
A BILL FOR AN ACT

RELATING TO POST-SECONDARY EDUCATION AUTHORIZATION.

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

1 SECTION 1. Chapter 305J, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§305J- Candidates for accreditation; requirements;
5 sanctions. (a) A candidate for accreditation shall:

6 (1) Provide an accreditation plan that, at a minimum,
7 identifies an accrediting agency recognized by the
8 United States Department of Education from which the
9 candidate will seek accreditation, covers the offering
10 of at least one degree program, and outlines the
11 process by which the candidate will achieve
12 accreditation;

13 (2) Provide all additional documentation the department
14 deems necessary to determine if the candidate
15 accreditation will become fully accredited within five
16 years of its provisional authorization to operate.

17 Additional documentation may include financial



- 1 statements as required by the accrediting agency,
2 attendance at the accrediting agency's required
3 accreditation applicant workshop, a self-evaluation
4 report, and documents that reflect the candidate's
5 hosting of a site visit by the accrediting agency;
- 6 (3) Provide written notification to students, prior to the
7 execution of any student enrollment agreement, that
8 the approval to offer a degree program is contingent
9 upon the candidate for accreditation being
10 subsequently accredited. The student and the
11 candidate's representative shall initial and date the
12 notice prior to executing any enrollment agreement.
13 An initialed copy of the notice shall be given to the
14 student and the original shall be retained in the
15 enrolled student's records;
- 16 (4) Provide written disclosures in the candidate's
17 catalog, website, and brochures, that the candidate's
18 approval to offer a degree program is contingent upon
19 the candidate being subsequently accredited;
- 20 (5) Pay an annual fee of \$5,000; and



1 (6) File with the director a surety bond in favor of the
2 State in the amount of \$50,000. The surety bond shall
3 be executed by the candidate for accreditation as the
4 principal and by a surety company authorized to do
5 business in the State and shall run concurrently with
6 the provisional authorization period and any period of
7 reauthorization, unless terminated or canceled by the
8 surety company. The surety bond shall be conditioned
9 as follows: That the candidate for accreditation
10 shall satisfy all claims of any student or enrollee of
11 the candidate for accreditation, or of any parent or
12 legal guardian of a student or enrollee of the
13 candidate for accreditation, whom the director finds
14 to have suffered a loss of tuition or fees as a result
15 of an act or practice that is a violation of this
16 chapter.

17 (b) If a candidate for accreditation ceases operation, the
18 director may make demand on the surety bond upon the claim for a
19 refund by a student or the parent or legal guardian of a
20 student, and the surety on the surety bond shall pay the claim
21 in a timely manner. The student or a parent or legal guardian



1 of the student who claims loss of tuition or fees as a result of
2 the cessation of operations of a candidate for accreditation may
3 file a claim with the department if the claim results from an
4 act or practice that violates this chapter. If the amount of
5 the surety bond is less than the total prepaid, unearned tuition
6 and fees that have been paid by students at the time that the
7 candidate for accreditation ceases operation, the department
8 shall prorate the amount of the surety bond among the students.
9 This subsection shall apply only to those students enrolled at a
10 candidate for accreditation at the time it ceases operation.

11 (c) A candidate for accreditation that is no longer
12 covered by a surety bond as required by this section or that
13 fails to obtain accreditation within the required time frame
14 with no extension of time for good cause shall have its
15 provisional authorization automatically suspended pursuant to
16 section 305J-12(a) and shall immediately cease enrolling new
17 students.

18 (d) A candidate for accreditation's failure to reinstate a
19 suspended provisional authorization within sixty days of
20 suspension shall result in the revocation of the authorization,
21 and the candidate shall forfeit all fees. The candidate shall



1 provide written notice to all students within thirty days
2 following the date of revocation.

3 (e) A candidate for accreditation that fails to obtain
4 accreditation within the required time frame or that elects to
5 stop pursuing accreditation shall refund students for any
6 classes students are currently enrolled in or have not yet
7 completed and shall comply with any applicable rules, policies,
8 and procedures for closures of institutions.

9 (f) Any candidate for accreditation that violates this
10 chapter may be subject to one or more of the sanctions provided
11 by section 305J-11(c)."

12 SECTION 2. Section 305J-2, Hawaii Revised Statutes, is
13 amended by adding two new definitions to be appropriately
14 inserted and to read as follows:

15 "Candidate for accreditation" means a degree-granting
16 institution that has submitted an application for accreditation
17 to a regional or national accrediting agency recognized by the
18 United States Department of Education; provided that the
19 application has been accepted pursuant to the accrediting
20 agency's application requirements and is pending approval by the
21 accrediting agency.



1 "Provisional authorization" means authorization of a
 2 candidate for accreditation for no more than a five-year period,
 3 unless an extension is granted by the director for good cause,
 4 while the candidate for accreditation seeks to satisfy the
 5 requirement for institutional accreditation."

6 SECTION 3. Section 305J-5, Hawaii Revised Statutes, is
 7 amended by amending subsection (a) to read as follows:

8 (a) The director shall:

9 (1) Unless otherwise provided by law, adopt, amend, and
 10 repeal rules pursuant to chapter 91 to carry out the
 11 purposes of this chapter;

12 (2) Adopt policies and procedures as necessary, without
 13 regard to chapter 91, for reauthorization pursuant to
 14 section 305J-10;

15 (3) Issue declaratory rulings or informal, nonbinding
 16 interpretations and conduct contested case proceedings
 17 pursuant to chapter 91;

18 (4) Grant, deny, confirm, forfeit, renew, reinstate, or
 19 restore authorizations, including provisional,
 20 conditional, probationary, or qualified
 21 authorizations;



- 1 (5) Revoke, suspend, condition, or otherwise limit the
2 authorization of an institution for any violation of
3 this chapter, applicable rules, or the Higher
4 Education Act of 1965, as amended;
- 5 (6) Establish requirements for authorization in accordance
6 with this chapter;
- 7 (7) Investigate and conduct hearings regarding any
8 violation of this chapter, applicable rules, or the
9 Higher Education Act of 1965, as amended;
- 10 (8) Create fact-finding committees, including the
11 appointment of one or more advisory committees, which
12 may assist the department and make recommendations for
13 consideration;
- 14 (9) Contract with qualified persons, including
15 investigative and legal staff, who may be exempt from
16 chapter 76, to assist the director in exercising the
17 director's powers and duties;
- 18 (10) Subpoena witnesses and documents, administer oaths,
19 and receive affidavits and oral testimony, including
20 communications through electronic media;



- 1 (11) Establish the types and amounts of fees that the
2 department may assess in order to carry out the
3 purposes of this chapter;
- 4 (12) Establish policies to require authorized institutions
5 to submit to the department, upon request, data that
6 is directly related to student enrollment and degree
7 completion and, if applicable, student financial aid
8 and educator preparation programs, which policies
9 shall include a determination as to whether data
10 received may be disclosed to the public;
- 11 (13) Establish policies and procedures for the handling of
12 proprietary information;
- 13 (14) Enter into any post-secondary education authorization
14 reciprocity agreement with other post-secondary
15 educational authorizers of schools whose home state is
16 not Hawaii pursuant to section 305J-16; [and]
- 17 (15) Grant a temporary waiver of the requirement for
18 accreditation if the director finds there is good
19 cause and it is necessary for the protection of
20 students facing imminent financial hardship; and



1 [~~(15)~~] (16) Do any and all things necessary or incidental to
2 the exercise of the director's powers and duties."

3 SECTION 4. Section 305J-8, Hawaii Revised Statutes, is
4 amended by amending subsection (c) to read as follows:

5 "(c) To operate in the State, a private college or
6 university shall be accredited on the basis of an on-site
7 review~~[-]~~; provided that a candidate for accreditation seeking
8 authorization to operate may be issued a provisional
9 authorization to operate on an annual basis without
10 accreditation if the director determines, in accordance with any
11 administrative rules, policies, or procedures adopted by the
12 director, that the private college or university is making
13 satisfactory progress toward accreditation on the basis of an
14 on-site review performed by the accrediting agency in accordance
15 with the accrediting agency's policies. A candidate for
16 accreditation may annually renew its provisional authorization
17 for a period not to exceed five years, unless an extension is
18 granted by the director for good cause."

19 SECTION 5. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Post-Secondary Education; Provisional Authorization; Candidate
for Accreditation

Description:

Creates a framework for authorizing post-secondary degree-
granting educational institutions that have applied for
accreditation by an accrediting agency recognized by the U.S.
Department of Education. (HB1079 HD1)

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not legislation or evidence of legislative intent.*

