
SENATE RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A STUDY OF THE POTENTIAL
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

5
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

10
11 WHEREAS, many employers require a degree from an accredited
12 educational institution as a condition of employment; and

13
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

17
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 learning education;
22 and

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

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

32



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

4
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 beginning July 1, 2015; and

10
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

15
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,

23
24 BE IT RESOLVED by the Senate of the Twenty-seventh
25 Legislature of the State of Hawaii, Regular Session of 2013,
26 that the Auditor is respectfully requested to conduct a sunrise
27 review of the regulation of unaccredited degree granting
28 institutions, as proposed under House Bill No. 1200, H.D. 2
29 (2013), including an assessment of the current and alternative
30 forms of regulation, pursuant to section 26H-6, Hawaii Revised
31 Statutes; and

32
33 BE IT FURTHER RESOLVED that the Auditor is requested to
34 include in its review:

- 35
36 (1) An estimate of the number of unaccredited degree
37 granting institutions operating under chapter 446E,
38 Hawaii Revised Statutes;
39
40 (2) An estimate of the number of unaccredited degree
41 granting institutions physically located in the State;
42
43 (3) An estimate of the number of students enrolled in each
44 unaccredited degree granting institution;



- 1
- 2 (4) A review of the level of compliance by unaccredited
- 3 degree granting institutions with chapter 446E, Hawaii
- 4 Revised Statutes, including a review of:
- 5
- 6 (A) The types of enforcement actions brought by the
- 7 Office of Consumer Protection; and
- 8
- 9 (B) The number of enforcement actions brought by the
- 10 Office of Consumer Protection;
- 11
- 12 (5) A review of the laws governing unaccredited degree
- 13 granting institutions in other states, including those
- 14 state laws that require all degree granting
- 15 institutions to be accredited;
- 16
- 17 (6) A review of best practices available for the
- 18 regulation of unaccredited degree granting
- 19 institutions;
- 20
- 21 (7) A determination of whether regulation of unaccredited
- 22 degree granting institutions should also apply to
- 23 online unaccredited degree granting institutions
- 24 regardless of whether the institutions are:
- 25
- 26 (A) Located in Hawaii; or
- 27
- 28 (B) Located out-of-state, but enroll students who are
- 29 Hawaii residents; and
- 30
- 31 (8) An examination of the findings in the 1993 report of
- 32 the Legislative Reference Bureau, entitled *Private*
- 33 *Accreditation and State Authorization of Degree*
- 34 *Granting and Non-Degree Granting Limitations in*
- 35 *Hawaii*, to determine whether the recommendations in
- 36 the report were carried out; and
- 37

38 BE IT FURTHER RESOLVED that the Auditor is requested to
39 submit a report of its findings and recommendations, including
40 any proposed legislation, to the Legislature not later than
41 twenty days prior to the convening of the Regular Session of
42 2014; and
43



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.
4

