

SUNSHINE LAW MEETING
MINUTES OF THE HAWAII STATE ETHICS COMMISSION

State of Hawaii

Date: Thursday, June 16, 2016

Time: 10:04 am

Place: Hawaii State Ethics Commission Conference Room
American Savings Bank Tower
1001 Bishop Street, Suite 960
Honolulu, Hawaii 96813

Present: State Ethics Commission Members

Susan N. DeGuzman, Chair
David O'Neal, Vice Chair
Ruth D. Tschumy, Commissioner
Melinda S. Wood, Commissioner
Reynaldo D. Graulty, Commissioner

State Ethics Commission Staff

Susan D. Yoza, Interim Executive Director
Nancy C. Neuffer, Staff Attorney
Virginia M. Chock, Staff Attorney
Bonita Y. M. Chang, Staff Attorney

CALL TO ORDER

The meeting was called to order at approximately 10:04 a.m. by Chair DeGuzman.

Agenda Item No. I: Consideration and Approval of the Minutes of the May 19, 2016 Meeting

Chair DeGuzman suggested several non-substantive corrections to the minutes of the May 19, 2016 Sunshine Law meeting. Vice Chair O'Neal made and Commissioner Graulty seconded a motion to approve the minutes of the May 19, 2016 Sunshine Law meeting, as amended. The motion carried unanimously (DeGuzman, O'Neal, Tschumy, Wood, and Graulty voting).

Agenda Item No. II: Interim Executive Director's Report

1. Update: Financial Disclosure Filings for 2016

Staff Attorney Chang provided a brief update regarding the status of the financial disclosure filings by state employees and state board members. The deadline for regular filers was May 31, 2016. State legislators were required to file their disclosures by January 31st.

To date, 856 state employees and 544 board members have filed their financial disclosure statements. The number of employee filers excludes state legislators, all of whom had already filed back in January of this year. Staff will be following up with late filers, as well as new board members who were recently confirmed by the Senate this past legislative session.

Because this is an election year, staff will also be sending out reminder notices to all candidates running for state elective offices. The deadline to file candidate disclosure is July 22, 2016.

2. Update: Electronic Filing Project

Commission Computer Specialist Patrick Lui provided an update regarding the electronic filing modification project. Staff met with Enterprise Technology Services ("ETS") to discuss options regarding the use of a computer consultant to help redesign the Commission's e-filing system. ETS recommended contracting with a Sharepoint consultant who can assist in developing an e-filing system that is compatible with the Commission's internal document management system. Staff is proposing to work with the consultant to redesign the Commission's forms and develop an on-line log-in system that would allow users to log-in and access their accounts and disclosures.

As part of the procurement process, staff requested quotations and received two quotes from companies and selected the lowest bidder, Enpointe. Because the contract is over \$100,000, staff was required to submit a request for approval to the Senate President and the House Speaker to encumber the funds by June 30, 2016.

3. May 2016: Guidance and Assignment Statistics

Chair DeGuzman asked if there were any questions regarding the guidance and assignment statistics for May 2016. The Commissioners had no questions or comments.

Agenda Item No. III: Stipends Offered to Department of Education Teachers by Non-Department of Education Entities

Chair DeGuzman asked if any member of the public wished to testify on this matter. No public testimony or comments on this matter was received. Vice Chair O'Neal noted for the record that his wife is a Department of Education ("DOE") teacher

and that she does not receive any teacher stipends.

Staff Attorney Chock provided a brief overview regarding the draft guidelines. Staff has been working closely with DOE representatives to develop guidelines to address the payment of stipends to DOE teachers by non-DOE entities. Certain types of arrangements may raise potential concerns under the conflicts of interests, fair treatment, and gifts laws, while other types of scenarios do not appear to raise any issues. Staff Attorney Chock, with input from the DOE, has been working to develop guidelines to explain how the State Ethics Code may apply to various situations.

Chair DeGuzman commented on the draft guidelines and suggested including a quick reference guide or table, and identifying factors to be considered in different types of stipend arrangements. Staff Attorney Chock indicated that she will incorporate non-substantive changes, as well as a reference table to make it easier for readers to understand how the State Ethics Code may apply. The revised draft will be presented to the Commission for further discussion at the next meeting.

Commissioner Grauly made and Vice Chair O'Neal seconded a motion to defer the matter until the next commission meeting. The motion carried unanimously (DeGuzman, O'Neal, Tschumy, Wood, and Grauly voting).

Agenda IV: Consideration of Matters Relating to the Hiring of an Executive Director of the Hawaii State Ethics Commission

Interim Executive Director Yoza briefed the Commission regarding procedural matters relating to the hiring process for the new Executive Director. Discussion was held on the issue of whether to check references prior to the scheduled interviews. The Commissioners agreed by consensus that letters of references were sufficient and that follow-up calls were not necessary. Staff will also provide the Commission with a report regarding the staff meet and greets, and the results of the background checks. For the scheduled interviews, the Commission will conduct the interviews during executive session and will then vote on the matter the same day.

Discussion was held regarding other procedural issues, including issuing a press release regarding the new Executive Director, notifying other applicants of the Commission's decision, and setting a probationary period. Commissioner Grauly stated that, as a courtesy, the other applicants should be notified via a private letter before a formal press release is issued by the Commission.

Further discussion was held regarding setting a probationary period and the salary level for the position. The Commissioners agreed by consensus that the information regarding the probationary period will be communicated to the person in advance. Interim Executive Director Yoza also stated that the salary for the Executive Director position is set by statute.

RECESS OF SUNSHINE LAW MEETING AND CONVENING OF EXECUTIVE SESSION

At approximately 10:45 a.m., Commissioner Graulty made and Vice-Chair O’Neal seconded a motion to recess the Sunshine Law meeting and convene an executive session pursuant to Hawaii Revised Statutes section 92-5(a)(4) to consult with the Commission’s attorneys on questions and issues pertaining to the Commission’s powers, duties, privileges, immunities, and liabilities. The motion carried unanimously (DeGuzman, O’Neal, Tschumy, Wood, and Graulty voting).

The Commission met in executive session.

ADJOURNMENT OF EXECUTIVE SESSION AND RETURN TO SUNSHINE LAW MEETING

At approximately 11:50 a.m., Commissioner Graulty made and Vice-Chair O’Neal seconded a motion to adjourn the executive session and return to the Sunshine Law meeting. The motion carried unanimously (DeGuzman, O’Neal, Tschumy, Wood, and Graulty voting).

At approximately 11:50 a.m., the Commission adjourned the executive session and returned to the Sunshine Law meeting.

ADJOURNMENT OF SUNSHINE LAW MEETING

At approximately 11:51 a.m., Commissioner Tschumy made and Commissioner Wood seconded a motion to adjourn the Sunshine Law meeting. The motion carried unanimously (DeGuzman, O’Neal, Tschumy, Wood, and Graulty voting).

The meeting was adjourned at 11:51 a.m.

Minutes approved on: _____