
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 non-profit, and public institutions. The regulations also
9 include requirements for state authorization of institutions
10 that offer educational programs beyond secondary education 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 the authorizing state agency for the
8 diverse institutions that operate educational programs beyond
9 secondary education.

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

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



1 programs at the post-secondary education level presents an
2 opportunity to also examine existing duties of the State that
3 are related to the licensing or authorization of other
4 educational institutions in the State and their administrators
5 and instructors. Specifically, the legislature finds that
6 Hawaii is the only state that does not license principals. The
7 legislature also finds that the Hawaii teacher standards board,
8 which has jurisdiction over the issuing, renewing, revoking,
9 suspending, and reinstating of teachers' licenses, has been
10 audited on more than one occasion with findings that include a
11 lack of oversight, accountability, clearly defined program
12 purpose, and timely completion of its duties.

13 Although the legislature and the Hawaii teacher standards
14 board have made efforts to improve the operations of the Hawaii
15 teacher standards board, the legislature finds that it is
16 appropriate at this time to consider whether functions such as
17 the licensing of principals and the existing functions of the
18 Hawaii teacher standards board should be consolidated and tasked
19 to one state agency that would be responsible for the licensing
20 and authorization of all educational institutions in the State
21 and administrators and instructors of those institutions, as is
22 deemed appropriate or necessary.



1 Accordingly, the purpose of this Act is to establish a task
2 force to:

3 (1) Examine the Higher Education Act of 1965, as amended,
4 and regulations pursuant to that Act and make
5 recommendations to ensure the State's compliance with
6 provisions relating to the authorization of
7 institutions that offer educational programs beyond
8 secondary education; and

9 (2) Examine existing functions relating to the licensing
10 or authorization of any education institution in the
11 State, and administrators and instructors of those
12 institutions, and make recommendations as to whether
13 these functions should be consolidated and tasked to
14 one state agency that would be responsible for the
15 licensing and authorization of all educational
16 institutions in the State and their related
17 operations.

18 SECTION 2. (a) There is established a federal higher
19 education compliance and educational personnel licensure and
20 certification task force.

21 (b) The task force members shall be named by the Hawaii
22 P-20 Council after consultation with stakeholders, as necessary,



1 such as private institutions of higher education, the department
2 of education, the Hawaii Association of Independent Schools, and
3 the Hawaii teacher standards board. A representative of the
4 legislative reference bureau shall be an ex officio member of
5 the task force.

6 (c) The task force shall:

- 7 (1) Examine the Higher Education Act of 1965, as amended,
8 and regulations pursuant to that Act, with specific
9 attention paid to regulations adopted pursuant to
10 Title IV of that Act, to determine, in consultation
11 with the University of Hawaii and the department of
12 education, what actions and changes are required for
13 the State to comply with federal laws and regulations
14 so that its post-secondary educational institutions
15 may operate or continue to operate post-secondary
16 educational programs that will qualify for federal
17 student loan programs and other federal funding; and
18 (2) Examine existing functions relating to the licensing
19 or authorization of any educational institution in the
20 State, administrators and instructors thereof, and
21 make recommendations as to whether these functions
22 should be consolidated and tasked to an existing state



1 agency or whether any umbrella state agency should be
2 created that would be responsible for the licensing
3 and authorization of all educational institutions in
4 the State, their related operations, and their
5 educational administrators and educators.

6 (d) In developing recommendations pursuant to subsection
7 (c), the task force shall consider the following:

8 (1) Utilizing existing state laws and state entities, such
9 as the state post-secondary education commission and
10 the Hawaii teacher standards board, and their existing
11 functions and duties to determine whether the laws or
12 entities may assist, or may be amended, reorganized,
13 or reassigned duties to assist the State in complying
14 with the federal laws and regulations;

15 (2) Whether to establish a new state entity that will
16 legally authorize or license institutions to offer
17 post-secondary education in the State for purposes of
18 federal program eligibility and, if so, make
19 recommendations on:

20 (A) The scope of duties and responsibilities for that
21 entity, including a determination of whether the
22 State should license principals and vice



1 principals and include that licensing function,
2 as well as any licensing-related duties under the
3 Hawaii teacher standards board, as
4 responsibilities of that new state entity;

5 (B) The appropriate membership for that entity;

6 (C) The appropriate administrative placement of that
7 entity in a particular state agency and whether
8 related functions that are currently under
9 programs or other entities, such as the Hawaii
10 Western Interstate Commission for Higher
11 Education, the state approving agency for veteran
12 services, the administration of the Leveraging
13 Educational Assistance Partnership Program, and
14 the Hawaii teacher standards board, should be
15 consolidated within or transferred to that
16 entity;

17 (D) The staffing needs and other resources required
18 for that entity to perform its required
19 functions;

20 (E) Whether the functions to be performed by an
21 existing state agency or newly created entity
22 should be phased in over a period of time and, if



- 1 so, what the timeframe and implementation
2 schedule should be; and
3 (F) The funding sources for this entity;
4 (3) The systems, laws, and procedures that other
5 jurisdictions have established to comply with the
6 federal laws and regulations;
7 (4) Whether establishing and maintaining a database of all
8 institutions that would require authorization of the
9 State pursuant to the Higher Education Act of 1965, as
10 amended, and relevant federal regulations is
11 appropriate and, if so, what information should be
12 contained in the database; and
13 (5) Any proposed legislation necessary to carry out the
14 recommendations of the task force.

15 SECTION 3. (a) The federal higher education compliance
16 and educational personnel licensure and certification task force
17 shall submit to the legislature:

- 18 (1) A preliminary report, which shall contain findings and
19 recommendations, including a preliminary strategic
20 plan and any proposed legislation, no later than
21 twenty days prior to the convening of the regular
22 session of 2012; and



1 (2) A final report of findings and recommendations,
2 including the finalized strategic plan and any
3 proposed legislation, no later than twenty days prior
4 to the convening of the regular session of 2013.

5 (b) The task force shall cease to exist on June 30, 2013.

6 SECTION 4. (a) The legislative reference bureau shall
7 assist the federal higher education compliance and educational
8 personnel licensure and certification task force in researching
9 the following:

10 (1) Existing state laws and state entities, such as the
11 state post-secondary education commission and the
12 Hawaii teacher standards board, and their existing
13 functions and duties to determine whether the laws or
14 entities may assist, or may be amended, reorganized,
15 or reassigned duties to assist, the State in complying
16 with the federal laws and regulations;

17 (2) The appropriate administrative placement of that
18 entity in a particular state agency and whether
19 related functions that are currently under programs or
20 other entities, such as the Hawaii western interstate
21 commission on higher learning, the state approving
22 agency for veteran services, the administration of the



1 Leveraging Educational Assistance Program, and the
2 Hawaii teacher standards board, should be consolidated
3 within or transferred to that entity;

4 (3) The staffing needs and other resources required for
5 that entity to perform its required functions;

6 (4) Whether the functions to be performed by an existing
7 state agency or newly created entity should be phased
8 in over a period of time and, if so, what the
9 timeframe and implementation schedule should be; and

10 (5) The funding sources for this entity. ~

11 (b) The legislative reference bureau shall provide the
12 federal higher education compliance and educational personnel
13 licensure and certification task force with administrative
14 support, including the drafting of any proposed legislation as
15 may be necessary to carry out the purposes of this Act.

16 SECTION 5. This Act shall take effect upon its approval.

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Report Title:

Education; State Authorization; Federal Compliance

Description:

Creates a task force 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 the state authorization of institutions that offer educational programs beyond secondary education, and make recommendations as to whether existing functions relating to the licensing or authorization of any educational institutions in the State, and administrators and instructors thereof, should be consolidated and tasked to one state agency that would be responsible for the licensing and authorization of all educational institutions in the State and their related operations. Requires the task force to report to the legislature. Requires the legislative reference bureau to provide research and administrative support to the task force.
(SD1)

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