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PRESENTATION OF THE DEPARTMENT OF
COMMERCE AND CONSUMER AFFAIRS
TO THE HOUSE COMMITTEE ON FINANCE
TWENTY-EIGHTH STATE LEGISLATURE
REGULAR SESSION OF 2016
February 25, 2016
3:00 P.M.

TESTIMONY ON HOUSE BILL NO. 1894, H.D. 1,
RELATING TO POST-SECONDARY EDUCATION

TO THE HONORABLE SYLVIA J. LUKE, CHAIR,
AND TO THE HONORABLE SCOTT Y. NISHIMOTO, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on House Bill No. 1894, H.D. 1, Relating To Post-Secondary Education. My name is Bobbi Lum-Mew, Program Administrator for the Department's Hawaii Post-Secondary Education Authorization Program ("HPEAP"). HPEAP offers the following testimony in strong support of this bill with the request to amend the bill to make it effective upon its approval.

House Bill No. 1894, H.D. 1, clarifies that under HPEAP, when an institution ceases to operate, the student transcripts will be kept permanently in the form prescribed by the Director of the Department. Other records requested and obtained by the Department may be disposed of at the Department's discretion.

Currently, HRS Section 305J-13(d) provides that the Department shall permanently retain any student transcripts received from an institution that has ceased to operate, and other records obtained shall be retained for ten years. Pursuant to HRS Section 305J-13(a), all records deposited with the Department shall be in a form to be prescribed by the Director.

Although the Director has prescribed that all records be in electronic form, in a precipitous closure of an institution, there may not be sufficient time or funding for the institution to convert its records to electronic form. If the institution deposits its records in paper format, the Department may be unable to receive and retain the records due to space and funding limitations. An institution may close with very little notice. The Department's primary interest is the retention of student transcripts, but a closing institution may transfer very large quantities of records indiscriminately into the Department's possession during the closure process. This bill clarifies that only the records requested by the Department shall be deposited by the institution and provides that the Department may use its discretion in retaining any records from the institution, aside from transcripts.

In sum, this bill will enable HPEAP to carry out its responsibilities more effectively.

Thank you for the opportunity to testify in strong support of House Bill No. 1894, H.D. 1 with the amendment to make the bill effective upon its approval.