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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 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 reconstituting the post-  
4 secondary commission and placing it under the department of  
5 commerce and consumer affairs will result in an entity that is  
6 more broadly representative of post-secondary education in the  
7 State and more appropriate to serve as the authorizing state  
8 agency for the diverse institutions that operate educational  
9 programs beyond secondary education.

10 The State was unable to satisfy all of the requirements of  
11 the Higher Education Act of 1965, as amended, relating to state  
12 authorization by the deadline. However, the United States  
13 Department of Education provided the opportunity for states and  
14 institutions to receive an extension for certain regulations.  
15 In the meantime, it is the intent of the legislature to  
16 proactively seek solutions by determining what actions and  
17 changes are required for the State to come into compliance with  
18 the new regulations.

19 The purpose of this Act is to bring Hawaii into compliance  
20 with Title IV of the Higher Education Act of 1965, as amended,  
21 by establishing the post-secondary education commission within  
22 the department of commerce and consumer affairs and creating the



1 framework for authorizing private post-secondary educational  
2 institutions in the State.

3 SECTION 2. The Hawaii Revised Statutes is amended by  
4 adding a new chapter to be appropriately designated and to read  
5 as follows:

6 "CHAPTER

7 POST-SECONDARY EDUCATION AUTHORIZATION

8 § -1 **Definitions.** Whenever used in this chapter, unless  
9 the context otherwise requires:

10 "Accredited" means holding an institutional accreditation  
11 by name to offer post-secondary education as a United States-  
12 based institution from an accrediting agency recognized by the  
13 United States Department of Education.

14 "Alternative enrollment" means the opportunity for a  
15 student enrolled in a private college or university that ceases  
16 operation to meet the student's educational objectives through  
17 education provided by another authorized private college or  
18 university, the University of Hawaii system, an area vocational  
19 school, or any other educational arrangement acceptable to the  
20 department and the commission.

21 "Authorization" means the authorization granted to a  
22 private college, university, seminary, or religious training



1 institution by the commission as provided in this chapter and  
2 any applicable rules and policies. Authorization is not an  
3 endorsement by either the commission or the department.

4 "Commission" means the state post-secondary education  
5 commission created pursuant to section -3.

6 "Degree" means a statement, diploma, certificate, or other  
7 writing in any language that indicates or represents, or is  
8 intended to indicate or represent, that the person named thereon  
9 is learned in or has satisfactorily completed a prescribed  
10 course of study in a particular field of endeavor or that the  
11 person named thereon has demonstrated proficiency in a field of  
12 endeavor as a result of formal preparation or training.

13 "Department" means the department of commerce and consumer  
14 affairs.

15 "Director" means the director of commerce and consumer  
16 affairs.

17 "Enrollment agreement" means the contract prepared by a  
18 private college, university, seminary, or religious training  
19 institution that a student signs to indicate agreement to the  
20 terms of admission, delivery of instruction, and monetary terms  
21 as outlined in the private college, university, seminary, or  
22 religious training institution's student handbook or catalog.



1 "Governing board" means the elected or appointed group of  
2 persons that oversees and controls a private college,  
3 university, seminary, or religious training institution.

4 "Home state" means the state where the institution holds  
5 its principal accreditation.

6 "Honorary degree" means a statement, diploma, certificate,  
7 or other writing in any language that indicates or represents,  
8 or that is intended to indicate or represent, that the person  
9 named thereon is learned in a field of public service or has  
10 performed outstanding public service or that the person named  
11 thereon has demonstrated proficiency in a field of endeavor  
12 without having completed formal courses of instruction or study  
13 or formal preparation or training.

14 "Out-of-state public institution" means an institution of  
15 higher education that is established by a government entity in a  
16 state other than Hawaii.

17 "Owner" means:

18 (1) An individual, if a private for-profit college or  
19 university is structured as a sole proprietorship;

20 (2) Partners, if a private for-profit college or  
21 university is structured as a partnership;



1 (3) Members in a limited liability company, if a private  
2 for-profit college or university is structured as a  
3 limited liability company; and

4 (4) Shareholders in a corporation that hold a controlling  
5 interest, if a private for-profit college or  
6 university is structured as a corporation.

7 "Physical presence" means having an established physical  
8 location within the State and includes but is not limited to:

9 (1) Having a physical location in the State where students  
10 receive synchronous or asynchronous instruction; and

11 (2) Establishing an administrative office in the State in  
12 order to:

13 (A) Provide information to prospective students,  
14 enrolling students, or the general public about  
15 the institution;

16 (B) Provide services to enrolled students;

17 (C) Provide office space for instructional and non-  
18 instructional staff; and

19 (D) Maintain an institutional mailing address, street  
20 address, or phone number in the State.

21 "Private college or university" means a non-public post-  
22 secondary education institution having a physical presence in



1 the State that enrolls the majority of its students in an  
2 associate, baccalaureate, or postgraduate degree program. For  
3 purposes of the requirements of this chapter, an out-of-state  
4 public institution shall be considered as a private college or  
5 university.

6 "Seminary" or "religious training institution" means a bona  
7 fide religious post-secondary educational institution that has a  
8 physical presence in the State that offers baccalaureate,  
9 master's, or doctoral degrees or diplomas.

10 "Unaccredited post-secondary educational institution" means  
11 a degree granting institution that is not accredited or a  
12 candidate for accreditation by at least one accrediting agency  
13 recognized by the United States Department of Education.

14 "University of Hawaii system" means the post-secondary  
15 educational institution, including all campuses and community  
16 colleges, established and existing pursuant to article X,  
17 section 5, of the Hawaii State Constitution and chapter 304A.

18 § -2 **Applicability of this chapter; exceptions.** (a)  
19 This chapter shall apply to private colleges, universities,  
20 seminaries, and religious training institutions.

21 (b) This chapter shall not apply to:

22 (1) The University of Hawaii system;



- 1           (2) Private colleges or universities, including  
2           occupational or vocational schools, that enrolls its  
3           students only at the certificate level in order to  
4           engage in a profession or vocation that is regulated  
5           under another chapter;
- 6           (3) Schools or educational programs conducted by firms,  
7           corporations, or persons for the training of their own  
8           employees;
- 9           (4) Apprentice or other training programs provided by  
10          labor unions to labor members or union applicants for  
11          membership;
- 12          (5) Schools or educational programs that provide courses  
13          of instruction that do not lead to the conferring of a  
14          degree;
- 15          (6) Schools or educational programs that offer seminars,  
16          refresher courses, and programs of instruction  
17          sponsored by professional, business, or farming  
18          organizations or associations for their members or the  
19          employees of their members;
- 20          (7) Schools or educational programs that offer courses of  
21          instruction conducted by public school complex areas;





- 1           (8) Schools, courses of instruction, or courses of  
2           training that are offered by a vendor or the purchaser  
3           or prospective purchaser of the vendor's product when  
4           the objective of the school or course is to enable the  
5           purchaser or the purchaser's employees to gain the  
6           skills and knowledge necessary to use the product;
- 7           (9) Schools and educational programs conducted by  
8           religious organizations solely for the religious  
9           instruction of their members;
- 10          (10) Non degree granting post-secondary educational  
11          institutions licensed by the department of education  
12          or the real estate commission; and
- 13          (11) Unaccredited post-secondary educational institutions  
14          governed by chapter 446E.

15          (c) Any entity listed in subsection (b) may request  
16          authorization pursuant to the provisions of this chapter through  
17          a memorandum of agreement between the entity and the commission.

18          §   -3   **Establishment of the state post-secondary education**  
19          **commission; membership; administration.** (a) There is  
20          established a state post-secondary education commission. The  
21          commission shall be placed within the department for  
22          administrative purposes.



1           (b) The commission shall consist of five members to be  
2 appointed by the governor, without regard to sections 26-34 and  
3 78-4; provided that the members shall be broadly and  
4 equitability representative of the general public and public and  
5 private nonprofit and for-profit institutions of post-secondary  
6 education in the State.

7           (c) The chairperson of the commission shall be designated  
8 by the members of the commission each year beginning on July 1,  
9 and whenever there is a vacancy.

10          (d) Three members of the commission shall constitute a  
11 quorum to do business and a concurrence of at least three  
12 members shall be necessary to make any action of the commission  
13 valid.

14          (e) Commission members shall not serve more than three  
15 consecutive three-year terms, not including the member's initial  
16 term, with each term starting on July 1; provided that the  
17 initial terms that commence after June 30, 2013, shall be  
18 staggered as follows:

- 19           (1) Two members, including the chairperson, to serve  
20           three-year terms;
- 21           (2) Two members to serve two-year terms; and
- 22           (3) One member to serve a one-year term.



1           (f) Notwithstanding the terms of the members, the governor  
2 may fill vacancies on the commission at any time when a vacancy  
3 occurs due to resignation, non-participation, the request of a  
4 majority of the commission members, or termination by the  
5 governor for cause.

6           (g) Commission members shall receive no compensation.  
7 When commission duties require that a commission member take  
8 leave of the member's duties as a state employee, the  
9 appropriate state department shall allow the commission member  
10 to be placed on administrative leave with pay and shall provide  
11 substitutes, when necessary, to fulfill that member's  
12 departmental duties. Members shall be reimbursed for necessary  
13 travel expenses incurred in the conduct of official commission  
14 business.

15           (h) The commission shall establish operating procedures  
16 that shall include conflict of interest procedures for any  
17 member whose school of employment or governing board is before  
18 the commission.

19           (i) The commission shall operate with dedicated resources  
20 and staff qualified to execute the day-to-day responsibilities  
21 of the commission pursuant to this chapter.



1           §   -4   Commission's powers and authority. (a) The  
2 commission shall:

- 3           (1) Establish procedures for the authorization,  
4 reauthorization, and revocation of the authorization  
5 of private colleges, universities, seminaries, and  
6 religious training institutions in accordance with the  
7 provisions of this chapter, including but not limited  
8 to procedures by which an institution may apply for  
9 authorization or reauthorization and the procedures  
10 the department shall follow in reviewing applications  
11 for authorization and making recommendations to the  
12 commission;
- 13           (2) Grant or deny authorizations and reauthorizations, and  
14 revoke authorizations pursuant to sections       -7,  
15               -8,       -9, and       -10, as applicable, and the  
16 recommendation of the department;
- 17           (3) Establish the types and amounts of fees that a private  
18 college, university, seminary, or religious training  
19 institution shall pay pursuant to section       -17;
- 20           (4) Establish policies to require private colleges,  
21 universities, seminaries, and religious training  
22 institutions to submit to the department, upon



1 request, data that is directly related to student  
2 enrollment and degree completion and, if applicable,  
3 student financial aid and educator preparation  
4 programs; and

5 (5) Enter into any post-secondary education authorization  
6 reciprocity agreement with other post-secondary  
7 educational authorizers of schools whose home state is  
8 not Hawaii; provided that the authorization standards  
9 of the reciprocity agreement shall be comparable to or  
10 exceed the authorization requirements of this chapter  
11 and applicable administrative rules.

12 (b) The commission may cooperate with the federal  
13 government to qualify the State to receive funds made available  
14 under the Higher Education Act of 1965, P.L. 89-329, as amended  
15 from time to time, and in addition may serve as the state agency  
16 for the receipt of federal funds when federal legislation  
17 dealing with higher education or post-secondary education  
18 requires, as a condition of the receipt of such funds, the  
19 designation of a state agency that is broadly representative of  
20 the general public and of post-secondary education in the State  
21 and when agencies other than the commission may not qualify.



1           (c) No funds appropriated by the legislature may be used  
2 to aid a person attending an institution not owned or  
3 exclusively controlled by the State or a department of the State  
4 or to pay for any staff work distributing federal or private  
5 funds to students attending such schools. The maximum amount of  
6 any grant awarded under the Hawaii state incentive grant program  
7 shall be equal to the maximum allowed by federal law.

8           (d) The commission, when appropriate and necessary, may be  
9 assisted by other state agencies, including but not limited to  
10 the University of Hawaii system and the department of education.

11           § -5 Department's powers and authority. (a) The  
12 department shall administer the provisions of this chapter and  
13 any administrative rules, policies, and procedures adopted by  
14 the commission.

15           (b) To administer this chapter, the department shall have  
16 but shall not be limited to the following duties:

17           (1) Making recommendations as to whether or not the  
18 commission should grant private colleges,  
19 universities, seminaries, and religious training  
20 institutions authorization to operate in the State;

21           (2) Maintaining a list of the private colleges,  
22 universities, seminaries, and religious training



1 institutions that have authorizations on file with the  
2 department; and

3 (3) Appropriately acting on a complaint, concern, or  
4 violation concerning a private college, university,  
5 seminary, or religious training institution.

6 § -6 **Awarding degrees.** Notwithstanding any law to the  
7 contrary, a person, partnership, corporation, company, society,  
8 or association doing business in the State shall not award,  
9 bestow, confer, give, grant, convey, or sell to any other person  
10 a degree or honorary degree upon which is inscribed, in any  
11 language, the word "associate", "bachelor", "baccalaureate",  
12 "master", or "doctor", or any abbreviation thereof, or offer  
13 courses of instruction or credits purporting to lead to any such  
14 degree, unless the person, partnership, corporation, company,  
15 society, or association is:

16 (1) A private college, university, seminary, or religious  
17 training institution that is authorized pursuant to  
18 this chapter; or

19 (2) A part of the University of Hawaii system.

20 § -7 **Authorization to operate in the State; private**  
21 **college or university.** (a) To operate in the State, a private  
22 college or university shall apply for, on a form prescribed by



1 the department, and receive authorization from the commission;  
2 provided that a private college or university shall apply for  
3 and obtain a separate authorization for each campus, branch, or  
4 site that is separately accredited. A private, nonprofit  
5 college or university shall submit verification of its nonprofit  
6 status with its application.

7 (b) Upon receiving an application for authorization, the  
8 department shall review the application to determine whether the  
9 private college or university is institutionally accredited by a  
10 regional or national accrediting body recognized by the United  
11 States Department of Education. The department shall not  
12 recommend, and the commission shall not approve, an application  
13 from a private college or university that, in the two years  
14 preceding submission of the application, has:

- 15 (1) Had its accreditation suspended or withdrawn;
- 16 (2) Been prohibited from operating in another state; or
- 17 (3) Substantially the same owners, governing board, or  
18 principal officers as a private college or university  
19 that has:
  - 20 (A) Had its accreditation suspended or withdrawn; or
  - 21 (B) Been prohibited from operating in another state.





1           (c) To operate in the State, a private college or  
2 university shall be institutionally accredited on the basis of  
3 an on-site review by a regional or national accrediting body  
4 recognized by the United States Department of Education;  
5 provided that a private college or university may operate for an  
6 initial period of                   without accreditation if the  
7 commission determines, in accordance with standards established  
8 by the commission, that the private college or university is  
9 likely to become accredited in a reasonable period of time or is  
10 making progress toward accreditation in accordance with the  
11 accrediting body's policies; provided further that the private  
12 college or university shall annually renew its provisional  
13 authorization and report annually to the commission concerning  
14 the institution's progress in obtaining accreditation.

15           (d) A private college or university shall immediately  
16 notify the department of any material information related to an  
17 action by the institution's accrediting body concerning the  
18 institution's accreditation status, including but not limited to  
19 reaffirmation or loss of accreditation, approval of a request  
20 for change, a campus evaluation visit, a focused visit, or  
21 approval of additional locations. In addition, the institution  
22 shall immediately notify the department if the institution's



1 accrediting body is no longer recognized by the United States  
2 Department of Education.

3 (e) A private college or university authorized pursuant to  
4 this chapter shall pay any and all fees established pursuant to  
5 section -17.

6 § -8 Authorization to operate in the State; seminary or  
7 religious training institutions. (a) To operate in the State,  
8 a seminary or religious institution shall apply for, on a form  
9 prescribed by the department, and receive authorization from the  
10 commission; provided that the institution shall establish that  
11 it qualifies as a bona fide religious institution and as an  
12 institution of post-secondary education.

13 (b) Nothing in this section shall preclude a seminary or  
14 religious training institution from seeking accreditation.

15 § -9 Reauthorization. (a) A private college or  
16 university that is authorized pursuant to section -7 and  
17 maintains its accreditation shall apply to the department for  
18 reauthorization in accordance with its schedule for  
19 reaccreditation or every three years, whichever is longer. A  
20 private college or university that has its accreditation  
21 reaffirmed without sanction, continues to demonstrate its  
22 continued compliance with section -13, and is not subject to



1 investigation pursuant to section -10, shall otherwise be  
2 presumed to qualified for reauthorization under this chapter,  
3 and the department shall recommend reauthorization for a period  
4 of three years or the length of the private college or  
5 university's accreditation, whichever is longer.

6 (b) A seminary or religious training institution  
7 authorized pursuant to section -8 shall apply to the  
8 department for reauthorization every three years. A seminary or  
9 religious training institution that continues to meet the  
10 minimum operating standards specified in this chapter and is not  
11 subject to investigation pursuant to section -10, shall  
12 otherwise be presumed to be qualified for reauthorization under  
13 this chapter, and the department shall recommend reauthorization  
14 for a period of three years.

15 (c) By June 30, 2014, the commission shall adopt policies  
16 and procedures, without regard to chapter 91, for  
17 reauthorization under this section.

18 (d) Private colleges, universities, seminaries and  
19 religious training institutions applying for reauthorization  
20 under this section shall pay the fees required pursuant to  
21 section -17.



1           (e) If a private college, university, seminary, or  
2 religious training institution cannot demonstrate that it meets  
3 the minimum operating standards of this chapter, the department  
4 shall recommend that the commission deny the application for  
5 reauthorization. The department shall provide the private  
6 college, university, seminary, or religious training institution  
7 with written notification of the denial of the application for  
8 reauthorization and the basis for the denial. If, within six  
9 months of receiving notice that its application for  
10 reauthorization has been denied, the private college,  
11 university, seminary, or religious training institution corrects  
12 the action or condition upon which the denial was based, it may  
13 reapply for reauthorization. If the private college,  
14 university, seminary, or religious training institution does not  
15 correct the action or condition upon which the denial was based,  
16 it may submit a new application for authorization pursuant to  
17 section     -7 or     -8, whichever is applicable, once the action  
18 or condition has been corrected.

19           (f) If a private college or university is under a sanction  
20 from its accrediting body at the time it submits its application  
21 for reauthorization, the department may recommend that the  
22 commission:



- 1           (1) Approve the private college or university's
- 2                 reauthorization; or
- 3           (2) Grant the probationary approval of the private college
- 4                 or university's reauthorization; provided that if the
- 5                 private college or university is granted probationary
- 6                 reauthorization:
- 7                 (A) The department shall provide the private college
- 8                         or university with written notice of its
- 9                         probationary status;
- 10                (B) The private college or university shall reapply
- 11                         for reauthorization on an annual basis until the
- 12                         accrediting body lifts its sanction; and
- 13                (C) The private college or university shall provide
- 14                         the commission with an annual report on its
- 15                         progress in removing the sanction.

16           § -10 **Revocation; probationary status.** (a) The

17 commission may revoke a private college or university's

18 authorization if the private college or university loses its

19 accreditation.

20           (b) The commission may revoke a private college or

21 university's authorization or place a private college or

22 university on probationary status if:



- 1           (1) The private college or university fails to meet any of  
2           the minimum standards set forth in this chapter or in  
3           any administrative rules adopted pursuant to this  
4           chapter;
- 5           (2) The private college or university fails to  
6           substantially comply with the applicable laws or rules  
7           of any other state board or agency that has  
8           jurisdiction over the private college or university;
- 9           (3) The private college or university violates any  
10          criminal law of this State, the federal government, or  
11          any other state in which it operates; or
- 12          (4) The United States Department of Education ceases to  
13          recognize the private college or university's  
14          accrediting body.
- 15          (c) The commission may place a private college or  
16          university on probationary status if the private college or  
17          university's accrediting body places it on probationary status.
- 18          (d) The commission may revoke a seminary or religious  
19          training institution's authorization or place the seminary or  
20          religious institution on probationary status if the seminary or  
21          religious institution:



- 1           (1) No longer meets the definition of a seminary or  
2           religious institution under this chapter;
- 3           (2) Fails to meet any of the minimum standards set forth  
4           in this chapter or in administrative rules adopted  
5           pursuant to this chapter; or
- 6           (3) Violates any criminal law of this State, the federal  
7           government, or any other state in which it operates.
- 8           (e) If the commission has reason to believe that a private  
9 college, university, seminary, or religious training institution  
10 meets one or more of the grounds specified in subsections (a)  
11 through (d), as applicable, the commission may order the  
12 department to investigate and make a recommendation concerning  
13 whether to revoke its authorization or place it on probation.
- 14           (f) To assist the department in conducting an  
15 investigation pursuant to subsection (e), the commission shall  
16 have the power to:
- 17           (1) Subpoena any persons, books, records, or documents  
18           pertaining to the investigation;
- 19           (2) Require answers in writing, under oath, to any  
20           questions from the commission or department; and
- 21           (3) Administer an oath or affirmation to any person in  
22           connection with the investigation.



1           In conducting an investigation, the department may  
2 physically inspect the private college, university, seminary, or  
3 religious training institution's facilities and records.

4           (g) Upon the conclusion of any investigation pursuant to  
5 subsections (e) and (f), the department shall make a  
6 recommendation to the commission as to whether or not the  
7 commission should revoke the private college, university,  
8 seminary, or religious training institution's authorization or  
9 place it on probation; provided that if the department  
10 recommends revocation or probation, it shall identify the  
11 applicable grounds for revocation or probation as specified in  
12 subsections (a) through (d).

13           (h) If the commission revokes a private college,  
14 university, seminary, or religious training institution's  
15 authorization or places it on probationary status pursuant to  
16 this section, the commission shall accord the private college,  
17 university, seminary, or religious training institution the  
18 right to contest the decision pursuant to chapter 91.

19           § -11 **Deposit of records upon discontinuance.** (a) If a  
20 private college, university, seminary, or religious training  
21 institution ceases operating within the State, its owner or the





1 owner's designee shall deposit with the department the original  
2 or legible copies of all of its educational records.

3 (b) If the commission determines that the records of a  
4 private college, university, seminary, or religious institution  
5 that ceases operating within the State are in danger of being  
6 destroyed, secreted, mislaid, or otherwise made unavailable to  
7 the department, the commission may seek a court order  
8 authorizing the department to seize or take possession of the  
9 records.

10 (c) Upon the request of the commission, the department or  
11 the attorney general may enforce the provisions of this section  
12 by filing a request for an injunction with a court of competent  
13 jurisdiction.

14 (d) The department shall permanently retain any student  
15 transcripts received pursuant to this section. The department  
16 shall retain any other records obtained pursuant to this section  
17 for ten years; provided that after this period, the department  
18 shall dispose of the records in a manner that will adequately  
19 protect the privacy of any personal information included in the  
20 records.

21 § -12 Authorized educational institutions;

22 responsibilities. (a) A private college, university, seminary,



1 or religious training institution that is authorized pursuant to  
2 this chapter shall:

3 (1) Not make or cause to be made any oral, written, or  
4 visual statement or representation that violates  
5 section -16(h);

6 (2) Annually provide the department with a copy of its  
7 enrollment agreement, if applicable;

8 (3) Provide bona fide instruction, in accordance with the  
9 standards and criteria set by its accrediting body;  
10 and

11 (4) If its ownership changes, provide the department with  
12 any material information concerning the transaction  
13 within thirty days of the transaction.

14 (b) If a private college, university, seminary, or  
15 religious training institution violates any of the requirements  
16 of subsection (a), the department may recommend that it be  
17 placed on probation or that its authorization be revoked.

18 § -13 **Financial integrity; surety bond.** (a) A private  
19 college or university shall provide evidence of financial  
20 integrity at the time of its application for authorization. A  
21 private college or university may demonstrate financial



1 integrity by meeting the criteria specified in subsection (b) or  
2 (c).

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

5 (1) Has been accredited for at least ten years by an  
6 accrediting agency that is recognized by the United  
7 States Department of Education;

8 (2) Has operated continuously in the State for at least  
9 ten years;

10 (3) Has not filed for bankruptcy protection pursuant to  
11 title 11 of the United States Code;

12 (4) Maintains a composite score of at least 1.5 on its  
13 equity, primary reserve, and net income ratios, as  
14 required in title 34 Code of Federal Regulations  
15 section 668.172; and

16 (5) Meets or exceeds the pro rata refund policies required  
17 by the United States Department of Education in title  
18 34 Code of Federal Regulations section 668; provided  
19 that if it does not participate in federal financial  
20 aid programs, its refund and termination procedures  
21 comply with the requirements of its accrediting body;



1 provided that a private college or university is not required to  
2 meet the criteria specified in paragraphs (1) and (2) if the  
3 private college or university is part of a group of private  
4 colleges or universities that is owned and operated by a common  
5 owner and the other private colleges and universities meet the  
6 specified criteria in paragraphs (1) and (2).

7 (c) A private college or university may demonstrate  
8 financial integrity if it:

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

17 (2) Has been continuously authorized by the commission for  
18 at least five years;

19 (3) Owns and operates a permanent instructional facility  
20 in the State;

21 (4) Annually provides to the commission audited financial  
22 statements for the most recent fiscal year that



1 demonstrate that the private college or university  
2 maintains positive equity and profitability;

3 (5) Maintains a composite score of at least 1.5 on its  
4 equity, primary reserve, and net income ratios, as  
5 required in title 34 Code of Federal Regulations  
6 section 668.172; and

7 (6) Meets or exceeds the pro rata refund policies required  
8 by the United States Department of Education in title  
9 34 Code of Federal Regulations section 668; provided  
10 that if it does not participate in federal financial  
11 aid programs, its refund and termination procedures  
12 comply with the requirements of its accrediting body.

13 (d) If a private college or university cannot demonstrate  
14 financial integrity as provided in subsections (b) and (c), the  
15 private college or university shall file with the director a  
16 surety bond in favor of the State in an amount calculated  
17 pursuant to subsection (g) prior to receiving authorization  
18 under this chapter. The surety bond shall be executed by the  
19 private college or university as the principal and by a surety  
20 company authorized to do business in the State.

21 (e) The surety bond shall be conditioned to provide  
22 indemnification to any student or enrollee, to any parent or



1 legal guardian of a student or enrollee, that the commission  
2 finds to have suffered a loss of tuition or any fees as a result  
3 of any act or practice that is a violation of this chapter and  
4 to provide alternative enrollment as provided in section -14  
5 for students enrolled in a private college or university that  
6 ceases operation.

7 (f) The amount of the surety bond that a private college  
8 or university submits pursuant to subsection (d) shall be the  
9 greater of \$5,000 or an amount equal to a reasonable estimate of  
10 the maximum prepaid, unearned tuition and fees of the private  
11 college or university for the period or term during the  
12 applicable academic year for which programs of instruction are  
13 offered, including but not limited to programs offered on a  
14 semester, quarter, monthly, or class basis; provided that the  
15 private college or university shall use the period or term of  
16 greatest duration and expense in determining this amount if its  
17 academic year consists of one or more periods or terms.  
18 Following the initial filing of the surety bond with the  
19 department, the private college or university shall recalculate  
20 the amount of the surety bond annually based on a reasonable  
21 estimate of the maximum prepaid, unearned tuition and fees  
22 received by the institution for the applicable period or term.



1 (g) The commission may disapprove a surety bond if it  
2 finds that the surety bond is not sufficient to provide students  
3 with indemnification and alternative enrollment as required by  
4 this section.

5 (h) The authorization for a private college or university  
6 shall be suspended by operation of law when it is no longer  
7 covered by a surety bond as required by this section. The  
8 department shall give written notice to the private college or  
9 university at its last-known address, at least forty-five days  
10 before the release of the surety bond, to the effect that the  
11 private college or university's authorization is suspended by  
12 operation of law until it files evidence of a surety bond in a  
13 like amount as the surety bond being released.

14 (i) The principal on a surety bond filed under the  
15 provisions of this section is released from the surety bond  
16 after the principal serves written notice thereof to the  
17 commission at least sixty days before the release. The release  
18 does not discharge or otherwise affect a claim filed by a  
19 student or enrollee or the student or enrollee's parent or legal  
20 guardian pursuant to section -14 for loss of tuition or fees  
21 that occurred while the surety bond was in effect or that  
22 occurred under any note or contract executed during any period



1 of time when the surety bond was in effect, except when another  
2 surety bond is filed in a like amount and provides  
3 indemnification for any such loss.

4 (j) Each private college or university that files a surety  
5 bond pursuant to this section shall provide annual verification  
6 of continued coverage as required by this section in a report to  
7 the commission no later than January 1 of each year.

8 (k) A seminary or religious training institution is not  
9 subject to the requirements of this section.

10 § -14 Claims against a private college or university;  
11 cessation of operation; alternative enrollment. (a) A student  
12 or enrollee, or a parent or guardian of the student or enrollee,  
13 who claims loss of tuition or fees may file a claim with the  
14 commission if the claim results from an act or practice that  
15 violates a provision of this chapter. The claims that are filed  
16 with the commission shall be public records and subject to the  
17 provisions of chapter 92F; provided that the department shall  
18 not make the records public if the release would violate a  
19 federal privacy law.

20 (b) Notwithstanding the provisions of subsection (a), the  
21 commission shall not consider a claim that is filed more than





1 two years after the date the student discontinues enrollment  
2 with the private college or university.

3 (c) If a private college or university ceases operation,  
4 the commission may make demand on the surety bond upon the  
5 demand for a refund by a student or the implementation of  
6 alternate enrollment for the students enrolled in the  
7 institution, and the principal on the surety bond shall pay the  
8 claim due in a timely manner. To the extent practicable, the  
9 commission shall use the amount of the surety bond to provide  
10 alternate enrollment for students of the institution that ceases  
11 operation through a contract with another authorized private  
12 college or university, the University of Hawaii system, an area  
13 vocational school, or any other arrangement that is acceptable  
14 to the department. The alternate enrollment provided to a  
15 student shall replace the original enrollment agreement, if any,  
16 between the student and the private college or university;  
17 provided that the student shall make the tuition and fee  
18 payments as required by the original enrollment agreement, if  
19 any.

20 (d) A student who is enrolled in a private college or  
21 university that ceases operation and who declines the alternate  
22 enrollment required to be offered pursuant to subsection (c) may



1 file a claim with the commission for the student's prorated  
2 share of the prepaid, unearned tuition and fees that the student  
3 paid, subject to the limitations of subsection (e). The  
4 commission shall not make a subsequent payment to a student  
5 unless the student submits proof of satisfaction of any prior  
6 debt to a financial institution in accordance with rules adopted  
7 by the commission.

8 (e) If the amount of the surety bond is less than the  
9 total prepaid, unearned tuition and fees that have been paid by  
10 students at the time the private college or university ceases  
11 operation, the department shall prorate the amount of the surety  
12 bond among the students.

13 (f) The provisions of this section are applicable only to  
14 those students enrolled in the private college or university at  
15 the time it ceases operation, and once a private college or  
16 university ceases operation, no new students shall be enrolled  
17 therein.

18 (g) The commission shall be the trustee for all prepaid,  
19 unearned tuition and fees, student loans, Pell grants, and other  
20 student financial aid assistance if an authorized private  
21 college or university ceases operation.



1           (h) The commission shall determine whether offering  
2 alternate enrollment for students enrolled in an authorized  
3 private college or university that ceases operation is  
4 practicable without federal government designation of the  
5 commission as trustee for student loans, Pell grants, and other  
6 student financial aid assistance pursuant to subsection (g).

7           (i) For claims made pursuant to this section that do not  
8 involve a private college or university that ceases operation,  
9 the commission shall conduct a public hearing, without regard to  
10 chapter 91, to determine whether there is loss of tuition or  
11 fees, and if the commission finds that a claim is valid and due  
12 the claimant, the commission shall make demand upon the surety  
13 bond. If the principal on the surety bond fails or refuses to  
14 pay the claim due, the commission shall commence an action on  
15 the surety bond in a court of competent jurisdiction; provided  
16 that the commission shall not file an action more than six years  
17 after the date of the violation that gives rise to the right to  
18 file a claim pursuant to this section.

19           (j) If a private college or university that is exempt from  
20 the provisions of, or that demonstrates financial integrity  
21 pursuant to, section       -13, ceases to operate in the State, the  
22 attorney general may file a claim against the private college or



1 university on behalf of students enrolled in the private college  
2 or university at the time it ceases operation to recover any  
3 amount of unearned, prepaid tuition that may be owed to the  
4 students.

5 (k) A seminary or religious training institution is not  
6 subject to the requirements of this section.

7 § -15 **Reciprocity.** The commission may enter into any  
8 post-secondary education authorization reciprocity agreement;  
9 provided that the authorization standards of the reciprocity  
10 agreement shall be comparable to or exceed the authorization  
11 requirements of this chapter and any applicable administrative  
12 rules.

13 § -16 **Complaints; injunctive proceedings.** (a) By  
14 July 1, 2014, the commission shall establish procedures, without  
15 regard to chapter 91, by which a student or former student of a  
16 private college, university, seminary, or religious institution  
17 may file a complaint with the department concerning the  
18 institution in which the student is or was enrolled; provided  
19 that if a former student files a complaint, the complaint must  
20 be filed within two years after the former student discontinued  
21 enrollment at the institution.



1           (b) The department may investigate complaints based on a  
2 claim of a deceptive trade practice as described in subsection  
3 (h).

4           (c) Nothing in this section shall give the commission or  
5 department jurisdiction to consider complaints that infringe on  
6 the academic or religious freedom of, or question the curriculum  
7 content of, a private college, university, seminary, or  
8 religious training institution.

9           (d) Upon receipt of a complaint, the department shall  
10 verify that the complaint was properly filed under the  
11 procedures established pursuant to subsection (a). The  
12 complaint shall warrant investigation only after the student or  
13 former student has exhausted all administrative remedies  
14 available at the private college, university, seminary, or  
15 religious institution; provided that if the complaint involves a  
16 violation of state or federal criminal law, this requirement  
17 shall not apply. If a complaint warrants investigation, the  
18 department shall forward the complaint to the private college,  
19 university, seminary, or religious training institution. The  
20 private college, university, seminary, or religious training  
21 institution shall have thirty days to respond in writing to the  
22 complaint. During the thirty day period, the private college,



1 university, seminary, or religious training institution, with  
2 the department's assistance, may attempt to resolve the  
3 complaint with the student. If the department determines at any  
4 time that the complaint no longer warrants investigation, the  
5 department shall dismiss the complaint.

6 (e) If a complaint is not resolved within the thirty day  
7 period, the department may:

- 8 (1) Dismiss the complaint based on the private college,  
9 university, seminary, or religious training  
10 institution's response;
- 11 (2) Investigate the complaint further; or
- 12 (3) Refer the complaint to the commission for further  
13 action; provided that if the commission finds the  
14 complaint to be meritorious, it may recommend that the  
15 private college, university, seminary, or religious  
16 training institution take appropriate action to remedy  
17 the complaint.

18 (f) If the private college, university, seminary, or  
19 religious training institution does not take the action  
20 recommended by the commission, the commission may forward the  
21 complaint and any of the commission's findings to the attorney  
22 general.



1           (g) The commission, acting through the attorney general,  
2 may proceed by injunction against any violation of this chapter,  
3 but an injunction proceeding or an order issued therein or as a  
4 result thereof shall not bar the imposition of any other penalty  
5 for a violation of this chapter.

6           (h) It shall be a deceptive trade practice for a private  
7 college, university, seminary, or religious training institution  
8 or its agent to:

9           (1) Make or cause to be made any statement or  
10 representation, oral, written, or visual, in  
11 connection with the offering of educational services  
12 if the private college, university, seminary, or  
13 religious training institution or its agent knows or  
14 reasonably should have known the statement or  
15 representation to be materially false, substantially  
16 inaccurate, or materially misleading;

17           (2) Falsely represent or deceptively conceal, directly or  
18 by implication, through the use of a trade or business  
19 name, the fact that the institution is a private  
20 college, university, seminary, or religious training  
21 institution;



- 1           (3) Adopt a name, trade name, or trademark that represents  
2           falsely, directly or by implication, the quality,  
3           scope, nature, size, or integrity of the private  
4           college, university, seminary, or religious training  
5           institution or its educational services;
- 6           (4) Intentionally and materially represent falsely,  
7           directly or by implication, that students who  
8           successfully complete a course or program of  
9           instruction may transfer the credits earned to any  
10          institution of higher education;
- 11          (5) Intentionally and materially represent falsely,  
12          directly or by implication, in its promotional  
13          materials or in any other manner:
- 14               (A) Its size, location, facilities, or equipment;
- 15               (B) The number, educational experience, or  
16               qualifications of its faculty;
- 17               (C) The extent or nature of any approval received  
18               from any state agency; or
- 19               (D) The extent or nature of any accreditation  
20               received from any accrediting agency, body, or  
21               association;





- 1           (6) Provide prospective students with testimonials,  
2           endorsements, or other information that has the  
3           tendency to materially mislead or deceive prospective  
4           students or the public regarding its current  
5           practices;
- 6           (7) To designate or refer to its sales representatives by  
7           titles that imply that the sale representatives have  
8           training in academic counseling or advising if they do  
9           not; and
- 10          (8) Represent, directly or by implication, that it is  
11          authorized by the State or approved or accredited by  
12          an accrediting agency or body when it has not been  
13          authorized, approved, or accredited.
- 14          (i) Any private college, university, seminary, or  
15          religious training institution or its agent that violates  
16          subsection (h) shall be fined a sum of not less than \$500 nor  
17          more than \$10,000 for each violation, which sum shall be  
18          collected in a civil action brought by the attorney general or  
19          the department on behalf of the State. The penalties provided  
20          in this subsection are cumulative to the remedies or penalties  
21          available under all other laws of this State. Each day that a



1 violation of subsection (h) occurs shall be a separate  
2 violation.

3       §   -17   **Fees; public hearing.**   (a)   An educational  
4 institution shall pay \$                   to the department for  
5 authorization under this chapter; provided that the commission  
6 may change the amount of the fees required by this section at  
7 any time without regard to chapter 91, if the commission:

8           (1)   Holds at least one public hearing to discuss and take  
9                testimony on the changing of the fees; and

10          (2)   Provides public notice at least thirty days prior to  
11                the date of the public hearing.

12          (b)   Fees collected pursuant to this section shall be  
13 deposited into the post-secondary education authorization  
14 subaccount established pursuant to section 26-9(o).

15       §   -18   **Post-secondary education authorization special**  
16 **subaccount.**   (a)   All moneys collected pursuant to section  
17       -16 shall be deposited into the post-secondary education  
18 authorization subaccount of the compliance resolution fund  
19 established pursuant to section 26-9(o).

20          (b)   Any law to the contrary notwithstanding, the moneys in  
21 the subaccount shall be used to fund the operations of the  
22 department in carrying out its duties under this chapter.   Any



1 law to the contrary notwithstanding, the director may use the  
2 moneys in the subaccount to employ, in accordance with chapter  
3 76, personnel to carry out the department's duties under this  
4 chapter. The moneys in the subaccount may be used to train  
5 personnel as the director deems necessary and for any other  
6 activity related to this chapter.

7 § -19 Rules. The commission may adopt rules pursuant to  
8 chapter 91 to carry out the purposes of this chapter."

9 SECTION 3. Section 26-9, Hawaii Revised Statutes, is  
10 amended by amending subsection (o) to read as follows:

11 "(o) Every person licensed under any chapter within the  
12 jurisdiction of the department of commerce and consumer affairs  
13 and every person licensed subject to chapter 485A or registered  
14 under chapter 467B shall pay upon issuance of a license, permit,  
15 certificate, or registration a fee and a subsequent annual fee  
16 to be determined by the director and adjusted from time to time  
17 to ensure that the proceeds, together with all other fines,  
18 income, and penalties collected under this section, do not  
19 surpass the annual operating costs of conducting compliance  
20 resolution activities required under this section. The fees may  
21 be collected biennially or pursuant to rules adopted under  
22 chapter 91, and shall be deposited into the special fund



1 established under this subsection. Every filing pursuant to  
2 chapter 514E or section 485A-202(a)(26) shall be assessed, upon  
3 initial filing and at each renewal period in which a renewal is  
4 required, a fee that shall be prescribed by rules adopted under  
5 chapter 91, and that shall be deposited into the special fund  
6 established under this subsection. Any unpaid fee shall be paid  
7 by the licensed person, upon application for renewal,  
8 restoration, reactivation, or reinstatement of a license, and by  
9 the person responsible for the renewal, restoration,  
10 reactivation, or reinstatement of a license, upon the  
11 application for renewal, restoration, reactivation, or  
12 reinstatement of the license. If the fees are not paid, the  
13 director may deny renewal, restoration, reactivation, or  
14 reinstatement of the license. The director may establish,  
15 increase, decrease, or repeal the fees when necessary pursuant  
16 to rules adopted under chapter 91. The director may also  
17 increase or decrease the fees pursuant to section 92-28.

18       There is created in the state treasury a special fund to be  
19 known as the compliance resolution fund to be expended by the  
20 director's designated representatives as provided by this  
21 subsection. Notwithstanding any law to the contrary, all  
22 revenues, fees, and fines collected by the department shall be



1 deposited into the compliance resolution fund. Unencumbered  
2 balances existing on June 30, 1999, in the cable television fund  
3 under chapter 440G, the division of consumer advocacy fund under  
4 chapter 269, the financial institution examiners' revolving  
5 fund, section 412:2-109, the special handling fund, section  
6 414-13, and unencumbered balances existing on June 30, 2002, in  
7 the insurance regulation fund, section 431:2-215, shall be  
8 deposited into the compliance resolution fund. This provision  
9 shall not apply to the drivers education fund underwriters fee,  
10 sections 431:10C-115 and 431:10G-107, insurance premium taxes  
11 and revenues, revenues of the workers' compensation special  
12 compensation fund, section 386-151, the captive insurance  
13 administrative fund, section 431:19-101.8, the insurance  
14 commissioner's education and training fund, section 431:2-214,  
15 the medical malpractice patients' compensation fund as  
16 administered under section 5 of Act 232, Session Laws of Hawaii  
17 1984, and fees collected for deposit in the office of consumer  
18 protection restitution fund, section 487-14, the real estate  
19 appraisers fund, section 466K-1, the real estate recovery fund,  
20 section 467-16, the real estate education fund, section 467-19,  
21 the contractors recovery fund, section 444-26, the contractors  
22 education fund, section 444-29, the condominium education trust



1 fund, section 514B-71, and the mortgage foreclosure dispute  
2 resolution special fund, section 667-86. Any law to the  
3 contrary notwithstanding, the director may use the moneys in the  
4 fund to employ, without regard to chapter 76, hearings officers  
5 and attorneys. All other employees may be employed in  
6 accordance with chapter 76. Any law to the contrary  
7 notwithstanding, the moneys in the fund shall be used to fund  
8 the operations of the department. The moneys in the fund may be  
9 used to train personnel as the director deems necessary and for  
10 any other activity related to compliance resolution.

11 A separate subaccount of the compliance resolution fund  
12 shall be established for fees collected by the state post-  
13 secondary education commission established pursuant to section  
14 -3, which shall be called the post-secondary education  
15 authorization subaccount. The subaccount shall be governed by  
16 section -18.

17 As used in this subsection, unless otherwise required by  
18 the context, "compliance resolution" means a determination of  
19 whether:

20 (1) Any licensee or applicant under any chapter subject to  
21 the jurisdiction of the department of commerce and consumer  
22 affairs has complied with that chapter;



1           (2) Any person subject to chapter 485A has complied with  
2 that chapter;

3           (3) Any person submitting any filing required by chapter  
4 514E or section 485A-202(a)(26) has complied with chapter 514E  
5 or section 485A-202(a)(26);

6           (4) Any person has complied with the prohibitions against  
7 unfair and deceptive acts or practices in trade or commerce; or

8           (5) Any person subject to chapter 467B has complied with  
9 that chapter;

10 and includes work involved in or supporting the above functions,  
11 licensing, or registration of individuals or companies regulated  
12 by the department, consumer protection, and other activities of  
13 the department.

14           The director shall prepare and submit an annual report to  
15 the governor and the legislature on the use of the compliance  
16 resolution fund. The report shall describe expenditures made  
17 from the fund including non-payroll operating expenses."

18           SECTION 4. Section 446E-1.5, Hawaii Revised Statutes, is  
19 amended to read as follows:

20           "**§446E-1.5 Advisory board.** The state post-secondary  
21 education commission, as established by chapter [~~304A, part VII,~~



1 ~~subpart C,~~ \_\_\_\_\_, shall serve as a resource to the director as  
2 needed regarding the requirements of this chapter."

3 SECTION 5. Section 304A-3151, Hawaii Revised Statutes, is  
4 repealed.

5 ~~["§304A-3151] Establishment of the state post-secondary~~  
6 ~~education commission; membership, administration. There is~~  
7 ~~established a state post-secondary education commission. The~~  
8 ~~commission shall consist of the members of the board of regents~~  
9 ~~of the university, the provisions of section 78-4~~  
10 ~~notwithstanding, and four other members who shall be broadly and~~  
11 ~~equitably representative of the general public and public and~~  
12 ~~private nonprofit and proprietary institutions of post-secondary~~  
13 ~~education in the State and who shall be appointed in accordance~~  
14 ~~with section 26-34. The commission shall be placed within the~~  
15 ~~university for administrative purposes, and its administrative~~  
16 ~~officer shall be the president of the university. The~~  
17 ~~commission may appoint necessary staff members in accordance~~  
18 ~~with applicable policies and procedures of the university."]~~

19 SECTION 6. Section 304A-3152, Hawaii Revised Statutes, is  
20 repealed.

21 ~~["§304A-3152] Commission's powers and authority. (a)~~  
22 ~~The commission may cooperate with the federal government to~~





1 ~~qualify the State to receive funds made available under the~~  
2 ~~Higher Education Act of 1965, Public Law 89-329, as amended from~~  
3 ~~time to time, and in addition may serve as the state agency for~~  
4 ~~the receipt of federal funds when federal legislation dealing~~  
5 ~~with higher education or post-secondary education requires, as a~~  
6 ~~condition of state receipt of such funds, the designation of a~~  
7 ~~state agency that is broadly representative of the general~~  
8 ~~public and of post-secondary education in the State and when~~  
9 ~~agencies other than the commission created by this subpart may~~  
10 ~~not qualify. The commission shall adopt appropriate rules not~~  
11 ~~inconsistent with this subpart as may be required to administer~~  
12 ~~this subpart. The rules shall be adopted in accordance with~~  
13 ~~chapter 91.~~

14 ~~(b) No funds appropriated by the legislature may be used~~  
15 ~~to aid a person attending an institution not owned or~~  
16 ~~exclusively controlled by the State or a department of the State~~  
17 ~~or to pay for any staff work distributing federal or private~~  
18 ~~funds to students attending such schools. The maximum amount of~~  
19 ~~any grant awarded under the Hawaii state incentive grant program~~  
20 ~~shall be equal to the maximum allowed by federal law." ]~~

21 SECTION 7. Section 304A-3153, Hawaii Revised Statutes, is  
22 repealed.



1           ~~["§304A-3153] Procedures for complaints concerning~~  
2 ~~institutions of higher education. In consultation with~~  
3 ~~institutions of higher education in the State, the commission is~~  
4 ~~authorized to establish and administer procedures for receiving~~  
5 ~~and responding to complaints from students, faculty, staff, and~~  
6 ~~others concerning institutions of higher education in the~~  
7 ~~State."]~~

8           SECTION 8. Section 304A-3154, Hawaii Revised Statutes, is  
9 repealed.

10           ~~["§304A-3154] Cooperation with other state agencies. The~~  
11 ~~commission may be assisted by other state agencies, including~~  
12 ~~but not limited to the university, the department of education,~~  
13 ~~and the department of commerce and consumer affairs."]~~

14           SECTION 9. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$                    or so  
16 much thereof as may be necessary for fiscal year 2013-2014 and  
17 the same sum or so much thereof as may be necessary for fiscal  
18 year 2014-2015 to be paid into the post-secondary education  
19 authorization subaccount of the compliance resolution fund  
20 established pursuant to section 26-9(o), Hawaii Revised  
21 Statutes.



1           The sums appropriated shall be expended by the department  
2 of commerce and consumer affairs for the purposes of this Act.

3           SECTION 10. There is appropriated out of the post-  
4 secondary education authorization subaccount of the compliance  
5 resolution fund established pursuant to section 26-9(o), Hawaii  
6 Revised Statutes, the sum of \$                    or so much thereof as  
7 may be necessary for fiscal year 2013-2014 and the same sum or  
8 so much thereof as may be necessary for fiscal year 2014-2015  
9 for four full-time equivalent (4.0 FTE) permanent positions at  
10 the department of commerce and consumer affairs to implement the  
11 provisions of this Act.

12           The sums appropriated shall be expended by the department  
13 of commerce and consumer affairs for the purposes of this Act.

14           SECTION 11. If any provision of this Act, or the  
15 application thereof to any person or circumstance, is held  
16 invalid, the invalidity does not affect other provisions or  
17 applications of the Act that can be given effect without the  
18 invalid provision or application, and to this end the provisions  
19 of this Act are severable.

20           SECTION 12. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



1 SECTION 13. This Act shall take effect upon its approval;  
 2 provided that sections 9 and 10 shall take effect on July 1,  
 3 2013.  
 4

INTRODUCED BY:

Linda Chiyama

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Isaac W. Choy

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# H.B. NO. 1200

**Report Title:**

Post-Secondary Education; Department of Commerce and Consumer Affairs; Appropriation

**Description:**

Establishes the post-secondary education commission within the department of commerce and consumer affairs. Creates the framework for authorizing private post-secondary educational institutions in the State. Repeals sections 304A-3151, 304A-3152, 304A-3153, and 304A-3154, relating to the establishment of the post-secondary education commission within the University of Hawaii. Creates the post-secondary education authorization subaccount of the compliance resolution fund established pursuant to section 26-9(o), Hawaii Revised Statutes. Makes an appropriation for four full-time equivalent (4.0 FTE) permanent positions at the department of commerce and consumer affairs.

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

