



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony presented before the
House Committee on Finance
April 1, 2013 at 2:00pm, Room 308

By Linda K. Johnsrud

Executive Vice President for Academic Affairs & Provost, University of Hawai'i System

SB 46 SD2 HD2 – RELATING TO EDUCATION

Chair Luke, Vice Chairs Nishimoto and Johanson, and members of the Committee:

The University of Hawai'i supports the intent of SB 46 SD2 HD2 that establishes the post-secondary education authorization program within the Department of Commerce and Consumer Affairs (DCCA) to authorize post-secondary educational institutions to operate in the state, to maintain a listing of such institutions, and to act on complaints concerning these institutions. SB 46 SD2 HD2 addresses the requirements of the U.S. Department of Education regulations under Title IV of the Higher Education Act of 1965, as amended.

It is the University's position that placing the authorization function outside the University of Hawai'i (UH) avoids the potential or the appearance of a conflict of interest were the state's sole public university to authorize private providers to operate within the state. The University is available to offer DCCA any expertise it may need regarding post-secondary educational institutions and on accreditation.

The University would like to offer two amendments to the current draft:

1. While we understand the need to charge institutions a fee to participate in this program in order to finance the operation costs at DCCA, the cost of \$10,000 per institution is excessive for smaller institutions which are largely reliant on tuition revenues to operate. Therefore, we recommend that the fee be based on student enrollment, specifically on Full-Time Equivalency (FTE) enrollment. For example, the fee of \$10,000 applies to institutions with a student enrollment of 10,000 or more; \$5,000 for enrollment of 5,000 or more; etc.
2. The draft currently repeals the establishment of the Post-Secondary Education Commission and its administrative rules at UH. We strongly recommend that the Commission remain at UH since it had been originally established as a vehicle for the state to receive federal funds for student scholarships. Should the federal government decide to reinstate funding for the scholarships, Hawai'i would not have an agency or commission that would be able to receive the funds and properly disburse them to Hawaii's students.

We appreciate the thoughtfulness in SB 46 SD2 HD2 in addressing the U.S. Department of Education regulations, and thank you for the opportunity to testify.