



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE
SENATE COMMITTEE ON
WAYS AND MEANS

THE TWENTY-SEVENTH STATE LEGISLATURE
REGULAR SESSION OF 2013

Friday, February 22, 2013
9:00 a.m.

TESTIMONY ON S.B. NO. 46, S.D. 1
RELATING TO EDUCATION

WRITTEN TESTIMONY ONLY

THE HONORABLE DAVID Y. IGE, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Jo Ann Uchida Takeuchi, Deputy Director of the Department of Commerce and Consumer Affairs ("Department"), testifying regarding Senate Bill No. 46, S.D. 1. The Department opposes this bill in its current form, but understands that this draft is a work in progress.

Senate Bill No. 46, S.D.1 among other things repeals the existing post-secondary education commission within the University of Hawaii, establishes a new state post-secondary commission with the Department, sets forth definitional terms, creates exemptions, establishes Commission and Department authority, establishes a complaints and enforcement process, creates a subaccount in the compliance

resolution fund, establishes rulemaking authority, and provides for general and special fund appropriations. The majority of the bill takes effect upon approval.

The Department recognizes that the federal regulations that mandate affirmative state oversight of postsecondary schools became effective July 1, 2011 and that states have been granted additional time until July 1, 2013 to provide oversight. At stake is what the Legislative Auditor, in Report No. 12-11 ("report"), estimates as federal funding for around 63,000 Title IV recipients and \$283,646,517.00 in disbursements in the form of student loans and other assistance. The Auditor has estimated that 21 to 31 institutions in Hawaii may seek authorization in order to participate in federal student aid programs. (see, report at p. 20).

Given the department's lack of subject matter familiarity regarding post-secondary education (the report recommended that the commission remained housed at UH), the small licensee pool, and the requirement that programs within DCCA be self-sufficient, the department strongly urges this committee to narrowly tailor this bill to reduce unnecessary cost and complexity.

Specifically, **the department opposes including unaccredited institutions (chapter 446E) within the scope of this bill** as provided for page 10 lines 9-14 and page 52, lines 4-5. Unaccredited degree granting institutions by definition will not qualify for state authorization or federal funding. Including these institutions in this bill, even with a delayed implementation date, significantly and unnecessarily complicates the fiscal and subject matter implications of this bill. Enforcement of Chapter 446E is currently handled by the Office of Consumer Protection based upon 480-2 violations.

Transferring oversight of this industry to the Postsecondary Commission means that the cost of unaccredited institution enforcement would be borne by the accredited schools that seek authorization through the Commission.

In comparing this S.D. 1 with the House companion, H.B. 1200, H.D. 2, the Department prefers the H.D. 2 primarily because the H.D. 2 incorporates a number of important revisions, including language that provides for the appointment of interim commissioners, Chapter 91 contested case process (consistent with Haw. Rev. Stat. 92-17), inclusion of boilerplate prohibited practices similar to other department licensees, deletion of language that would have triggered 480-2, authorization of Commission and staff-initiated complaints, exemption of cosmetology schools already licensed by the department, and providing for automatic suspension and probation in the event a school loses its accreditation or is placed on probation by its accrediting agency. While the Department believes that the H.D. 2 is still a work in progress, the urges this Committee to favorably consider the revisions reflected in the H.D. 2 with the expectation that the bill will be further fine-tuned.

Because both the House and Senate drafts continue to evolve, it is difficult for the department to meaningfully estimate the resources that would be necessary to implement the law. The Department is mindful of the relatively small pool of licensees that will bear the cost of this regulation but is also aware that the federal government will rigorously monitor and enforce state authorization standards. The Department will need sufficient resources to provide meaningful oversight and consumer protection.

Thank you for the opportunity to written comments.



Testimony Presented to the
Senate Committee on Ways and Means
Friday, February 22, 2013 at 9:00 am

by
Chaminade University of Honolulu President
Bro. Bernard J. Ploeger, SM, Ph.D.

SB 46 SD1
Relating to Education

Chairperson Ige, Vice Chair Kidani and members of the Committee on Ways and Means:

Thank you for the opportunity to provide testimony in **support** of **SB 46 SD1** establishing the post-secondary education commission within the Dept. of Commerce and Consumer Affairs and repealing the sections establishing the commission within the University of Hawaii. The commission will have the power to authorize private post-secondary educational institutions in the state, will create a post-secondary education compliance resolution fund, and will make an appropriation to fund permanent positions in the DCCA.

It is imperative that action immediately be taken by the State of Hawaii to create such a commission. The purpose of this legislation is to bring Hawaii into compliance with Title IV changes issued by the U. S. Dept. of Education in October 2010. Without passage of this legislation, neither the state nor independent universities will be qualified to receive funding under the Higher Education Act of 1965.

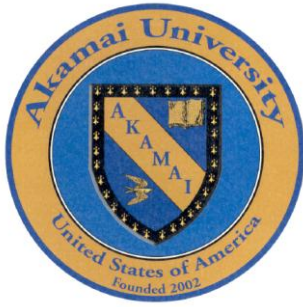
Chaminade University of Honolulu supports this legislation to establish a post-secondary education commission within the DCCA because it already has the authority for consumer protection and is a neutral third-party in the educational community. We also would strongly support authorization to enable Hawaii to enter into reciprocity agreements with other states. Reciprocity agreements enable distance education providers to offer postsecondary education programs in other states without having to seek authorization from each of those states, thus reduction paperwork and costs. In addition, we would ask that the Committee consider requiring the Governor move expeditiously to appoint commissioners or to appoint interim commissioners to ensure that the Commission is formed in time to meet the July 1, 2013 federal deadline

Thank you for allowing us to submit this testimony.

A handwritten signature in black ink that reads "Bro Bernard J Ploeger, SM, Ph.D." with a stylized flourish at the end.

Office of the President • (808) 735-4741 • Fax (808) 735-7748

Chaminade University of Honolulu • 3140 Wai'ālae Avenue • Honolulu, Hawai'i 96816-1578 • www.chaminade.edu



Akamai University

187 Kino'ole Street, Hilo, HI 96720 USA
Tel: 1 (808) 934-8793 * Fax: 1 (808) 443-0445
<http://www.akamaiuniversity.us>
dcapogrossi@gmail.com
dcapogrossi@akamaiuniversity.us

Douglass Capogrossi, PhD
President

.Akamai...dedicated to betterment of the human condition

Testimony regarding SB46

20 February 2013

Honorable Senators and Representatives,

The purpose of this writing is to provide additional testimony with regard to the final resolution of SB46 now under consideration.

The current law governing unaccredited degree-granting institutions, HRS446E, has proved to be effective legislation over the past decade, guiding our Hawaii unaccredited college in the ethical conduct of our affairs. In fact, HRS446E was instrumental in permitting sufficient levels of operation to allow us to build a track record as a start-up school, whereby we have achieved sufficiently high academic quality and institutional integrity to be deemed successful in international accreditation with a government-recognized accreditor. HRS446E therefore provided us as a start-up school with an opportunity to grown and achieve under responsible legislation. It is our position therefore that HSR446E should remain as an important element of the Hawaii governance, permitting start-up schools a vehicle within which to operate and grow.

SB46 SD1 has language which will devastate opportunities for any future start-up schools to become established, grow and progress within the State of Hawaii. We feel this is not the intent for SB46 and that it will ultimately prove counterproductive with respect to any future schools wanting to become established and operate in the State of Hawaii. Unaccredited degree-granting institutions are not a bad element, so long as they are governed effectively with respect to their operational integrity, as it is with HRS446E.

Section 2 (b) 11 does not provide sufficient time for start-up schools to achieve the desired goal of USA regional accreditation. Adjust the wording to read "*July 1, 2017*" to provide the standard period deemed appropriate for new schools to build a status of readiness for accreditation. Remove Section 9 repealing HRS446E. Remove the wording from the Description: *Repeals chapter 446E, HRS, governing non-accredited degree granting institutions and makes these institutions subject to state authorization requirements on July 1, 2015.*

Kindest regards,

Douglass Capogrossi, Ph.D.
President

Anthony Maranto, Ph.D.
Vice President



Akamai University

187 Kino'ole Street, Hilo, HI 96720 USA
Tel: 1 (808) 934-8793 * Fax: 1 (808) 443-0445
<http://www.akamaiuniversity.us>
dcapogrossi@gmail.com
dcapogrossi@akamaiuniversity.us

Douglass Capogrossi, PhD
President

.Akamai...dedicated to betterment of the human condition

FROM: **Akamai University Community**
Dr. Douglass Capogrossi, President
Dr. Anthony Maranto, Vice President
Dr. Dale McSherry, Board Secretary
Prof. James Ferrell, Board Treasurer
Dr. Mary Jo Bulbrook, Academic Council Chair

TO: **Hawaii Legislature**
Senator Donna Mercado Kim, Senate President
Senator Brian T. Taniguchi, Chair, Higher Education
Senator Gilbert Kahele, Vice Chair, Higher Education
Senator Jill Tokuda, Chair, Commerce and Consumer Protection
Senator Rosalyn H. Baker, Chair, Commerce and Consumer Protection
Senator David Y Ige, Chair, Ways and Means
Representative Joseph Souki, Speaker of the House
Representative Sylvia Luke, Vice Speaker of the House
Representative Isaac Choy, Chair, Higher Education
Representative Angus McKelvey, Chair, Consumer Protection & Commerce
Representative Roy M. Takumi, Chair, Education
Representative Linda Ichiyama, Vice-Chair, Higher Education

DATE: 16 February 2013

RE: Testimony regarding HB1200 and SB46

Honorable Senators and Representatives,

The purpose of this writing is to provide meaningful testimony with regard to the final resolution of bills SB46 and HB1200, now approaching final consideration.

First and foremost, be assured that Akamai University supports the expectation that all postsecondary institutions in Hawaii must operate in a manner that is equivalent with accredited schools across the international community, with regard to academic quality and institutional integrity. It is our hope, therefore, that the new law serves those purposes, while allowing flexibility for cross-border institutions that operate in an international environment in a manner equivalent with the spirit of this legislation.

Akamai University was founded in Hawaii on 30 May 2002, and has faithfully operated in good standing under Hawaii law HRS446E since our founding. Further, Akamai in

coalition with two other Hawaii institutions, helped in modifying HRS446E to its current status, being instrumental in phrasing the accreditation disclaimer currently in the law.

Over the past decade, Akamai has achieved affiliations with 23 accredited higher education institutions in Asia-Pacific and Europe and eight professional awarding bodies in USA and UK and a number of American professional associations. Additionally, Akamai achieved accreditation with a nationally recognized, CHED-approved, cross-border accreditor in Philippines, a member of the National Network of Quality Assurance Agencies (NNQAA). Akamai is currently pursuing further cross-border accreditation, with a UK-approved quality assurance body that is a member of the International Network of Quality Assurance Agencies in Higher Education (INQAAHE). As a cross-border institution, Akamai has sought to achieve credentials and recognition internationally, most appropriate to our founding mission:

...betterment of the human condition and sustainability of the planet.

Relative to the pending legislation, we seek inclusion of provisions that allow fairness for cross-border institutions, who achieve recognition via an equivalent accreditation by a body listed with Commission on Higher Education Accreditation (CHEA). While these inclusions will not assure such Hawaii schools gain eligibility for the federal student loan program, it will permit Akamai and other such quality schools (University of the Nations, Kailua-Kona) to operate and pursue their worthy missions worldwide, while remaining in our home state, Hawaii, wherein we were founded and grew to maturity.

Senate Bill ---SB46 and House of Representatives Bill---HB1200

We understand that it is no longer possible to act through Committee, since the time has already past, but in Conference, the following language or comparable language could be inserted in the bill to assure fairness in the law for cross-border schools, who can otherwise demonstrate academic quality and institutional integrity via accrediting agencies listed and recognized with the Commission on Higher Education Accreditation (CHEA). We ask that the Legislature incorporate such language or other language producing comparable outcomes in the final bill emerging from Conference Committee:

§ -1 Definitions. Whenever used in this chapter, unless the context otherwise requires: "Accredited" means holding an institutional accreditation by name to offer post-secondary education as a United States-based institution from an accrediting agency recognized by the United States Department of Education **or a quality assurance agency recognized and listed with the Commission on Higher Education Accreditation (CHEA).**

"Home state" means the state **or nation** where the institution holds its principal accreditation.

§ -7 Authorization to operate in the State; private college or university.

(c) To operate in the State, a private college or university shall be institutionally accredited on the basis of an on-site review by a regional or national accrediting body recognized by the United States Department of Education; **or an accrediting agency duly listed with Commission on Higher Education Accreditation (CHEA),** provided that a private college or university may operate for an initial period of without accreditation if the commission determines, in accordance with standards established by the commission,

that the private college or university is likely to become accredited in a reasonable period of time or is making progress toward accreditation in accordance with the accrediting body's policies; provided further that the private college or university shall annually renew its provisional authorization and report annually to the commission concerning the institution's progress in obtaining accreditation.

§ -13 Financial integrity; surety bond. |

(c) A private college or university may demonstrate financial integrity if it:

(1) Has received and maintains full accreditation without sanction from an accrediting body that is recognized by the United States Department of Education, **or an international accrediting agency duly listed with the Commission on Higher Education Accreditation (CHEA)**, or is and which accrediting body requires the private college or university to maintain a surety bond or an escrow account or has affirmatively waived or otherwise removed that requirement for the private college or university;

Honorable Senators and Representatives, incorporating such fairness into the legislation will assure quality schools with equivalent international credentials may remain in our home state and continue to contribute in a meaningful manner through their unique vision, mission, goals and objectives.

Please act to make it so.

Kindest regards,



Douglass Capogrossi, Ph.D.
President



Anthony Maranto, Ph.D.
Vice President



Dale McSherry, DC
Board Secretary



Mary Jo Bulbrook, Ph.D.
Academic Council Chair



International Quantum University for Integrative Medicine

735 Bishop St. Suite 337

Honolulu, HI 96813

Tel: (877) 888-8970

Fax: (818) 864-3388

February 20th, 2013

To be presented to the Committee of Ways and Means
February 22, 2013; 9:00 a.m.

Regarding SB (Senate Bill) 46: "Relating to Education"

Testimony

Chair David Ige, Vice Chair Michelle Kidani, and the rest of the honored committee, I appreciate this opportunity to speak with you.

My name is Paul Drouin, and I am a medical doctor from Canada. Just weeks ago, I proudly received my American citizenship at the Capitol here in Hawaii. I am also the President of the International Quantum University for Integrative Medicine.

We are an unaccredited, post-secondary educational institution, based here in Hawaii. We offer degrees to professionals who want to use Natural, Holistic, and Integrative Medicine in their practices. We are an online university, use innovative teaching methods, and offer in-house financing to qualified applicants. These people range from full-time students who love and want to learn more about Natural Medicine, to those already practicing, who are looking to gain more expertise and a professional certification in their field.

We understand the need to safeguard Hawaii students and their families, and as such, we want to offer our testimony in regards Senate Bill 46. We believe that making sure Hawaii's students are safe, well-served, and are able to gain access to the financial aid that they need is an important role of Hawaii's government. We also want to make sure that Hawaii's students have access to the education that they want and deserve, and as such, we respectfully request that the following changes be made to Senate Bill 46:

-1- The following needs to be amended.

Page 10, beginning at line 9 to read:

(11) Unaccredited post-secondary educational institutions governed by chapter 446E; provided that beginning on July 1, 2015, unaccredited post-secondary institutions shall be subject to the requirements of this chapter in order to operate in the State and shall be treated as private colleges or universities.

Recommendation of the committee is the following:

(18) Requiring, effective July 1, 2015, the Commission to oversee the authorization of unaccredited degree granting institutions under chapter 446E, Hawaii Revised Statutes;

The section should instead read as follows:

Page 10, beginning at line 9 to read:

(11) Unaccredited post-secondary educational institutions governed by chapter 446E; provided that beginning on July 1, 2015, unaccredited post-secondary institutions shall be ~~subject to the requirements of this chapter in order to operate in the State and shall be treated as private colleges or universities~~ overseen by the Commission, while still being governed under Chapter 446E of the Hawaii Revised Statutes.

REASONING: The law should be reflective the decisions of the Committee on Higher Education, and should not change the meaning or requirements of Chapter 446E of the Hawaii Revised Statutes, and of the exceptions to this law that are required by the existence of Chapter 446E of the Hawaii Revised Statutes.

-2- The following should be added.

Page 16, beginning at line 6 to read:

-6 Awarding degrees. Notwithstanding any law to the contrary, a person, partnership, corporation, company, society, or association doing business in the State shall not award, bestow, confer, give, grant, convey, or sell to any other person a degree or honorary degree upon which is inscribed, in any language, the word "associate", "bachelor", "baccalaureate", "master", or "doctor", or any abbreviation thereof, or offer courses of instruction or credits purporting to lead to any such degree, unless the person, partnership, corporation, company, society, or association is:

(1) A private college, university, seminary, or religious training institution that is authorized pursuant to this chapter; or

(2) A part of the University of Hawaii system; or

(3) A college or university that is exempted from this section under Chapter 446E of the Hawaii Revised Statutes.

REASONING: Chapter 446E of the Hawaii Revised Statutes still applies to colleges or universities that follow it. Therefore, under the current understanding of the law, these colleges and universities are able to award degrees. Although the original text says "Notwithstanding any law to the contrary," it does not make it clear that the Chapter 446E of the Hawaii Revised Statutes exceptions are in place. This addition would serve to clarify that.

-3- The following needs to be removed.

Page 52, beginning at line 3 to read:

PART IV

SECTION 9. Chapter 446E, Hawaii Revised Statutes, is repealed.

Committee report (No. 406) says: (8) Repealing chapter 446E, Hawaii Revised Statutes, on July 1, 2015;

REASONING: Repealing Chapter 446E of the Hawaii Revised Statutes will destroy or significantly change legally operating universities in the State of Hawaii, including ours. We have been operating here for over six years and have not had one single complaint or issue. We have paid taxes, followed the rules, and made sure to comply with the Hawaii Revised Statutes.

If the State decides to repeal Chapter 446E of the Hawaii Revised Statutes, it will not only lose universities and programs that are of educational value to the State's citizens, but it will also have negative economic implications. Legally operating universities under Chapter 446E of the Hawaii

Revised Statutes pay taxes, hire employees, and give opportunities for students here in Hawaii that the State would be removing if Chapter 446E is repealed.

If repealing Chapter 446E is still something that the State decides to do, we would like to request that the timeframe of it being repealed on July 1, 2015 be extended to July 1, 2017 so that as many as possible of the universities currently under the Chapter 446E exception be allowed to seek accreditation, if they so wish. Accreditation can take years, and costs thousands of dollars, and expecting small private universities to be able to gain accreditation in under two years may be too much of a stretch, both financially and otherwise. We request that if Chapter 446E be repealed, that it be amended to say the following:

Page 52, beginning at line 3 to read:

PART IV

SECTION 9. Chapter 446E, Hawaii Revised Statutes, is repealed, on July 1, 2017.

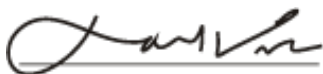
-4- The State should not force schools that do not get accreditation out of the State. The current laws are quite rigorous, the Bureau of Consumer Affairs has been effective in eliminating bad schools, and there is currently not an overabundance of private non-accredited colleges or universities. As long as the current private non-accredited colleges and universities abide by the requirements of Chapter 446E, they should be able to serve the state of Hawaii.

The State should honor the fact that some schools do not want to be accredited. Accreditation is a voluntary process, and some schools do not want to do it, for a multitude of reasons, including cost, political reasons, religious reasons, etc. As long as the college or University is offering a quality education, it should not be discriminated against, either in law or word, by those who believe that accreditation should be forced.

Repealing Chapter 446E would not just destroy or significantly change current legally operating colleges and universities: It would also stop new universities, colleges, and businesses from coming to Hawaii. This bill in its current form would make starting a school or business more difficult to do in this State, which could negatively impact both the economy of Hawaii, and the ability of the citizens of Hawaii to find the education for which they are looking.

Repealing Chapter 446E would not serve to help the citizens of Hawaii, which is what Senate Bill 46 purports to do. We understand the need to make sure that structure is in place, both to safeguard the peoples of Hawaii, and to help the State to receive federal monies, but repealing Chapter 446E does not do that.

We appreciate this opportunity to give testimony in regards to Senate Bill 46. Please note that these changes should also be added to the Companion Bill, House Bill 1200, as needed. If there is any way we can be of further assistance, please feel free to contact us. Thank you.



Dr. Paul Drouin, M.D.

President of IQUIM

drpaul@iquim.org

808-664-7521

619-861-2124



Senate Committee on Ways and Means

February 22, 2013; 9:00 a.m.

S.B. 46, SD1

Relating to Education

Comments in Support

Chair Ige, Chair Kidani and Members of the Committees, my name is Geoffrey Bannister, and I am President of Hawai'i Pacific University (HPU). HPU is a private, non-profit university with three campus locations: the Hawaii Loa campus on the windward side of the island, the downtown campus in Honolulu, and Oceanic Institute, an affiliate research facility at Makapu'u Point. We currently have more than 4,200 undergraduate and 1,000 graduate students, plus an additional 2,300 students matriculating through HPU's Military Campus Programs. I am proud to say, we are one of the most culturally diverse universities in America with the state's largest nursing, MBA and military servicing programs.

HPU supports SB 46, SD1 which establishes the post-secondary education commission within the Department of Commerce and Consumer Affairs (DCCA), creates the framework for authorizing private post-secondary educational institutions in the state, and creates the post-secondary education authorization subaccount of the compliance resolution fund.

In 2010, the U.S. Department of Education set a July 2011 deadline for institutions to comply with the requirement that states authorize post-secondary institutions. However, it recognized that states might be unable to provide authorizations by that date, and thus provided a means for institutions to be granted an authorization extension to as late as July 1, 2013. In the absence of an entity and framework for authorizing post-secondary institutions, Hawaii may become ineligible to receive Title IV federal funds, or student aid. During 2011-2012, students attending HPU received approximately \$43,000,000 in Title IV aid.

We are continuing to discuss the parameters of the bill with the other interested stakeholders and would appreciate the opportunity to suggest amendments upon cross-over. Thus, we ask that your Committee pass the measure so that we may continue our work on this matter.

Thank you for the opportunity to provide these comments.

Contact: Linda Chu Takayama, Attorney at Law

Phone number: (808) 545-3060

Email: Ltakayama@hawaii.rr.com

**International University
of Professional Studies**
1135 Makawao Ave.
P.O. Box 236
Makawao, Maui, HI 96768
Telephone: (800) 806-0317
Fax: (808) 573-7722



Irv Katz, Ph.D.
Chancellor
Inula Martinkat, Ph.D.
Academic Dean
www.iups.edu
university@iups.edu

To be presented to the Committee of Ways and Means
February 22, 2013 9:00 a.m.

Regarding SB (Senate Bill) 46: "Relating to Education"

Testimony in Support, with Amendments

Chair David Ige, Vice Chair Michelle Kidani, and the rest of the honored committee:

We appreciate this opportunity to testify in the form of the following letter, since I am unable to be physically present with you. My name is Irv S. Katz, Ph.D. and I am Chancellor of International University of Professional Studies. I received my doctorate degree in Clinical Psychology at Michigan State University in 1956. I have been in the academic community for over fifty years, which included being Chairman of the Psychology Department at University of Nevada, Las Vegas and Director of the Graduate Program for Antioch University in the State of Hawaii. I founded IUPS to provide students with opportunities I saw were missing and antiquated during my fifty years teaching in accredited universities. I was a member of WICHE (Western Interstate Commission for Higher Education) training and research for 8 years.

IUPS is a non-accredited, non-profit educational institution that has been in existence for 24 years, since 1988. We offer degrees, providing students with a mentor-based, individualized, nonresident, and self-paced alternative learning system, with a primary goal to produce competent professionals rooted in deep self-awareness, sensitive to multi-cultural and global issues, and committed to serving humanity. Armed with their degrees, graduates have been making substantial contributions in Hawaii and the rest of the world.

IUPS is a university that offers online and direct teaching processes, using innovative and advanced teaching methods, to highly qualified applicants. It's important to note that many of the traditional universities are beginning to use some of the technological advances that we have been using for many years. Our tuition is comparatively low, which is highly appreciated in these days of soaring tuition costs. We offer graduate degrees in:

- Consciousness Studies
- Expressive Arts Therapy
- Holistic Psychology
- Integrated Health Sciences
- Organizational Development & Transformation
- Professional Coaching and Human Development
- Somatic and Spiritual Psychology
- Transformational Education

- Transpersonal Psychology

You'll notice that some of these degree specializations include programs not offered by the traditional Hawaii Institutions.

Our faculty graduated from some of the most esteemed institutions in the country. We have faculty members with doctorate degrees from Harvard, Yale, Barnard College, University of North Carolina, as well as MDs from UCLA and Stanford University. When I testified before the state legislature over a three-year period ending in 1999, along with representatives from other universities, we were able to demonstrate to the legislature that our presence in the state of Hawaii justified the passage of 446E. Since that time, with the enforcement of 446E, the situation has only improved.

We support the urgency of passing SB 46 to comply with federal regulations. However, we strongly oppose the proposed repeal of 446E, which is intended to summarily abolish non-accredited schools without considering how that would affect the current students and graduates of those schools, or the effect of this action on the state economy.

Furthermore, we agree with the February 11, 2013 testimony of Jo Ann Uchida Takeuchi on behalf of the Department of Commerce and Consumer Affairs before the House Committee on Consumer Affairs and Commerce where she stated "the department opposes making changes through this bill to the existing unaccredited degree institutions law, Hawaii Revised Statutes, 446 E." She also stated that "The cost of implementing the program solely for accredited agencies will already be high; the added cost of unaccredited degree granting institution enforcement will likely drive that cost significantly higher."

This testimony in essence is supported by the February 11, 2013 testimony of Evelyn Schemmel on behalf of Heald College before the House Committee on Commerce and Consumer Protection: She stated that the bill should "be significantly narrowed to address the issue at hand," and that "the necessary level of analysis and deliberation required of a piece of legislation introducing such significant change and expansive new government duties" should be considered.

The proposed elimination of reputable schools that have been operating effectively for many years in the state of Hawaii, with the stroke of a pen, should be done with the utmost consideration and thoroughly evaluated.

Additionally, the proposed language would eliminate several businesses outright, and could give rise to litigation. This could delay implementation of the entire law, which is obviously undesirable. The issue of repeal of 446E should be dealt with, if at all, in a separate bill where the issues can be fully examined.

We have reviewed the proposed testimony of International Quantum University for Integrative Medicine and we are in agreement with their recommendations for specific amendments to the language of SB 46.

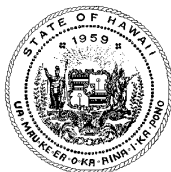
The current laws found in 446E are essentially effective, since the Department of Commerce and Consumer Affairs has been diligent and rigorous in eliminating diploma mill educational opportunities and the economy.

We agree with the statement that the State of Hawaii should honor those schools that do not want to be accredited. Over the last fifteen years, we have examined the issue of accreditation thoroughly and have come to the conclusion that accreditation will be more of an albatross than an asset. Tuition would be increased multiple times. Many of the required regulations would be a hindrance to the effectiveness and flexibility of our program.

There are reasons why tuition costs in this country are so high, and it is a mistake to assume that accreditation is always positive and non-accreditation is negative in all cases. Accreditation is voluntary and non-accreditation and choosing not to be accredited is a valid alternative. That brings educational opportunities to more people, and the people of Hawaii should not be deprived of this option by a legislative afterthought. We want to avoid the perennial issue of over regulation.

In conclusion, we support SB46 except for any reference to the repeal of 446E. We appreciate this opportunity to give testimony with regard to SB46. If we can be of further assistance, please contact us.

Irv S. Katz, Ph.D.
Chancellor
International University of Professional Studies
(800) 806-0317



LATE

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

Thursday, February 21, 2013, 9:00 AM
State Capitol Room 211

Testimony of
Policy Office of the Governor, State of Hawaii

To the Senate Committee on Ways and Means
Senator David Ige, Chair, Ways and Means Committee
Senator Michelle Kidani, Vice Chair, Ways and Means Committee

SB 46_SD 1 - Relating to Education

Chair Ige, Vice Chair Kidani, and members of the Committee:

Thank you for the opportunity to testify in support of Senate Bill 46, Senate Draft 1 (SB 46_SD1). The bill would establish the postsecondary education commission within the Department of Commerce and Consumer Affairs (DCCA) and create a framework for authorizing private postsecondary educational institutions in the State.

The U.S. Department of Education (ED) administers the Higher Education Act (HEA) of 1965, reauthorized as the Higher Education Opportunity Act in 2008. Federal financial aid for students provides grants, loans and work study programs and is part of the Title IV program of the HEA. In 2010, ED established new federal regulations requiring states to “legally authorize” postsecondary institutions within their state and requiring postsecondary institutions to be authorized in states in which they operate in order to qualify for Title IV student financial aid. ED’s objective is to ensure “program integrity” of postsecondary institutions in order to protect students from substandard institutions, referred to as “diploma mills.”

Since Hawaii does not have a process for authorizing postsecondary institutions, Governor Neil Abercrombie has notified ED of the state’s good faith effort to establish a process and requested an extension to July 1, 2013 in order to meet the requirements for “state authorization.” The U.S. Department of Education (ED) sent the Governor a letter dated January 23, 2013 (attached) to remind the state that state authorization procedures need to be developed and implemented by July 1, 2013. The Governor’s policy staff has been in contact with ED about legislation to bring the state into compliance.

The Governor's Policy Office continues to work closely with the Senate and House Higher Education Committee leaders, national organizations including the National Governors Association, Western Interstate Commission on Higher Education and Western Association of Schools and Colleges, and relevant state departments to establish a state policy framework, represented in SB 46_SD1 and HB1200_HD2. In addition, we continue to meet with Hawaii-based postsecondary institutions to provide information and solicit feedback about the state's plans for authorizing postsecondary institutions. The Governor's Office has also worked with the Department of Commerce and Consumer Affairs (DCCA), University of Hawaii Board of Regents Office, and Board of Education to respond to more than 100 requests from institutions seeking authorization; in 2012, the Board of Regents Office responded to 75 requests from institutions.

SB 46_SD1 describes a process that meets the federal requirements, minimizes burden and cost on postsecondary institutions and state departments by meeting minimum requirements to participate in an inter-state reciprocity agreement, and protects Hawaii's residents who are consumers of higher education. Implementing SB 46_SD1 would allow Hawaii-based institutions, based on their authorization in Hawaii, to participate in inter-state reciprocity agreements, reducing institutions' burden and cost to obtain authorization in other states where they have satellite campuses or students taking on-line courses. Furthermore, it reduces the burden on the state's authorizing agency, DCCA as identified in SB 46_SD1, by allowing the state to participate in reciprocity agreements so that eligible out-of-state institutions may be recognized without seeking authorization in Hawaii.

It is critical that the Legislature establish the state authorization process this year. The state must meet the ED deadline to modify or establish procedures to authorize postsecondary institutions by July 1, 2013. Failing to establish an authorization process puts Title IV federal financial assistance for college students at risk. According to a 2012 State Auditors report, more than 63,000 Hawaii students attending 35 postsecondary institutions received \$283.6 million in Title IV assistance in Fiscal Year 2011.

Thank you for your attention to this matter.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony presented before the
Senate Committee on Ways and Means
February 22, 2013 at 9:00 am

By Linda K. Johnsrud

Executive Vice President for Academic Affairs & Provost, University of Hawai'i System

SB 46 SD1 – RELATING TO EDUCATION

Chair Ige, Vice Chair Kidani, and members of the Senate Committee on Ways and Means:

The University of Hawai'i supports SB 46 SD1 that establishes the post-secondary education commission within the Department of Commerce and Consumer Affairs (DCCA) to authorize post-secondary educational institutions to operate in the state, to maintain a listing of such private institutions, and to act on complaints concerning these institutions. SB 46 SD1 addresses the requirements of the U.S. Department of Education regulations under Title IV of the Higher Education Act of 1965, as amended. The University appreciates the thoroughness of SB 46 SD1 in specifying the criteria for authorization of private institutions, for example, through accreditation status from a recognized national or regional body and demonstration of financial integrity. These provisions serve to protect authorized private institutions as well as the public by delineating the basis for authorization. Furthermore, it is the University's position that placing the authorization function outside the University of Hawai'i (UH) avoids the potential or the appearance of a conflict of interest were the state's sole public university to authorize private providers to operate within the state.

The University is available to offer DCCA any expertise it may need regarding post-secondary educational institutions and on accreditation.

Again, we appreciate the thoughtfulness in SB 46 in addressing the U.S. Department of Education regulations, and thank you for the opportunity to testify.



LATE

To be presented to the Committee of Ways and Means
February 22, 2013; 9:00AM

Regarding SB46 SD1: "Relating to Education"
Testimony in Support, with Amendments

Chair: David Ige, Vice Chair Michelle Kidani, and honored members.

My name is Dr. Loren Cunningham, and I am the co-founder of the University of the Nations with Dr Howard V. Malmstadt. This university is an international interdenominational Christian organization and training institution, with more than 400 campuses operating in more than 140 countries and in 40 states including Hawaii. We are accredited by the Global Accreditation Association headquartered in Switzerland. We have been in operation in Hawaii since 1973, and the Kona campus was founded in 1978 (when we acquired the old Pacific Empress Hotel and golf course). We offer certificates and associate, bachelor and master's degrees to train missionaries, pastors, and others who will work in areas of study that strengthen the moral foundation in various spheres of society. At the Kona location alone we currently are training over 2,000 students per year from more than 60 countries.

I understand the need for the state to comply with federal requirements for funding under the Higher Education Opportunity Act of 2008 and the 2010 federal regulations (Title 4), and what you propose in that area seems reasonable. Nevertheless, the bill, as written, seems to broaden the scope unnecessarily to include institutions not dependent upon Title 4 funding. The University of the Nations is one of these institutions. We do not seek nor receive Title 4 funding for our students.

I also feel it is very important that qualified religious training institutions continue to be exempt from state accreditation requirements.

We respectfully offer the following amendments and changes to Senate Bill 46:

Section 2. Exceptions (**add**)

"Schools and educational programs that qualify for an exception under HRS 446E-1.6, and who do not seek "Title 4" funding."

We also agree with other universities who suggest that HRS 446E not be repealed.

Sincerely,

Loren Cunningham
President, University of the Nations, Kona campus