

STAND. COM. REP. NO.

107

Honolulu, Hawaii

, 2021

FEB 09

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 Higher Education & Technology, to which was referred H.B. No. 389 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 to disclose in print and electronic media and signage that they are for-profit businesses registered in the State.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs' Office of Consumer Protection. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs' Hawaii Post-Secondary Education Authorization Program and one individual.

Your Committee finds that a May 2019 paper by the National Conference of State Legislatures indicates that whether enrolled in graduate or undergraduate programs, 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 reflected in their advertisements so students and potential students are informed and aware of the status of these schools in pursuing their higher education opportunities.

Your Committee has amended this measure by:

- (1) Making the disclosure requirement apply to any for-profit post-secondary educational institution authorized in the State by the Hawaii Post-Secondary Education Authorization Program regardless of whether they are registered as a for-profit entity;
- (2) Changing the effective date to July 1, 2060, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education & Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 389, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education &
Technology,



GREGG TAKAHAMA, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature

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Record of Votes of the Committee on Higher Education & Technology

Bill/Resolution No.: HB 389	Committee Referral: HET, CPC, FIN	Date: 2-3-21		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HET Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAYAMA, Gregg (C)	✓			
2. DeCOITE, Lynn (VC)	✓			
3. BELATTI, Della Au	✓			
4. GANADEN, Sonny	✓			
5. GATES, Cedric Asuega	✓			
6. HASHIMOTO, Troy N.	✓			
7. KAPELA, Jeanne	✓			
8. OHNO, Takashi	✓			
9. QUINLAN, Sean	✓			
10. WOODSON, Justin H.	✓			
11. YAMANE, Ryan I.	✓			
12. OKIMOTO, Val	✓			
TOTAL (12)	12	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Lynn DeCointe</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				