A BILL FOR AN ACT

RELATING TO POST-SECONDARY EDUCATION.

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

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

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

(1) Has received and maintains full accreditation without sanction from an accrediting body that is recognized by the United States Department of Education, and which accrediting body requires the private college or university to maintain a surety bond or an escrow account or has affirmatively waived or otherwise removed that requirement for the private college or university;

(2) Operates an instructional facility in the State;

(3) Annually provides to the department audited financial statements for the most recent fiscal year that demonstrate that the private college or university maintains positive equity [and profitability];
(4) Maintains a composite score of at least 1.5 on its equity, primary reserve, and net income ratios, as required in title 34 Code of Federal Regulations section 668.172; and

(5) Meets or exceeds the pro rata refund policies required by the United States Department of Education in title 34 Code of Federal Regulations part 668; provided that if it does not participate in federal financial aid programs, its refund and termination procedures shall comply with the requirements of its accrediting body."

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 Section 304A-3153, Hawaii Revised Statutes, is repealed.

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

SECTION 3. Statutory material to be repealed is bracketed and stricken.
SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: Linda G. Chinga

JAN 2 1 2014
**Report Title:**
Post-Secondary Education; Authorization; Financial Integrity; University of Hawaii; Complaints

**Description:**
Repeals the requirement that a private college or university show that it maintains profitability as a means of demonstrating financial integrity to the department of commerce and consumer affairs. Repeals section 304A-3153, HRS, relating to procedures for complaints concerning institutions of higher education in the State.

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