

STAND. COM. REP. NO. **790**

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 1286
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1286, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PRIVATE TRADE, VOCATIONAL, AND TECHNICAL SCHOOLS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify the scope of the Department of Education's private trade, vocational, or technical school licensure program and to establish a licensing fee.

This measure also appropriates funds for the administrative costs of the licensure program, including the establishment of a permanent, full-time position within the Department of Education.

Your Committee received written comments in support of this measure from the Department of Education and one individual.

Your Committee received written comments in opposition to this measure from the Hawaii Institute of Hair Design and the Travel Institute of the Pacific.

Your Committee received written comments on this measure from the Department of Budget and Finance, the Department of Commerce and Consumer Affairs, the Pacific Center for Awareness and



Bodywork, Maui Academy of Healing Arts, Mauna Loa Helicopters, and fifteen individuals.

Your Committee finds that the licensing of the myriad private trade, vocational, and technical schools is beyond the scope of the Department of Education's primary mission and ability. Accreditation of these schools consumes valuable resources that would otherwise be used to benefit public school students. Your Committee believes that focusing the scope of the Department of Education's licensing jurisdiction will lessen the Department's regulatory burden. Your Committee also finds that establishing a licensing fee will help to offset the costs incurred by the Department of Education to license the various schools.

Your Committee further finds that requiring schools to certify that they have students currently receiving, or who have applied to receive, aid under title IV of the Higher Education Act of 1965, places an undue burden on some schools and can impose requirements that conflict with the policies of state licensing boards.

Your Committee has amended this measure by:

- (1) Removing the provision exempting flying schools from the definition of "private trade, vocational, or technical school";
- (2) Removing the provision requiring that the applicant school have students who currently receive or who have applied for aid under title IV of the Higher Education Act of 1965;
- (3) Specifying that the list of complaints to accompany an application for renewal of a license shall include complaints filed within the past two years with any state or federal government agency or directly with the school;
- (4) Changing the amendments made to the definition of "license" in section 302A-101, Hawaii Revised Statutes, to restore the existing exemption of section 302A-426, Hawaii Revised Statutes, from the definition; and



- (5) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1286, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1286, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



