

STAND. COM. REP. NO.

1256

Honolulu, Hawaii

March 28, 2013

RE: H.C.R. No. 105
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
H.C.R. No. 105 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO
CONDUCT A STUDY OF THE REGULATION OF UNACCREDITED DEGREE
GRANTING INSTITUTIONS IN THE STATES,"

begs leave to report as follows:

The purpose of this measure is to protect students in the
state by requesting the Auditor to conduct a study of the
regulation of unaccredited degree granting institutions in the
state, which are currently governed under Chapter 446E, Hawaii
Revised Statutes (Chapter 446E).

The Office of Consumer Protection provided comments.

Your Committee finds that the advent of the internet and the
ability to conduct courses of study online has resulted in a
concomitant increase in the number of unaccredited degree granting
institutions attempting to do business in Hawaii. The Department
of Commerce and Consumer Affairs Office of Consumer Protection was
given the authority under amendments to the original Chapter 446E
to enforce provisions under sections 446E-3 and 446E-5, Hawaii
Revised Statutes, as unfair or deceptive acts or practices.

HCR105 HD1 HSCR HED HMS 2013-2873-1



Your Committee notes testimony, however, from the Office of Consumer Protection, that the current form of regulation has proven to be extremely time-consuming and labor-intensive. For example, the Office of Consumer Protection has initiated over 497 enforcement actions relating to Chapter 446E violations. As such, your Committee acknowledges the position of the Office of Consumer Protection that a study of this industry and alternative forms of regulation is appropriate.

Your Committee has amended this measure by:

- (1) Amending its title to read: "REQUESTING THE OFFICE OF THE AUDITOR TO CONDUCT A SUNRISE REVIEW OF THE REGULATION OF UNACCREDITED DEGREE GRANTING INSTITUTIONS IN THE STATE";
- (2) Requesting the Office of the Auditor to include proposed legislation in its report to the Legislature; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 105, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education,


ISAAC W. CHOY, Chair



