JAN 2 3 2015

A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. Pursuant to section 302A-425, Hawaii Revised
- 2 Statutes, the department of education is required to license
- 3 private trade, vocational, or technical schools operated by any
- 4 person or persons, firm, or any other private organization or
- 5 corporation for the purposes of teaching any trade, occupation
- 6 or vocation. This statute further states that, "The purpose of
- 7 the licensing and regulation is to protect consumers against
- 8 practices by private trade, vocational, or technical schools
- 9 that are false, deceptive, misleading, or unfair, and to help
- 10 ensure adequate educational quality at private trade,
- 11 vocational, or technical schools."
- 12 It is not the mission of the department of education to
- 13 protect consumers against false, deceptive, misleading, or
- 14 unfair practices. Also, the department of education has no
- 15 expertise to ensure educational quality at post-secondary
- 16 schools and more so, no expertise in the area of licensing
- 17 businesses or entities such as private post-secondary schools.



- 1 The department of education's expertise and mission and its
- 2 strategic plan focus on ensuring educational quality for
- 3 students in Hawaii public elementary, middle, and high schools.
- 4 There have been numerous discussions over the past several
- 5 years about transferring the private trade, vocational, or
- 6 technical school licensing program out of the department of
- 7 education's jurisdiction. The office of the auditor and the
- 8 legislative reference bureau have both conducted studies on the
- 9 placement of this licensing and regulatory program and have
- 10 recommended the licensing program be transferred out of the
- 11 department of education. However, no action has been taken to
- 12 place the program with another state agency.
- 13 The legislature finds that the private trade, vocational,
- 14 or technical school licensing program should not continue to be
- 15 administered by the department of education. Instead, it should
- 16 be placed with the department of commerce and consumer affairs
- 17 pursuant to chapter 305J, Hawaii Revised Statutes, relating to
- 18 regulating and authorizing the operation of post-secondary
- 19 education institutions. The department of commerce and consumer
- 20 affairs has dedicated resources, including a special fund,
- 21 available to support the program.

- 1 Chapter 305J, requires private colleges or universities,
- 2 seminaries, and religious training institutions that award
- 3 degrees to obtain authorization from the department of commerce
- 4 and consumer affairs in order to operate in this State.
- 5 Similarly situated private trade, vocational, and technical
- 6 schools, which are formal preparation or training programs that
- 7 confer a degree, should be regulated in the same manner,
- 8 particularly since the requirements for department of commerce
- 9 and consumer affairs authorization are largely applicable to the
- 10 licensing of private trade, vocational, and technical schools.
- 11 Moreover, the oversight powers of the department of commerce and
- 12 consumer affairs are more extensive than those of the department
- 13 of education, which will ensure proper regulatory oversight in
- 14 accordance with the mission of the department.
- 15 In light of chapter 305J, Hawaii Revised Statutes, the
- 16 department of education's licensing of private trade,
- 17 vocational, or technical schools is duplicative of the
- 18 established regulatory program in place at the department of
- 19 commerce and consumer affairs. Therefore, the legislature
- 20 finds it reasonable and appropriate to regulate private trade,

- 1 vocational, and technical schools under the provisions of
- 2 chapter 305J, Hawaii Revised Statutes.
- 3 The purpose of this Act is to include private trade,
- 4 vocational, or technical schools under chapter 305J, Hawaii
- 5 Revised Statutes, and the jurisdiction of the department of
- 6 commerce and consumer affairs.
- 7 SECTION 2. Section 305J-2, Hawaii Revised Statutes, is
- 8 amended as follows:
- 9 1. By adding a new definition of "private trade,
- 10 vocational, or technical school" to be appropriately inserted
- 11 and to read:
- ""Private trade, vocational, or technical school" means an
- 13 educational institution that has a physical presence in the
- 14 State and awards a diploma, certificate, or other writing in any
- 15 language that indicates or represents, or is intended to
- 16 indicate or represent, that the person named thereon is learned
- 17 in or has satisfactorily completed a prescribed course of study
- 18 in a particular field of trade, vocation, or technical endeavor
- 19 or that the person named thereon has demonstrated proficiency in
- 20 the field of endeavor as a result of formal preparation or
- 21 training."

- 1 2. By amending the definition of "authorization" to read:
- 2 ""Authorization" means the authorization granted to a
- 3 private college or university, seminary, [or] religious training
- 4 institution, or private trade, vocational, or technical school
- 5 as provided in this chapter and any applicable rules and
- 6 policies. Authorization is not an endorsement by the
- 7 department."
- 8 3. By amending the definition of "enrollment agreement" to
- 9 read:
- ""Enrollment agreement" means the contract prepared by a
- 11 private college or university, seminary, [or] religious training
- 12 institution, or private trade, vocational, or technical school
- 13 that a student signs to indicate agreement to the terms of
- 14 admission, delivery of instruction, and monetary terms as
- 15 outlined in the private college, university, seminary, [or]
- 16 religious training [institution's] institution, or private
- 17 trade, vocational or technical school's student handbook or
- 18 catalog."
- 19 4. By amending the definition of "governing board" to
- **20** read:

Ţ	····GO	verning board means the elected or appointed group of
2	persons t	hat oversees and controls a private college or
3	universit	y, seminary, [or] religious training institution, or
4	private t	rade, vocational, or technical school."
5	SECT	ION 3. Section 305J-3, Hawaii Revised Statutes, is
6	amended b	y amending subsection (a) to read as follows:
7	"(a)	This chapter shall not apply to:
8	(1)	Schools or educational programs conducted by firms,
9		corporations, or persons for the training of their own
10	·	employees;
11	(2)	Apprenticeship or other training programs provided by
12		labor unions to union members or applicants for union
13		membership;
14	(3)	Schools or educational programs that provide courses
15		of instruction that do not lead to the conferring of a
16		degree;
17	(4)	Schools or educational programs that offer seminars,
18		refresher courses, and programs of instruction
19		sponsored by professional, business, or farming
20		organizations or associations for their members or the
21		employees of their members;



1	(5)	Schools	or	educational	pı	rograms	that	offer	cour	ses	of
2		instruct	ion	conducted	by	public	schoo	ol comp	olex	area	is;

- (6) Schools, courses of instruction, or courses of training that are offered by a vendor or the purchaser or prospective purchaser of the vendor's product when the objective of the school or course is to enable the purchaser or the purchaser's employees to gain the skills and knowledge necessary to use the product;
- (7) Schools and educational programs conducted by religious entities that are owned, controlled, operated, and maintained by a religious organization lawfully operating as a nonprofit religious corporation and that award only religious degrees or certificates, including but not limited to a certificate of Talmudic studies, an associate of Biblical studies, a bachelor of religious studies, a master of divinity, or a doctor of divinity;
 - (8) Non-degree-granting post-secondary educational institutions licensed by any entity of the State or governed by any other chapter of the Hawaii Revised Statutes; provided that this paragraph shall not apply

1		to private trade, vocational, or technical schools
2		with a valid license issued by the department of
3		education prior to the effective date of Act ,
4		Session Laws of Hawaii 2015;
5	(9)	Schools and educational programs that offer courses of
6		instruction exclusively through online and distance
7		education; and
8	(10)	Unaccredited post-secondary educational institutions
9		governed by chapter 446E."
10	SECT	ION 4. Section 305J-6, Hawaii Revised Statutes, is
11	amended by	y amending subsections (b) and (c) to read as follows:
12	" (b)	To administer this chapter, the department shall:
13	(1)	Maintain a list of the private colleges or
14		universities, seminaries, [and] religious training
15		institutions, and private trade, vocational, or
16		technical schools that have been authorized and make
17		this list available to the public;
18	(2)	Maintain a list of the states with which the director
19		has entered into a post-secondary education
20		authorization reciprocity agreement and make this list
21		available to the public; and



- 1 (3) Receive, arbitrate, investigate, and process
- 2 complaints.
- 3 (c) In conducting an investigation, the department may
- 4 physically inspect the private college or university, seminary,
- 5 [or] religious training [institution's] institution, or private
- 6 trade, vocational, or technical school facilities and records,
- 7 and the institution shall have an affirmative duty to cooperate
- 8 with requests from the department for information regarding any
- 9 investigation or inspection."
- 10 SECTION 5. Section 305J-7, Hawaii Revised Statutes, is
- 11 amended to read as follows:
- 12 "[[] § 305J-7[]] Awarding degrees. (a) A person,
- 13 partnership, corporation, company, society, or association with
- 14 a physical presence in the State shall not award, bestow,
- 15 confer, give, grant, convey, or sell to any other person a
- 16 degree or honorary degree upon which is inscribed, in any
- 17 language, the word "associate", "bachelor", "baccalaureate",
- 18 "post-baccalaureate", "master", or "doctor", or any abbreviation
- 19 thereof, or offer courses of instruction or credits purporting
- 20 to lead to any such degree, unless the person, partnership,
- 21 corporation, company, society, or association is:

1	(1)	A private college or university, seminary, [or]
2		religious training institution, or private trade,
3		vocational, or technical school that is authorized
4		pursuant to this chapter;
5	(2)	A school or educational program conducted by a
6		religious entity that is owned, controlled, operated,
7		and maintained by a religious organization lawfully
8		operating as a nonprofit religious corporation and
9		that awards only religious degrees or certificates,
10		including but not limited to a certificate of Talmudic
11		studies, associate of Biblical studies, a bachelor of
12		religious studies, a master of divinity, or a doctor
13		of divinity;
14	(3)	An unaccredited post-secondary educational institution
15		governed under chapter 446E; or
16	(4)	A part of the University of Hawaii system.
17	(b)	Notwithstanding subsection (a), in order to award
18	degrees i	n the State, all private colleges and universities,
19	seminarie	s, and religious training institutions operating in the
20	State on	June 25, 2013 shall be authorized no later than July 1,

2014[-]; and all private trade, vocational, or technical schools

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1	licensed	in the State on the effective date of Act , Session
2	Laws of H	Mawaii 2015, shall be authorized no later than July 1,
3	<u>2016.</u> "	
4	SECT	TON 6. Section 305J-9, Hawaii Revised Statutes, is
5	amended t	o read as follows:
6	" [+]	§305J-9[] Authorization to operate in the State;
7	seminary	or religious training institutions and private trade,
8	vocationa	1, or technical schools. (a) To operate in the State,
9	a seminar	y or religious training institution or private trade,
10	vocationa	l, or technical school shall:
11	(1)	Be party to a reciprocity agreement to which the State
12		is a member; or
13	(2)	Apply for, on a form prescribed by the department, and
14		receive authorization from the director; provided that
15		the institution shall establish that it qualifies as a
16		bona fide religious training institution or private
17	,	trade, vocational, or technical school and as an
18		institution of post-secondary education.
19	(b)	Nothing in this section shall preclude a seminary or

religious training institution or private trade, vocational, or

technical school from seeking accreditation."

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- 1 SECTION 7. Section 305J-10, Hawaii Revised Statutes, is
- 2 amended by amending subsections (b), (c), and (d) to read as
- 3 follows:
- 4 "(b) A seminary or religious training institution or
- 5 private trade, vocational, or technical school authorized
- 6 pursuant to section 305J-9 shall apply to the department for
- 7 reauthorization every two years. A seminary or religious
- 8 training institution, or private trade, vocational, or technical
- 9 school that continues to meet the authorization requirements of
- 10 this chapter shall otherwise be presumed to be qualified for
- 11 reauthorization under this chapter for a period of two years.
- (c) Private colleges or universities, seminaries, and
- 13 religious training institutions, or private trade, vocational,
- 14 or technical schools applying for reauthorization under this
- 15 section shall pay the fees required pursuant to section 305J-18.
- 16 (d) If a private college or university, seminary, [or]
- 17 religious training institution, or private trade, vocational, or
- 18 technical school cannot demonstrate that it meets the
- 19 authorization requirements of this chapter, the director shall
- 20 deny the application for reauthorization. The director shall
- 21 provide the private college or university, seminary, [or]



- 1 religious training institution, or private trade, vocational, or
- 2 technical school with written notification of the denial of the
- 3 application for reauthorization and the basis for the denial.
- 4 If, within six months of receiving notice that its application
- 5 for reauthorization has been denied, the private college or
- 6 university, seminary, [or] religious training institution, or
- 7 private trade, vocational, or technical school corrects the
- 8 action or condition upon which the denial was based, it may
- 9 reapply for reauthorization. If the private college or
- 10 university, seminary, [or] religious training institution, or
- 11 private trade, vocational, or technical school does not correct
- 12 the action or condition upon which the denial was based, it may
- 13 submit a new application for authorization pursuant to section
- 14 305J-8 or 305J-9, whichever is applicable, once the action or
- 15 condition has been corrected."
- 16 SECTION 8. Section 305J-11, Hawaii Revised Statutes, is
- 17 amended by amending subsections (b) and (c) to read as follows:
- 18 "(b) It shall be a violation of this chapter for a private
- 19 college or university, seminary, [or] religious training
- 20 institution, or private trade, vocational, or technical school
- 21 or its agent to:



1	(1)	Make or cause to be made any statement or
2		representation, oral, written, or visual, in
3		connection with the offering of educational services
4		if the private college or university, seminary, [or]
5		religious training institution, or private trade,
6		vocational, or technical school or its agent knows or
7		reasonably should have known the statement or
8		representation to be false, inaccurate, or materially
9		misleading;
10	(2)	Falsely represent or deceptively conceal, directly or
11		by implication, through the use of a trade or business
12		name, the fact that the institution is a private
13		college or university, seminary, [or] religious
14		training institution[+], or private trade, vocational,
15		or technical school;
16	(3)	Adopt a name, trade name, or trademark that represents
17		falsely, directly or by implication, the quality,
18		scope, nature, size, or integrity of the private
19		college or university, seminary, [or] religious
20		training institution, or private trade, vocational, or
21		technical school or its educational services;

1	(4)	incentionally and materially represent raisery,				
2		directly or by implication, that students who				
3		successfully complete a course or program of				
4		instruction may transfer the credits earned to any				
5	·	institution of higher education;				
6	(5)	Intentionally and materially represent falsely,				
7		directly or by implication, in its promotional				
8	,	materials or in any other manner:				
9		(A) Its size, location, facilities, or equipment;				
10		(B) The number, educational experience, or				
11		qualifications of its faculty;				
12		(C) The extent or nature of any approval received				
13		from any state agency; or				
14		(D) The extent or nature of any accreditation				
15		received from any accrediting agency, body, or				
16		association;				
17	(6)	Provide prospective students with testimonials,				
18		endorsements, or other information that has the				
19		tendency to mislead or deceive prospective students or				
20		the public regarding its current practices;				

1	(/)	Designate or refer to its sales representatives by
2		titles that imply that the sales representatives have
3		training in academic counseling or advising if they do
4		not; and
5	. (8)	Represent, directly or by implication, that it is
6		authorized by the State or approved or accredited by
7		an accrediting agency or body when it has not been
8		authorized, approved, or accredited.
9	(c)	Any private college or university, seminary, [or]
10	religious	training institution, or private trade, vocational, or
11	technical	school or its agent that violates this chapter may be
12	subject t	o one or more of the following sanctions:
13	(1)	A fine equal to a sum of not less than \$500 or more
14		than \$10,000 for each violation. The penalties
15	•	provided in this subsection are cumulative to the
16		remedies or penalties available under all other laws
17		of this State. Each day that a violation occurs shall
18		be considered a separate violation;
19	(2)	An order directing corrective action on the part of

the institution;

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1	(3)	All order or rescrederon to one or more affected
2		students;
3	(4)	Revocation, suspension, probation, or conditions on
4		the institution's authorization;
5	(5)	An order relating to cessation of operations or
6		alternate enrollment; or
7	(6)	The payment of costs of investigation and legal
8		action, irrespective of the outcome."
9	SECT	ION 9. Section 305J-12, Hawaii Revised Statutes, is
10	amended a	s follows:
1	1.	By amending subsection (b) to read:
12	"(b)	An institution's authorization shall be placed on
13	probation	ary status without further action by the department in
14	the event	that:
15	(1)	The institution is placed on probationary status by
l6		its accrediting agency, contemporaneous with the
l 7		action of such agency;
18	(2)	The institution's accrediting agency ceases to be
19		recognized by the United States Department of
20		Education; or

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1	(3)	In the case of a seminary [or], religious training
2		institution, or private trade, vocational, or
3		technical school, the seminary [or], religious
4		training institution, or private trade, vocational, or
5		technical school no longer meets the definition of
6	•	such under this chapter."
7	2.	By amending subsection (e) to read:
8	"(e)	A private college or university, seminary, [or]
9	religious	training institution, or private trade, vocational, or
10	technical	school that is authorized pursuant to this chapter
11	shall:	
12	(1)	Not make or cause to be made any oral, written, or
13		visual statement or representation that violates
14		section 305J-11(b);
15	(2)	Provide the department with a copy of its enrollment
16		agreement, if applicable, in accordance with its
17		reauthorization schedule;
18	(3)	Provide bona fide instruction, in accordance with the
19		standards and criteria set by its accrediting body;
20		and

1	(4) If its ownership changes, provide the department with
2	any material information concerning the transaction at
3	least thirty days prior to the transaction."
4	SECTION 10. Section 305J-13, Hawaii Revised Statutes, is
5	amended by amending subsections (a) and (b) to read as follows:
6	"(a) If a private college or university, seminary, [or]
7	religious training institution, or private trade, vocational, or
8	technical school under the jurisdiction of the department ceases
9	operating within the State, the institution, its owner, or the
10	owner's designee, and its governing board shall be jointly and
11	severally liable to deposit with the department the
12	institution's educational records in a form to be prescribed by
13	the director.
14	(b) If the director determines that the records of a
15	private college or university, seminary, [ex] religious training
16	institution, or private trade, vocational, or technical school
17	that ceases operating within the State are in danger of being
18	destroyed, secreted, mislaid, or otherwise made unavailable to
19	the department, the director may seek a court order authorizing
20	the department to seize or take possession of the records and
21	seek additional relief as may be appropriate."

- 1 SECTION 11. Section 305J-14, Hawaii Revised Statutes, is
- 2 amended by amending subsection (j) to read as follows:
- "(j) A seminary [or], religious training institution, or
- 4 private trade, vocational, or technical school shall not be
- 5 subject to the requirements of this section."
- 6 SECTION 12. Section 305J-15, Hawaii Revised Statutes, is
- 7 amended by amending subsection (h) to read as follows:
- 8 "(h) A seminary [or], religious training institution, or
- 9 private trade, vocational, or technical school shall not be
- 10 subject to the requirements of this section."
- 11 SECTION 13. Section 305J-17, Hawaii Revised Statutes, is
- 12 amended as follows:
- 13 1. By amending subsection (a) to read:
- 14 "(a) A student or former student of the University of
- 15 Hawaii system, a private college or university, seminary, [or]
- 16 religious training institution, or private trade, vocational, or
- 17 technical school may file a complaint with the department
- 18 concerning the institution at which the student is or was
- 19 enrolled; provided that if a former student files a complaint,
- 20 the complaint shall be filed within two years after the former
- 21 student discontinued enrollment at the institution; provided

- 1 that the two year restriction on complaints shall not apply to
- 2 complaints related to obtaining transcripts."
- 3 2. By amending subsections (c), (d), and (e) to read:
- 4 "(c) Nothing in this section shall give the department
- 5 jurisdiction to consider complaints that infringe on the
- 6 academic or religious freedom of, or question the curriculum
- 7 content of, a private college or university, seminary, [ex]
- 8 religious training institution[-], or private trade, vocational,
- 9 or technical school.
- 10 (d) Upon receipt of a complaint pursuant to
- 11 [+]subsection[+] (a) or (b), the department shall determine
- 12 whether the complaint was properly filed. The complaint shall
- 13 warrant investigation only after the student or former student
- 14 has exhausted all administrative remedies available at the
- 15 University of Hawaii system, private college or university,
- 16 seminary, [or] religious training institution[+], or private
- 17 trade, vocational, or technical school; provided that if the
- 18 complaint involves a violation of state or federal criminal law,
- 19 this requirement shall not apply. If a complaint warrants
- 20 investigation, the department shall forward the complaint to the
- 21 University of Hawaii system, private college or university,

1	seminary,	or	religious	training	institution.	The	University of
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- 2 Hawaii system, private college or university, seminary, [or]
- 3 religious training institution, or private trade, vocational, or
- 4 technical school shall have thirty days to respond in writing to
- 5 the complaint. During the thirty-day period, the University of
- 6 Hawaii system, private college or university, seminary, or
- 7 religious training institution, with the department's
- 8 assistance, may attempt to resolve the complaint with the
- 9 student. If the department determines at any time that the
- 10 complaint no longer warrants investigation, the department shall
- 11 dismiss the complaint.
- (e) If a complaint is not resolved within the thirty-day
- 13 period, the department may:
- 14 (1) Dismiss the complaint based on the response of the
- 15 University of Hawaii system, private college or
- 16 university, seminary, [ex] religious training
- institution[+], or private trade, vocational, or
- 18 technical school;
- 19 (2) Investigate and, where appropriate, take disciplinary
- action in a manner consistent with chapter 91."

1	SECTION 14. Section 446E-1.6, Hawaii Revised Statutes, is	
2	amended to	read as follows:
3	"§44(5E-1.6 Exceptions. This chapter shall not apply to
4	the types	of schools and courses of instruction that include:
5	(1)	Schools and educational programs conducted by firms,
6		corporations, or persons for the training of their own
7		employees;
8	(2)	Apprentice or other training programs provided by
9		labor unions to union members or union applicants for
10		membership;
11	(3)	Courses of instruction that do not lead to the
12		conferring of a degree;
13	(4)	Seminars, refresher courses, and programs of
14		instruction sponsored by professional, business, or
15		farming organizations or associations for their
16		members or employees of their members;
17	(5)	Courses of instruction conducted by a public school
18		district or a combination of public school districts;
19	(6)	Colleges and universities that grant degrees pursuant
20		to chapter 304A;

1	(/)	Entitles that are established under the jurisdiction
2		of the board of regents of the University of Hawaii;
3	(8)	Schools, courses of instruction, or courses of
4		training that are offered by a vendor to the purchaser
5		or prospective purchaser of the vendor's product when
6		the objective of the school or course is to enable the
7		purchaser or the purchaser's employees to gain skills
8		and knowledge which enable the purchaser to use the
9		product;
10	(9)	Schools and educational programs conducted by
11		religious organizations solely for the religious
12		instruction of their members;
13	(10)	Nondegree granting post-secondary educational
14		institutions licensed by [the department of education
15		or] the real estate commission; and
16	(11)	Schools that are accredited by an agency or
17		organization approved or recognized by the United
18	*	States Department of Education or a successor agency,
19		except as provided for in section 446E-5(b) and (c)."

1	SECT	ION 15. Section 302A-101, Hawaii Revised Statutes, is	
2	amended by deleting the definition of "private trade,		
3	vocational, or technical school".		
4	[""Private trade, vocational, or technical school" means		
5	any plan or method used by any person or persons, firm, or any		
6	other organization or corporation for giving instruction in any		
7	form or manner in any trade, occupation, or vocation for a		
8	consideration, reward, or promise of whatever nature, including		
9	correspondence schools located within the State, except as		
10	follows:		
11	(1)	Schools maintained, or classes conducted, by employers	
12		for their own employees where no fee or tuition is	
13		charged;	
14	(2)	Courses of instruction given by any fraternal society,	
15		benevolent order, or professional organization to its	
16		members, which courses are not operated for profit;	
17	(3)	Flying schools qualified under the Federal Aviation	
18		Administration;	
19	(4)	Classes conducted for less than five students at one	
20		and the same time;	

1	(5)	Classes or courses of instruction that are conducted
2		for twenty or fewer class sessions during any twelve-
3		month period;
4	(6)	Avocational, hobby, recreation, or health classes or
5		courses;
6	(7)	Courses of instruction on religious subjects given
7		under the auspices of a religious organization; and
8	(8)	Schools registered by the department of commerce and
9		consumer affairs or by boards and commissions placed
10		in the department of commerce and consumer affairs for
11		administrative purposes."]
12	SECT	ION 16. Section 302A-424, Hawaii Revised Statutes, is
13	repealed.	
14	[" [S	302A-424] Regulation of other schools and classes.
15	The depar	tment, at its discretion, may regulate schools,
16	classes,	or courses excepted from the definition of "private
17	trade, vocational, or technical school"."]	
18	SECT	ION 17. Section 302A-425, Hawaii Revised Statutes, is
19	repealed.	
20	[" §3	02A-425 License required for private trade,
21	vocationa	1. or technical school. No private trade, vocational,



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or technical school shall be operated by any person or persons, 2 firm, or any other private organization or corporation for the 3 purpose of teaching any trade, occupation, or vocation unless 4 there is first secured from the department a license issued in 5 accordance with sections 302A 424 to 302A 428 and in such form 6 as the department may direct. The purpose of the licensing and 7 regulation is to protect consumers against practices by private 8 trade, vocational, or technical schools that are false, 9 deceptive, misleading, or unfair, and to help ensure adequate **10** educational quality at private trade, vocational, or technical schools."1 11 12 SECTION 18. Section 302A-426, Hawaii Revised Statutes, is **13** repealed. 14 ["[\$302A-426] Suspension and revocation of license; 15 procedure. (a) The department, after notice and opportunity 16 for a hearing, may suspend or revoke a license at any time when, **17** in the judgment of the department, the licensee is not complying 18 with sections 302A 424 to 302A 428 or the rules that may be **19** adopted by the board. The notice of hearing shall be served 20 personally or sent to the licensee by registered or certified 21 mail with return receipt at the licensee's last known address.

1 (b) Notice of suspension or revocation shall be served 2 personally upon the licensee or sent to the licensee by 3 registered or certified mail with return receipt, and the licensee shall forward the licensee's license at once to the 4 department, and cease at once to operate the private trade, 5 6 vocational, or technical school. 7 (c) All proceedings shall be subject to chapter 91."] 8 SECTION 19. Section 302A-427, Hawaii Revised Statutes, is 9 repealed. **10** ["[\$302A-427] Powers of department. No license shall be 11 issued under sections 302A 424 to 302A 428 until the department 12 has approved the method and content of the advertising, the 13 standards and the methods of instruction, and the equipment provided. The department may consult with trade or vocational 14 15 experts as to the equipment provided and the standards and 16 methods of instruction offered. The department may adopt reasonable rules relating to the enforcement of sections 302A **17** 18 424 to 302A-428."1 19 SECTION 20. Section 302A-428, Hawaii Revised Statutes, is 20 repealed.

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["[$302A-428] Penalty. Any person, firm, or corporation
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    that violates sections 302A-424 to 302A 428 shall be guilty of a
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    misdemeanor, but shall be subject to a maximum fine of not more
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    than $100 or imprisonment for not more than ninety days, or
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    both." 1
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         SECTION 21. All rights, powers, functions, and duties of
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    the department of education relating to the licensing of private
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    trade, vocational, or technical schools are transferred to the
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    department of commerce and consumer affairs.
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         SECTION 22. All records, equipment, machines, files,
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    supplies, contracts, books, papers, documents, maps, and other
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    personal property heretofore made, used, acquired, or held by
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    the department of education relating to the functions
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    transferred to the department of commerce and consumer affairs
    shall be transferred with the functions to which they relate.
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         SECTION 23. All rules, policies, procedures, guidelines,
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    and other material adopted or developed by the department of
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    education to implement provisions of the Hawaii Revised Statutes
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    which are reenacted or made applicable to the department of
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    commerce and consumer affairs by this Act, shall remain in full
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    force and effect until amended or repealed by the department of
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- 1 commerce and consumer affairs pursuant to chapter 91, Hawaii
- 2 Revised Statutes. In the interim, every reference to the
- 3 department of education or superintendent of education in those
- 4 rules, policies, procedures, guidelines, and other material is
- 5 amended to refer to the department of commerce and consumer
- 6 affairs or the director of commerce and consumer affairs as
- 7 appropriate.
- 8 SECTION 24. Statutory material to be repealed is bracketed
- 9 and stricken. New statutory material is underscored.
- 10 SECTION 25. This Act shall take effect upon its approval.

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TNTRODUCED BY.



Report Title:

Post-secondary Education Authorization for Private Trade, Vocational, or Technical Schools

Description:

Transfers regulatory jurisdiction over private trade, vocational, and technical schools from the Department of Education to the Department of Commerce and Consumer Affairs.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.