

STAND. COM. REP. NO. **2520**

Honolulu, Hawaii

**MAR 03 2016**

RE: S.B. No. 2040  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2040, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO POST-SECONDARY EDUCATION,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that under the Hawaii post-secondary education authorization program, when an institution ceases to operate, the student transcripts shall be kept permanently in a form prescribed by the Director of Commerce and Consumer Affairs and that other records requested and obtained by the Department of Commerce and Consumer Affairs may be disposed of at the Director's discretion.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that existing law requires the Department of Commerce and Consumer Affairs to permanently retain any student transcripts received from an institution that has ceased to operate. Other records obtained from such an institution must be retained for ten years. Your Committee further finds that if a closing institution deposits its records in paper format, the Department may be constrained by space and funding limitations and may be unable to receive and retain these records. The Department recognizes the importance of retaining student transcripts and other student records, but it has concerns that an institution may indiscriminately transfer large quantities of records into the Department's possession during the closure



process. Accordingly, this measure authorizes the Department to use its discretion in how student transcripts will be retained and for the Director of the Department to determine how long other student records will be retained. The discretion allowed to the Department and its Director under this measure will enable the Hawaii post-secondary education authorization program to carry out its responsibilities more effectively.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2040, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,

  
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ROSALYN H. BAKER, Chair



