

STAND. COM. REP. NO.

643

Honolulu, Hawaii

FEB 19 , 2021

RE: H.B. No. 389

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 389, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require accredited and non-accredited post-secondary educational institutions that are for-profit entities authorized by the Hawaii Post-secondary Education Authorization Program to disclose in print and electronic media and signage that they are for-profit businesses.

Your Committee received testimony in support of this measure from the Hawaii Post-Secondary Education Authorization Program, Office of Consumer Protection of the Department of Commerce and Consumer Affairs, and one individual. Your Committee received testimony in opposition to this measure from the Institute of Clinical Acupuncture.

Your Committee finds that a May 2019 paper by the National Conference of State Legislatures indicates that whether enrolled in graduate or undergraduate program, students attending for-profit institutions tend to have worse outcomes and struggle more with student debt and default compared to their counterparts attending traditional nonprofit public and private postsecondary institutions. Your Committee also finds that the motives,

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priorities, and tactics of for-profit colleges and universities can often make for-profit institutions particularly susceptible to deceptive recruiting practices, poor quality control, and the conferment of meaningless degrees. The status of these institutions as for-profit entities should be displayed in their advertising and promotional material so students and potential students are informed and aware of the status of these schools when pursuing their higher education opportunities. Your Committee notes that while this measure requires for-profit institutions to publish their for-profit status on their printed materials, electronic media, and signage, it may be more appropriate to shift this information to the enrollment agreement instead.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, H.D. 1, and recommends that it be referred to your Committee on Finance.

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



AARON LING JOHANSON, Chair



