

A Bill for an Act Relating to the Licensing of Certain Degree Granting Institutions.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

“CHAPTER LICENSING OF DEGREE GRANTING INSTITUTIONS

Sec. -1. Declaration of policy. The purpose of this chapter is to prevent the establishment of educational institutions which engage in the outright sale of degrees and make no pretense of requiring any kind of academic achievement and those institutions which grant degrees based on an obviously inadequate course of study. Accordingly, this chapter requires the licensing of degree granting institutions and establishes objective standards for such licenses.

Sec. -2. Definitions. As used in this chapter:

- (1) “Degree granting institution” means a school, academy, institute, junior college, college, university, or person or entity of whatever kind which furnishes or offers to furnish instruction leading toward or prerequisite to an academic or professional degree beyond the secondary school level.
- (2) “Degree” means any designation, mark, appellation, series of letters or words, or other symbol which signifies, purports, or is generally taken to signify satisfactory completion of the requirements of an academic or professional program of study beyond the secondary school level.
- (3) “Accredited institution” means an institution of higher education which has been accredited or provisionally accredited by at least one nationally recognized accrediting agency or association which is listed by the United States Commissioner of Education.
- (4) “Director” means the director of regulatory agencies.

Sec. -3. Award of degrees. A degree or any object in evidence thereof may be awarded only by a degree granting institution which has been licensed by the State according to this chapter, except as specified in sections -5 and -9.

Sec. -4. Licensing of degree granting institutions. The director shall issue a license to award degrees in specified educational programs to an applicant upon the presentation of acceptable evidence that the applicant is chartered as a nonprofit educational corporation in the State of Hawaii, according to chapter 416, and that the educational program of the applicant has been accredited by at least one nationally recognized accrediting agency or association listed by the United States Commissioner of Education or, if not accredited, that credits granted by the applicant in the specified educational program are accepted as if granted by an accredited institution by not less than three accredited institutions. The license issued by the director to award degrees shall be limited to the educational program or programs that have been accredited or accepted by accredited institutions.

The license to award degrees shall be valid as long as accreditation is maintained by the degree granting institutions, subject to the annual renewal provisions of section -10.

Sec. -5. Temporary permits to grant degrees. The director may issue a temporary permit to award degrees to an applicant who does not meet the

accreditation requirement as set forth in section -4 and who is duly chartered by the State as a nonprofit educational corporation, if the director, upon recommendation by the advisory committee as provided for in section -7, determines that the applicant's academic and financial plans for working toward accreditation are feasible and acceptable.

The temporary permit shall be valid for a period of five years, subject to the annual renewal provisions of section -10. It may be extended by the director, upon recommendation by the advisory committee that the applicant has made acceptable progress toward accreditation, but in no case shall it extend beyond a period of ten years from the initial granting of the temporary permit.

Sec. -6. Revocation of temporary permit. The director shall revoke the temporary permit of any degree granting institution if the holder of a temporary permit:

- (1) Has failed to retain its status as a nonprofit educational corporation;
- (2) Has presented false or misleading information in obtaining a temporary permit;
- (3) Has failed or refused to permit authorized representatives of the advisory committee established in section -7 to inspect the institution or has failed or refused to make available to the authorized representatives, upon request, full information pertaining to matters within the purview of the State under this chapter; or
- (4) Has refused or failed to meet any other conditions established by rule or regulation promulgated by the director pursuant to chapter 91, upon recommendation of the advisory committee.

A degree granting institution whose temporary permit has expired or has been revoked shall no longer grant degrees.

Sec. -7. Advisory committee on granting institutions. There is established an advisory committee on degree granting institutions consisting of the president of the university of Hawaii and the presidents or chief administrative officers of all licensed degree granting institutions in the State. The advisory committee shall advise the director on all matters pertaining to the administration of this chapter and the granting and renewal of licenses and temporary permits to degree granting institutions. Members of the advisory committee shall serve without compensation but shall be reimbursed for reasonable and necessary expenses incurred in the process of discharging their responsibilities under this chapter.

Sec. -8. Restriction on use of names. No person, firm, corporation, partnership, or other entity operating an institution of higher education may use as a name for the institution any title which contains the term "college", "university", "junior college", or any other expression which indicates or implies that it is a degree granting institution unless it has been licensed as a degree granting institution or has been granted a temporary permit to award degrees by the director; provided that this section shall not apply to any person, firm, corporation, partnership, or other entity who has been using such nonconforming term or terms in its name and has registered that name with the department of regulatory agencies prior to January 1, 1971.

Sec. -9. Honorary degrees. An honorary degree may be awarded only by a licensed degree granting institution or by an institution which has been granted a temporary permit to award degrees; provided that any such degree shall be clearly represented to be honorary and that any diploma, certificate, or other tangible object issued or purporting to be in evidence thereof shall be clearly and conspicuously marked in a manner which will convey to the general public that the degree is honorary.

Sec. -10. Fees; issuance and renewal of licenses and permits. (a) A fee of \$50 shall be paid to the director at the time of application for a license or temporary permit. The application shall be in such form as the director prescribes and shall be accompanied by such supporting information as the director requires to determine compliance with section -4 or -5.

(b) On or before November 1, 1971, institutions conferring degrees prior to September 1, 1971, shall file with the director an application for a license or temporary permit, as provided in subsection (a). Within a reasonable time thereafter, the director shall issue either a license or temporary permit in accordance with section -4 or -5.

(c) Annually, on November 1, or such other date as the director prescribes, each institution holding a license or temporary permit shall apply for renewal and pay a fee of \$25. The application for renewal shall be accompanied by such information as the director requires to determine continued compliance with this chapter.

(d) All fees collected pursuant to this section shall be deposited with the director of finance to the credit of the general fund of the State. No refund of any fee or any part thereof shall be made.

Sec. -11. Powers of the director. In addition to the powers granted to the director in other sections of this chapter, the director may make such rules and regulations pursuant to chapter 91, upon recommendation of the advisory committee, as may be found necessary to carry out this chapter.

Sec. -12. Unlawful representation. Neither the fact of filing nor the permission to grant degrees shall be held to mean that the State or the director endorses a particular course of instruction or a particular degree granting institution. It shall be unlawful to make, or cause to be made, to any person any representation contrary to this section.

Sec. -13. Penalties. Any person, firm, corporation, partnership, association, degree granting institution, or other entity making any false statement in any notice or amendment thereto filed pursuant to accreditation requirements, proposals to meet accreditation requirements, and the issuance and renewal of license and permit fees, shall be guilty of perjury. Any other violation of this chapter shall be subject to a fine of not more than \$500 or to a term of imprisonment not to exceed six (6) months, or both. Each violation shall constitute a separate offense.

Sec. -14. Injunctions. The director acting by the attorney general may proceed by injunction against any violation of this chapter, but no such proceeding and no order issued therein or as a result thereof shall bar the im-

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position of any other penalty which may be imposed for violation of this chapter.

Sec. -15. Exemptions. This chapter shall not apply to any degree granting institution maintained by the State.”

SECTION 2. This Act shall take effect on September 1, 1971.

(Approved May 31, 1971.)