

Honolulu, Hawaii

FEB 15 2017

RE: S.B. No. 1286
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Education and Commerce, Consumer Protection, and Health, to which was referred S.B. No. 1286 entitled:

"A BILL FOR AN ACT RELATING TO PRIVATE TRADE, VOCATIONAL, AND TECHNICAL SCHOOLS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Narrow the scope of the private trade, vocational, and technical school licensure program within the Department of Education;
- (2) Establish a licensing fee to ensure the sustainability of the licensing program;
- (3) Establish a license renewal process and fee; and
- (4) Establish a private trade, vocational, and technical school licensure special fund.

Your Committees received testimony in support of this measure from the Department of Education. Your Committees received testimony in opposition to this measure from the Maui School of Therapeutic Massage, Maui Academy of Healing Arts, Pacific Center for Awareness and Bodywork, Hawaii Maritime License Center, Island Spirit School of Massage, Hawaii Institute of Hair Design, Mulkern Landscaping and Nursery, and more than one hundred thirty



individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs and Department of Budget and Finance.

Your Committees find that private trade, vocational, and technical schools provide specialized training for a number of professions in the State, including those in massage therapy, health care, tax preparation, and maritime activities. These schools are prohibited from operating in Hawaii without being licensed, and licensure has been the responsibility of the Department of Education since 1939. In 1998, the purpose of this licensure was amended by Act 57, Session Laws of Hawaii 1998, to be protecting consumers from false, deceptive, misleading, and unfair practices, and to ensure adequate educational quality.

Your Committees further find that the Department of Education's primary mission is kindergarten to twelfth grade education, and does not include the provision of post-secondary institutions. As such, the Department of Education does not currently have the capacity or expertise in the specialized curricula of the various private trade, vocational, and technical schools currently under its licensing jurisdiction. For this reason, the current licensing framework for private trade, vocational, and technical schools in Hawaii is unsustainable.

Your Committees additionally find that many private trade, vocational, and technical schools rely on state licensure to fulfill accreditation requirements, facilitate collaboration and participation with entities and students from outside the State, and receive access to funding from a diverse variety of sources. Altering the scope of licensure and licensing fee to the degree presently in this measure would have a significant detrimental effect on many private trade, vocational, and technical schools that currently provide specialized training in Hawaii.

Your Committees have amended this measure by:

- (1) Expanding the purpose and source of funds of the private trade, vocational, and technical school licensure special fund;
- (2) Removing language limiting the type of private trade, vocational, and technical schools that must be licensed by the Department of Education and adding language to expand licensure to those schools that require licensure

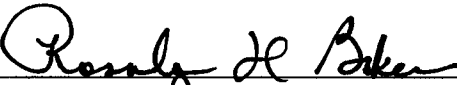


for compliance with federal regulations and accreditation requirements;

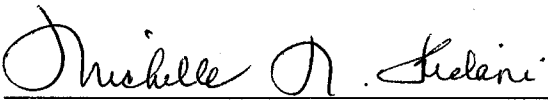
- (3) Changing the amount of licensure and license renewal fees to a blank amount;
- (4) Authorizing one permanent full-time equivalent position within the Department of Education to administer licensing of private trade, vocational, and technical schools and appropriating monies for that purpose;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1286, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1286, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Education and
Commerce, Consumer Protection,
and Health,



ROSALYN H. BAKER, Chair



MICHELLE N. KIDANI, Chair



