

STAND. COM. REP. NO.

245

Honolulu, Hawaii

February 8, 2013

RE: H.B. No. 1200

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.B. No. 1200 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to protect post-secondary students in the State by establishing the State Post-secondary Education Commission (Commission) within the Department of Commerce and Consumer Affairs to comply with new federal regulations for post-secondary educational institutions. This measure also repeals the current state Post-secondary Education Commission, established within the University of Hawaii.

The Policy Office of the Governor, University of Hawaii, Western Interstate Commission for Higher Education, Hawaii Pacific University, Hawaii Association of Independent Schools, University of Phoenix, and Chaminade University of Honolulu supported this measure. The Department of Commerce and Consumer Affairs and Department of Budget and Finance provided comments.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "physical presence";
- (2) Including tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, in the

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definition of "seminary" or "religious training institution";

- (3) Including in the definition of "seminary" or "religious training institution" those institutions that offer courses that may lead to specified degrees;
- (4) Requiring that nominees to the State Post-secondary Education Commission be subject to the advice and consent of the Senate;
- (5) Requiring that of the five Commission members, three will represent the general public and two will represent both public and private institutions of higher education;
- (6) Clarifying that the initial members' initial terms will not count toward the term limit requirement;
- (7) Requiring that authorization standards in reciprocity agreements must be substantially comparable to the State's authorization requirements;
- (8) Clarifying that provisions associated with the awarding of degrees applies to specified entities with a physical presence in the State, rather than "doing business" in the State;
- (9) Providing that once private colleges or universities obtain authorization from the Commission, they will not be required to apply for separate authorizations from the Commission for additional professional accreditations;
- (10) Specifying that a private college or university must be, in the Commission's determination, likely to become accredited within one year, rather than within a reasonable period of time, in order to operate without accreditation under specified conditions;
- (11) Requiring a private college or university to notify the Department of Commerce and Consumer Affairs within thirty days of any material information related to specified actions concerning its accreditation status;

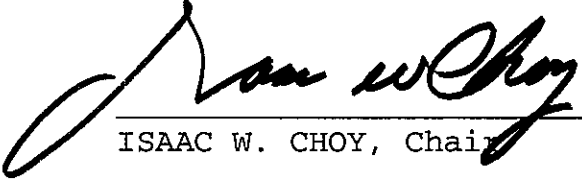


- (12) Requiring, rather than authorizing, the Commission to revoke a private college or university's authorization upon loss of accreditation;
- (13) Permitting authorized educational institutions to provide the Department of Commerce and Consumer Affairs copies of their enrollment agreements in accordance with their reauthorization schedule, rather than every year;
- (14) Requiring the transfer of relevant positions and assets for the certification of veteran's higher education programs from the University of Hawaii to the Department of Commerce and Consumer Affairs;
- (15) Authorizing the Department of Commerce and Consumer Affairs to issue a fine upon a violation of rule or regulation of the Commission;
- (16) Inserting provisions for prohibited practices;
- (17) Requiring a private college, university, seminary, or religious training institution to be responsible for the payment of any and all costs associated with any prosecution, regardless of the outcome;
- (18) Requiring, effective July 1, 2015, the Commission to oversee the authorization of unaccredited degree granting institutions under chapter 446E, Hawaii Revised Statutes; and
- (19) 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 is in accord with the intent and purpose of H.B. No. 1200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1200, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.



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

  
ISAAC W. CHOY, Chair



