
A BILL FOR AN ACT

RELATING TO POST-SECONDARY EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 305J-14, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) A private college or university may also demonstrate
4 financial integrity if it:

- 5 (1) Has received and maintains full accreditation without
6 sanction from an accrediting body that is recognized
7 by the United States Department of Education, and
8 which accrediting body requires the private college or
9 university to maintain a surety bond or an escrow
10 account or has affirmatively waived or otherwise
11 removed that requirement for the private college or
12 university;
- 13 (2) Operates an instructional facility in the State;
- 14 (3) Annually provides to the department audited financial
15 statements for the most recent fiscal year that
16 demonstrate that the private college or university
17 maintains positive equity [~~and profitability~~];



- 1 (4) Maintains a composite score of at least 1.5 on its
- 2 equity, primary reserve, and net income ratios, as
- 3 required in title 34 Code of Federal Regulations
- 4 section 668.172; and
- 5 (5) Meets or exceeds the pro rata refund policies required
- 6 by the United States Department of Education in title
- 7 34 Code of Federal Regulations part 668; provided that
- 8 if it does not participate in federal financial aid
- 9 programs, its refund and termination procedures shall
- 10 comply with the requirements of its accrediting body."

11 SECTION 2. Section 304A-3153, Hawaii Revised Statutes, is
12 repealed.

13 ~~["§304A-3153] Procedures for complaints concerning~~
14 ~~institutions of higher education. In consultation with~~
15 ~~institutions of higher education in the State, the commission is~~
16 ~~authorized to establish and administer procedures for receiving~~
17 ~~and responding to complaints from students, faculty, staff, and~~
18 ~~others concerning institutions of higher education in the~~
19 ~~State."]~~

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken.

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H.B. NO. 2142

1 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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JAN 21 2014



H.B. NO. 2142

Report Title:

Post-Secondary Education; Authorization; Financial Integrity;
University of Hawaii; Complaints

Description:

Repeals the requirement that a private college or university show that it maintains profitability as a means of demonstrating financial integrity to the department of commerce and consumer affairs. Repeals section 304A-3153, HRS, relating to procedures for complaints concerning institutions of higher education in the State.

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