
SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A STUDY OF THE POTENTIAL
REGULATION OF UNACCREDITED DEGREE GRANTING INSTITUTIONS IN
THE STATE.

1 WHEREAS, the Legislature finds that obtaining a college
2 degree can cost tens of thousands of dollars and often
3 represents a significant commitment of a family's financial
4 resources; and

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6 WHEREAS, the United States Department of Education relies,
7 among other things, on an institution's accreditation from a
8 recognized accrediting agency to determine eligibility for
9 certain federal funds; and

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11 WHEREAS, many employers require a degree from an accredited
12 educational institution as a condition of employment; and

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14 WHEREAS, many educational institutions will not recognize a
15 student's degree or credits unless the degree or credits were
16 earned through an accredited institution; and

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18 WHEREAS, prospective students may be unaware of the
19 significance of an institution's accreditation status when
20 selecting a college or university, particularly if the
21 institution offers a degree through distance learning education;
22 and

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24 WHEREAS, the State of Hawaii is one of a small number of
25 states that does not license, approve, or prohibit unaccredited
26 degree granting institutions; and

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28 WHEREAS, unaccredited degree granting universities and
29 colleges that operate in the State are subject to the
30 Unaccredited Degree Granting Institutions law, codified in
31 chapter 446E, Hawaii Revised Statutes; and



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2 WHEREAS, the State Office of Consumer Protection has been
3 active in enforcing chapter 446E, Hawaii Revised Statutes,
4 through the filing of numerous lawsuits; and
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6 WHEREAS, House Bill No. 1200, H.D. 2 (2013), proposes,
7 among other things, to revise the state unaccredited degree
8 granting institution law, chapter 446E, Hawaii Revised Statutes,
9 by transferring oversight to the Postsecondary Education
10 Commission beginning July 1, 2015; and
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12 WHEREAS, section 26H-6, Hawaii Revised Statutes, requires
13 the Auditor to review proposals to regulate professions,
14 vocations, or occupations that are currently unregulated and to
15 assess alternative forms of regulation; and
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17 WHEREAS, although unaccredited degree granting institutions
18 are currently subject to chapter 446E, Hawaii Revised Statutes,
19 and unaccredited degree granting institutions may not be
20 traditionally considered a profession or vocation, a sunrise
21 analysis under chapter 26H, Hawaii Revised Statutes, may be
22 useful in evaluating the current and alternative forms of
23 regulation; now, therefore,
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25 BE IT RESOLVED by the Senate of the Twenty-seventh
26 Legislature of the State of Hawaii, Regular Session of 2013, the
27 House of Representatives concurring, that the Auditor is
28 respectfully requested to conduct a sunrise review of the
29 regulation of unaccredited degree granting institutions, as
30 proposed under House Bill No. 1200, H.D. 2 (2013), including an
31 assessment of the current and alternative forms of regulation,
32 pursuant to section 26H-6, Hawaii Revised Statutes; and
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34 BE IT FURTHER RESOLVED that the Auditor is requested to
35 include in its review:
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- 37 (1) An estimate of the number of unaccredited degree
38 granting institutions operating under chapter 446E,
39 Hawaii Revised Statutes;
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41 (2) An estimate of the number of unaccredited degree
42 granting institutions physically located in the State;
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- 1 (3) An estimate of the number of students enrolled in each
2 unaccredited degree granting institution;
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- 4 (4) A review of the level of compliance by unaccredited
5 degree granting institutions with chapter 446E, Hawaii
6 Revised Statutes, including a review of:
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- 8 (A) The types of enforcement actions brought by the
9 Office of Consumer Protection; and
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- 11 (B) The number of enforcement actions brought by the
12 Office of Consumer Protection;
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- 14 (5) A review of the laws governing unaccredited degree
15 granting institutions in other states, including those
16 state laws that require all degree granting
17 institutions to be accredited;
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- 19 (6) A review of best practices available for the
20 regulation of unaccredited degree granting
21 institutions;
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- 23 (7) A determination of whether regulation of unaccredited
24 degree granting institutions should also apply to
25 online unaccredited degree granting institutions
26 regardless of whether the institutions are:
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- 28 (A) Located in Hawaii; or
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- 30 (B) Located out-of-state, but enroll students who are
31 Hawaii residents; and
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- 33 (8) An examination of the findings in the 1993 report of
34 the Legislative Reference Bureau, entitled *Private*
35 *Accreditation and State Authorization of Degree*
36 *Granting and Non-Degree Granting Limitations in*
37 *Hawaii*, to determine whether the recommendations in
38 the report were carried out; and
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40 BE IT FURTHER RESOLVED that the Auditor is requested to
41 submit a report of its findings and recommendations, including
42 any proposed legislation, to the Legislature not later than
43 twenty days prior to the convening of the Regular Session of
44 2014; and



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2 BE IT FURTHER RESOLVED that certified copies of this
3 Concurrent Resolution be transmitted to the Auditor and the
4 Director of Commerce and Consumer Affairs.
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