

MAR 16 2009

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# SENATE CONCURRENT RESOLUTION

REQUESTING THE STATE AUDITOR TO CONDUCT A MANAGEMENT AND  
PERFORMANCE AUDIT OF THE BOARD OF TRUSTEES OF THE STATE  
DEFERRED COMPENSATION PLAN AND PLAN ADMINISTRATORS  
CONTRACTED BY THE BOARD.

1           WHEREAS, the state Deferred Compensation Plan was  
2 established in 1981 in chapter 88E, Hawaii Revised Statutes  
3 (HRS), in accordance with section 457 of the Internal Revenue  
4 Code of 1954, as amended, for the benefit of public employees of  
5 the State and the counties of the State of Hawaii to enable  
6 these employees to defer a portion of their compensation to a  
7 future period of time; and

8  
9           WHEREAS, pursuant to chapter 88E, HRS, a Board of Trustees  
10 was established with its members appointed by the Governor of  
11 the State of Hawaii to perform necessary duties and functions to  
12 establish and maintain a deferred compensation plan and to  
13 engage the services of a plan administrator in accordance with  
14 specifications as may be established by the Board; and

15  
16           WHEREAS, since its inception, the Deferred Compensation  
17 Plan has experienced rapid growth, with large numbers of public  
18 employees participating in the Plan and contributing a portion  
19 of their compensation into the Plan to be held and invested by  
20 the Board of Trustees in accordance with investment products  
21 permitted under the Plan and chapter 88E, HRS; and

22  
23           WHEREAS, concerns have been raised in recent years about  
24 the Deferred Compensation Plan and the Plan Administrators' lack  
25 of communication with the Plan members, lack of easy access to  
26 information relating to each member's contribution, investment  
27 performance, investment expenses, costs of administration, and  
28 each member's special needs and circumstances; and

29  
30           WHEREAS, numerous public employees and retirees of both the  
31 State and counties who are members of the Deferred Compensation



1 Plan have complained of the substantial lack of information on  
2 their accounts, their inability to obtain information on their  
3 investments from the Plan administrators, and the difficulties  
4 that many of them have experienced in obtaining assistance in  
5 planning for their retirement, in meeting technical requirements  
6 of the Internal Revenue Service, and simply determining what to  
7 do with their investments in a rapidly changing economy; and  
8

9 WHEREAS, despite having a Board of Trustees, the members  
10 have little or no information relating to any meetings that the  
11 Board of Trustees may have had or may have in the future on  
12 matters that deal with the investments, with no reports on any  
13 decisions that may have been made by the Board on any current  
14 and future plans for the Deferred Compensation Plan; and  
15

16 WHEREAS, some members that have accepted ING Group as their  
17 Plan administrator were promised easy access, timely and  
18 appropriate information, and an excess of information, and that  
19 these promises have yet to materialize, resulting instead in  
20 difficult access, with little if any information available to  
21 the members; and  
22

23 WHEREAS, in light of the recent downturn in the economy,  
24 the substantial loss of investments experienced by many Deferred  
25 Compensation Plan members, and the need for these members to  
26 make decisions that may affect their investments, the inability  
27 to access Plan administrators has created great concern among  
28 employees and retirees with regard to the Deferred Compensation  
29 Plan, the Board of Trustees, and the Plan administrators; and  
30

31 WHEREAS, given the growing number of members, particularly  
32 the growing number of retirees, the need to maximize members'  
33 investments, together with the need to make timely and  
34 appropriate decisions regarding members' investments, the Board  
35 of Trustees and the Plan administrators contracted by the Board  
36 of Trustees must take positive steps to allow timely and easy  
37 access to each member's investments to enable the members to  
38 make timely and appropriate decisions on their investments; and  
39

40 WHEREAS, there is a need for the State Auditor to conduct a  
41 management and performance audit of the Board of Trustees and  
42 the Deferred Compensation Plan to ensure that the Board of  
43 Trustees and the Plan administrators are acting in the best



1 interest and meeting the needs of Deferred Compensation Plan  
2 members; now, therefore,

3

4 BE IT RESOLVED by the Senate of the Twenty-fifth  
5 Legislature of the State of Hawaii, Regular Session of 2009, the  
6 House of Representatives concurring, that the State Auditor is  
7 requested to conduct a management and performance audit of the  
8 Board of Trustees of the Deferred Compensation Plan; and

9

10 BE IT FURTHER RESOLVED that the State Auditor is requested  
11 to include in the audit a review of the contract decisions of  
12 the Board of Trustees, including a review of current and  
13 previous Plan administrators contracted by the Board of  
14 Trustees, Plan administrators' investment expenses, the number  
15 of investment managers retained by the Plan administrators,  
16 method of selection of investment managers, criteria used to  
17 retain investment firms, the rate of return for each investment  
18 manager's portfolio, and a comparison of these investment  
19 decisions with deferred compensation plans of other  
20 jurisdictions; and

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22 BE IT FURTHER RESOLVED that the Board of Trustees, the  
23 Board of Trustees' staff, and Plan administrators are requested  
24 to fully cooperate and promptly respond to the State Auditor's  
25 requests in conducting this audit; and

26

27 BE IT FURTHER RESOLVED that the State Auditor is requested  
28 to report findings and recommendations, including any proposed  
29 implementing legislation, to the Legislature no later than  
30 twenty days before the convening of the Regular Session of 2010;  
31 and

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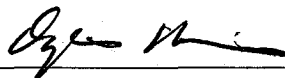
33 BE IT FURTHER RESOLVED that certified copies of this  
34 Concurrent Resolution be transmitted to the State Auditor and to  
35 the Chairperson of the Board of Trustees of the Deferred  
36 Compensation Plan.

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OFFERED BY: \_\_\_\_\_





**\*SFS-SCR69\***

MAR 16 2009

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# SENATE CONCURRENT RESOLUTION

REQUESTING THAT THE AUDITOR PERFORM A SUNRISE ANALYSIS ON THE  
LICENSING OF ATHLETIC TRAINERS.

1           WHEREAS, certified athletic trainers are healthcare  
2 professionals who specialize in the prevention, assessment,  
3 immediate care, treatment, referral, and rehabilitation of  
4 injuries and illness to persons engaged in physical activity;  
5 and

6  
7           WHEREAS, certified athletic trainers are certified by the  
8 Board of Certification, Inc., an independent, accredited  
9 certifying body for athletic trainers in the United States; and

10  
11           WHEREAS, certified athletic trainers are employed in  
12 Hawaii's public and private secondary schools, institutes of  
13 higher education, physicians' offices, hospitals, clinics,  
14 military facilities, and fitness centers; and

15  
16           WHEREAS, the practice of athletic training is currently  
17 unregulated in this State; and

18  
19           WHEREAS, the lack of regulation in this State makes it  
20 possible for unqualified or uncertified athletic trainers, as  
21 well as trainers who have been subject to disciplinary action,  
22 including revocation of a license, in other states to practice  
23 in Hawaii; and

24  
25           WHEREAS, regulation and oversight of athletic trainers is  
26 necessary for the public health, safety, and welfare; and

27  
28           WHEREAS, pursuant to section 26H-6, Hawaii Revised  
29 Statutes, new regulatory measures that, if enacted, would  
30 subject unregulated professions and vocations to licensing or  
31 other regulatory controls shall be referred to the Auditor for  
32 analysis; and

33



1           WHEREAS, Senate Bill No. 1129, S.D. 1, would subject  
2 athletic trainers to registration requirements as a first step  
3 toward the establishment of a licensing and regulatory system;  
4 now, therefore,  
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6           BE IT RESOLVED by the Senate of the Twenty-fifth  
7 Legislature of the State of Hawaii, Regular Session of 2009, the  
8 House of Representatives concurring, that the Auditor is  
9 requested to perform an analysis of Senate Bill No. 1129, S.D.  
10 1, setting forth the probable effects of the proposed regulatory  
11 measure, assessing whether its enactment is consistent with the  
12 purposes of section 26H-2, Hawaii Revised Statutes, and  
13 assessing alternate forms of regulation; and  
14

15           BE IT FURTHER RESOLVED that the Auditor is requested to  
16 provide copies of the completed analysis to the Legislature and  
17 the Department of Commerce and Consumer Affairs by the twentieth  
18 day before the commencement of the 2010 Regular Session; and  
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20           BE IT FURTHER RESOLVED that certified copies of this  
21 Concurrent Resolution be transmitted to the State Auditor and to  
22 the Director of Commerce and Consumer Affairs.  
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24  
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OFFERED BY: *Rosemary H. Baker*  
*Amrit Singh*

