

HAWAII POST-SECONDARY EDUCATION AUTHORIZATION PROGRAM



DECEMBER 2016 UPDATE

HPEAP in 2016

The Hawaii Post-Secondary Education Authorization Program (“HPEAP”) publishes a newsletter annually to update the public on its activities over the course of the year. Notable highlights detailed further in this newsletter include students still affected by the Heald College closure, other schools such as ITT hit with difficulty after tightening of federal regulations, and Hawaii schools enabled an opportunity to expand distance education through the State Authorization Reciprocity Agreement.

As of this publication, 26 institutions are on the authorization list which can be found on the HPEAP website at <http://cca.hawaii.gov/hpeap/authorized-schools/>. Four new authorizations took place this year. They include A.T. Still University, University of the Incarnate Word, Southeastern University, and Columbia College. Authorized schools are on a biennial reauthorization cycle.

In 2016, HPEAP received no official filed complaints. Information on the complaints process is on the HPEAP website at <http://cca.hawaii.gov/hpeap/student-complaint-process/>. The forms to be utilized can also be found on the website. While HPEAP did not receive any formal complaints, it fielded hundreds of inquiries for information and guidance on loan forgiveness and transcript requests from former Heald College students.

Heald School Closure

Although more than a year has passed since Heald College’s abrupt closure, HPEAP continues to receive transcript requests daily as students may need them to file for loan forgiveness, transfer credits when attending a new school, provide proof of education for employment, etc. While a majority of the requests come directly from former students, government and third-party background and education verification entities also frequently submit requests to HPEAP for student information.

HPEAP provided transcripts free of charge from the time of Heald’s closure through June 30, 2016. On July 1, 2016, a \$10 fee took effect to offset continued costs of providing the records to students and education verification entities. To help streamline and expedite the process, HPEAP created an online ordering system accessible at <https://hpeap.ehawaii.gov/hpeap/home.html>. Requests can still be submitted in-person or by mail as well. To date, HPEAP has fulfilled over 2,000 requests. By a rough count HPEAP has in excess of 30,000 individual student transcripts, which includes records dating back to the 1970s when the school was known as Cannon’s School of Business.

A graphic featuring a magnifying glass over a stack of papers. The number "2000+" is prominently displayed in large, bold, black font. Below it, the text reads "Heald student record requests fulfilled by HPEAP" and "300+ submitted online (As of December 1, 2016)".

2000+
Heald student record requests fulfilled by HPEAP
300+ submitted online
(As of December 1, 2016)

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Heald School Closure

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HPEAP is aware of successful cases of loan forgiveness and reimbursement, and continues its efforts to encourage former students to apply for loan forgiveness.

HPEAP and federal agencies promoted loan forgiveness at the time of closure, and in September 2016, HPEAP reached out again via email to more than 2,500 former students from a loan forgiveness eligibility list provided by the U.S. Department of Education. HPEAP received a spike in phone and email inquiries related to loan forgiveness in the immediate days following the email. HPEAP also reached out to the media to promote this under-utilized option available to many former students. Former students could be eligible for a closed school loan discharge since Heald closed, or borrower defense to repayment if the school defrauded the student, such as misrepresenting job placement rates for certain programs of study. In borrower defense to repayment, the outstanding loan may be forgiven, and amounts already paid could be reimbursed. HPEAP will continue its outreach efforts urging students to take advantage of loan forgiveness opportunities.



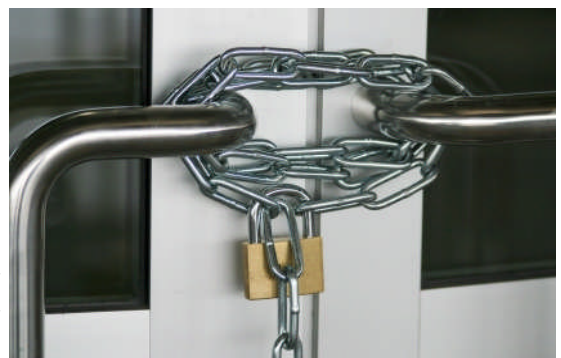
Information on submitting Hawaii Heald College transcript requests and links on loan forgiveness is provided on a dedicated HPEAP webpage: <http://cca.hawaii.gov/hpeap/for-heald-college-students/>

Argosy Loan Forgiveness

HPEAP also shared information about a settlement between Education Management Corporation (“EDMC”), parent to Argosy University, and the U.S. Department of Justice and attorneys general in 39 states, including Hawaii, over past recruiting practices. Under the agreement, EDMC will significantly reform its recruiting and enrollment practices and forgive nearly \$184,000 in loans for about 181 former Hawaii students.

ITT Closure

On September 6, 2016, ITT Technical Institute abruptly shut down. Although ITT Tech had no campus in Hawaii, HPEAP proactively did its due diligence to track down how many Hawaii residents, if any, enrolled in online courses. On September 8, HPEAP learned that a total of six Hawaii residents were affected, and immediately contacted them and shared information about their options to either file for loan forgiveness or transferring their credits to another school. HPEAP also recommended requesting copies of their transcripts, and saving catalog and other coursework information.

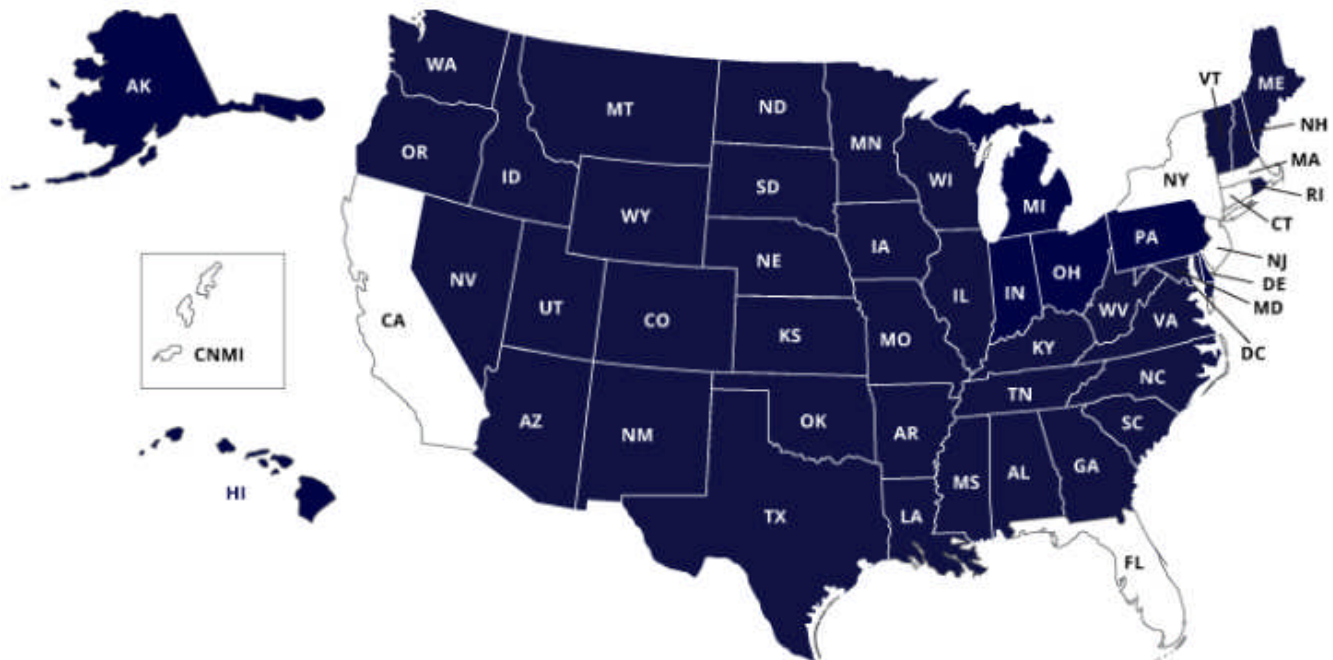


State Authorization Reciprocity Agreement



The State Authorization Reciprocity Agreement, commonly referred to as SARA, is an agreement among member states that establishes standards for interstate offering of distance education courses and programs. The intention is to make it easier for students to take online courses offered by postsecondary institutions in another state. The flexibility of taking courses online and accessing schools in different states without leaving their home state is appealing to students. Although Hawaii previously was not required to be a SARA state for Hawaii-based students to enroll in distance education offered by participating SARA schools, no Hawaii-based institutions could become a SARA school. Upon several Hawaii institutions indicating interest in participating in SARA, HPEAP applied to and officially became a member of SARA on May 17, 2016. Hawaii Pacific University became the first Hawaii SARA institution on October 31, 2016. Babel University Professional School of Translation also submitted an application to become a SARA institution and is currently under review.

SARA States & Institutions



SARA states are highlighted on the map.
Map of SARA States as shown on <http://nc-sara.org>

Legislation

On June 29, 2016, Governor David Ige signed House Bill 1894 HD1, SD1 into law. Act 143 allows HPEAP to maintain student transcripts of a closed school in a form prescribed by the director, and dispose of other records at the director's discretion. Through its experience with the Heald College closure, HPEAP observed the scores of documents an institution may deliver upon closure. Older guidelines obligated HPEAP to store all provided documents for up to ten years, which is both burdensome and costly. The implementation of this law enables the director to retain only pertinent records and provides the flexibility of electronic recordkeeping to function more effectively.

Rulemaking

HPEAP drafted a proposed chapter for Hawaii Administrative Rules. The draft is viewable at: <http://cca.hawaii.gov/hpeap/files/2016/04/Draft-Rules-for-Chapter-255-Title-16.pdf>. A public hearing for the proposed rules will be scheduled soon.

Federal Regulation and Enforcement

HPEAP's oversight authority is tied to federal requirements for state authorization under the Higher Education Act of 1965. It actively monitors developments on the federal level that may impact Hawaii schools. Notable developments include:

The State Authorization Rules for Distance Education Providers

<http://ifap.ed.gov/fregisters/attachments/FR072516.pdf>

New regulations regarding borrower's defense to protect students and taxpayers from predatory institution

<http://www.ed.gov/news/press-releases/education-department-proposes-new-regulations-protect-students-and-taxpayers-predatory-institutions>

Oversight of accrediting organizations

<http://www.usnews.com/news/articles/2016-09-22/education-department-strips-authority-of-acics-the-largest-for-profit-college-accreditor>

<http://sites.ed.gov/naciqi/files/2016/08/NACIQI-Report-of-the-MeetingJUNE2016FINAL-508.pdf>

Compliance actions

<http://blog.ed.gov/2016/08/increased-oversight-of-itt-and-the-impact-on-students/>

Actions to protect consumers from debt relief scams

<https://studentaid.ed.gov/sa/about/announcements/debt-relief-message>

Actions to assist military families to resolve issues with college or career schools not administering federal student aid funds properly

<https://studentaid.ed.gov/sa/about/announcements/complain-about-school>

About HPEAP

The Hawaii Post-Secondary Education Authorization Program ("HPEAP") provides state oversight of post-secondary accredited institutions to the extent not already provided for under existing laws and as may be required for participation in Title IV federal student aid programs. HPEAP was established in 2013 to comply with U.S. Department of Education regulations that, among other things, provide that a school must be established by name as an educational institution by a state through a charter, statute, constitutional provision, or other action issued by an appropriate state agency or state entity. Unlike most other states, Hawaii's oversight of postsecondary education is de-centralized.

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