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# HOUSE RESOLUTION

REQUESTING THE OFFICE OF THE AUDITOR TO CONDUCT A SUNRISE REVIEW  
OF THE REGULATION OF UNACCREDITED DEGREE GRANTING  
INSTITUTIONS IN THE STATE.

1           WHEREAS, the Legislature finds that obtaining a college  
2 degree 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 on, among other things, 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 degree 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 currently governed by  
29 Chapter 446E, Hawaii Revised Statutes, which imposes minimal  
30 requirements on such institutions; and



1 WHEREAS, the Office of Consumer Protection has been active  
2 in enforcing Chapter 446E, Hawaii Revised Statutes, through the  
3 filing of numerous lawsuits; and  
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5 WHEREAS, House Bill No. 1200, H.D. 2 (2013), proposed,  
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 Post-secondary 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 may not be traditionally considered a profession or vocation, a  
18 sunrise analysis pursuant to Chapter 26H, Hawaii Revised  
19 Statutes, may be useful in evaluating current and alternative  
20 forms of regulation; now, therefore,  
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22 BE IT RESOLVED by the House of Representatives of the  
23 Twenty-seventh Legislature of the State of Hawaii, Regular  
24 Session of 2013, that the Office of the Auditor is respectfully  
25 requested to conduct a sunrise review of the regulation of  
26 unaccredited degree granting institutions, including an  
27 assessment of current and alternative forms of regulation,  
28 pursuant to section 26H-6, Hawaii Revised Statutes; and  
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30 BE IT FURTHER RESOLVED that the Office of the Auditor is  
31 requested to include in its review:  
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- 33 (1) An estimate of the number of unaccredited degree  
34 granting institutions currently operating under  
35 Chapter 446E, Hawaii Revised Statutes;  
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37 (2) An estimate of the number of unaccredited degree  
38 granting institutions physically located in the State;  
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40 (3) An estimate of the number of students enrolled in each  
41 unaccredited degree granting institution;



- 1 (4) A review of the level of compliance by unaccredited  
2 degree granting institutions with Chapter 446E, Hawaii  
3 Revised Statutes, including a review of the number and  
4 types of enforcement actions brought by the Office of  
5 Consumer Protection;  
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- 7 (5) A review of the laws governing unaccredited degree  
8 granting institutions in other states, including those  
9 state laws that require all degree granting  
10 institutions to be accredited;  
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- 12 (6) A review of best practices available for the  
13 regulation of unaccredited degree granting  
14 institutions;  
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- 16 (7) A determination of whether regulation of unaccredited  
17 degree granting institutions should also apply to  
18 online unaccredited degree granting institutions  
19 regardless of whether the institutions are:  
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- 21 (A) Located in Hawaii; or  
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- 23 (B) Located out-of-state, but enroll students who are  
24 Hawaii residents; and  
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- 26 (8) An examination of findings in the 1993 report of the  
27 Legislative Reference Bureau, entitled *Private*  
28 *Accreditation and State Authorization of Degree*  
29 *Granting and Non-Degree Granting Limitations in*  
30 *Hawaii*, to determine whether the recommendations in  
31 the report were carried out; and  
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33 BE IT FURTHER RESOLVED that the Office of the Auditor is  
34 requested to submit a report of its findings and  
35 recommendations, including any proposed legislation, to the  
36 Legislature no later than 20 days prior to the convening of the  
37 Regular Session of 2014; and  
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39 BE IT FURTHER RESOLVED that certified copies of this  
40 Resolution be transmitted to the Office of the Auditor and the  
41 Director of Commerce and Consumer Affairs.

