
A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 PART I

2 SECTION 1. In October 2010, the United States Department
3 of Education issued new regulations for programs authorized
4 under Title IV of the Higher Education Act of 1965, as amended,
5 to hold programs accountable for preparing students for gainful
6 employment, protect students from misleading recruiting
7 practices, ensure that only eligible students receive financial
8 aid, and strengthen federal student aid programs at for-profit,
9 non-profit, and public institutions. The regulations also
10 include requirements for state authorization of institutions
11 that offer educational programs beyond secondary education for
12 purposes of federal program eligibility. Federal expectations
13 have major implications for the State and post-secondary
14 institutions, as there is now a clear federal requirement that
15 post-secondary institutions receive authorization from the State
16 to operate.

17 The state post-secondary education commission, established
18 under section 304A-3151, Hawaii Revised Statutes, qualifies the



1 State to receive funds made available under the Higher Education
2 Act of 1965, as amended, and may serve as the state agency for
3 the receipt of federal funds when necessary. However, the
4 commission does not authorize institutions to operate
5 educational programs beyond secondary education, as may be
6 required under new federal regulations. Further, the commission
7 is established under the University of Hawaii for administrative
8 purposes. The legislature finds that reconstituting the post-
9 secondary commission and placing it under the department of
10 commerce and consumer affairs will result in an entity that is
11 more broadly representative of post-secondary education in the
12 State and more appropriate to serve as the authorizing state
13 agency for the diverse institutions that operate educational
14 programs beyond secondary education. In addition, the
15 department of commerce and consumer affairs is the most
16 appropriate entity to deal with consumer complaints by students
17 at post-secondary institutions, which is a crux of the federal
18 requirements.

19 The State was unable to satisfy all of the requirements of
20 the Higher Education Act of 1965, as amended, relating to state
21 authorization by the July 1, 2011, deadline. However, the
22 United States Department of Education provided the opportunity



1 for states and institutions to receive an extension to July 1,
2 2013, for certain regulations. In the meantime, it is the
3 intent of the legislature to proactively seek solutions by
4 determining what actions and changes are required for the State
5 to come into compliance with the new regulations.

6 It is imperative that Hawaii does not jeopardize the
7 receipt of federal funds under Title IV of the Higher Education
8 Act of 1965, as amended. According to the auditor's 2012 Study
9 of the Higher Education Act, "[r]oughly 63,000 students in
10 Hawaii received more than \$283,000,000 in Title IV funds in
11 F[iscal] Y[ear] 2011 - about \$4,500 per student."

12 The purpose of this Act is to bring Hawaii into compliance
13 with Title IV of the Higher Education Act of 1965, as amended,
14 by establishing the post-secondary education commission within
15 the department of commerce and consumer affairs and creating the
16 framework for authorizing private post-secondary educational
17 institutions in the State.

18 PART II

19 SECTION 2. The Hawaii Revised Statutes is amended by
20 adding a new chapter to be appropriately designated and to read
21 as follows:

22 "CHAPTER



1 POST-SECONDARY EDUCATION AUTHORIZATION

2 § -1 Definitions. Whenever used in this chapter, unless
3 the context otherwise requires:

4 "Accredited" means holding an institutional accreditation
5 by name to offer post-secondary education as a United States-
6 based institution from an accrediting agency recognized by the
7 United States Department of Education.

8 "Alternative enrollment" means the opportunity for a
9 student enrolled in a private college or university that ceases
10 operation to meet the student's educational objectives through
11 education provided by another authorized private college or
12 university, the University of Hawaii system, an area vocational
13 school, or any other educational arrangement acceptable to the
14 department and the commission.

15 "Authorization" means the authorization granted to a
16 private college, university, seminary, or religious training
17 institution by the commission as provided in this chapter and
18 any applicable rules and policies. Authorization is not an
19 endorsement by either the commission or the department.

20 "Commission" means the state post-secondary education
21 commission created pursuant to section -3.

1 "Degree" means a statement, diploma, certificate, or other
2 writing in any language that indicates or represents, or is
3 intended to indicate or represent, that the person named thereon
4 is learned in or has satisfactorily completed a prescribed
5 course of study in a particular field of endeavor or that the
6 person named thereon has demonstrated proficiency in a field of
7 endeavor as a result of formal preparation or training.

8 "Department" means the department of commerce and consumer
9 affairs.

10 "Director" means the director of commerce and consumer
11 affairs.

12 "Enrollment agreement" means the contract prepared by a
13 private college, university, seminary, or religious training
14 institution that a student signs to indicate agreement to the
15 terms of admission, delivery of instruction, and monetary terms
16 as outlined in the private college, university, seminary, or
17 religious training institution's student handbook or catalog.

18 "Governing board" means the elected or appointed group of
19 persons that oversees and controls a private college,
20 university, seminary, or religious training institution.

21 "Home state" means the state where the institution holds
22 its principal accreditation.



1 "Honorary degree" means a statement, diploma, certificate,
2 or other writing in any language that indicates or represents,
3 or that is intended to indicate or represent, that the person
4 named thereon is learned in a field of public service or has
5 performed outstanding public service or that the person named
6 thereon has demonstrated proficiency in a field of endeavor
7 without having completed formal courses of instruction or study
8 or formal preparation or training.

9 "Out-of-state public institution" means an institution of
10 higher education that is established by a government entity in a
11 state other than Hawaii.

12 "Owner" means:

- 13 (1) An individual, if a private for-profit college or
14 university is structured as a sole proprietorship;
- 15 (2) Partners, if a private for-profit college or
16 university is structured as a partnership;
- 17 (3) Members in a limited liability company, if a private
18 for-profit college or university is structured as a
19 limited liability company; and
- 20 (4) Shareholders in a corporation that hold a controlling
21 interest, if a private for-profit college or
22 university is structured as a corporation.



1 "Physical presence" means having an established physical
2 location within the State and includes but is not limited to:

3 (1) Having a physical location in the State where students
4 receive synchronous or asynchronous instruction; and

5 (2) Establishing an administrative office in the State in
6 order to:

7 (A) Provide information to prospective students,
8 enrolling students, or the general public about
9 the institution;

10 (B) Provide services to enrolled students;

11 (C) Provide office space for instructional or non-
12 instructional staff; and

13 (D) Maintain an institutional mailing address, street
14 address, or phone number in the State.

15 "Private college or university" means a non-public post-
16 secondary education institution having a physical presence in
17 the State that enrolls the majority of its students in an
18 associate, baccalaureate, or postgraduate degree program. For
19 purposes of the requirements of this chapter, an out-of-state
20 public institution shall be considered as a private college or
21 university.



1 "Seminary" or "religious training institution" means a bona
2 fide religious post-secondary educational institution that has a
3 physical presence in the State, that is exempt from property
4 taxation under the laws of the State, and that offers
5 baccalaureate, master's, or doctoral degrees or diplomas.

6 "Unaccredited post-secondary educational institution" means
7 a degree granting institution that is not accredited or a
8 candidate for accreditation by at least one accrediting agency
9 recognized by the United States Department of Education.

10 "University of Hawaii system" means the post-secondary
11 educational institution, including all campuses and community
12 colleges, established and existing pursuant to article X,
13 section 5, of the Hawaii State Constitution and chapter 304A.

14 **§ -2 Applicability of this chapter; exceptions. (a)**

15 This chapter shall apply to private colleges, universities,
16 seminaries, and religious training institutions.

17 (b) This chapter shall not apply to:

18 (1) The University of Hawaii system;

19 (2) Private colleges or universities, including
20 occupational or vocational schools, that enroll their
21 students only at the certificate level in order to



- 1 engage in a profession or vocation that is regulated
2 under another chapter;
- 3 (3) Schools or educational programs conducted by firms,
4 corporations, or persons for the training of their own
5 employees;
- 6 (4) Apprentice or other training programs provided by
7 labor unions to labor members or union applicants for
8 membership;
- 9 (5) Schools or educational programs that provide courses
10 of instruction that do not lead to the conferring of a
11 degree;
- 12 (6) Schools or educational programs that offer seminars,
13 refresher courses, and programs of instruction
14 sponsored by professional, business, or farming
15 organizations or associations for their members or the
16 employees of their members;
- 17 (7) Schools or educational programs that offer courses of
18 instruction conducted by public school complex areas;
- 19 (8) Schools, courses of instruction, or courses of
20 training that are offered by a vendor or the purchaser
21 or prospective purchaser of the vendor's product when
22 the objective of the school or course is to enable the



1 purchaser or the purchaser's employees to gain the
2 skills and knowledge necessary to use the product;

3 (9) Schools and educational programs conducted by
4 religious organizations solely for the religious
5 instruction of their members;

6 (10) Non degree granting post-secondary educational
7 institutions licensed by the department of education
8 or the real estate commission; and

9 (11) Unaccredited post-secondary educational institutions
10 governed by chapter 446E; provided that beginning on
11 July 1, 2015, unaccredited post-secondary institutions
12 shall be subject to the requirements of this chapter
13 in order to operate in the State and shall be treated
14 as private colleges or universities.

15 (c) Any entity listed in subsection (b) may request
16 authorization pursuant to the provisions of this chapter through
17 a memorandum of agreement between the entity and the commission.

18 **§ -3 Establishment of the state post-secondary education**
19 **commission; membership; administration.** (a) There is
20 established a state post-secondary education commission. The
21 commission shall be placed within the department for
22 administrative purposes.

1 (b) The commission shall consist of five members to be
2 appointed by the governor, without regard to sections 26-34 and
3 78-4; provided that the members shall be broadly and
4 equitability representative of the general public and public and
5 private nonprofit and for-profit institutions of post-secondary
6 education in the State.

7 (c) The chairperson of the commission shall be designated
8 by the members of the commission each year beginning on July 1,
9 and whenever there is a vacancy.

10 (d) Three members of the commission shall constitute a
11 quorum to do business and a concurrence of at least three
12 members shall be necessary to make any action of the commission
13 valid.

14 (e) Commission members shall not serve more than three
15 consecutive three-year terms, not including the member's initial
16 term, with each term starting on July 1; provided that the
17 initial terms that commence after June 30, 2013, shall be
18 staggered as follows:

- 19 (1) Two members, including the chairperson, to serve
20 three-year terms;
- 21 (2) Two members to serve two-year terms; and
- 22 (3) One member to serve a one-year term.



1 (f) Notwithstanding the terms of the members, the governor
2 may fill vacancies on the commission at any time when a vacancy
3 occurs due to resignation, non-participation, the request of a
4 majority of the commission members, or termination by the
5 governor for cause.

6 (g) Commission members shall receive no compensation.
7 When commission duties require that a commission member take
8 leave of the member's duties as a state employee, the
9 appropriate state department shall allow the commission member
10 to be placed on administrative leave with pay and shall provide
11 substitutes, when necessary, to fulfill that member's
12 departmental duties. Members shall be reimbursed for necessary
13 travel expenses incurred in the conduct of official commission
14 business.

15 (h) The commission shall establish operating procedures
16 that shall include conflict of interest procedures for any
17 member whose school of employment or governing board is before
18 the commission.

19 (i) The commission shall operate with dedicated resources
20 and staff qualified to execute the day-to-day responsibilities
21 of the commission pursuant to this chapter.



- 1 § -4 Commission's powers and authority. (a) The
2 commission shall:
- 3 (1) Establish procedures for the authorization,
4 reauthorization, and revocation of the authorization
5 of private colleges, universities, seminaries, and
6 religious training institutions in accordance with the
7 provisions of this chapter, including but not limited
8 to procedures by which an institution may apply for
9 authorization or reauthorization and the procedures
10 the department shall follow in reviewing applications
11 for authorization and making recommendations to the
12 commission;
- 13 (2) Grant or deny authorizations and reauthorizations, and
14 revoke authorizations pursuant to sections -7,
15 -8, -9, and -10, as applicable, and the
16 recommendation of the department;
- 17 (3) Establish the types and amounts of fees that a private
18 college, university, seminary, or religious training
19 institution shall pay pursuant to section -17;
- 20 (4) Establish policies to require private colleges,
21 universities, seminaries, and religious training
22 institutions to submit to the department, upon



1 request, data that is directly related to student
2 enrollment and degree completion and, if applicable,
3 student financial aid and educator preparation
4 programs; and

5 (5) Enter into any post-secondary education authorization
6 reciprocity agreement with other post-secondary
7 educational authorizers of schools whose home state is
8 not Hawaii; provided that the authorization standards
9 of the reciprocity agreement shall be comparable to or
10 exceed the authorization requirements of this chapter
11 and applicable administrative rules.

12 (b) The commission may cooperate with the federal
13 government to qualify the State to receive funds made available
14 under the Higher Education Act of 1965, P.L. 89-329, as amended
15 from time to time, and in addition may serve as the state agency
16 for the receipt of federal funds when federal legislation
17 dealing with higher education or post-secondary education
18 requires, as a condition of the receipt of such funds, the
19 designation of a state agency that is broadly representative of
20 the general public and of post-secondary education in the State
21 and when agencies other than the commission may not qualify.



1 (c) No funds appropriated by the legislature may be used
2 to aid a person attending an institution not owned or
3 exclusively controlled by the State or a department of the State
4 or to pay for any staff work distributing federal or private
5 funds to students attending such schools. The maximum amount of
6 any grant awarded under the Hawaii state incentive grant program
7 shall be equal to the maximum allowed by federal law.

8 (d) The commission, when appropriate and necessary, may be
9 assisted by other state agencies, including but not limited to
10 the University of Hawaii system and the department of education.

11 § -5 Department's powers and authority. (a) The
12 department shall administer the provisions of this chapter and
13 any administrative rules, policies, and procedures adopted by
14 the commission.

15 (b) To administer this chapter, the department shall have
16 but shall not be limited to the following duties:

17 (1) Making recommendations as to whether or not the
18 commission should grant private colleges,
19 universities, seminaries, and religious training
20 institutions authorization to operate in the State;

21 (2) Maintaining a list of the private colleges,
22 universities, seminaries, and religious training



1 institutions that have authorizations on file with the
2 department; and

3 (3) Appropriately acting on a complaint, concern, or
4 violation concerning a private college, university,
5 seminary, or religious training institution.

6 § -6 **Awarding degrees.** Notwithstanding any law to the
7 contrary, a person, partnership, corporation, company, society,
8 or association doing business in the State shall not award,
9 bestow, confer, give, grant, convey, or sell to any other person
10 a degree or honorary degree upon which is inscribed, in any
11 language, the word "associate", "bachelor", "baccalaureate",
12 "master", or "doctor", or any abbreviation thereof, or offer
13 courses of instruction or credits purporting to lead to any such
14 degree, unless the person, partnership, corporation, company,
15 society, or association is:

16 (1) A private college, university, seminary, or religious
17 training institution that is authorized pursuant to
18 this chapter; or

19 (2) A part of the University of Hawaii system.

20 § -7 **Authorization to operate in the State; private**
21 **college or university.** (a) To operate in the State, a private
22 college or university shall:



1 (1) Be party to a reciprocity agreement to which the State
2 is a member; or

3 (2) Apply for, on a form prescribed by the department, and
4 receive authorization from the commission; provided
5 that a private college or university shall apply for
6 and obtain a separate authorization for each campus,
7 branch, or site that is separately accredited. A
8 separate authorization shall not be required for
9 additional professional accreditations. A private,
10 nonprofit college or university shall submit
11 verification of its nonprofit status with its
12 application.

13 (b) Upon receiving an application for authorization, the
14 department shall review the application to determine whether the
15 private college or university is institutionally accredited by a
16 regional or national accrediting body recognized by the United
17 States Department of Education. The department shall not
18 recommend, and the commission shall not approve, an application
19 from a private college or university that, in the two years
20 preceding submission of the application, has:

21 (1) Had its accreditation suspended or withdrawn;

22 (2) Been prohibited from operating in another state; or



1 (3) Substantially the same owners, governing board, or
2 principal officers as a private college or university
3 that has:
4 (A) Had its accreditation suspended or withdrawn; or
5 (B) Been prohibited from operating in another state.
6 (c) To operate in the State, a private college or
7 university shall be institutionally accredited on the basis of
8 an on-site review by a regional or national accrediting body
9 recognized by the United States Department of Education;
10 provided that a private college or university may operate for an
11 initial period of without accreditation if the
12 commission determines, in accordance with standards established
13 by the commission, that the private college or university is
14 likely to become accredited in a reasonable period of time or is
15 making progress toward accreditation in accordance with the
16 accrediting body's polices; provided further that the private
17 college or university shall annually renew its provisional
18 authorization and report annually to the commission concerning
19 the institution's progress in obtaining accreditation.
20 (d) A private college or university shall notify the
21 department within thirty days of any material information
22 related to an action by the institution's accrediting body



1 concerning the institution's accreditation status, including but
2 not limited to reaffirmation or loss of accreditation, approval
3 of a request for change, a campus evaluation visit, a focused
4 visit, or approval of additional locations. In addition, the
5 institution shall immediately notify the department if the
6 institution's accrediting body is no longer recognized by the
7 United States Department of Education.

8 (e) A private college or university authorized pursuant to
9 this chapter shall pay any and all fees established pursuant to
10 section -17.

11 § -8 Authorization to operate in the State; seminary or
12 religious training institutions. (a) To operate in the State,
13 a seminary or religious institution shall:

14 (1) Be party to a reciprocity agreement to which the State
15 is a member; or

16 (2) Apply for, on a form prescribed by the department, and
17 receive authorization from the commission; provided
18 that the institution shall establish that it qualifies
19 as a bona fide religious institution and as an
20 institution of post-secondary education.

21 (b) Nothing in this section shall preclude a seminary or
22 religious training institution from seeking accreditation.



1 § -9 **Reauthorization.** (a) A private college or
2 university that is authorized pursuant to section -7 and
3 maintains its accreditation shall apply to the department for
4 reauthorization in accordance with its schedule for
5 reaccreditation or every three years, whichever is longer. A
6 private college or university that has its accreditation
7 reaffirmed without sanction, continues to demonstrate its
8 continued compliance with section -13, and is not subject to
9 investigation pursuant to section -10, shall otherwise be
10 presumed to qualified for reauthorization under this chapter,
11 and the department shall recommend reauthorization for a period
12 of three years or the length of the private college or
13 university's accreditation, whichever is longer.

14 (b) A seminary or religious training institution
15 authorized pursuant to section -8 shall apply to the
16 department for reauthorization every three years. A seminary or
17 religious training institution that continues to meet the
18 minimum operating standards specified in this chapter and is not
19 subject to investigation pursuant to section -10, shall
20 otherwise be presumed to be qualified for reauthorization under
21 this chapter, and the department shall recommend reauthorization
22 for a period of three years.



1 (c) By June 30, 2014, the commission shall adopt policies
2 and procedures, without regard to chapter 91, for
3 reauthorization under this section.

4 (d) Private colleges, universities, seminaries and
5 religious training institutions applying for reauthorization
6 under this section shall pay the fees required pursuant to
7 section -17.

8 (e) If a private college, university, seminary, or
9 religious training institution cannot demonstrate that it meets
10 the minimum operating standards of this chapter, the department
11 shall recommend that the commission deny the application for
12 reauthorization. The department shall provide the private
13 college, university, seminary, or religious training institution
14 with written notification of the denial of the application for
15 reauthorization and the basis for the denial. If, within six
16 months of receiving notice that its application for
17 reauthorization has been denied, the private college,
18 university, seminary, or religious training institution corrects
19 the action or condition upon which the denial was based, it may
20 reapply for reauthorization. If the private college,
21 university, seminary, or religious training institution does not
22 correct the action or condition upon which the denial was based,



1 it may submit a new application for authorization pursuant to
2 section -7 or -8, whichever is applicable, once the action
3 or condition has been corrected.

4 (f) If a private college or university is under a sanction
5 from its accrediting body at the time it submits its application
6 for reauthorization, the department may recommend that the
7 commission:

- 8 (1) Approve the private college or university's
9 reauthorization; or
- 10 (2) Grant the probationary approval of the private college
11 or university's reauthorization; provided that if the
12 private college or university is granted probationary
13 reauthorization:
- 14 (A) The department shall provide the private college
15 or university with written notice of its
16 probationary status;
- 17 (B) The private college or university shall reapply
18 for reauthorization on an annual basis until the
19 accrediting body lifts its sanction; and
- 20 (C) The private college or university shall provide
21 the commission with an annual report on its
22 progress in removing the sanction.



1 § -10 Revocation; probationary status. (a) The
2 commission may revoke a private college or university's
3 authorization if the private college or university loses its
4 accreditation.

5 (b) The commission may revoke a private college or
6 university's authorization or place a private college or
7 university on probationary status if:

8 (1) The private college or university fails to meet any of
9 the minimum standards set forth in this chapter or in
10 any administrative rules adopted pursuant to this
11 chapter;

12 (2) The private college or university fails to
13 substantially comply with the applicable laws or rules
14 of any other state board or agency that has
15 jurisdiction over the private college or university;

16 (3) The private college or university violates any
17 criminal law of this State, the federal government, or
18 any other state in which it operates; or

19 (4) The United States Department of Education ceases to
20 recognize the private college or university's
21 accrediting body.



1 (c) The commission may place a private college or
2 university on probationary status if the private college or
3 university's accrediting body places it on probationary status.

4 (d) The commission may revoke a seminary or religious
5 training institution's authorization or place the seminary or
6 religious institution on probationary status if the seminary or
7 religious institution:

- 8 (1) No longer meets the definition of a seminary or
9 religious institution under this chapter;
- 10 (2) Fails to meet any of the minimum standards set forth
11 in this chapter or in administrative rules adopted
12 pursuant to this chapter; or
- 13 (3) Violates any criminal law of this State, the federal
14 government, or any other state in which it operates.

15 (e) If the commission has reason to believe that a private
16 college, university, seminary, or religious training institution
17 meets one or more of the grounds specified in subsections (a)
18 through (d), as applicable, the commission may order the
19 department to investigate and make a recommendation concerning
20 whether to revoke its authorization or place it on probation.



1 (f) To assist the department in conducting an
2 investigation pursuant to subsection (e), the commission shall
3 have the power to:

4 (1) Subpoena any persons, books, records, or documents
5 pertaining to the investigation;

6 (2) Require answers in writing, under oath, to any
7 questions from the commission or department; and

8 (3) Administer an oath or affirmation to any person in
9 connection with the investigation.

10 In conducting an investigation, the department may
11 physically inspect the private college, university, seminary, or
12 religious training institution's facilities and records.

13 (g) Upon the conclusion of any investigation pursuant to
14 subsections (e) and (f), the department shall make a
15 recommendation to the commission as to whether or not the
16 commission should revoke the private college, university,
17 seminary, or religious training institution's authorization or
18 place it on probation; provided that if the department
19 recommends revocation or probation, it shall identify the
20 applicable grounds for revocation or probation as specified in
21 subsections (a) through (d).



1 (h) If the commission revokes a private college,
2 university, seminary, or religious training institution's
3 authorization or places it on probationary status pursuant to
4 this section, the commission shall accord the private college,
5 university, seminary, or religious training institution the
6 right to contest the decision pursuant to chapter 91.

7 § -11 **Deposit of records upon discontinuance.** (a) If a
8 private college, university, seminary, or religious training
9 institution ceases operating within the State, its owner or the
10 owner's designee shall deposit with the department the original
11 or legible copies of all of its educational records.

12 (b) If the commission determines that the records of a
13 private college, university, seminary, or religious institution
14 that ceases operating within the State are in danger of being
15 destroyed, secreted, mislaid, or otherwise made unavailable to
16 the department, the commission may seek a court order
17 authorizing the department to seize or take possession of the
18 records.

19 (c) Upon the request of the commission, the department or
20 the attorney general may enforce the provisions of this section
21 by filing a request for an injunction with a court of competent
22 jurisdiction.



1 (d) The department shall permanently retain any student
2 transcripts received pursuant to this section. The department
3 shall retain any other records obtained pursuant to this section
4 for ten years; provided that after this period, the department
5 shall dispose of the records in a manner that will adequately
6 protect the privacy of any personal information included in the
7 records.

8 **§ -12 Authorized educational institutions;**

9 **responsibilities.** (a) A private college, university, seminary,
10 or religious training institution that is authorized pursuant to
11 this chapter shall:

12 (1) Not make or cause to be made any oral, written, or
13 visual statement or representation that violates
14 section -16(h);

15 (2) In accordance with its reauthorization schedule,
16 provide the department with a copy of its enrollment
17 agreement, if applicable;

18 (3) Provide bona fide instruction, in accordance with the
19 standards and criteria set by its accrediting body;
20 and



1 (4) If its ownership changes, provide the department with
2 any material information concerning the transaction
3 within thirty days of the transaction.

4 (b) If a private college, university, seminary, or
5 religious training institution violates any of the requirements
6 of subsection (a), the department may recommend that it be
7 placed on probation or that its authorization be revoked.

8 § -13 **Financial integrity; surety bond.** (a) A private
9 college or university shall provide evidence of financial
10 integrity at the time of its application for authorization. A
11 private college or university may demonstrate financial
12 integrity by meeting the criteria specified in subsection (b) or
13 (c).

14 (b) A private college or university may demonstrate
15 financial integrity if it:

16 (1) Has been accredited for at least ten years by an
17 accrediting agency that is recognized by the United
18 States Department of Education;

19 (2) Has operated continuously in the State for at least
20 ten years;

21 (3) Has not filed for bankruptcy protection pursuant to
22 title 11 of the United States Code;



- 1 (4) Maintains a composite score of at least 1.5 on its
2 equity, primary reserve, and net income ratios, as
3 required in title 34 Code of Federal Regulations
4 section 668.172; and
- 5 (5) Meets or exceeds the pro rata refund policies required
6 by the United States Department of Education in title
7 34 Code of Federal Regulations section 668; provided
8 that if it does not participate in federal financial
9 aid programs, its refund and termination procedures
10 comply with the requirements of its accrediting body;
11 provided that a private college or university is not required to
12 meet the criteria specified in paragraphs (1) and (2) if the
13 private college or university is part of a group of private
14 colleges or universities that is owned and operated by a common
15 owner and the other private colleges and universities meet the
16 specified criteria in paragraphs (1) and (2).
- 17 (c) A private college or university may demonstrate
18 financial integrity if it:
- 19 (1) Has received and maintains full accreditation without
20 sanction from an accrediting body that is recognized
21 by the United States Department of Education, and
22 which accrediting body requires the private college or



- 1 university to maintain a surety bond or an escrow
2 account or has affirmatively waived or otherwise
3 removed that requirement for the private college or
4 university;
- 5 (2) Has been continuously authorized by the commission for
6 at least five years;
- 7 (3) Owns and operates a permanent instructional facility
8 in the State;
- 9 (4) Annually provides to the commission audited financial
10 statements for the most recent fiscal year that
11 demonstrate that the private college or university
12 maintains positive equity and profitability;
- 13 (5) Maintains a composite score of at least 1.5 on its
14 equity, primary reserve, and net income ratios, as
15 required in title 34 Code of Federal Regulations
16 section 668.172; and
- 17 (6) Meets or exceeds the pro rata refund policies required
18 by the United States Department of Education in title
19 34 Code of Federal Regulations section 668; provided
20 that if it does not participate in federal financial
21 aid programs, its refund and termination procedures
22 comply with the requirements of its accrediting body.



1 (d) If a private college or university cannot demonstrate
2 financial integrity as provided in subsections (b) and (c), the
3 private college or university shall file with the director a
4 surety bond in favor of the State in an amount calculated
5 pursuant to subsection (g) prior to receiving authorization
6 under this chapter. The surety bond shall be executed by the
7 private college or university as the principal and by a surety
8 company authorized to do business in the State.

9 (e) The surety bond shall be conditioned to provide
10 indemnification to any student or enrollee, to any parent or
11 legal guardian of a student or enrollee, that the commission
12 finds to have suffered a loss of tuition or any fees as a result
13 of any act or practice that is a violation of this chapter and
14 to provide alternative enrollment as provided in section -14
15 for students enrolled in a private college or university that
16 ceases operation.

17 (f) The amount of the surety bond that a private college
18 or university submits pursuant to subsection (d) shall be the
19 greater of \$5,000 or an amount equal to a reasonable estimate of
20 the maximum prepaid, unearned tuition and fees of the private
21 college or university for the period or term during the
22 applicable academic year for which programs of instruction are



1 offered, including but not limited to programs offered on a
2 semester, quarter, monthly, or class basis; provided that the
3 private college or university shall use the period or term of
4 greatest duration and expense in determining this amount if its
5 academic year consists of one or more periods or terms.

6 Following the initial filing of the surety bond with the
7 department, the private college or university shall recalculate
8 the amount of the surety bond annually based on a reasonable
9 estimate of the maximum prepaid, unearned tuition and fees
10 received by the institution for the applicable period or term.

11 (g) The commission may disapprove a surety bond if it
12 finds that the surety bond is not sufficient to provide students
13 with indemnification and alternative enrollment as required by
14 this section.

15 (h) The authorization for a private college or university
16 shall be suspended by operation of law when it is no longer
17 covered by a surety bond as required by this section. The
18 department shall give written notice to the private college or
19 university at its last-known address, at least forty-five days
20 before the release of the surety bond, to the effect that the
21 private college or university's authorization is suspended by



1 operation of law until it files evidence of a surety bond in a
2 like amount as the surety bond being released.

3 (i) The principal on a surety bond filed under the
4 provisions of this section is released from the surety bond
5 after the principal serves written notice thereof to the
6 commission at least sixty days before the release. The release
7 does not discharge or otherwise affect a claim filed by a
8 student or enrollee or the student or enrollee's parent or legal
9 guardian pursuant to section -14 for loss of tuition or fees
10 that occurred while the surety bond was in effect or that
11 occurred under any note or contract executed during any period
12 of time when the surety bond was in effect, except when another
13 surety bond is filed in a like amount and provides
14 indemnification for any such loss.

15 (j) Each private college or university that files a surety
16 bond pursuant to this section shall provide annual verification
17 of continued coverage as required by this section in a report to
18 the commission no later than January 1 of each year.

19 (k) A seminary or religious training institution is not
20 subject to the requirements of this section.

21 § -14 Claims against a private college or university;
22 cessation of operation; alternative enrollment. (a) A student



1 or enrollee, or a parent or guardian of the student or enrollee,
2 who claims loss of tuition or fees may file a claim with the
3 commission if the claim results from an act or practice that
4 violates a provision of this chapter. The claims that are filed
5 with the commission shall be public records and subject to the
6 provisions of chapter 92F; provided that the department shall
7 not make the records public if the release would violate a
8 federal privacy law.

9 (b) Notwithstanding the provisions of subsection (a), the
10 commission shall not consider a claim that is filed more than
11 two years after the date the student discontinues enrollment
12 with the private college or university.

13 (c) If a private college or university ceases operation,
14 the commission may make demand on the surety bond upon the
15 demand for a refund by a student or the implementation of
16 alternate enrollment for the students enrolled in the
17 institution, and the principal on the surety bond shall pay the
18 claim due in a timely manner. To the extent practicable, the
19 commission shall use the amount of the surety bond to provide
20 alternate enrollment for students of the institution that ceases
21 operation through a contract with another authorized private
22 college or university, the University of Hawaii system, an area



1 vocational school, or any other arrangement that is acceptable
2 to the department. The alternate enrollment provided to a
3 student shall replace the original enrollment agreement, if any,
4 between the student and the private college or university;
5 provided that the student shall make the tuition and fee
6 payments as required by the original enrollment agreement, if
7 any.

8 (d) A student who is enrolled in a private college or
9 university that ceases operation and who declines the alternate
10 enrollment required to be offered pursuant to subsection (c) may
11 file a claim with the commission for the student's prorated
12 share of the prepaid, unearned tuition and fees that the student
13 paid, subject to the limitations of subsection (e). The
14 commission shall not make a subsequent payment to a student
15 unless the student submits proof of satisfaction of any prior
16 debt to a financial institution in accordance with rules adopted
17 by the commission.

18 (e) If the amount of the surety bond is less than the
19 total prepaid, unearned tuition and fees that have been paid by
20 students at the time the private college or university ceases
21 operation, the department shall prorate the amount of the surety
22 bond among the students.



1 (f) The provisions of this section are applicable only to
2 those students enrolled in the private college or university at
3 the time it ceases operation, and once a private college or
4 university ceases operation, no new students shall be enrolled
5 therein.

6 (g) The commission shall be the trustee for all prepaid,
7 unearned tuition and fees, student loans, Pell grants, and other
8 student financial aid assistance if an authorized private
9 college or university ceases operation.

10 (h) The commission shall determine whether offering
11 alternate enrollment for students enrolled in an authorized
12 private college or university that ceases operation is
13 practicable without federal government designation of the
14 commission as trustee for student loans, Pell grants, and other
15 student financial aid assistance pursuant to subsection (g).

16 (i) For claims made pursuant to this section that do not
17 involve a private college or university that ceases operation,
18 the commission shall conduct a public hearing, without regard to
19 chapter 91, to determine whether there is loss of tuition or
20 fees, and if the commission finds that a claim is valid and due
21 the claimant, the commission shall make demand upon the surety
22 bond. If the principal on the surety bond fails or refuses to



1 pay the claim due, the commission shall commence an action on
2 the surety bond in a court of competent jurisdiction; provided
3 that the commission shall not file an action more than six years
4 after the date of the violation that gives rise to the right to
5 file a claim pursuant to this section.

6 (j) If a private college or university that is exempt from
7 the provisions of, or that demonstrates financial integrity
8 pursuant to, section -13, ceases to operate in the State, the
9 attorney general may file a claim against the private college or
10 university on behalf of students enrolled in the private college
11 or university at the time it ceases operation to recover any
12 amount of unearned, prepaid tuition that may be owed to the
13 students.

14 (k) A seminary or religious training institution is not
15 subject to the requirements of this section.

16 § -15 **Reciprocity.** The commission may enter into any
17 post-secondary education authorization reciprocity agreement;
18 provided that the authorization standards of the reciprocity
19 agreement shall be comparable to or exceed the authorization
20 requirements of this chapter and any applicable administrative
21 rules.



1 § -16 Complaints; injunctive proceedings. (a) By
2 July 1, 2014, the commission shall establish procedures, without
3 regard to chapter 91, by which a student or former student of a
4 private college, university, seminary, or religious institution
5 may file a complaint with the department concerning the
6 institution in which the student is or was enrolled; provided
7 that if a former student files a complaint, the complaint must
8 be filed within two years after the former student discontinued
9 enrollment at the institution.

10 (b) The department may investigate complaints based on a
11 claim of a deceptive trade practice as described in subsection
12 (h).

13 (c) Nothing in this section shall give the commission or
14 department jurisdiction to consider complaints that infringe on
15 the academic or religious freedom of, or question the curriculum
16 content of, a private college, university, seminary, or
17 religious training institution.

18 (d) Upon receipt of a complaint, the department shall
19 verify that the complaint was properly filed under the
20 procedures established pursuant to subsection (a). The
21 complaint shall warrant investigation only after the student or
22 former student has exhausted all administrative remedies



1 available at the private college, university, seminary, or
2 religious institution; provided that if the complaint involves a
3 violation of state or federal criminal law, this requirement
4 shall not apply. If a complaint warrants investigation, the
5 department shall forward the complaint to the private college,
6 university, seminary, or religious training institution. The
7 private college, university, seminary, or religious training
8 institution shall have thirty days to respond in writing to the
9 complaint. During the thirty day period, the private college,
10 university, seminary, or religious training institution, with
11 the department's assistance, may attempt to resolve the
12 complaint with the student. If the department determines at any
13 time that the complaint no longer warrants investigation, the
14 department shall dismiss the complaint.

15 (e) If a complaint is not resolved within the thirty day
16 period, the department may:

- 17 (1) Dismiss the complaint based on the private college,
18 university, seminary, or religious training
19 institution's response;
- 20 (2) Investigate the complaint further; or
- 21 (3) Refer the complaint to the commission for further
22 action; provided that if the commission finds the



1 complaint to be meritorious, it may recommend that the
2 private college, university, seminary, or religious
3 training institution take appropriate action to remedy
4 the complaint.

5 (f) If the private college, university, seminary, or
6 religious training institution does not take the action
7 recommended by the commission, the commission may forward the
8 complaint and any of the commission's findings to the attorney
9 general.

10 (g) The commission, acting through the attorney general,
11 may proceed by injunction against any violation of this chapter,
12 but an injunction proceeding or an order issued therein or as a
13 result thereof shall not bar the imposition of any other penalty
14 for a violation of this chapter.

15 (h) It shall be a deceptive trade practice for a private
16 college, university, seminary, or religious training institution
17 or its agent to:

18 (1) Make or cause to be made any statement or
19 representation, oral, written, or visual, in
20 connection with the offering of educational services
21 if the private college, university, seminary, or
22 religious training institution or its agent knows or



- 1 reasonably should have known the statement or
2 representation to be materially false, substantially
3 inaccurate, or materially misleading;
- 4 (2) Falsely represent or deceptively conceal, directly or
5 by implication, through the use of a trade or business
6 name, the fact that the institution is a private
7 college, university, seminary, or religious training
8 institution;
- 9 (3) Adopt a name, trade name, or trademark that represents
10 falsely, directly or by implication, the quality,
11 scope, nature, size, or integrity of the private
12 college, university, seminary, or religious training
13 institution or its educational services;
- 14 (4) Intentionally and materially represent falsely,
15 directly or by implication, that students who
16 successfully complete a course or program of
17 instruction may transfer the credits earned to any
18 institution of higher education;
- 19 (5) Intentionally and materially represent falsely,
20 directly or by implication, in its promotional
21 materials or in any other manner:
- 22 (A) Its size, location, facilities, or equipment;



- 1 (B) The number, educational experience, or
- 2 qualifications of its faculty;
- 3 (C) The extent or nature of any approval received
- 4 from any state agency; or
- 5 (D) The extent or nature of any accreditation
- 6 received from any accrediting agency, body, or
- 7 association;
- 8 (6) Provide prospective students with testimonials,
- 9 endorsements, or other information that has the
- 10 tendency to materially mislead or deceive prospective
- 11 students or the public regarding its current
- 12 practices;
- 13 (7) To designate or refer to its sales representatives by
- 14 titles that imply that the sale representatives have
- 15 training in academic counseling or advising if they do
- 16 not; and
- 17 (8) Represent, directly or by implication, that it is
- 18 authorized by the State or approved or accredited by
- 19 an accrediting agency or body when it has not been
- 20 authorized, approved, or accredited.
- 21 (i) Any private college, university, seminary, or
- 22 religious training institution or its agent that violates



1 subsection (h) shall be fined a sum of not less than \$500 nor
2 more than \$10,000 for each violation, which sum shall be
3 collected in a civil action brought by the attorney general or
4 the department on behalf of the State. The penalties provided
5 in this subsection are cumulative to the remedies or penalties
6 available under all other laws of this State. Each day that a
7 violation of subsection (h) occurs shall be a separate
8 violation.

9 § -17 Fees; public hearing. (a) A private college,
10 university, seminary, or religious institution shall pay
11 \$ to the department for authorization under this
12 chapter; provided that the commission may change the amount of
13 the fees required by this section at any time without regard to
14 chapter 91, if the commission:

- 15 (1) Holds at least one public hearing to discuss and take
16 testimony on the changing of the fees; and
17 (2) Provides public notice at least thirty days prior to
18 the date of the public hearing.

19 (b) Fees collected pursuant to this section shall be
20 deposited into the post-secondary education authorization
21 subaccount established pursuant to section 26-9(o).



1 under chapter 467B shall pay upon issuance of a license, permit,
2 certificate, or registration a fee and a subsequent annual fee
3 to be determined by the director and adjusted from time to time
4 to ensure that the proceeds, together with all other fines,
5 income, and penalties collected under this section, do not
6 surpass the annual operating costs of conducting compliance
7 resolution activities required under this section. The fees may
8 be collected biennially or pursuant to rules adopted under
9 chapter 91, and shall be deposited into the special fund
10 established under this subsection. Every filing pursuant to
11 chapter 514E or section 485A-202(a)(26) shall be assessed, upon
12 initial filing and at each renewal period in which a renewal is
13 required, a fee that shall be prescribed by rules adopted under
14 chapter 91, and that shall be deposited into the special fund
15 established under this subsection. Any unpaid fee shall be paid
16 by the licensed person, upon application for renewal,
17 restoration, reactivation, or reinstatement of a license, and by
18 the person responsible for the renewal, restoration,
19 reactivation, or reinstatement of a license, upon the
20 application for renewal, restoration, reactivation, or
21 reinstatement of the license. If the fees are not paid, the
22 director may deny renewal, restoration, reactivation, or



1 reinstatement of the license. The director may establish,
2 increase, decrease, or repeal the fees when necessary pursuant
3 to rules adopted under chapter 91. The director may also
4 increase or decrease the fees pursuant to section 92-28.

5 There is created in the state treasury a special fund to be
6 known as the compliance resolution fund to be expended by the
7 director's designated representatives as provided by this
8 subsection. Notwithstanding any law to the contrary, all
9 revenues, fees, and fines collected by the department shall be
10 deposited into the compliance resolution fund. Unencumbered
11 balances existing on June 30, 1999, in the cable television fund
12 under chapter 440G, the division of consumer advocacy fund under
13 chapter 269, the financial institution examiners' revolving
14 fund, section 412:2-109, the special handling fund, section
15 414-13, and unencumbered balances existing on June 30, 2002, in
16 the insurance regulation fund, section 431:2-215, shall be
17 deposited into the compliance resolution fund. This provision
18 shall not apply to the drivers education fund underwriters fee,
19 sections 431:10C-115 and 431:10G-107, insurance premium taxes
20 and revenues, revenues of the workers' compensation special
21 compensation fund, section 386-151, the captive insurance
22 administrative fund, section 431:19-101.8, the insurance



1 commissioner's education and training fund, section 431:2-214,
2 the medical malpractice patients' compensation fund as
3 administered under section 5 of Act 232, Session Laws of Hawaii
4 1984, and fees collected for deposit in the office of consumer
5 protection restitution fund, section 487-14, the real estate
6 appraisers fund, section 466K-1, the real estate recovery fund,
7 section 467-16, the real estate education fund, section 467-19,
8 the contractors recovery fund, section 444-26, the contractors
9 education fund, section 444-29, the condominium education trust
10 fund, section 514B-71, and the mortgage foreclosure dispute
11 resolution special fund, section 667-86. Any law to the
12 contrary notwithstanding, the director may use the moneys in the
13 fund to employ, without regard to chapter 76, hearings officers
14 and attorneys. All other employees may be employed in
15 accordance with chapter 76. Any law to the contrary
16 notwithstanding, the moneys in the fund shall be used to fund
17 the operations of the department. The moneys in the fund may be
18 used to train personnel as the director deems necessary and for
19 any other activity related to compliance resolution.

20 A separate subaccount of the compliance resolution fund
21 shall be established for fees collected by the state post-
22 secondary education commission established pursuant to section



1 -3, which shall be called the post-secondary education
2 authorization subaccount. The subaccount shall be governed by
3 section -18.

4 As used in this subsection, unless otherwise required by
5 the context, "compliance resolution" means a determination of
6 whether:

- 7 (1) Any licensee or applicant under any chapter subject to
8 the jurisdiction of the department of commerce and
9 consumer affairs has complied with that chapter;
- 10 (2) Any person subject to chapter 485A has complied with
11 that chapter;
- 12 (3) Any person submitting any filing required by chapter
13 514E or section 485A-202(a)(26) has complied with
14 chapter 514E or section 485A-202(a)(26);
- 15 (4) Any person has complied with the prohibitions against
16 unfair and deceptive acts or practices in trade or
17 commerce; or
- 18 (5) Any person subject to chapter 467B has complied with
19 that chapter;

20 and includes work involved in or supporting the above functions,
21 licensing, or registration of individuals or companies regulated



1 by the department, consumer protection, and other activities of
2 the department.

3 The director shall prepare and submit an annual report to
4 the governor and the legislature on the use of the compliance
5 resolution fund. The report shall describe expenditures made
6 from the fund including non-payroll operating expenses."

7 SECTION 4. Section 446E-1.5, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§446E-1.5 Advisory board.** The state post-secondary
10 education commission, as established by chapter [~~304A, part VII,~~
11 ~~subpart C,~~] _____, shall serve as a resource to the director as
12 needed regarding the requirements of this chapter."

13 SECTION 5. Section 304A-3151, Hawaii Revised Statutes, is
14 repealed.

15 [~~"[§304A-3151] Establishment of the state post secondary~~
16 ~~education commission; membership, administration. There is~~
17 ~~established a state post secondary education commission. The~~
18 ~~commission shall consist of the members of the board of regents~~
19 ~~of the university, the provisions of section 78-4~~
20 ~~notwithstanding, and four other members who shall be broadly and~~
21 ~~equitably representative of the general public and public and~~
22 ~~private nonprofit and proprietary institutions of post secondary~~



1 ~~education in the State and who shall be appointed in accordance~~
2 ~~with section 26-34. The commission shall be placed within the~~
3 ~~university for administrative purposes, and its administrative~~
4 ~~officer shall be the president of the university. The~~
5 ~~commission may appoint necessary staff members in accordance~~
6 ~~with applicable policies and procedures of the university."]~~

7 SECTION 6. Section 304A-3152, Hawaii Revised Statutes, is
8 repealed.

9 ~~["§304A-3152] Commission's powers and authority. (a)~~
10 ~~The commission may cooperate with the federal government to~~
11 ~~qualify the State to receive funds made available under the~~
12 ~~Higher Education Act of 1965, Public Law 89-329, as amended from~~
13 ~~time to time, and in addition may serve as the state agency for~~
14 ~~the receipt of federal funds when federal legislation dealing~~
15 ~~with higher education or post secondary education requires, as a~~
16 ~~condition of state receipt of such funds, the designation of a~~
17 ~~state agency that is broadly representative of the general~~
18 ~~public and of post secondary education in the State and when~~
19 ~~agencies other than the commission created by this subpart may~~
20 ~~not qualify. The commission shall adopt appropriate rules not~~
21 ~~inconsistent with this subpart as may be required to administer~~



1 ~~this subpart. The rules shall be adopted in accordance with~~
2 ~~chapter 91.~~

3 ~~(b) No funds appropriated by the legislature may be used~~
4 ~~to aid a person attending an institution not owned or~~
5 ~~exclusively controlled by the State or a department of the State~~
6 ~~or to pay for any staff work distributing federal or private~~
7 ~~funds to students attending such schools. The maximum amount of~~
8 ~~any grant awarded under the Hawaii state incentive grant program~~
9 ~~shall be equal to the maximum allowed by federal law."]~~

10 SECTION 7. Section 304A-3153, Hawaii Revised Statutes, is
11 repealed.

12 ~~["§304A-3153] Procedures for complaints concerning~~
13 ~~institutions of higher education. In consultation with~~
14 ~~institutions of higher education in the State, the commission is~~
15 ~~authorized to establish and administer procedures for receiving~~
16 ~~and responding to complaints from students, faculty, staff, and~~
17 ~~others concerning institutions of higher education in the~~
18 ~~State."]~~

19 SECTION 8. Section 304A-3154, Hawaii Revised Statutes, is
20 repealed.

21 ~~["§304A-3154] Cooperation with other state agencies. The~~
22 ~~commission may be assisted by other state agencies, including~~



1 ~~but not limited to the university, the department of education,~~
2 ~~and the department of commerce and consumer affairs."]~~

3 PART IV

4 SECTION 9. Chapter 446E, Hawaii Revised Statutes, is
5 repealed.

6 PART V

7 SECTION 10. The post-secondary education commission shall
8 report to the legislature no later than twenty days prior to the
9 convening of the 2014 regular session on such matters including
10 but not limited to:

- 11 (1) The status of any rulemaking the commission has
- 12 undertaken;
- 13 (2) The number of private colleges, universities,
- 14 seminaries, and religious training institutions that
- 15 have applied for authorization under chapter ;
- 16 and
- 17 (3) Any proposed legislation.

18 PART VI

19 SECTION 11. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so
21 much thereof as may be necessary for fiscal year 2013-2014 and
22 the same sum or so much thereof as may be necessary for fiscal



1 year 2014-2015 to be paid into the post-secondary education
2 authorization subaccount of the compliance resolution fund
3 established pursuant to section 26-9(o), Hawaii Revised
4 Statutes.

5 The sums appropriated shall be expended by the department
6 of commerce and consumer affairs for the purposes of this Act.

7 SECTION 12. There is appropriated out of the post-
8 secondary education authorization subaccount of the compliance
9 resolution fund established pursuant to section 26-9(o), Hawaii
10 Revised Statutes, the sum of \$ or so much thereof as
11 may be necessary for fiscal year 2013-2014 and the same sum or
12 so much thereof as may be necessary for fiscal year 2014-2015
13 for four full-time equivalent (4.0 FTE) permanent positions at
14 the department of commerce and consumer affairs to implement the
15 provisions of this Act.

16 The sums appropriated shall be expended by the department
17 of commerce and consumer affairs for the purposes of this Act.

18 PART VII

19 SECTION 13. If any provision of this Act, or the
20 application thereof to any person or circumstance, is held
21 invalid, the invalidity does not affect other provisions or
22 applications of the Act that can be given effect without the



1 invalid provision or application, and to this end the provisions
2 of this Act are severable.

3 SECTION 14. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 15. This Act shall take effect upon its approval;
6 provided that part IV shall take effect on July 1, 2015;
7 provided further that part VI shall take effect on July 1, 2013.



Report Title:

Post-Secondary Education; Department of Commerce and Consumer Affairs; Appropriation

Description:

Establishes the post-secondary education commission within the department of commerce and consumer affairs. Creates the framework for authorizing private post-secondary educational institutions in the State. Repeals sections 304A-3151, 304A-3152, 304A-3153, and 304A-3154, relating to the establishment of the post-secondary education commission within the University of Hawaii. Creates the post-secondary education authorization subaccount of the compliance resolution fund established pursuant to section 26-9(o), Hawaii Revised Statutes. Repeals chapter 446E, HRS, governing non-accredited degree granting institutions and makes these institutions subject to state authorization requirements on July 1, 2015. Requires the post-secondary education commission to report to the legislature. Makes an appropriation for four full-time equivalent (4.0 FTE) permanent positions at the department of commerce and consumer affairs. (SD1)

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

