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# A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1           SECTION 1. In October 2010, the United States Department  
2 of Education issued new regulations for programs authorized  
3 under Title IV of the Higher Education Act of 1965, as amended,  
4 to hold programs accountable for preparing students for gainful  
5 employment, protect students from misleading recruiting  
6 practices, ensure that only eligible students receive financial  
7 aid, and strengthen federal student aid programs at for-profit,  
8 nonprofit, and public institutions. The regulations also  
9 include requirements for state authorization of private  
10 institutions that offer post-secondary educational programs for  
11 purposes of federal program eligibility.

12           The state post-secondary education commission, established  
13 under section 304A-3151, Hawaii Revised Statutes, qualifies the  
14 State to receive funds made available under the Higher Education  
15 Act of 1965, as amended, and may serve as the state agency for  
16 the receipt of federal funds when necessary. However, the  
17 commission does not authorize institutions to operate  
18 educational programs beyond secondary education, as may be



1 required under new federal regulations. Further, the commission  
2 is established under the University of Hawaii for administrative  
3 purposes. The legislature finds that either the establishment  
4 of a separate entity, or the placement of the commission under a  
5 different agency, may result in an entity that is more broadly  
6 representative of post-secondary education in the State and more  
7 appropriate to serve as an authorizing entity for the diverse  
8 institutions that operate educational programs beyond secondary  
9 education.

10 Due to the July 1, 2011, effective date of the new  
11 regulations, it is unlikely the State will be able to satisfy  
12 all of the state authorization requirements by the imminent  
13 deadline. The United States Department of Education has  
14 provided an opportunity for states and institutions to receive  
15 an extension of the effective date for certain regulations, and  
16 the legislature finds that the State should request any  
17 necessary extensions. In the meantime, it is the intent of the  
18 legislature to proactively seek solutions by determining what  
19 actions and changes are required for the State to comply with  
20 the new regulations.

21 The legislature further finds that the need to examine  
22 state authorization of private institutions offering post-



1 secondary educational programs presents an opportunity to also  
2 examine existing state licensing or authorization functions  
3 related to educational institutions and their administrators and  
4 instructors.

5 Specifically, the legislature finds that Hawaii is the only  
6 state that does not license principals. The legislature further  
7 finds that the Hawaii teacher standards board, which has  
8 jurisdiction over the issuing, renewing, revoking, suspending,  
9 and reinstating of teachers' licenses, has been audited on more  
10 than one occasion. These audits have discovered a lack of  
11 oversight, accountability, clearly defined program purpose, and  
12 timely completion of duties.

13 Although the legislature and the Hawaii teacher standards  
14 board have made efforts to improve board's operations, the  
15 legislature finds that it is appropriate at this time to  
16 consider whether the administration of existing licensing  
17 functions currently tasked to the Hawaii teacher standards board  
18 and potentially new licensing functions relating to principals  
19 and vice-principals should be consolidated and tasked to a  
20 single state agency responsible for the licensing and  
21 authorization of all educational institutions, as well as the



1 administrators and instructors of those institutions, as is  
2 deemed appropriate or necessary.

3 Accordingly, the purpose of this Act is to direct the  
4 legislative reference bureau to:

- 5 (1) Examine the Higher Education Act of 1965, as amended,  
6 and regulations pursuant to that Act and make  
7 recommendations to ensure the State's compliance with  
8 provisions relating to the authorization of private  
9 institutions that offer post-secondary educational  
10 programs;
- 11 (2) Examine existing licensing or authorization functions  
12 related to educational institutions in the State, and  
13 the administrators and instructors thereof; and
- 14 (3) Make recommendations as to whether these functions  
15 should be consolidated and tasked to a single state  
16 entity responsible for the licensing and authorization  
17 of all educational institutions and their related  
18 operations.

19 SECTION 2. (a) The legislative reference bureau shall, in  
20 consultation with the university of Hawaii and department of  
21 education, examine the Higher Education Act of 1965, as amended,  
22 and regulations pursuant to that Act, to:



- 1           (1) Determine any actions and changes required for the  
2           State to comply with federal laws and regulations  
3           relating to the authorization of private institutions  
4           operating post-secondary educational programs;
- 5           (2) Examine existing licensing or authorization functions  
6           related to educational institutions in the State,  
7           including the administrators and instructors thereof;  
8           and
- 9           (3) Make recommendations as to whether the administration  
10          of these regulations should be consolidated and tasked  
11          to a single state entity responsible for the licensing  
12          and authorization of all educational institutions in  
13          the State and their related operations.
- 14          (b) The legislative reference bureau shall consider the  
15 following:
- 16          (1) Existing state laws and entities, such as the state  
17          post-secondary education commission and the Hawaii  
18          teacher standards board, and their existing functions  
19          and duties to determine whether:
- 20                  (A) The laws should be amended;
- 21                  (B) The entities can assist the State to comply with  
22                  the federal laws and regulations; and



1 (C) The entities should be reorganized or reassigned  
2 duties to assist the State to comply with the  
3 federal laws and regulations;

4 (2) Whether to establish a new state entity that will be  
5 responsible for the licensing or authorization of any  
6 education institution in the State, including the  
7 administrators and instructors thereof, and to legally  
8 authorize or license private institutions to offer  
9 postsecondary education in the State for purposes of  
10 federal program eligibility and, if so, to consider:

11 (A) The scope of duties and responsibilities of the  
12 entity, including a determination of whether the  
13 State should license principals and vice-  
14 principals and include that licensing function  
15 and any licensing-related duties currently under  
16 the Hawaii teacher standards board as  
17 responsibilities of the new state entity;

18 (B) Appropriate membership for the entity;

19 (C) The appropriate administrative placement of the  
20 entity in a state agency;

21 (D) Whether related functions that are currently  
22 under other programs or entities, including the



1 Hawaii Western Interstate Commission for Higher  
2 Education, state approving agency for veterans  
3 benefits, federal Leveraging Educational  
4 Assistance Program, and the Hawaii teacher  
5 standards board, should be consolidated within or  
6 transferred to the entity;

7 (E) Staffing and other resources required for the  
8 entity and the performance of its required  
9 responsibilities; and

10 (F) Funding sources for the entity;

11 (3) The systems, laws, and procedures that other  
12 jurisdictions have established to comply with the  
13 federal laws and regulations;

14 (4) All institutions that would require authorization by  
15 the State pursuant to the Higher Education Act of  
16 1965, as amended, and relevant federal regulations;  
17 and

18 (5) Any new or amended legislation or administrative rules  
19 necessary to carry out the recommendations of the  
20 bureau.

21 SECTION 3. The legislative reference bureau, in  
22 consultation with the University of Hawaii and the department of



1 education, shall submit a report to the legislature of its  
2 findings and recommendations, including proposed legislation, no  
3 later than twenty days prior to the convening of the regular  
4 session of 2012.

5 SECTION 4. This Act shall take effect on July 1, 2050.





**Report Title:**

Education; Federal Higher Education Act of 1965; Licensing

**Description:**

Directs the Legislative Reference Bureau to examine the Higher Education Act of 1965, as amended, and regulations pursuant to that Act, make recommendations to ensure the State's compliance with provisions relating to state authorization of institutions that offer post-secondary educational programs, and make recommendations as to whether the administration of existing licensing or authorization regulations of any educational institutions in the State, and the administrators and instructors thereof, should be consolidated and tasked to a single state agency. (HB1329 HD1)

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

