
A BILL FOR AN ACT

RELATING TO EDUCATION.

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

PART I

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

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



1 educational programs beyond secondary education, as may be
2 required under new federal regulations. Further, the commission
3 is established under the University of Hawaii for administrative
4 purposes. The legislature finds that reconstituting the post-
5 secondary education commission and placing it under the
6 department of commerce and consumer affairs will result in an
7 entity that is more broadly representative of post-secondary
8 education in the State and more appropriate to serve as the
9 authorizing state agency for the diverse institutions that
10 operate educational programs beyond secondary education.

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

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



1 the department of commerce and consumer affairs and creating the
2 framework for authorizing private post-secondary educational
3 institutions in the State.

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

7 **"CHAPTER**

8 **POST-SECONDARY EDUCATION AUTHORIZATION**

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

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

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



1 "Authorization" means the authorization granted to a
2 private college, university, seminary, or religious training
3 institution by the commission as provided in this chapter and
4 any applicable rules and policies. Authorization is not an
5 endorsement by either the commission or the department.

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

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

15 "Department" means the department of commerce and consumer
16 affairs.

17 "Director" means the director of commerce and consumer
18 affairs.

19 "Enrollment agreement" means the contract prepared by a
20 private college, university, seminary, or religious training
21 institution that a student signs to indicate agreement to the
22 terms of admission, delivery of instruction, and monetary terms



1 as outlined in the private college, university, seminary, or
2 religious training institution's student handbook or catalog.

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

6 "Home state" means the state where the institution holds
7 its principal accreditation.

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

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

19 "Owner" means:

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



- 1 (2) Partners, if a private for-profit college or
2 university is structured as a partnership;
- 3 (3) Members in a limited liability company, if a private
4 for-profit college or university is structured as a
5 limited liability company; and
- 6 (4) Shareholders in a corporation that hold a controlling
7 interest, if a private for-profit college or
8 university is structured as a corporation.
- 9 "Physical presence" means:
- 10 (1) Having a physical location in the State where students
11 receive synchronous or asynchronous instruction; and
- 12 (2) Establishing an administrative office in the State in
13 order to:
- 14 (A) Provide information to prospective students,
15 enrolling students, or the general public about
16 the institution;
- 17 (B) Provide services to enrolled students;
- 18 (C) Provide office space for instructional or non-
19 instructional staff; and
- 20 (D) Maintain an institutional mailing address, street
21 address, or phone number in the State.



1 "Private college or university" means a non-public post-
2 secondary education institution having a physical presence in
3 the State that enrolls the majority of its students in an
4 associate, baccalaureate, or postgraduate degree program. For
5 purposes of the requirements of this chapter, an out-of-state
6 public institution shall be considered as a private college or
7 university.

8 "Seminary" or "religious training institution" means a bona
9 fide religious post-secondary educational institution that is
10 tax exempt under section 501(c)(3) of the Internal Revenue Code
11 of 1986, as amended, and that has a physical presence in the
12 State, that offers courses that may lead to conferral of
13 baccalaureate, master's, or doctoral degrees or diplomas.

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

18 "University of Hawaii system" means the post-secondary
19 educational institution, including all campuses and community
20 colleges, established and existing pursuant to article X,
21 section 5, of the Hawaii state constitution and chapter 304A.



1 **§ -2 Applicability of this chapter; exceptions.** (a)

2 This chapter shall apply to private colleges, universities,
3 seminaries, and religious training institutions.

4 (b) This chapter shall not apply to:

5 (1) The University of Hawaii system;

6 (2) Private colleges or universities, including
7 occupational or vocational schools, that enroll its
8 students only at the certificate level in order to
9 engage in a profession or vocation that are regulated
10 under another chapter;

11 (3) Schools or educational programs conducted by firms,
12 corporations, or persons for the training of their own
13 employees;

14 (4) Apprentice or other training programs provided by
15 labor unions to labor members or union applicants for
16 membership;

17 (5) Schools or educational programs that provide courses
18 of instruction that do not lead to the conferring of a
19 degree;

20 (6) Schools or educational programs that offer seminars,
21 refresher courses, and programs of instruction
22 sponsored by professional, business, or farming



1 organizations or associations for their members or the
2 employees of their members;

3 (7) Schools or educational programs that offer courses of
4 instruction conducted by public school complex areas;

5 (8) Schools, courses of instruction, or courses of
6 training that are offered by a vendor or the purchaser
7 or prospective purchaser of the vendor's product when
8 the objective of the school or course is to enable the
9 purchaser or the purchaser's employees to gain the
10 skills and knowledge necessary to use the product;

11 (9) Schools and educational programs conducted by
12 religious organizations solely for the religious
13 instruction of their members;

14 (10) Non degree granting post-secondary educational
15 institutions licensed by the department of education
16 or the real estate commission; and

17 (11) Unaccredited post-secondary educational institutions
18 governed by chapter 446E, except as provided under
19 section -4.

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



1 **§ -3 Establishment of the state post-secondary education**
2 **commission; membership; administration.** (a) There is
3 established a state post-secondary education commission. The
4 commission shall be placed within the department for
5 administrative purposes.

6 (b) The commission shall consist of five members, of which
7 three shall be representative of the general public and two
8 shall be representative of public and private nonprofit and for-
9 profit institutions of post-secondary education in the State.
10 Commission members shall be appointed by the governor, without
11 regard to sections 26-34 and 78-4; provided that they shall be
12 subject to the advice and consent of the Senate.

13 (c) The chairperson of the commission shall be designated
14 by the members of the commission each year beginning on July 1,
15 and whenever there is a vacancy in the chair's position.

16 (d) Three members of the commission shall constitute a
17 quorum to do business and a concurrence of at least three
18 members shall be necessary to make any action of the commission
19 valid.

20 (e) Commission members shall not serve more than three
21 consecutive three-year terms, not including the initial members'
22 initial terms, with each term starting on July 1; provided that



1 the initial terms that commence after June 30, 2013, shall be
2 staggered as follows:

3 (1) Two members, including the chairperson, to serve
4 three-year terms;

5 (2) Two members to serve two-year terms; and

6 (3) One member to serve a one-year term.

7 (f) Notwithstanding the terms of the members, the governor
8 may fill vacancies on the commission at any time a vacancy
9 occurs due to resignation, non-participation, the request of a
10 majority of the commission members, or termination by the
11 governor for cause.

12 (g) Commission members shall serve without compensation.
13 When commission duties require that a commission member take
14 leave of the member's duties as a state employee, the
15 appropriate state department shall allow the commission member
16 to be placed on administrative leave with pay and shall provide
17 substitutes, when necessary, to fulfill that member's
18 departmental duties. Members shall be reimbursed for necessary
19 travel expenses incurred in the conduct of official commission
20 business.

21 (h) The commission shall establish operating procedures
22 that shall include conflict of interest procedures for any



1 member whose school of employment or governing board is before
2 the commission.

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

6 **§ -4 Commission powers and authority.** (a) The
7 commission shall:

8 (1) Establish procedures for the authorization,
9 reauthorization, and revocation of the authorization
10 of private colleges, universities, seminaries, and
11 religious training institutions in accordance with the
12 provisions of this chapter, including but not limited
13 to procedures by which an institution may apply for
14 authorization or reauthorization and the procedures
15 the department shall follow in reviewing applications
16 for authorization and making recommendations to the
17 commission;

18 (2) Grant or deny authorizations and reauthorizations, and
19 revoke authorizations pursuant to sections -7,
20 -8, -9, and -10, as applicable, and the
21 recommendation of the department;



- 1 (3) Establish the types and amounts of fees that a private
2 college, university, seminary, or religious training
3 institution shall pay pursuant to section -17;
- 4 (4) Establish policies to require private colleges,
5 universities, seminaries, and religious training
6 institutions to submit to the department, upon
7 request, data that is directly related to student
8 enrollment and degree completion and, if applicable,
9 student financial aid and educator preparation
10 programs;
- 11 (5) Enter into any post-secondary education authorization
12 reciprocity agreement with other post-secondary
13 educational authorizers of schools whose home state is
14 not Hawaii; provided that the authorization standards
15 of the reciprocity agreement shall be substantially
16 comparable to or exceed the authorization requirements
17 of this chapter and applicable administrative rules;
18 and
- 19 (6) Effective July 1, 2015, oversee the authorization of
20 unaccredited degree granting institutions pursuant to
21 chapter 446E.



1 (b) The commission may cooperate with the federal
2 government to qualify the State to receive funds made available
3 under the Higher Education Act of 1965, P.L. 89-329, as amended
4 from time to time, and in addition may serve as the state agency
5 for the receipt of federal funds when federal legislation
6 dealing with higher education or post-secondary education
7 requires, as a condition of the receipt of such funds, the
8 designation of a state agency that is broadly representative of
9 the general public and of post-secondary education in the State
10 and when agencies other than the commission may not qualify.

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

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



1 **§ -5 Department powers and authority.** (a) The
2 department shall administer the provisions of this chapter and
3 any administrative rules, policies, and procedures adopted by
4 the commission.

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

- 7 (1) Making recommendations as to whether or not the
8 commission should grant private colleges,
9 universities, seminaries, and religious training
10 institutions authorization to operate in the State;
- 11 (2) Maintaining a list of the private colleges,
12 universities, seminaries, and religious training
13 institutions that have authorizations on file with the
14 department; and
- 15 (3) Appropriately acting on a complaint, concern, or
16 violation concerning a private college, university,
17 seminary, or religious training institution.

18 **§ -6 Awarding degrees.** Notwithstanding any law to the
19 contrary, a person, partnership, corporation, company, society,
20 or association with a physical presence in the State shall not
21 award, bestow, confer, give, grant, convey, or sell to any other
22 person a degree or honorary degree upon which is inscribed, in



1 any language, the word "associate", "bachelor", "baccalaureate",
2 "master", or "doctor", or any abbreviation thereof, or offer
3 courses of instruction or credits purporting to lead to any such
4 degree, unless the person, partnership, corporation, company,
5 society, or association is:

6 (1) A private college, university, seminary, or religious
7 training institution that is authorized pursuant to
8 this chapter; or

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

10 **§ -7 Authorization to operate in the State; private**

11 **college or university.** (a) To operate in the State, a private
12 college or university shall apply for, on a form prescribed by
13 the department, and receive, authorization from the commission;
14 provided that a private college or university shall apply for
15 and obtain a separate authorization for each campus, branch, or
16 site that is separately accredited. A separate authorization
17 shall not be required for additional professional
18 accreditations. A private, nonprofit college or university
19 shall submit verification of its nonprofit status with its
20 application.

21 (b) Upon receiving an application for authorization, the
22 department shall review the application to determine whether the



1 private college or university is institutionally accredited by a
2 regional or national accrediting body recognized by the United
3 States Department of Education. The department shall not
4 recommend, and the commission shall not approve, an application
5 from a private college or university that, in the two years
6 preceding submission of the application, has:

- 7 (1) Had its accreditation suspended or withdrawn;
8 (2) Been prohibited from operating in another state; or
9 (3) Substantially the same owners, governing board, or
10 principal officers as a private college or university
11 that has:

12 (A) Had its accreditation suspended or withdrawn; or

13 (B) Been prohibited from operating in another state.

14 (c) To operate in the State, a private college or
15 university shall be institutionally accredited on the basis of
16 an on-site review by a regional or national accrediting body
17 recognized by the United States Department of Education;
18 provided that a private college or university may operate under
19 a provisional authorization for an initial period of
20 without accreditation if the commission determines, in
21 accordance with standards established by the commission, that
22 the private college or university is likely to become accredited



1 within one year or is making progress toward accreditation in
2 accordance with the accrediting body's polices; provided further
3 that the private college or university shall annually renew its
4 provisional authorization and report annually to the commission
5 concerning the institution's progress in obtaining
6 accreditation.

7 (d) A private college or university shall, within thirty
8 days of the action, notify the department of any material
9 information related to an action by the institution's
10 accrediting body concerning the institution's accreditation
11 status, including but not limited to reaffirmation or loss of
12 accreditation, approval of a request for change, a campus
13 evaluation visit, a focused visit, or approval of additional
14 locations. In addition, the institution shall immediately
15 notify the department if the institution's accrediting body is
16 no longer recognized by the United States Department of
17 Education.

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

21 § -8 Authorization to operate in the State; seminary or
22 religious training institutions. (a) To operate in the State,



1 a seminary or religious institution shall apply for, on a form
2 prescribed by the department, and receive, authorization from
3 the commission; provided that the institution shall establish
4 that it qualifies as a bona fide religious training institution
5 and as an institution of post-secondary education.

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

8 § -9 Reauthorization. (a) A private college or
9 university that is authorized pursuant to section -7 and
10 maintains its accreditation shall apply to the department for
11 reauthorization in accordance with its schedule for
12 reaccreditation or every three years, whichever is longer. A
13 private college or university that has its accreditation
14 reaffirmed without sanction, continues to demonstrate its
15 compliance with section -13, and is not subject to
16 investigation pursuant to section -10, shall otherwise be
17 presumed to be qualified for reauthorization under this chapter,
18 and the department shall recommend reauthorization for a period
19 of three years or the length of the private college or
20 university's accreditation, whichever is longer.

21 (b) A seminary or religious training institution
22 authorized pursuant to section -8 shall apply to the



1 department for reauthorization every three years. A seminary or
2 religious training institution that continues to meet the
3 minimum operating standards specified in this chapter and is not
4 subject to investigation pursuant to section -10, shall
5 otherwise be presumed to be qualified for reauthorization under
6 this chapter, and the department shall recommend reauthorization
7 for a period of three years.

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

11 (d) Private colleges, universities, seminaries and
12 religious training institutions applying for reauthorization
13 under this section shall pay the fees required pursuant to
14 section -17.

15 (e) If a private college, university, seminary, or
16 religious training institution cannot demonstrate that it meets
17 the minimum operating standards of this chapter, the department
18 shall recommend that the commission deny the application for
19 reauthorization. The department shall provide the private
20 college, university, seminary, or religious training institution
21 with written notification of the denial of the application for
22 reauthorization and the basis for the denial. If, within six



1 months of receiving notice that its application for
2 reauthorization has been denied, the private college,
3 university, seminary, or religious training institution corrects
4 the action or condition upon which the denial was based, it may
5 reapply for reauthorization. If the private college,
6 university, seminary, or religious training institution does not
7 correct the action or condition upon which the denial was based,
8 it may submit a new application for authorization pursuant to
9 section -7 or -8, whichever is applicable, once the action
10 or condition has been corrected.

11 (f) If a private college or university is under a sanction
12 from its accrediting body at the time it submits its application
13 for reauthorization, the department may recommend that the
14 commission:

- 15 (1) Approve the private college or university's
16 reauthorization; or
- 17 (2) Grant the probationary approval of the private college
18 or university's reauthorization; provided that if the
19 private college or university is granted probationary
20 reauthorization:



1 (A) The department shall provide the private college
2 or university with written notice of its
3 probationary status;

4 (B) The private college or university shall reapply
5 for reauthorization on an annual basis until the
6 accrediting body lifts its sanction; and

7 (C) The private college or university shall provide
8 the commission with an annual report on its
9 progress toward removing the sanction.

10 **§ -10 Revocation; probationary status.** (a) The
11 commission shall revoke a private college or university's
12 authorization if the private college or university loses its
13 accreditation.

14 (b) The commission may revoke a private college or
15 university's authorization or place a private college or
16 university on probationary status if:

17 (1) The private college or university fails to meet any of
18 the minimum standards set forth in this chapter or in
19 any administrative rules adopted pursuant to this
20 chapter;

21 (2) The private college or university fails to
22 substantially comply with the applicable laws or rules



- 1 of any other state board or agency that has
2 jurisdiction over the private college or university;
- 3 (3) The private college or university violates any
4 criminal law of this State, the federal government, or
5 any other state in which it operates; or
- 6 (4) The United States Department of Education ceases to
7 recognize the private college or university's
8 accrediting body.
- 9 (c) The commission may place a private college or
10 university on probationary status if the private college or
11 university's accrediting body sanctions or places it on
12 probationary status.
- 13 (d) The commission may revoke a seminary or religious
14 training institution's authorization or place the seminary or
15 religious training institution on probationary status if the
16 seminary or religious training institution:
- 17 (1) No longer meets the definition of a seminary or
18 religious training institution under this chapter;
- 19 (2) Fails to meet any of the minimum standards set forth
20 in this chapter or in administrative rules adopted
21 pursuant to this chapter; or



1 (3) Violates any criminal law of this State, the federal
2 government, or any other state in which it operates.

3 (e) If the commission has reason to believe that a private
4 college, university, seminary, or religious training institution
5 meets one or more of the grounds specified in subsections (a)
6 through (d), as applicable, the commission may order the
7 department to investigate and make a recommendation concerning
8 whether to revoke its authorization or place it on probation.

9 (f) To assist the department in conducting an
10 investigation pursuant to subsection (e), the commission shall
11 have the power to:

12 (1) Subpoena any persons, books, records, or documents
13 pertaining to the investigation;

14 (2) Require answers in writing, under oath, to any
15 question from the commission or department; and

16 (3) Administer an oath or affirmation to any person in
17 connection with the investigation.

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

21 (g) Upon the conclusion of any investigation pursuant to
22 subsections (e) and (f), the department shall make a



1 recommendation to the commission as to whether or not the
2 commission should revoke the private college, university,
3 seminary, or religious training institution's authorization or
4 place it on probation; provided that if the department
5 recommends revocation or probation, it shall identify the
6 applicable grounds for revocation or probation as specified in
7 subsections (a) through (d).

8 (h) If the commission revokes a private college,
9 university, seminary, or religious training institution's
10 authorization or places it on probationary status pursuant to
11 this section, the commission shall accord the private college,
12 university, seminary, or religious training institution the
13 right to contest the decision pursuant to chapter 91.

14 **§ -11 Deposit of records upon discontinuance.** (a) If a
15 private college, university, seminary, or religious training
16 institution ceases operating within the State, its owner or the
17 owner's designee shall deposit with the department the original
18 or legible copies of all of its educational records.

19 (b) If the commission determines that the records of a
20 private college, university, seminary, or religious training
21 institution that ceases operating within the State are in danger
22 of being destroyed, secreted, mislaid, or otherwise made



1 unavailable to the department, the commission may seek a court
2 order authorizing the department to seize or take possession of
3 the records.

4 (c) Upon the request of the commission, the department or
5 the attorney general may enforce the provisions of this section
6 by filing a request for an injunction with a court of competent
7 jurisdiction.

8 (d) The department shall permanently retain any student
9 transcripts received pursuant to this section. The department
10 shall retain any other records obtained pursuant to this section
11 for ten years; provided that after this period, the department
12 shall dispose of the records in a manner that will adequately
13 protect the privacy of any personal information included in the
14 records.

15 **§ -12 Authorized educational institutions;**

16 **responsibilities.** (a) A private college, university, seminary,
17 or religious training institution that is authorized pursuant to
18 this chapter shall:

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



1 (2) Provide the department with a copy of its enrollment
2 agreement, if applicable, in accordance with its
3 reauthorization schedule;

4 (3) Provide bona fide instruction, in accordance with the
5 standards and criteria set by its accrediting body;
6 and

7 (4) If its ownership changes, provide the department with
8 any material information concerning the transaction
9 within thirty days of the transaction.

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

14 **§ -13 Financial integrity; surety bond.** (a) A private
15 college or university shall provide evidence of financial
16 integrity at the time of its application for authorization. A
17 private college or university may demonstrate financial
18 integrity by meeting the criteria specified in subsection (b) or
19 (c).

20 (b) A private college or university may demonstrate
21 financial integrity if it:



- 1 (1) Has been accredited for at least ten years by an
2 accrediting agency that is recognized by the United
3 States Department of Education;
- 4 (2) Has operated continuously in the State for at least
5 ten years;
- 6 (3) Has not filed for bankruptcy protection pursuant to
7 title 11 of the United States Code;
- 8 (4) Maintains a composite score of at least 1.5 on its
9 equity, primary reserve, and net income ratios, as
10 required in title 34 Code of Federal Regulations
11 section 668.172; and
- 12 (5) Meets or exceeds the pro rata refund policies required
13 by the United States Department of Education in title
14 34 Code of Federal Regulations section 668; provided
15 that if it does not participate in federal financial
16 aid programs, its refund and termination procedures
17 comply with the requirements of its accrediting body;
- 18 provided that a private college or university is not required to
19 meet the criteria specified in paragraphs (1) and (2) if the
20 private college or university is part of a group of private
21 colleges or universities that is owned and operated by a common



1 owner and the other private colleges and universities meet the
2 specified criteria in paragraphs (1) and (2).

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

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

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

15 (3) Owns and operates a permanent instructional facility
16 in the State;

17 (4) Annually provides to the commission audited financial
18 statements for the most recent fiscal year that
19 demonstrate that the private college or university
20 maintains positive equity and profitability;

21 (5) Maintains a composite score of at least 1.5 on its
22 equity, primary reserve, and net income ratios, as



1 required in title 34 Code of Federal Regulations
2 section 668.172; and

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

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

17 (e) The surety bond shall be conditioned to provide
18 indemnification to any student or enrollee, to any parent or
19 legal guardian of a student or enrollee, that the commission
20 finds to have suffered a loss of tuition or any fees as a result
21 of any act or practice that is a violation of this chapter and
22 to provide alternative enrollment as provided in section -14



1 for students enrolled in a private college or university that
2 ceases operation.

3 (f) The amount of the surety bond that a private college
4 or university submits pursuant to subsection (d) shall be the
5 greater of \$5,000 or an amount equal to a reasonable estimate of
6 the maximum prepaid, unearned tuition and fees of the private
7 college or university for the period or term during the
8 applicable academic year for which programs of instruction are
9 offered, including but not limited to programs offered on a
10 semester, quarter, monthly, or class basis; provided that the
11 private college or university shall use the period or term of
12 greatest duration and expense in determining this amount if its
13 academic year consists of one or more periods or terms.

14 Following the initial filing of the surety bond with the
15 department, the private college or university shall recalculate
16 the amount of the surety bond annually based on a reasonable
17 estimate of the maximum prepaid, unearned tuition and fees
18 received by the institution for the applicable period or term.

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



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

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



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

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

7 **§ -14 Claims against a private college or university;**
8 **cessation of operation; alternative enrollment.** (a) A student
9 or enrollee, or a parent or guardian of the student or enrollee,
10 who claims loss of tuition or fees may file a claim with the
11 commission if the claim results from an act or practice that
12 violates a provision of this chapter. The claims that are filed
13 with the commission shall be public records and subject to the
14 provisions of chapter 92F; provided that the department shall
15 not make the records public if the release would violate a state
16 or federal privacy law.

17 (b) Notwithstanding the provisions of subsection (a), the
18 commission shall not consider a claim that is filed more than
19 two years after the date the student discontinues enrollment
20 with the private college or university.

21 (c) If a private college or university ceases operation,
22 the commission may make demand on the surety bond upon the



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

16 (d) A student who is enrolled in a private college or
17 university that ceases operation and who declines the alternate
18 enrollment required to be offered pursuant to subsection (c) may
19 file a claim with the commission for the student's prorated
20 share of the prepaid, unearned tuition and fees that the student
21 paid, subject to the limitations of subsection (e). The
22 commission shall not make a subsequent payment to a student



1 unless the student submits proof of satisfaction of any prior
2 debt to a financial institution in accordance with rules adopted
3 by the commission.

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

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

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

18 (h) The commission shall determine whether offering
19 alternate enrollment for students enrolled in an authorized
20 private college or university that ceases operation is
21 practicable without federal government designation of the



1 commission as trustee for student loans, Pell grants, and other
2 student financial aid assistance pursuant to subsection (g).

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

15 (j) If a private college or university that is exempt from
16 the provisions of, or that demonstrates financial integrity
17 pursuant to, section -13, ceases to operate in the State, the
18 attorney general may file a claim against the private college or
19 university on behalf of students enrolled in the private college
20 or university at the time it ceases operation to recover any
21 amount of unearned, prepaid tuition that may be owed to the
22 students.



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

3 **§ -15 Reciprocity.** The commission may enter into any
4 post-secondary education authorization reciprocity agreement;
5 provided that the authorization standards of the reciprocity
6 agreement shall be comparable to or exceed the authorization
7 requirements of this chapter and any applicable administrative
8 rules.

9 **§ -16 Complaints; injunctive proceedings.** (a) By
10 July 1, 2014, the commission shall establish procedures, without
11 regard to chapter 91, by which a student or former student of a
12 private college, university, seminary, or religious training
13 institution may file a complaint with the department concerning
14 the institution in which the student is or was enrolled;
15 provided that if a former student files a complaint, the
16 complaint shall be filed within two years after the former
17 student discontinued enrollment at the institution.

18 (b) The department may investigate complaints based on a
19 claim of a deceptive trade practice as described in subsection
20 (h).

21 (c) Nothing in this section shall give the commission or
22 department jurisdiction to consider complaints that infringe on



1 the academic or religious freedom of, or question the curriculum
2 content of, a private college, university, seminary, or
3 religious training institution.

4 (d) Upon receipt of a complaint, the department shall
5 verify that the complaint was properly filed under the
6 procedures established pursuant to subsection (a). The
7 complaint shall warrant investigation only after the student or
8 former student has exhausted all administrative remedies
9 available at the private college, university, seminary, or
10 religious training institution; provided that if the complaint
11 involves a violation of state or federal criminal law, this
12 requirement shall not apply. If a complaint warrants
13 investigation, the department shall forward the complaint to the
14 private college, university, seminary, or religious training
15 institution. The private college, university, seminary, or
16 religious training institution shall have thirty days to respond
17 in writing to the complaint. During the thirty day period, the
18 private college, university, seminary, or religious training
19 institution, with the department's assistance, may attempt to
20 resolve the complaint with the student. If the department
21 determines at any time that the complaint no longer warrants
22 investigation, the department shall dismiss the complaint.



1 (e) If a complaint is not resolved within the thirty-day
2 period, the department may:

3 (1) Dismiss the complaint based on the private college,
4 university, seminary, or religious training
5 institution's response;

6 (2) Investigate the complaint further; or

7 (3) Refer the complaint to the commission for further
8 action; provided that if the commission finds the
9 complaint to be meritorious, it may recommend that the
10 private college, university, seminary, or religious
11 training institution take appropriate action to remedy
12 the complaint.

13 (f) If the private college, university, seminary, or
14 religious training institution does not take the action
15 recommended by the commission, the commission may forward the
16 complaint and any of the commission's findings to the attorney
17 general.

18 (g) The commission, acting through the attorney general,
19 may proceed by injunction against any violation of this chapter,
20 but an injunction proceeding or an order issued therein or as a
21 result thereof shall not bar the imposition of any other penalty
22 for a violation of this chapter. A private college, university,



1 seminary, or religious training institution shall be responsible
2 for any and all fees and costs associated with any prosecution
3 under this chapter, regardless of the outcome.

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

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

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

20 (3) Adopt a name, trade name, or trademark that represents
21 falsely, directly or by implication, the quality,
22 scope, nature, size, or integrity of the private



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



1 students or the public regarding its current
2 practices;

3 (7) Designate or refer to its sales representatives by
4 titles that imply that the sales representatives have
5 training in academic counseling or advising if they do
6 not; or

7 (8) Represent, directly or by implication, that it is
8 authorized by the State or approved or accredited by
9 an accrediting agency or body when it has not been
10 authorized, approved, or accredited.

11 (i) Any private college, university, seminary, or
12 religious training institution or its agent that violates
13 subsection (h) shall be fined a sum of not less than \$500 nor
14 more than \$10,000 for each violation, which sum shall be
15 collected in a civil action brought by the attorney general or
16 the department on behalf of the State. The penalties provided
17 in this subsection are cumulative to the remedies or penalties
18 available under all other laws of this State. Each day that a
19 violation of subsection (h) occurs shall be a separate
20 violation.

21 **§ -17 Fees; public hearing.** (a) An educational
22 institution shall pay \$ to the department as a fee for



1 authorization under this chapter; provided that the commission
2 may change the amount of the fees required by this section at
3 any time without regard to chapter 91, if the commission:

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

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

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

11 **§ -18 Post-secondary education authorization subaccount.**

12 (a) All moneys collected pursuant to sections -16, -17,
13 and -20 shall be deposited into the post-secondary education
14 authorization subaccount of the compliance resolution fund
15 established pursuant to section 26-9(o).

16 (b) Any law to the contrary notwithstanding, the moneys in
17 the subaccount shall be used to fund the operations of the
18 department in carrying out its duties under this chapter. Any
19 law to the contrary notwithstanding, the director may use the
20 moneys in the subaccount to employ, in accordance with chapter
21 76, personnel to carry out the department's duties under this
22 chapter. The moneys in the subaccount may be used to train



1 personnel as the director deems necessary and for any other
2 activity related to this chapter.

3 **§ -19 Prohibited practices.** (a) No institution
4 authorized under this chapter shall indicate or suggest that the
5 State licenses, approves, or accredits its operations.
6 Acceptance by the commission of any documents from such
7 institution shall not be construed as evidence that the
8 commission has determined the adequacy of any filing.

9 (b) Any institution that is not accredited by the American
10 Bar Association shall not issue a juris doctor degree (J.D.), a
11 master of laws degree (LL.M.), or any equivalent or comparable
12 degree.

13 (c) Any institution that is not accredited by the Liaison
14 Committee on Medical Education shall not issue a doctor of
15 medicine degree (M.D.), or any equivalent or comparable degree.

16 (d) No institution with a physical presence in the State
17 shall accept or receive any tuition payment or other fee from or
18 on behalf of a student unless the institution complies with all
19 of the requirements of this chapter.

20 **§ -20 Fines.** The commission may establish and impose a
21 fine upon any private college, university, seminary, or
22 religious training institution found to be in violation of any



1 provision of this chapter. The commission shall adopt rules
2 pursuant to chapter 91 to establish such fines.

3 **§ -21 Rules.** The commission may adopt rules pursuant to
4 chapter 91 to carry out the purposes of this chapter."

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

7 "(o) Every person licensed under any chapter within the
8 jurisdiction of the department of commerce and consumer affairs
9 and every person licensed subject to chapter 485A or registered
10 under chapter 467B shall pay upon issuance of a license, permit,
11 certificate, or registration a fee and a subsequent annual fee
12 to be determined by the director and adjusted from time to time
13 to ensure that the proceeds, together with all other fines,
14 income, and penalties collected under this section, do not
15 surpass the annual operating costs of conducting compliance
16 resolution activities required under this section. The fees may
17 be collected biennially or pursuant to rules adopted under
18 chapter 91, and shall be deposited into the special fund
19 established under this subsection. Every filing pursuant to
20 chapter 514E or section 485A-202(a)(26) shall be assessed, upon
21 initial filing and at each renewal period in which a renewal is
22 required, a fee that shall be prescribed by rules adopted under



1 chapter 91, and that shall be deposited into the special fund
2 established under this subsection. Any unpaid fee shall be paid
3 by the licensed person, upon application for renewal,
4 restoration, reactivation, or reinstatement of a license, and by
5 the person responsible for the renewal, restoration,
6 reactivation, or reinstatement of a license, upon the
7 application for renewal, restoration, reactivation, or
8 reinstatement of the license. If the fees are not paid, the
9 director may deny renewal, restoration, reactivation, or
10 reinstatement of the license. The director may establish,
11 increase, decrease, or repeal the fees when necessary pursuant
12 to rules adopted under chapter 91. The director may also
13 increase or decrease the fees pursuant to section 92-28.

14 There is created in the state treasury a special fund to be
15 known as the compliance resolution fund to be expended by the
16 director's designated representatives as provided by this
17 subsection. Notwithstanding any law to the contrary, all
18 revenues, fees, and fines collected by the department shall be
19 deposited into the compliance resolution fund. Unencumbered
20 balances existing on June 30, 1999, in the cable television fund
21 under chapter 440G, the division of consumer advocacy fund under
22 chapter 269, the financial institution examiners' revolving



1 fund, section 412:2-109, the special handling fund, section
2 414-13, and unencumbered balances existing on June 30, 2002, in
3 the insurance regulation fund, section 431:2-215, shall be
4 deposited into the compliance resolution fund. This provision
5 shall not apply to the drivers education fund underwriters fee,
6 sections 431:10C-115 and 431:10G-107, insurance premium taxes
7 and revenues, revenues of the workers' compensation special
8 compensation fund, section 386-151, the captive insurance
9 administrative fund, section 431:19-101.8, the insurance
10 commissioner's education and training fund, section 431:2-214,
11 the medical malpractice patients' compensation fund as
12 administered under section 5 of Act 232, Session Laws of Hawaii
13 1984, and fees collected for deposit in the office of consumer
14 protection restitution fund, section 487-14, the real estate
15 appraisers fund, section 466K-1, the real estate recovery fund,
16 section 467-16, the real estate education fund, section 467-19,
17 the contractors recovery fund, section 444-26, the contractors
18 education fund, section 444-29, the condominium education trust
19 fund, section 514B-71, and the mortgage foreclosure dispute
20 resolution special fund, section 667-86. Any law to the
21 contrary notwithstanding, the director may use the moneys in the
22 fund to employ, without regard to chapter 76, hearings officers



1 and attorneys. All other employees may be employed in
2 accordance with chapter 76. Any law to the contrary
3 notwithstanding, the moneys in the fund shall be used to fund
4 the operations of the department. The moneys in the fund may be
5 used to train personnel as the director deems necessary and for
6 any other activity related to compliance resolution.

7 A separate subaccount of the compliance resolution fund
8 shall be established for the deposit of fees collected by the
9 state post-secondary education commission established pursuant
10 to section -3, which shall be called the post-secondary
11 education authorization subaccount. The subaccount shall be
12 governed by section -18.

13 As used in this subsection, unless otherwise required by
14 the context, "compliance resolution" means a determination of
15 whether:

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

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



1 (3) Any person submitting any filing required by chapter
2 514E or section 485A-202(a)(26) has complied with chapter 514E
3 or section 485A-202(a)(26);

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

6 (5) Any person subject to chapter 467B has complied with
7 that chapter;
8 and includes work involved in or supporting the above functions,
9 licensing, or registration of individuals or companies regulated
10 by the department, consumer protection, and other activities of
11 the department.

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

16 SECTION 4. Chapter 304A, part VII, subpart C, Hawaii
17 Revised Statutes, is repealed.

18 SECTION 5. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so
20 much thereof as may be necessary for fiscal year 2013-2014 and
21 the same sum or so much thereof as may be necessary for fiscal
22 year 2014-2015 to be paid into the post-secondary education



1 authorization subaccount of the compliance resolution fund
2 established pursuant to section 26-9(o), Hawaii Revised
3 Statutes.

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

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

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

17 SECTION 7. All rights, powers, functions, and duties
18 related to the certification of higher education programs for
19 veterans currently within the post-secondary education
20 commission established under section 304A-3151, Hawaii Revised
21 Statutes, within the University of Hawaii are transferred to the



1 post-secondary education commission established within the
2 department of commerce and consumer affairs by this Act.

3 All officers and employees whose functions are transferred
4 by this Act shall be transferred with their functions and shall
5 continue to perform their regular duties upon their transfer,
6 subject to the state personnel laws and this Act.

7 No officer or employee of the State having tenure shall
8 suffer any loss of salary, seniority, prior service credit,
9 vacation, sick leave, or other employee benefit or privilege as
10 a consequence of this Act, and such officer or employee may be
11 transferred or appointed to a civil service position without the
12 necessity of examination; provided that the officer or employee
13 possesses the minimum qualifications for the position to which
14 transferred or appointed; and provided that subsequent changes
15 in status may be made pursuant to applicable civil service and
16 compensation laws.

17 An officer or employee of the State who does not have
18 tenure and who may be transferred or appointed to a civil
19 service position as a consequence of this Act shall become a
20 civil service employee without the loss of salary, seniority,
21 prior service credit, vacation, sick leave, or other employee
22 benefits or privileges and without the necessity of examination;



1 provided that such officer or employee possesses the minimum
2 qualifications for the position to which transferred or
3 appointed.

4 If an office or position held by an officer or employee
5 having tenure is abolished, the officer or employee shall not
6 thereby be separated from public employment, but shall remain in
7 the employment of the State with the same pay and classification
8 and shall be transferred to some other office or position for
9 which the officer or employee is eligible under the personnel
10 laws of the State as determined by the head of the department or
11 the governor.

12 SECTION 8. All appropriations, records, equipment,
13 machines, files, supplies, contracts, books, papers, documents,
14 maps, and other personal property heretofore made, used,
15 acquired, or held by the University of Hawaii relating to the
16 functions transferred to the department of commerce and consumer
17 affairs shall be transferred with the functions to which they
18 relate.

19 PART II

20 SECTION 9. Section 446E-1, Hawaii Revised Statutes, is
21 amended by adding a new definition to be appropriately inserted
22 and to read as follows:



1 "Commission" means the state post-secondary education
2 commission established under section -3."

3 SECTION 10. Section 446E-1, Hawaii Revised Statutes, is
4 amended by deleting the definition of "director".

5 [~~"Director" means the director of commerce and consumer~~
6 ~~affairs."~~]

7 SECTION 11. Section 446E-1.5, Hawaii Revised Statutes, is
8 repealed.

9 [~~"§446E-1.5 Advisory board. The state post-secondary~~
10 ~~education commission, as established by chapter 304A, part VII,~~
11 ~~subpart C, shall serve as a resource to the director as needed~~
12 ~~regarding the requirements of this chapter."~~]

13 SECTION 12. All rules, policies, procedures, guidelines,
14 and other material adopted or developed by the department of
15 commerce and consumer affairs for the purposes of implementing
16 chapter 446E, Hawaii Revised Statutes, shall be transferred to
17 the post-secondary education commission established under part I
18 of this Act and shall remain in full force and effect until
19 amended or repealed by the commission.

20 SECTION 13. Chapter 446E, Hawaii Revised Statutes, is
21 amended by substituting the term "commission" or like terms,



1 wherever the term "director", or like terms appear, as the
2 context requires.

3 PART III

4 SECTION 14. If any provision of this Act, or the
5 application thereof to any person or circumstance, is held
6 invalid, the invalidity does not affect other provisions or
7 applications of the Act that can be given effect without the
8 invalid provision or application, and to this end the provisions
9 of this Act are severable.

10 SECTION 15. This Act does not affect rights and duties
11 that matured, penalties that were incurred, and proceedings that
12 were begun before its effective date.

13 SECTION 16. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 17. This Act shall take effect upon its approval;
16 provided that sections 5 and 6 shall take effect on July 1,
17 2013; provided further that part II shall take effect on July 1,
18 2015.



Report Title:

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

Description:

Creates the framework for authorizing private post-secondary educational institutions in the State. Creates the post-secondary education authorization subaccount of the compliance resolution fund established pursuant to section 26-9(o), Hawaii Revised Statutes. Repeals the Post-secondary Education Commission within the University of Hawaii. (HB1200 HD1)

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

