



**GOV. MSG. NO. 1113**

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

April 15, 2014

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

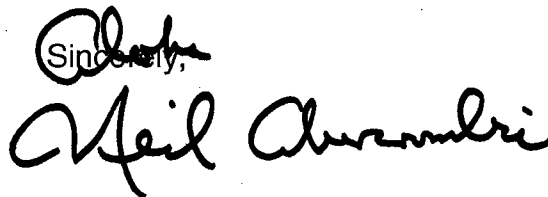
The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on April 15, 2014, the following bill was signed into law:

HB2142

RELATING TO POST-SECONDARY EDUCATION  
**ACT 013 (14)**

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

14 APR 19 10:51 AM

RECEIVED  
THE SENATE  
CLERK'S OFFICE  
STATE OF HAWAII

'14 APR 16 P3:53

RECEIVED  
SENATE  
OFFICE OF THE PRESIDENT

'14 APR 16 A9:36

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## A BILL FOR AN ACT

RELATING TO POST-SECONDARY EDUCATION.

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

1           SECTION 1. Section 305J-14, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:

3           " (c) A private college or university may also demonstrate  
4 financial integrity if it:

- 5           (1) Has received and maintains full accreditation without  
6 sanction from an accrediting body that is recognized  
7 by the United States Department of Education, and  
8 which accrediting body requires the private college or  
9 university to maintain a surety bond or an escrow  
10 account or has affirmatively waived or otherwise  
11 removed that requirement for the private college or  
12 university;
- 13           (2) Operates an instructional facility in the State;
- 14           (3) Annually provides to the department audited financial  
15 statements for the most recent fiscal year that  
16 demonstrate that the private college or university  
17 maintains positive equity [~~and profitability~~];



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 part 668; provided that  
8 if it does not participate in federal financial aid  
9 programs, its refund and termination procedures shall  
10 comply with the requirements of its accrediting body."

11 SECTION 2. Section 304A-3153, Hawaii Revised Statutes, is  
12 repealed.

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

20 SECTION 3. Statutory material to be repealed is bracketed  
21 and stricken.

22



# H.B. NO. 2142

1 SECTION 4. This Act shall take effect upon its approval.

2

INTRODUCED BY: *Kinda Ichizama*

*Sam W. King*

JAN 21 2014

APPROVED this 15 day of APR, 2014

*Neil Abernethy*

GOVERNOR OF THE STATE OF HAWAII

