
HOUSE CONCURRENT 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

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 degrees 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 education; and

22
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

26
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

31



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; 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 House of Representatives of the
25 Twenty-seventh Legislature of the State of Hawaii, Regular
26 Session of 2013, the Senate concurring, that the Auditor is
27 respectfully requested to conduct a sunrise review of the
28 regulation of unaccredited degree granting institutions, as
29 proposed under House Bill No. 1200, H.D. 2 (2013), including an
30 assessment of the current and alternative forms of regulation,
31 pursuant to section 26H-6, Hawaii Revised Statutes; and
32

33 BE IT FURTHER RESOLVED that the Auditor is requested that
34 its review include:
35

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



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

- (4) A review of the level of compliance by unaccredited degree granting institutions with chapter 446E, Hawaii Revised Statutes, including a review of:
 - (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 Concurrent Resolution be transmitted to the Auditor and the
3 Director of Commerce and Consumer Affairs.
4
5
6

OFFERED BY:

Kirdan Chizama

Sam Welby

MAR 12 2013



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

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 degrees 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 education; and

22
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

26
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

31
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



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
6

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
11

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,
19

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
28

29 BE IT FURTHER RESOLVED that the Auditor is requested that
30 its review include:
31

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



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38

(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.
4
5
6

OFFERED BY: Linda L. Chizama

James W. Chizama

MAR 12 2013

