.00	Lunch		\$ -			\$ -	Dinner		\$ -			\$ -	Incidental		\$ -				Total		\$ 20.00			\$ 20.00
Meal when lodging is provided			DEDUCT meals provided at no cost																																													
Rate	Days	Total	Rate	Days	Total																																											
Breakfast \$ 20.00	1	\$ 20.00	\$ 20.00	1	\$ 20.00																																											
Lunch		\$ -			\$ -																																											
Dinner		\$ -			\$ -																																											
Incidental		\$ -																																														
Total		\$ 20.00			\$ 20.00																																											
Net Meal Allowance (CONUS):					\$	315.00																																										

Meals & Incidentals Expenses- OCONUS MULTI DAY ONLY						Local Meals Rate: \$ 200.00																																											
						Incidental Rate: \$ 50.00																																											
M&IE for OCONUS- (Full or fraction days)																																																	
Dept. Day	Full Days	Rtn. Day	Total Day	Rate	Total																																												
0.50	1.00	0.50	2	\$ 250.00	\$ 500.00																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="3">Meal when lodging is provided</th> <th colspan="3">DEDUCT meals provided at no cost</th> </tr> <tr> <th>Pct</th> <th>Rate</th> <th>Days</th> <th>Total</th> <th></th> <th>Total</th> </tr> <tr> <td>Breakfast 20%</td> <td>\$ 40.00</td> <td>1</td> <td>\$ 40.00</td> <td>1</td> <td>\$ 40.00</td> </tr> <tr> <td>Lunch 30%</td> <td>\$ 60.00</td> <td>1</td> <td>\$ 60.00</td> <td>1</td> <td>\$ 60.00</td> </tr> <tr> <td>Dinner 50%</td> <td>\$ 100.00</td> <td>1</td> <td>\$ 100.00</td> <td>1</td> <td>\$ 100.00</td> </tr> <tr> <td>Incidental</td> <td>\$ 50.00</td> <td>2</td> <td>\$ 100.00</td> <td></td> <td></td> </tr> <tr> <td colspan="2"></td> <td></td> <td>\$ 300.00</td> <td colspan="2">\$ 200.00</td> </tr> </table>								Meal when lodging is provided			DEDUCT meals provided at no cost			Pct	Rate	Days	Total		Total	Breakfast 20%	\$ 40.00	1	\$ 40.00	1	\$ 40.00	Lunch 30%	\$ 60.00	1	\$ 60.00	1	\$ 60.00	Dinner 50%	\$ 100.00	1	\$ 100.00	1	\$ 100.00	Incidental	\$ 50.00	2	\$ 100.00						\$ 300.00	\$ 200.00	
Meal when lodging is provided			DEDUCT meals provided at no cost																																														
Pct	Rate	Days	Total		Total																																												
Breakfast 20%	\$ 40.00	1	\$ 40.00	1	\$ 40.00																																												
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Dinner 50%	\$ 100.00	1	\$ 100.00	1	\$ 100.00																																												
Incidental	\$ 50.00	2	\$ 100.00																																														
			\$ 300.00	\$ 200.00																																													
Net Meal Allowance (OCONUS MULTI DAY):					\$	600.00																																											

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IV. Lodging Expenses

- a. Complete column 1 if the nightly rate remained the same throughout the stay
- b. Complete columns 2 and/or 3 if the nightly rates change, or a 2nd/3rd hotel was needed
- c. Calculate the Total Lodging Cost and Reimbursement Cost.

Lodging Expenses								
			Rate 1	Rate 2	Rate 3			
	Number of Days:		2	2	2			
	Room Rate:		\$199.00	\$250.00	\$135.00			
	Total Hotel Rate:		\$398.00	\$500.00	\$270.00			
	Federal Max Lodging (per night):		\$150.00	\$150.00	\$150.00			
	Total Federal Max Lodging:		\$300.00	\$300.00	\$300.00			
	Total Excess:		\$98.00	\$200.00	\$0.00			
				Total Lodging Cost to State:				
				Total Reimbursable Lodging Cost:				

V. Other Reimbursable Expenses

- a. Indicate additional expenditures (must be accompanied by corresponding receipts)
- b. If entitled to mileage reimbursement, the rate is based on the information from Comptroller Memorandum on "Standard Mileage Rate Announced by the Internal Revenue Service (IRS)"

Other Reimbursable Expenses								
	Car Rental & Gas:	\$ 900.00		Parking/Milage:	\$ 50.00			
	Ground Transportation:							
	Other (Specify)	Amount						
	something	\$ 50.00						
	something else	\$ 25.00						
	more stuff	\$ 15.00						
					Total Other Expenses:	\$	1,040.00	

VI. Accounting

- a. Document the amounts paid by the State or a third party
- b. Document the amount reimbursable to the traveler
- c. Document the amount that was advanced to the traveler

STATE PROCUREMENT OFFICE
TRAVEL GUIDELINES & PROCEDURES

The following is an accounting of funds used for travel expenses

A) Expenses Paid directly by state (PO or pCard) or third party:						
B) Lodging, M&IE, and Reimbursable Expenses:						
C) Advanced by State Warrant						
P.O. No.		DBRN No.:*				

VII. Total Reimbursement or (Due to the State)

- a. Determine the total reimbursement amount, deducting any advance payments made to the traveler
- b. If the amount of an advance payment exceeds the reimbursable expenses, payment from the traveler for the amount due shall be submitted with the Statement of Completed Travel.

		Total Reimbursement OR (Due to State of Hawaii)*:	
		*Attach check if necessary	

VIII. Signatures

- a. Submit the form with all documentation and receipts for signatures

IX. Complete Statement of Travel Package

- a. Documentation Required
 - i. Approved (or Amended) TAF and all applicable worksheet
 - ii. All receipts for reimbursable expenses (including lodging & ground transportation)
 - iii. Copy of the boarding pass(es) or digital copy
 - iv. Any other documents required by the department

**STATE PROCUREMENT OFFICE
TRAVEL GUIDELINES & PROCEDURES**

ADDITIONAL TRAVEL RELATED INFORMATION

MILEAGE REIMBURSEMENT- (HAR 3-10-13(b)(3)(A))

With the approval of the department head or designee, employees may be reimbursed for mileage when using a privately-owned vehicles to travel between home and the transportation terminal and occurs outside the employee's normal working hours.

If the travel occurs during the employee's normal working day, at a time the employee usually commutes to or from work, mileage reimbursement is allowed only for the miles that are in addition to the usual commuting trip.

The mileage reimbursement rate based on "Standard Mileage Rate Announced by the Internal Revenue Service (IRS)". See Comptroller Memorandum 2026-01, or as amended.

TRAVEL TIME OFF- HGEA SETTLEMENT AGREEMENT (BUS 2, 3, 4, 9 & 13)

The following provisions are contained in the HGEA Settlement Agreement regarding work-related travel.

- Only applicable to same day travel for employees who may earn overtime.
- To the extent possible, official business and associated work-related travel are to occur within the employee's workday. If it is not feasible, the employee's supervisor and the employee may agree to adjust the employee's work schedule so that work-related travel can be conducted during the employee's workday. The employee is not entitled to overtime when an adjustment is made.
- If the employee performs work-related functions, after the end of the employee's scheduled workday, time spent working is work time, and may be entitled to overtime.
- Waiting time is not travel time. Travel time is defined as:
 - For departure from the employee's home island, travel time begins thirty (30) minutes prior to the scheduled departure time and ends at the start of the employee's workday.*
 - For return to the employee's home island, travel time begins when the workday ends on the employee's non-home island.
 - If the employee delays return to the home island, travel time ends at the scheduled arrival time on the earliest flight that the employee could have returned on.
 - For return to the employee's home island, travel time ends at the scheduled or actual arrival time, whichever is later.
 - Travel time is rounded to the nearest fifteen (15) minutes.
- Travel time does not count toward the forty-hour work week limitation.
- Employees who earn travel time shall accumulate travel time off, unless the applicable authority elects to pay the employee for the travel time off or cannot allow the employee to take the travel time off within the specific period.
- Travel time off must be taken within two pay periods, after the pay period in which it was earned. Travel time off not taken within the two pay periods, shall be forfeited, unless the request for time off was disapproved. In such instances, the employee shall be paid for the travel time.

STATE PROCUREMENT OFFICE
TRAVEL GUIDELINES & PROCEDURES

- Use of travel time off must be requested at least one week prior to the end of the period in which it must be used.
- Accumulated travel time off is forfeited when the employee leaves the position.
- Travel time off and travel time payment is calculated at one-and-a-half hours for each hour.
- The “Travel Time Form,” available on the SPO website shall be used to document any travel time earned.

*HGEA Travel Time Off rules are separate from the computation of M&IE.



Trustee Education and Travel FY25 & FY26

FY 25	Dates	No. of Trustees	Event
	10/1-10/4/24	1	Hawaii Executive Collaborative Conference
	10/15-10/18/24	6	ERS Investment Educational Summit
	11/8-11/14/24	1	IFEBP Annual Conference
	11/20-11/22/24	1	Builders VC Annual LP Meeting
	3/22-3/26/25	1	Pension Bridge Conference
	6/7-6/14/25	1	RFK Compass Summit Investors Conference

FY26	Dates	No. of Trustees	Event
	9/23-9/25/25	7	ERS Investment Educational Summit
	10/2-10/5/25	1	Hawaii Executive Collaborative Conference
	4/28-5/1/26	1	10th Annual Pacific Northwest Institutional Forum

____.B. NO. _____

A BILL FOR AN ACT

RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF THE INFORMATION
SYSTEMS BRANCH MANAGER POSITION OF THE EMPLOYEES'
RETIREMENT SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 88, Hawaii Revised Statutes, is amended
2 by adding a new section to part II, subpart A to be
3 appropriately designated and to read as follows:

4 "§88- Information Systems Branch Manager. The board,
5 through its executive director, may appoint an information
6 systems branch manager who shall be exempt from chapter 76 and
7 whose salary shall be fixed by the board. The appointee shall
8 serve under the direction of the deputy executive director who
9 shall prescribe their duties and qualifications."

10 SECTION 2. Section 76-16, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) The civil service to which this chapter applies shall
13 comprise all positions in the State now existing or hereafter
14 established and embrace all personal services performed for the
15 State, except the following:

16 (1) Commissioned and enlisted personnel of the Hawaii
17 National Guard and positions in the Hawaii National

____.B. NO.____

- 1 Guard that are required by state or federal laws or
2 regulations or orders of the National Guard to be
3 filled from those commissioned or enlisted personnel;
- 4 (2) Positions filled by persons employed by contract where
5 the director of human resources development has
6 certified that the service is special or unique or is
7 essential to the public interest and that, because of
8 circumstances surrounding its fulfillment, personnel
9 to perform the service cannot be obtained through
10 normal civil service recruitment procedures. Any
11 contract may be for any period not exceeding one year;
- 12 (3) Positions that must be filled without delay to comply
13 with a court order or decree if the director
14 determines that recruitment through normal recruitment
15 civil service procedures would result in delay or
16 noncompliance, such as the Felix-Cayetano consent
17 decree;
- 18 (4) Positions filled by the legislature or by either house
19 or any committee thereof;
- 20 (5) Employees in the office of the governor and office of
21 the lieutenant governor, and household employees at
22 Washington Place;

____.B. NO.____

- 1 (6) Positions filled by popular vote;
- 2 (7) Department heads, officers, and members of any board,
- 3 commission, or other state agency whose appointments
- 4 are made by the governor or are required by law to be
- 5 confirmed by the senate;
- 6 (8) Judges, referees, receivers, masters, jurors, notaries
- 7 public, land court examiners, court commissioners, and
- 8 attorneys appointed by a state court for a special
- 9 temporary service;
- 10 (9) One bailiff for the chief justice of the supreme court
- 11 who shall have the powers and duties of a court
- 12 officer and bailiff under section 606-14; one
- 13 secretary or clerk for each justice of the supreme
- 14 court, each judge of the intermediate appellate court,
- 15 and each judge of the circuit court; one secretary for
- 16 the judicial council; one deputy administrative
- 17 director of the courts; three law clerks for the chief
- 18 justice of the supreme court, two law clerks for each
- 19 associate justice of the supreme court and each judge
- 20 of the intermediate appellate court, one law clerk for
- 21 each judge of the circuit court, two additional law
- 22 clerks for the civil administrative judge of the

____.B. NO.____

1 circuit court of the first circuit, two additional law
2 clerks for the criminal administrative judge of the
3 circuit court of the first circuit, one additional law
4 clerk for the senior judge of the family court of the
5 first circuit, two additional law clerks for the civil
6 motions judge of the circuit court of the first
7 circuit, two additional law clerks for the criminal
8 motions judge of the circuit court of the first
9 circuit, and two law clerks for the administrative
10 judge of the district court of the first circuit; and
11 one private secretary for the administrative director
12 of the courts, the deputy administrative director of
13 the courts, each department head, each deputy or first
14 assistant, and each additional deputy, or assistant
15 deputy, or assistant defined in paragraph (16);
16 (10) First deputy and deputy attorneys general, the
17 administrative services manager of the department of
18 the attorney general, one secretary for the
19 administrative services manager, an administrator and
20 any support staff for the criminal and juvenile
21 justice resources coordination functions, and law
22 clerks;

____.B. NO.____

- 1 (11) (A) Teachers, principals, vice-principals, complex
2 area superintendents, deputy and assistant
3 superintendents, other certificated personnel,
4 and no more than twenty noncertificated
5 administrative, professional, and technical
6 personnel not engaged in instructional work;
7 (B) Effective July 1, 2003, teaching assistants,
8 educational assistants, bilingual or bicultural
9 school-home assistants, school psychologists,
10 psychological examiners, speech pathologists,
11 athletic health care trainers, alternative school
12 work study assistants, alternative school
13 educational or supportive services specialists,
14 alternative school project coordinators, and
15 communications aides in the department of
16 education;
17 (C) The special assistant to the state librarian and
18 one secretary for the special assistant to the
19 state librarian; and
20 (D) Members of the faculty of the university of
21 Hawaii, including research workers, extension
22 agents, personnel engaged in instructional work,

____.B. NO.____

1 and administrative, professional, and technical
2 personnel of the university;

3 (12) Employees engaged in special, research, or
4 demonstration projects approved by the governor;

5 (13) (A) Positions filled by inmates, patients of state
6 institutions, and persons with severe physical or
7 mental disabilities participating in the work
8 experience training programs;

9 (B) Positions filled with students in accordance with
10 guidelines for established state employment
11 programs; and

12 (C) Positions that provide work experience training
13 or temporary public service employment that are
14 filled by persons entering the workforce or
15 persons transitioning into other careers under
16 programs such as the federal Workforce Investment
17 Act of 1998, as amended, or the Senior Community
18 Service Employment Program of the Employment and
19 Training Administration of the United States
20 Department of Labor, or under other similar state
21 programs;

____.B. NO.____

(14) A custodian or guide at Iolani Palace, the Royal Mausoleum, and Hulihee Palace;

(15) Positions filled by persons employed on a fee, contract, or piecework basis, who may lawfully perform their duties concurrently with their private business or profession or other private employment and whose duties require only a portion of their time, if it is impracticable to ascertain or anticipate the portion of time to be devoted to the service of the State;

(16) Positions of first deputies or first assistants of each department head appointed under or in the manner provided in section 6, article V, of the Hawaii State Constitution; three additional deputies or assistants either in charge of the highways, harbors, and airports divisions or other functions within the department of transportation as may be assigned by the director of transportation, with the approval of the governor; one additional deputy in the department of human services either in charge of welfare or other functions within the department as may be assigned by the director of human services; four additional deputies in the department of health, each in charge

____.B. NO.____

1 of one of the following: behavioral health,
2 environmental health, hospitals, and health resources
3 administration, including other functions within the
4 department as may be assigned by the director of
5 health, with the approval of the governor; two
6 additional deputies in charge of the law enforcement
7 programs, administration, or other functions within
8 the department of law enforcement as may be assigned
9 by the director of law enforcement, with the approval
10 of the governor; three additional deputies each in
11 charge of the correctional institutions,
12 rehabilitation services and programs, and
13 administration or other functions within the
14 department of corrections and rehabilitation as may be
15 assigned by the director of corrections and
16 rehabilitation, with the approval of the governor; two
17 administrative assistants to the state librarian; and
18 an administrative assistant to the superintendent of
19 education;
20 (17) Positions specifically exempted from this part by any
21 other law; provided that:

____.B. NO.____

1 (A) Any exemption created after July 1, 2014, shall
2 expire three years after its enactment unless
3 affirmatively extended by an act of the
4 legislature; and

5 (B) All of the positions defined by paragraph (9)
6 shall be included in the position classification
7 plan;

8 (18) Positions in the state foster grandparent program and
9 positions for temporary employment of senior citizens
10 in occupations in which there is a severe personnel
11 shortage or in special projects;

12 (19) Household employees at the official residence of the
13 president of the [~~University~~] university of Hawaii;

14 (20) Employees in the department of education engaged in
15 the supervision of students during meal periods in the
16 distribution, collection, and counting of meal
17 tickets, and in the cleaning of classrooms after
18 school hours on a less than half-time basis;

19 (21) Employees hired under the tenant hire program of the
20 Hawaii public housing authority; provided that no more
21 than twenty-six per cent of the authority's workforce
22 in any housing project maintained or operated by the

____.B. NO.____

1 authority shall be hired under the tenant hire
2 program;

3 (22) Positions of the federally funded expanded food and
4 nutrition program of the [~~University~~] university of
5 Hawaii that require the hiring of nutrition program
6 assistants who live in the areas they serve;

7 (23) Positions filled by persons with severe disabilities
8 who are certified by the state vocational
9 rehabilitation office that they are able to perform
10 safely the duties of the positions;

11 (24) The sheriff;

12 (25) A gender and other fairness coordinator hired by the
13 judiciary;

14 (26) Positions in the Hawaii National Guard youth and adult
15 education programs;

16 (27) In the Hawaii state energy office in the department of
17 business, economic development, and tourism, all
18 energy program managers, energy program specialists,
19 energy program assistants, and energy analysts;

20 (28) Administrative appeals hearing officers in the
21 department of human services;

____.B. NO.____

- 1 (29) In the Med-QUEST division of the department of human
2 services, the division administrator, finance officer,
3 health care services branch administrator, medical
4 director, and clinical standards administrator;
- 5 (30) In the director's office of the department of human
6 services, the enterprise officer, information security
7 and privacy compliance officer, security and privacy
8 compliance engineer, security and privacy compliance
9 analyst, information technology implementation
10 manager, assistant information technology
11 implementation manager, resource manager, community or
12 project development director, policy director, special
13 assistant to the director, and limited English
14 proficiency project manager or coordinator;
- 15 (31) The Alzheimer's disease and related dementia services
16 coordinator in the executive office on aging;
- 17 (32) In the Hawaii emergency management agency, the
18 executive officer, public information officer, civil
19 defense administrative officer, branch chiefs, and
20 emergency operations center state warning point
21 personnel; provided that for state warning point
22 personnel, the director shall determine that

____.B. NO.____

- 1 recruitment through normal civil service recruitment
2 procedures would result in delay or noncompliance;
- 3 (33) The executive director and seven full-time
4 administrative positions of the school facilities
5 authority;
- 6 (34) Positions in the Mauna Kea stewardship and oversight
7 authority;
- 8 (35) In the office of homeland security of the department
9 of law enforcement, the statewide interoperable
10 communications coordinator;
- 11 (36) In the social services division of the department of
12 human services, the business technology analyst;
- 13 (37) The executive director and staff of the 911 board;
- 14 (38) The software developer supervisor and senior software
15 developers in the department of taxation;
- 16 (39) In the department of law enforcement, five Commission
17 on Accreditation for Law Enforcement Agencies, Inc.,
18 coordinator positions;
- 19 (40) The state fire marshal and deputy state fire marshal
20 in the office of the state fire marshal;
- 21 (41) The administrator for the law enforcement standards
22 board;

____.B. NO.____

1 (42) In the office of the director of taxation, the data
2 privacy officer and tax business analysts; [~~and~~]
3 [~~(43)~~](43) All positions filled by the Hawaii tourism
4 authority within the department of business, economic
5 development, and tourism[-]; and
6 (44) In the employees' retirement system of the State of
7 Hawaii, the deputy executive director, the chief
8 compliance officer, [~~and~~] the information security
9 officer[-], and the information systems branch
10 manager.

11 The director shall determine the applicability of this
12 section to specific positions.

13 Nothing in this section shall be deemed to affect the civil
14 service status of any incumbent as it existed on July 1, 1955."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect upon approval.

18

19 INTRODUCED BY: _____

20

BY REQUEST

____.B. NO.____

Report Title:

ERS; Information Systems Branch Manager; Civil Service
Exemption;

Description:

Allows the Board of Trustees of the Employees' Retirement System, through its Executive Director, to appoint the Information Systems Branch Manager position of the Employees' Retirement System of the State of Hawaii and exempts that position from the State's civil service requirements.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: BUDGET AND FINANCE

TITLE: A BILL FOR AN ACT RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF INFORMATION SYSTEMS BRANCH MANAGER POSITION, OF THE EMPLOYEES' RETIREMENT SYSTEM.

PURPOSE: To allow the Board of Trustees of the Employees' Retirement System (ERS Board), through its Executive Director, to appoint the Information Systems Branch Manager position of the Employees' Retirement System of Hawaii, and to exempt this position from the State's civil service requirements.

MEANS: Add a new section to subpart A of Part II of chapter 88, Hawaii Revised Statutes (HRS), and amend section 76-16(b), HRS.

JUSTIFICATION: The ERS is a specialized public pension system responsible for administering retirement benefits for eligible State and county employees and retirees throughout Hawai'i. The System's operations depend extensively on secure, reliable, and continuously available information technology infrastructure and applications. ERS currently serves more than 160,000 members, including active members, retirees and beneficiaries, and inactive members.

The Information Systems Branch Manager position is uniquely situated at the intersection of technology, cybersecurity, data protection, financial operations, and public-sector retirement administration. The specialized knowledge required, the sensitivity of the information under the position's responsibility, the competitive IT labor market, and the mission-critical nature of ERS's technology environment justify providing the System with greater flexibility in recruiting and retaining qualified personnel.

Accordingly, the Information Systems Branch Manager position should be exempt from the State's civil service requirements. Such an exemption would allow ERS to respond more effectively to rapidly changing technology needs, compete for specialized IT talent, protect sensitive member information, maintain continuity of critical operations, and fulfill its fiduciary and administrative responsibilities to the members and beneficiaries of the ERS.

Impact on the public: None.

Impact on the department and other agencies:
The proposed amendments primarily impact the ERS, which is an attached agency of the Department of Budget and Finance.

GENERAL FUND:	None.
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	BUF-141/Retirement.
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.

MINUTES OF THE MEETING OF THE
GOVERNANCE POLICY COMMITTEE OF THE BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

MARCH 7, 2023

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

Trustees present:
(by teleconference) Dr. Genevieve Ley Committee Chair and
Chair of the Board of Trustees and
Human Resources Committee*
Dr. Catherine Chan, Chair of the Investment Committee*
Mr. Emmit Kane, Chair of the Administrative & Audit Committee and
Vice Chair of the Legislative Committee*

Trustees absent: Mr. Bennett Yap, Committee Vice Chair and
Vice Chair of the Board of Trustees and
Chair of the Legislative Committee

Staff present:
(City Financial Tower
by teleconference) Ms. Kanoe Margol, Deputy Executive Director*
Mr. Kona Mann, Chief Compliance Officer
Ms. Kristin Varela, Chief Investment Officer*
Ms. Dale Kehau Kanae, Recording Secretary*
Ms. Andrea Gasper, Secretary*

Attorneys present:
(by teleconference) Ms. Lori Tanigawa, Deputy Attorney General*

Public present:
(by teleconference) Mr. Joe Ebisa, WithIntelligence

*Attended Executive Session

QUORUM/CALL TO
ORDER

A quorum being present (Committee Chair Ley, also Board and Human Resources Committee (HRC) Chair, Investment Committee (IC) Chair Chan, and Administrative & Audit Committee (AAC) Chair Kane, also Vice Chair of the Legislative Committee (LC)), Chair Ley called the meeting of the Governance Policy Committee (GPC or Committee) of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 9:15 a.m. and identified the Trustees present and had them confirm that they are the only ones present at their remote location and that no one else was able to listen in on their teleconference while attending the meeting.

On a motion made by AAC Chair Kane, seconded by IC Chair Chan, and unanimously carried, the Committee voted to hold a meeting allowing Trustees and members of the public to participate by interactive conference technology, pursuant to the HRS §92-3.7, with at least one meeting location open to the public that has audiovisual connection.

PUBLIC COMMENT

Chair Ley called for public comment. There was no public attending in person, one (1) person attended by teleconference, however, there was no

public comment. There was also no written public testimony received for this Committee meeting.

Agenda items were taken out of order, starting with New Business Items 2, 3, 4, 1, then 5.

REPORT BY THE
ADMINISTRATIVE &
AUDIT COMMITTEE
CHAIR

REVIEW AND
APPROVE THE
ADMINISTRATIVE &
AUDIT COMMITTEE,
INTERNAL AUDIT,
AND ETHICS AND
COMPLIANCE
CHARTERS; INCLUDE
COMMITTEE
PERFORMANCE
ASSESSMENT

AAC Chair Kane reported to the Committee that the AAC last met on February 22, 2023, discussed administrative and audit matters and reviewed, revised, and accepted the Administrative & Audit Committee, Internal Audit, and Ethics and Compliance Charters as submitted.

AAC Chair Kane requested that the Committee accept the Administrative & Audit Committee, Internal Audit, and Ethics and Compliance Charters as presented and that, upon acceptance, the Committee submit it to the Board for final approval at its next meeting.

On a motion made by AAC Chair Kane, seconded by IC Chair Chan, and unanimously carried, the Committee accepted the Administrative & Audit Committee, Internal Audit, and Ethics and Compliance Charters as submitted and will be presenting it to the Board for final approval at its next meeting. (The edited Charters are attached to these minutes for clarification.)

AAC Chair Kane also reported on the Committee Performance Assessment stating that the Committee performed satisfactorily and that the Committee will continue to oversee the auditor's findings for 2024.

REPORT BY THE HUMAN
RESOURCES COMMITTEE
CHAIR

REVIEW THE HUMAN
RESOURCES
COMMITTEE
CHARTER; INCLUDE
COMMITTEE
PERFORMANCE
ASSESSMENT

HRC Chair Ley reported to the Committee that the HRC last met on February 6, 2023, discussed human resources matters, and reviewed, revised, and accepted the Human Resources Committee Charter as submitted.

HRC Chair Ley requested that the Committee accept the Human Resources Committee Charter as presented and that, upon acceptance, the Committee submit it to the Board for final approval at its next meeting.

On a motion made by HRC Chair Ley, seconded by AAC Chair Kane, and unanimously carried, the Committee accepted the Human Resources Committee Charter as submitted and will be presenting it to the Board for final approval at its next meeting. (The edited Charter is attached to these minutes for clarification.)

HRC Chair Ley also reported on the Committee Performance Assessment stating that the Committee performed satisfactorily and that changes and updates were made to the compensation structure for exempt staff which utilized a compensation study to further assist the Committee in making future recommendations to the Board.

REPORT BY THE
INVESTMENT
COMMITTEE CHAIR

REVIEW THE
INVESTMENT
COMMITTEE
CHARTER, INCLUDE
COMMITTEE

IC Chair Chan reported to the Committee that the IC last met on February 21, 2023, discussed investment matters, and reviewed and revised the Investment Committee Charter.

IC Chair Chan requested a deferral of the Investment Committee Charter due to an administrative oversight and the need for further review and revisions. IC Chan also requested that the Charter be accepted by the Committee and approved by the Board simultaneously at the next Board meeting, as the next IC meeting is scheduled for May 22, 2023.

PERFORMANCE
ASSESSMENT

IC Chair Chan also reported on the Committee Performance Assessment stating that the Committee performed effectively for 2022 acknowledging favorable accomplishments of ongoing oversight of the ERS portfolio.

The Committee agreed with IC Chair Chan's request to defer acceptance of the Investment Committee Charter and that the Charter be simultaneously accepted by the Committee and approved by the Board at the next Board meeting.

REPORT BY THE
GOVERNANCE POLICY
COMMITTEE CHAIR

Chair Ley reported to the Committee that the GPC hasn't met since May 9, 2022, however, she presented for discussion the Governance Policy Committee Charter as submitted.

REVIEW THE
GOVERNANCE POLICY
COMMITTEE
CHARTER, INCLUDE
COMMITTEE
PERFORMANCE
ASSESSMENT

GPC Chair Ley requested that the Committee accept the Governance Policy Committee Charter as presented and that, upon acceptance, the Committee submit it to the Board for final approval at its next meeting.

On a motion made by GPC Chair Ley, seconded by AAC Chair Kane, and unanimously carried, the Committee accepted the Governance Policy Committee Charter as submitted and will be presenting it to the Board for final approval at its next meeting. (The edited Charter is attached to these minutes for clarification.)

GPC Chair Ley also reported on the Committee Performance Assessment stating that the Committee performed satisfactorily and will continue to meet as needed.

REPORT BY THE
LEGISLATIVE
COMMITTEE CHAIR

LC Vice Chair Kane reported to the Committee on behalf of LC Chair Yap stating that the Committee last met on January 31, 2023, and continues to meet as needed noting that Program Specialist Bart Asato has been doing a great job of monitoring and reporting any legislative updates to the ERS Board. The Committee also reviewed, revised, and accepted the Legislative Committee Charter as submitted.

REVIEW THE
LEGISLATIVE
COMMITTEE
CHARTER, INCLUDE
COMMITTEE
PERFORMANCE
ASSESSMENT

LC Vice Chair Kane requested that the Committee accept the Legislative Committee Charter as presented and that, upon acceptance, the Committee submit it to the Board for final approval at its next meeting.

On a motion made by LC Vice Chair Kane, seconded by IC Chair Chan, and unanimously carried, the Committee accepted the Legislative Committee Charter as submitted and will be presenting it to the Board for final approval at its next meeting. (The edited Charter is attached to these minutes for clarification.)

LC Vice Chair Kane also reported on the Committee Performance Assessment stating that the Committee performed satisfactorily and will continue to monitor legislation and meet as needed.

APPROVAL OF MINUTES
– MAY 9, 2022

On a motion made by AAC Chair Kane, seconded by IC Chair Chan, and unanimously carried, the Committee approved the Minutes of the May 9, 2022, meeting as presented.

PUBLIC COMMENT

Chair Ley called for public comment. There was no public comment by those attending. There was also no written public testimony received for this Committee meeting.

(Chair Ley identified attendees of the Executive Session, Committee members Chair Ley, Trustees Chan and Kane; ERS staff Deputy Executive Director Kanoe Margol, Chief Compliance Officer Kona Mann, Chief Investment Officer Kristin Varela, Recording Secretary Dale Kehau Kanae and Secretary Andrea Gasper; DAG Lori Tanigawa. All other attendees were excused. All attendees affirmed that no other persons were in their rooms or able to listen in on their audio or audiovisual connection while they were on the teleconference. Board Secretary Dale Kehau Kanae also confirmed that no unauthorized persons were in the conference room or able to listen in by audio or audiovisual connection while on the teleconference. Attendees are noted with an asterisk on these minutes and listed on the Executive Session minutes.)

Chair Ley provided the reason to enter into Executive Session: Executive Session pursuant to HRS §92F-13 (1) and (4), and HRS §92F-14 (b) (6), to make a decision on the approval of executive session minutes that must be kept confidential.

(Public participation concluded by ending the teleconference link.)

**ENTER EXECUTIVE
SESSION**

On a motion made by IC Chair Chan, seconded by AAC Chair Kane, and unanimously carried, the Committee entered into Executive Session at 9:26 a.m.

**APPROVAL OF
EXECUTIVE SESSION
MINUTES
– MARCH 28, 2022**

EXIT EXECUTIVE SESSION

On a motion made by AAC Chair Kane, seconded by IC Chair Chan, and unanimously carried the Committee exited Executive Session at 9:27 a.m.

ADJOURNMENT

On a motion made by AAC Chair Kane, seconded by IC Chair Chan, and unanimously carried, Chair Ley adjourned the meeting at 9:28 a.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, ~~and the~~ 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. Monitoring the performance of the ERS’s Internal and External Audits;~~
- ~~FE.~~ The business practices and ethical standards of the ERS; ~~and~~
- ~~GF.~~ 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.



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- 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.

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



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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:
- ~~EF.~~ 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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- 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.



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- 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

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



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- significant accounting judgements and estimates.
- 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.



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- 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.
- F. Confirm annually that the Committee has performed its responsibilities as outlined in this



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Charter.

- G. Coordinate with the Legislative Committee, Investment Committee, Governance Policy Committee, and Compensation Review 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

Accepted by the Governance Policy Committee: March 28, 2022

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



Employees' Retirement System of the State of Hawaii

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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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INTERNAL AUDIT CHARTER

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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INTERNAL AUDIT CHARTER

P. Assist in the investigation of significant suspected fraudulent activities within the organization and notify management and the Committee of the results.

~~Q. Coordinate audit efforts with those of the ERS's external auditors and other regulatory agencies.~~

R.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.

S.R. Keep the Committee informed of emerging trends and successful practices in internal auditing.

T.S. Review this Internal Audit Charter on a periodic 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

Accepted by the Governance Policy Committee: March 28, 2022

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



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;
- D. Collaborates with other divisions to implement compliance policies and procedures and to direct compliance issues to appropriate channels for investigation and resolution;

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- 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 IA 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;
- 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;



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- 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 Board shall review this Charter at least every three years to ensure it remains relevant and appropriate.

Adopted and Approved by the Board of Trustees:

Accepted by the Governance Policy Committee:

Accepted by the Administrative & Audit Committee: February 22, 2023



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

I. PURPOSE

The ~~purpose of the~~ Human Resources Committee (“Committee”) ~~is to carry out the responsibilities delegated to it by the Board of Trustees~~ 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 ~~executive compensation and~~ compensation for executive and exempt positions in the ~~Employees’ Retirement System of the State of Hawaii~~ (“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 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
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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 the annual goals and objectives of the Executive Director, Deputy Executive Director, and Chief Investment Officer. 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 ~~in light of~~ relative to the goals and objectives ~~applicable to~~ 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 ~~evaluations of the~~ performance evaluations of exempt Investment Office staff ~~s in light of the~~ goals and objectives ~~applicable to those 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.
- ~~In evaluating and making recommendations regarding compensation, the Committee shall consider the results of the most recent performance reports applicable to the goals~~



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HUMAN RESOURCES COMMITTEE CHARTER

~~and objectives of the ERS.~~

- To review with the Executive Director the implementation of performance goals and Committee recommendations at mid-year.
- 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
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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

Accepted by the Governance Policy Committee: March 28, 2022

Revised by the Compensation Review Committee: March 23, 2020, February 25, 2021,

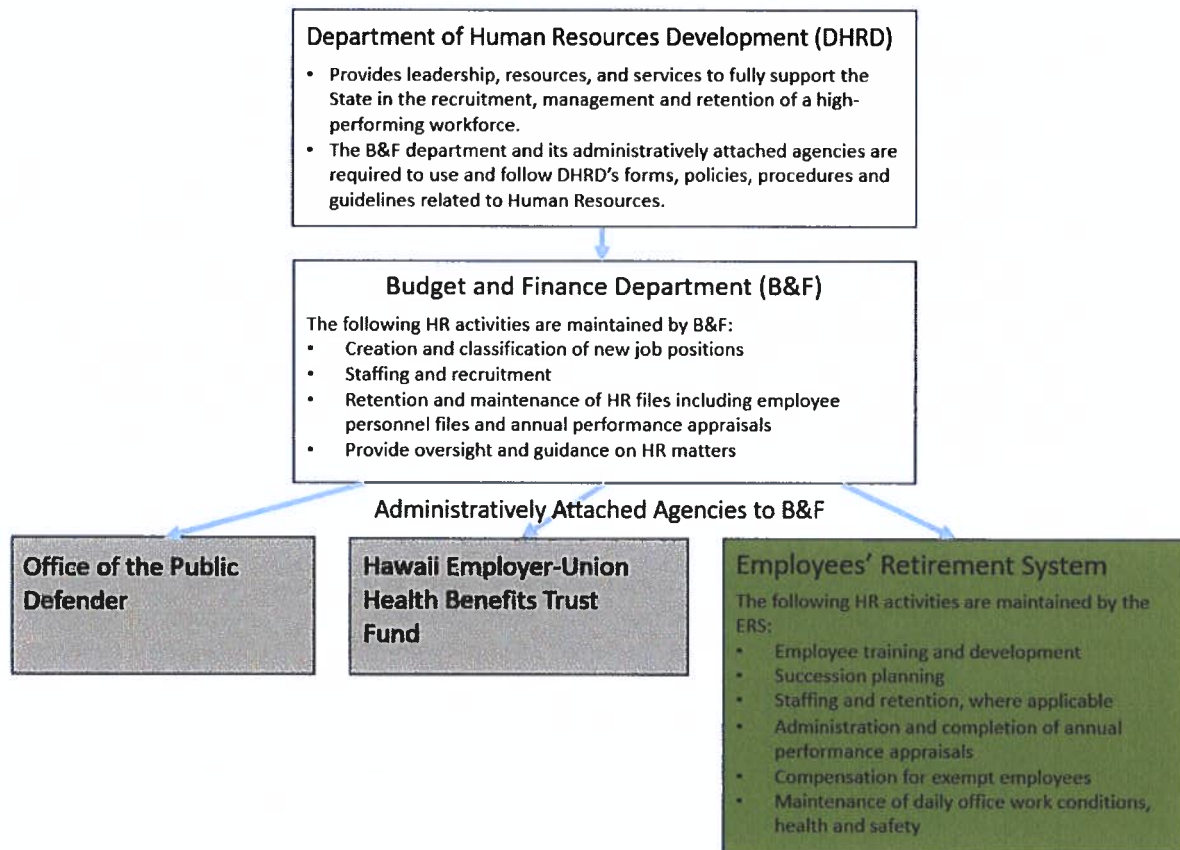
February 10, 2022, February 6, 2023

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



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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 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



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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 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
Revised and Accepted by the Governance Policy Committee: July 24, 2020, March 28, 2022*



Employees' Retirement System of the State of Hawaii

BOARD OF TRUSTEES

LEGISLATIVE COMMITTEE CHARTER

I. PURPOSE

The ~~purpose of the~~ Legislative Committee ("Committee") ~~is to carry out the responsibilities delegated by the Board of Trustees~~ 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.



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

IV. AUTHORITY AND RESPONSIBILITIES

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

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
BOARD OF TRUSTEES
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

Accepted by the Governance Policy Committee: March 28, 2022

Revised and Accepted by the Legislative Committee: August 10, 2020, February 7, 2022, January 31, 2023