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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A STUDY OF THE REGULATION OF  
UNACCREDITED DEGREE GRANTING INSTITUTIONS IN THE STATES.

1           WHEREAS, the Legislature finds that obtaining a college  
2 degrees can cost tens of thousands of dollars and often  
3 represents a significant commitment of a family's financial  
4 resources; and

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6           WHEREAS, the United States Department of Education relies,  
7 among other things, on an institution's accreditation from a  
8 recognized accrediting agency to determine eligibility for  
9 certain federal funds; and

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11           WHEREAS, many employers require a degree from an accredited  
12 educational institution as a condition of employment; and

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14           WHEREAS, many educational institutions will not recognize a  
15 student's degrees or credits unless the degree or credits were  
16 earned through an accredited institution; and

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18           WHEREAS, prospective students may be unaware of the  
19 significance of an institution's accreditation status when  
20 selecting a college or university, particularly if the  
21 institution offers a degree through distance education; and

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23           WHEREAS, the State of Hawaii is one of a small number of  
24 states that does not license, approve, or prohibit unaccredited  
25 degree-granting institutions; and

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27           WHEREAS, unaccredited degree granting universities and  
28 colleges that operate in the State are subject to the  
29 Unaccredited Degree Granting Institutions law, codified in  
30 chapter 446E, Hawaii Revised Statutes; and

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1 WHEREAS, the State Office of Consumer Protection has been  
2 active in enforcing chapter 446E, Hawaii Revised Statutes,  
3 through the filing of numerous lawsuits; and  
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5 WHEREAS, House Bill No. 1200, H.D. 2 (2013), proposes,  
6 among other things, to revise the state unaccredited degree  
7 granting institution law, chapter 446E, Hawaii Revised Statutes,  
8 by transferring oversight to the Postsecondary Education  
9 Commission; and  
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11 WHEREAS, section 26H-6, Hawaii Revised Statutes, requires  
12 the Auditor to review proposals to regulate professions,  
13 vocations, or occupations that are currently unregulated and to  
14 assess alternative forms of regulation; and  
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16 WHEREAS, although unaccredited degree granting institutions  
17 are currently subject to chapter 446E, Hawaii Revised Statutes,  
18 and unaccredited degree granting institutions may not be  
19 traditionally considered a profession or vocation, a sunrise  
20 analysis under chapter 26H, Hawaii Revised Statutes, may be  
21 useful in evaluating the current and alternative forms of  
22 regulation; now, therefore,  
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24 BE IT RESOLVED by the House of Representatives of the  
25 Twenty-seventh Legislature of the State of Hawaii, Regular  
26 Session of 2013, the Senate concurring, that the Auditor is  
27 respectfully requested to conduct a sunrise review of the  
28 regulation of unaccredited degree granting institutions, as  
29 proposed under House Bill No. 1200, H.D. 2 (2013), including an  
30 assessment of the current and alternative forms of regulation,  
31 pursuant to section 26H-6, Hawaii Revised Statutes; and  
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33 BE IT FURTHER RESOLVED that the Auditor is requested that  
34 its review include:  
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- 36 (1) An estimate of the number of unaccredited degree  
37 granting institutions operating under chapter 446E,  
38 Hawaii Revised Statutes;
- 39 (2) An estimate of the number of unaccredited degree  
40 granting institutions physically located in the State;
- 41 (3) An estimate of the number of students enrolled in each  
42 unaccredited degree granting institution;
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- (4) A review of the level of compliance by unaccredited degree granting institutions with chapter 446E, Hawaii Revised Statutes, including a review of:
  - (A) The types of enforcement actions brought by the Office of Consumer Protection; and
  - (B) The number of enforcement actions brought by the Office of Consumer Protection;
- (5) A review of the laws governing unaccredited degree granting institutions in other states, including those state laws that require all degree granting institutions to be accredited;
- (6) A review of best practices available for the regulation of unaccredited degree granting institutions;
- (7) A determination of whether regulation of unaccredited degree granting institutions should also apply to online unaccredited degree granting institutions regardless of whether the institutions are:
  - (A) Located in Hawaii; or
  - (B) Located out-of-state, but enroll students who are Hawaii residents; and
- (8) An examination of the findings in the 1993 report of the Legislative Reference Bureau, entitled *Private Accreditation and State Authorization of Degree Granting and Non-Degree Granting Limitations in Hawaii*, to determine whether the recommendations in the report were carried out; and

BE IT FURTHER RESOLVED that the Auditor is requested to submit a report of its findings and recommendations to the Legislature not later than twenty days prior to the convening of the Regular Session of 2014; and

1 BE IT FURTHER RESOLVED that certified copies of this  
2 Concurrent Resolution be transmitted to the Auditor and the  
3 Director of Commerce and Consumer Affairs.  
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OFFERED BY:

*Kirda Ichizame*

*Sam Welch*

MAR 12 2013

