
HOUSE CONCURRENT RESOLUTION

REQUESTING THE OFFICE OF THE AUDITOR TO CONDUCT A SUNRISE REVIEW
OF THE REGULATION OF UNACCREDITED DEGREE GRANTING
INSTITUTIONS IN THE STATE.

1 WHEREAS, the Legislature finds that obtaining a college
2 degree can cost tens of thousands of dollars and often
3 represents a significant commitment of a family's financial
4 resources; and
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6 WHEREAS, the United States Department of Education relies
7 on, among other things, an institution's accreditation from a
8 recognized accrediting agency to determine eligibility for
9 certain federal funds; and
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11 WHEREAS, many employers require a degree from an accredited
12 educational institution as a condition of employment; and
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14 WHEREAS, many educational institutions will not recognize a
15 student's degree or credits unless the degree or credits were
16 earned through an accredited institution; and
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18 WHEREAS, prospective students may be unaware of the
19 significance of an institution's accreditation status when
20 selecting a college or university, particularly if the
21 institution offers a degree through distance education; and
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23 WHEREAS, the State of Hawaii is one of a small number of
24 states that does not license, approve, or prohibit unaccredited
25 degree-granting institutions; and
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27 WHEREAS, unaccredited degree granting universities and
28 colleges that operate in the State are currently governed by
29 Chapter 446E, Hawaii Revised Statutes, which imposes minimal
30 requirements on such institutions; and



1 WHEREAS, the Office of Consumer Protection has been active
2 in enforcing Chapter 446E, Hawaii Revised Statutes, through the
3 filing of numerous lawsuits; and
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5 WHEREAS, House Bill No. 1200, H.D. 2 (2013), proposed,
6 among other things, to revise the state unaccredited degree
7 granting institution law, Chapter 446E, Hawaii Revised Statutes,
8 by transferring oversight to the Post-secondary Education
9 Commission; and
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11 WHEREAS, section 26H-6, Hawaii Revised Statutes, requires
12 the Auditor to review proposals to regulate professions,
13 vocations, or occupations that are currently unregulated and to
14 assess alternative forms of regulation; and
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16 WHEREAS, although unaccredited degree granting institutions
17 may not be traditionally considered a profession or vocation, a
18 sunrise analysis pursuant to Chapter 26H, Hawaii Revised
19 Statutes, may be useful in evaluating current and alternative
20 forms of regulation; now, therefore,
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22 BE IT RESOLVED by the House of Representatives of the
23 Twenty-seventh Legislature of the State of Hawaii, Regular
24 Session of 2013, the Senate concurring, that the Office of the
25 Auditor is respectfully requested to conduct a sunrise review of
26 the regulation of unaccredited degree granting institutions,
27 including an assessment of current and alternative forms of
28 regulation, pursuant to section 26H-6, Hawaii Revised Statutes;
29 and
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31 BE IT FURTHER RESOLVED that the Office of the Auditor is
32 requested to include in its review:
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- 34 (1) An estimate of the number of unaccredited degree
35 granting institutions currently operating under
36 Chapter 446E, Hawaii Revised Statutes;
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38 (2) An estimate of the number of unaccredited degree
39 granting institutions physically located in the State;
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41 (3) An estimate of the number of students enrolled in each
42 unaccredited degree granting institution;



- 1 (4) A review of the level of compliance by unaccredited
2 degree granting institutions with Chapter 446E, Hawaii
3 Revised Statutes, including a review of the number and
4 types of enforcement actions brought by the Office of
5 Consumer Protection;
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- 7 (5) A review of the laws governing unaccredited degree
8 granting institutions in other states, including those
9 state laws that require all degree granting
10 institutions to be accredited;
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- 12 (6) A review of best practices available for the
13 regulation of unaccredited degree granting
14 institutions;
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- 16 (7) A determination of whether regulation of unaccredited
17 degree granting institutions should also apply to
18 online unaccredited degree granting institutions
19 regardless of whether the institutions are:
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- 21 (A) Located in Hawaii; or
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- 23 (B) Located out-of-state, but enroll students who are
24 Hawaii residents; and
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- 26 (8) An examination of findings in the 1993 report of the
27 Legislative Reference Bureau, entitled *Private*
28 *Accreditation and State Authorization of Degree*
29 *Granting and Non-Degree Granting Limitations in*
30 *Hawaii*, to determine whether the recommendations in
31 the report were carried out; and
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33 BE IT FURTHER RESOLVED that the Office of the Auditor is
34 requested to submit a report of its findings and
35 recommendations, including any proposed legislation, to the
36 Legislature no later than 20 days prior to the convening of the
37 Regular Session of 2014; and
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39 BE IT FURTHER RESOLVED that certified copies of this
40 Concurrent Resolution be transmitted to the Office of the
41 Auditor and the Director of Commerce and Consumer Affairs.

