
HOUSE 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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32 WHEREAS, the State Office of Consumer Protection has been
33 active in enforcing chapter 446E, Hawaii Revised Statutes,
34 through the filing of numerous lawsuits; and

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1 WHEREAS, House Bill No. 1200, H.D. 2 (2013), proposes,
2 among other things, to revise the state unaccredited degree
3 granting institution law, chapter 446E, Hawaii Revised Statutes,
4 by transferring oversight to the Postsecondary Education
5 Commission; and
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7 WHEREAS, section 26H-6, Hawaii Revised Statutes, requires
8 the Auditor to review proposals to regulate professions,
9 vocations, or occupations that are currently unregulated and to
10 assess alternative forms of regulation; and
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12 WHEREAS, although unaccredited degree granting institutions
13 are currently subject to chapter 446E, Hawaii Revised Statutes,
14 and unaccredited degree granting institutions may not be
15 traditionally considered a profession or vocation, a sunrise
16 analysis under chapter 26H, Hawaii Revised Statutes, may be
17 useful in evaluating the current and alternative forms of
18 regulation; now, therefore,
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20 BE IT RESOLVED by the House of Representatives of the
21 Twenty-seventh Legislature of the State of Hawaii, Regular
22 Session of 2013, that the Auditor is respectfully requested to
23 conduct a sunrise review of the regulation of unaccredited
24 degree granting institutions, as proposed under House Bill No.
25 1200, H.D. 2 (2013), including an assessment of the current and
26 alternative forms of regulation, pursuant to section 26H-6,
27 Hawaii Revised Statutes; and
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29 BE IT FURTHER RESOLVED that the Auditor is requested that
30 its review include:
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- 32 (1) An estimate of the number of unaccredited degree
33 granting institutions operating under chapter 446E,
34 Hawaii Revised Statutes;
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- 36 (2) An estimate of the number of unaccredited degree
37 granting institutions physically located in the State;
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- 39 (3) An estimate of the number of students enrolled in each
40 unaccredited degree granting institution;
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- 42 (4) A review of the level of compliance by unaccredited
43 degree granting institutions with chapter 446E, Hawaii
44 Revised Statutes, including a review of:



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(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 Resolution be transmitted to the Auditor and the Director of
3 Commerce and Consumer Affairs.
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OFFERED BY: Linda Lehman

Jan Welch

MAR 12 2013

