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OFFICE OF CONSUMER PROTECTION

TO THE HOUSE COMMITTEE ON HIGHER EDUCATION

THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

TUESDAY, MARCH 19, 2013
2:00 P.M.

TESTIMONY ON HOUSE CONCURRENT RESOLUTION NO. 105 /
HOUSE RESOLUTION 80.
REQUESTING THE AUDITOR TO CONDUCT A STUDY OF THE REGULATION
OF UNACCREDITED DEGREE GRANTING INSTITUTIONS IN THE STATES.

TO THE HONORABLE ISAAC W. CHOY, CHAIR,
AND TO THE HONORABLE LINDA ICHIYAMA, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("DCCA"), Office of Consumer Protection ("OCP") appreciates the opportunity to appear today and testify on House Concurrent Resolution 105 and House Resolution 80, Requesting the Auditor to Conduct a Study of the Regulation of Unaccredited Degree Granting Institutions in the States. My name is Bruce B. Kim and I am the Executive Director of OCP.

Testimony on House Concurrent Resolution
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OCP supports an Auditor study of the regulation of unaccredited degree granting institutions (“UDGIS”). UDGIS currently operate in Hawaii under Chap. 446E of the Hawaii Revised Statutes (“HRS”). The Internet has brought an increase in UDGIS attempting to do business in Hawaii. OCP was given the authority under amendments to the original Chap. 446E to enforce violations of the statute under HRS §§ 446E-3 and 446E-5 as unfair or deceptive acts or practices. The current form of regulation has proven to be extremely time-consuming and labor-intensive. For example, since 1996, OCP has initiated over 497 enforcement actions relating to Chapter 446E violations. OCP concurs that a study of this industry and alternative forms of regulation is appropriate.

OCP looks forward to working with the Auditor on this issue.

Thank you for the opportunity to testify on H.C.R. 105 and H.R. 80. I will be happy to answer any questions that the members of the Committee may have.