

## LEGISLATIVE REPORT

### INTRODUCTION

The Hawaii State Legislature (“Legislature”) adopted Senate Concurrent Resolution No. 46, Senate Draft 2 (“SCR46”) during the Regular Session of 2015, requesting the Hawaii State Department of Commerce and Consumer Affairs (“DCCA”) and the Hawaii State Department of Education (“DOE”) to convene a working group to evaluate and review the State’s current licensing program for private trade, vocational, and technical (“PTVT”) schools. SCR46 requested the DCCA and the DOE to report their findings and recommendations, including any proposed statutory changes, to the Legislature prior to the beginning of the Regular Session of 2016.

A working group composed of DCCA and DOE staff (“Working Group”) collaborated to gather information from PTVT schools and to develop findings and recommendations. Through surveys and in-person discussions with schools and other stakeholders, the working group collected pertinent information about the current licensing program managed by the DOE (“Program”) and potential future changes. The Working Group appreciates the time and consideration of the responding PTVT schools and has found their input invaluable to the SCR46 process. Both state agencies are hopeful interested schools will continue to actively provide input and opine on recommendations tendered in this legislative report.

This report includes: 1) the findings of the Working Group, 2) the recommendations of DCCA, and 3) the recommendations of the DOE.

### ***Current DOE Licensing of PTVT Schools***

Pursuant to Sections 302A-424 to 302A-428, Hawaii Revised Statutes (“HRS”), the DOE is responsible for the oversight of PTVT schools. This program has been in existence and administered under the DOE since 1939. DOE responsibilities include the following functions:

- Issuance of licenses, which requires review of a school’s method and content of advertising, the standards and the methods of instruction, and the equipment provided. (§ 302A-427, HRS)
- Suspension or revocation of PTVT school licenses after providing the opportunity for hearings. (§ 302A-426, HRS)
- Adoption of administrative rules concerning enforcement of PTVT schools. (§ 302A-427, HRS)

The DOE’s functions and requirements for participation in the Program are further reflected in administrative rules, including licensing requirements, curriculum, school staffing, tuition and fees, inspections, complaints, license revocation or suspension, and more. See Hawaii Administrative Rules (“HAR”) Title 8, Subtitle 2, Chapter 101, [www.hawaii.net/AdminRules/Pages/AdminRule101.aspx](http://www.hawaii.net/AdminRules/Pages/AdminRule101.aspx).

In general, PTVT schools provide adults in Hawaii the opportunity to be able to garner proficiency or skills in a trade, vocational, or technical field, which contributes to Hawaii's workforce education and training program.

According to the HAR Title 8, Subtitle 2, Chapter 101, a PTVT school means "a private trade, vocational, or technical school, as defined by State law, which provides only post-secondary courses below the college or university degree-granting level." PTVT schools provide instruction and training in areas such as massage therapy, miscellaneous health care and office support services.

As of this report, 33 PTVT Schools are currently licensed under the Program. PTVT schools are granted licenses for a two-year period, with current licensees set for renewal in August 2017. Licensing fees assessed by the Program are currently \$100 for initial applications/licensure and \$50 for license renewals. Fees collected are deposited to the State's general fund. Under the DOE, the Program does not have access to any collected funds. Currently, the Program responsibilities have been added to the workload of existing DOE staff, otherwise formally dedicated to other DOE programs.

The types of PTVT schools that are licensed vary widely, including education programs in the areas of health care services, tax preparation, massage therapy, and others. A summary of the different PTVT schools has been included as Attachment A. The summary includes figures on enrollment trends, estimated annual fees, estimated frequency of annual licensing activities, and other categories. Additional information on the Program and the nature of these different types of schools (e.g., types of courses/curriculum for each school) can be found on the DOE's website.<sup>1</sup>

### ***Audits by the Office of the Auditor ("OA") and Legislative Reference Bureau ("LRB")***

The issue of transferring the licensing program from DOE to another state agency is not unique. Prior studies in 2002 and 2012 conducted by OA and LRB on the placement and oversight of this Program concluded that the Program should be transferred out of the DOE. A study conducted by OA in April of 2002<sup>2</sup> cited a number of identified Program deficiencies and "an overall lack of commitment to the program" by the DOE as reasons for recommending that the Program be transferred to another agency. A report in December of 2012<sup>3</sup> noted the "DOE's commitment to its licensing program is questionable" and that a "lack of resources hinders DOE's ability to perform oversight."

### ***Legislative Request to Review PTVT School Licensing Program***

During the 2015 legislative session, the DOE strongly supported SB856/HB340, a proposal concerning post-secondary education authorization for private trade, vocational, or technical schools, to transfer the Program from the DOE to DCCA. DCCA, on the other hand, expressed

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<sup>1</sup> <http://www.hawaiipublicschools.org/TeachingAndLearning/AdultEducation/Pages/Licensing-a-vocational-school.aspx>

<sup>2</sup> "A Study on the Licensing of Private Trade ... - Hawaii.gov." 2013. 21 Dec. 2015  
<<http://files.hawaii.gov/auditor/Reports/2002/02-08.pdf>>

<sup>3</sup> "Study of the Higher Education Act - Hawaii.gov." 2013. 21 Dec. 2015 <<http://files.hawaii.gov/auditor/Reports/2012/12-11.pdf>>

strong concerns regarding SB856/HB340 that sought to repeal all existing law for the Program under Chapter 302A, HRS and insert it into Chapter 305J, HRS, related to the Hawaii Post-Secondary Education Program (“HPEAP”). Subsequently, SCR46 was adopted by the Legislature requesting the following:

1. DOE and DCCA convene a Working Group that would, in collaboration with existing PTVT schools, evaluate and review the State's current licensing program and consider alternative licensing program structures or models that are in the best interest of private trade, vocational, and technical schools and for students;
2. The Working Group consider licensure procedures that protect consumers from false, deceptive, misleading, and unfair practices of PTVT schools and ensure adequate educational quality is provided;
3. The Working Group examine potential impacts to PTVT schools and their students due to changes in fees or related licensing costs associated with a new licensing system;
4. The Working Group include interested stakeholders in the Working Group's discussions; and
5. The DOE and DCCA submit a report of findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2016.

#### ***DOE and DCCA Working Group***

As requested by SCR46, the DOE and DCCA organized a Working Group made up of staff from each department to review the current Program and to formulate findings and recommendations to address the issues in the resolution. The Working Group met several times during the months between the 2015 and 2016 legislative sessions. Further, they reached out to the various PTVT schools to gather information to assist the Working Group to better understand both the nature of the PTVT schools and the experiences of each of those PTVT schools while participating in the current Program.

A comprehensive survey was sent out to the PTVT schools and, over a period of several months, responses were gathered from those schools that participated. On August 11, 2015, the questionnaire was sent via e-mail to all PTVT schools with a valid license expiring August 31, 2015. Of the 33 schools, 23 schools or approximately 70 percent responded<sup>4</sup>. Of the non-responding schools, three (3) schools had recently shut down and were unreachable by e-mail or phone. Also, individual follow-up conference calls were offered to those schools wishing to further discuss the work being done in response to SCR46, and were held shortly after the initial survey period. Of the remaining non-responding schools to the survey, the Working Group was able to interview four (4) schools via phone to gather feedback. The Working Group found the information gathering efforts to be very useful in helping to identify the PTVT schools' concerns and any possible revisions to the current law. Refer to Attachment A for a summary of the survey responses.

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<sup>4</sup> As of August 11, 2015, 34 schools were licensed. In the new licensing period effective September 1, 2015, only 33 schools are licensed.

In addition, each department engaged in more information gathering work, where appropriate, including the contacting of other agencies for background on different topics or other clarification and expertise. Additional outreach included discussion with non-educational licensing programs, such as the Hawaii Board of Massage Therapy.

## **FINDINGS**

The following sections discuss the Working Group's findings and recommendations, including possible legislative action.

### ***General School Characteristics***

Many of the currently licensed schools have been a part of the DOE licensing program for many years, some for over four decades. Average school enrollment for licensed PTVT schools responding to the survey ranged from less than 10 students enrolled per year to several hundred annually. The mean enrollment for the 23 responding schools was approximately 118.65 students per year when considering enrollment figures over the last five years. The median enrollment was 60 students per year.

Massage therapy or massage-related schools make up almost 55% of the PTVT schools licensed in Hawaii, and comprised of approximately 52% of schools responding to the Working Group's questionnaire.

Courses offered by non-massage therapy schools licensed under the DOE Program, include but are not limited to the following:

- a. Various office skill trainings
- b. Tax preparation
- c. Computer repair
- d. Travel and culinary

Under current law, schools without an identified vocational classification under HAR Title 8, Subtitle 2, Chapter 101 may seek PTVT licensure. With the exception of a small portion, there are no corresponding professional, non-educational licensing boards for these types of schools.

### ***School Costs: Licensing Fees and Other Expenses***

Estimated annual school costs vary widely. School costs, including licensing fees and other expenses, ranged from \$50 to tens of thousands of dollars (up to approximately \$100,000) per year for outside legal representation, costs of utilizing staff resources for licensing/compliance activities, accreditation, and other miscellaneous related costs.

Few patterns emerge from the reported cost figures. The one constant set of costs amongst all responding schools was the initial PTVT application (\$100) or renewal (\$50) fee covering a two-year licensing period. Further, it appears that many massage schools – although it is important to note that not all such schools – typically allocate or estimate a lower amount of total licensing costs when compared to other responding schools. Also, schools providing medical or health skills training had among the highest allocated or estimated total licensing costs, which appear to be significantly affected by accreditation costs. However, this pattern was not true for every such school from the medical or health skills area providing responses.

Despite the variance in licensing costs paid by schools, it is clear that the Program's long-time fee structure is inadequate to sustain such a program. Future consideration of fee adjustments should include the examination of program sustainability, and schools' operating cost impacts.

### ***Student Aid***

Fifty-two (52%) percent of responding schools indicated that their students received financial aid from various sources. State licensure is required for those students to qualify for financial aid in many cases. Such funding sources include federal aid sources (e.g., Pell Grants, federal education loans, Veterans Affairs or military service-related educational benefits, etc.), as well as Hawaii-based aid sources (e.g., Hana Lima scholarships, Alu Like program funding). The state licensure requirement for student aid qualification does not appear to be necessarily limited to a single type of financial aid being utilized by students.

A small number of responding schools also indicated that some foreign students are attending via a student visa program.

### ***Consumer Protection Concerns/Activity***

According to schools' survey responses, consumer protection concerns have been very limited amongst PTVT schools over the last several years. Responses to this question were generally in relation to the DOE Program, and may not necessarily cover any other consumer complaints made against the responding schools.

### ***School Preference for the Current DOE Program***

A number of responding schools indicated a preference, sometimes strongly so, for the current DOE Program, which included highly complimentary remarks for its customer service and the general comfort and familiarity with the current licensing system. Some respondents indicated their appreciation and valued the assistance and guidance they have received from the DOE Program. Other responding schools expressed a reluctance or concern with transferring the DOE Program or otherwise establishing a similar program under DCCA. At least one school responded that, in contrast to their positive experience with the DOE Program, DCCA's processes in the licensing area can be slow or otherwise contradictory and confusing. One responding school noted that it is important to have DOE oversee this program, given their role and expertise in education and in regulating PTVT schools over the years.

### ***Follow-up Calls with Schools***

In follow-up conference calls with interested schools, it appears likely that any potential changes to licensing costs (i.e., fee increases) will be passed on wholly or in large part to students as added costs of operation. In a limited number of circumstances, schools indicated the possibility of utilizing existing alternative funding sources, such as grants, to help offset any cost increases, to the extent reasonable. Some schools noted that licensing cost increases could adversely impact or potentially shutter their school's operations depending on the level of increase.

### ***Consideration of Fee Increases as related to Funding Models***

The Working Group considered Program funding, and whether adjusting current fees would be necessary. DOE and DCCA have different funding systems. A complete transfer of the Program between agencies may require a closer look at funding issues that may result. The DOE is primarily funded with state's general funds, none of which is appropriated for this purpose.

The DCCA receives no general fund appropriations and is funded through a self-sufficiency model. This means that the cost of operating the program is borne by the Program's registrants or licensees through fees, and through fines or penalties collected and interest earned. It also means that any program fees are to be used for the purposes the fees were assessed (including administrative overhead) and cannot be used to cross-subsidize other programs or revert to the general fund.<sup>5</sup> DCCA's funding strategy requires revenue-generating divisions to secure revenues to cover division expenses and contribute equitably to overhead costs, and the Department's longstanding financial goal is to bring its beginning year cash reserves to nine months of budget ceiling plus overhead. This strategy ensures fund solvency and continuation of mandatory public services.

Not surprisingly, DCCA's experience has shown that its self-funded model is most successful when there is a large pool of applicants and licensees that can collectively shoulder the operational costs of the program. Where there are few licensees, program costs necessarily result in proportionately higher licensee fees. DCCA has expressed concerns that its funding model may be simply too expensive for the PTVT schools, which has 33 licensees.

### ***DCCA Discussion with Professional, Non-Educational Licensing Boards***

DCCA asked members of professional, non-educational licensing boards for input on SCR46 to better understand their capabilities in assisting with PTVT school licensing. For example, DCCA reached out to the Board of Massage Therapy (BMT) as a non-educational licensing entity for those individuals and facilities wishing to engage in the practice of massage therapy in the State. BMT was specifically selected to reflect the number of PTVT schools that are designated as massage schools or offering related courses of study (e.g., classes to learn shiatsu massage). Initial input from BMT may be representative of existing professional licensing boards and their capacities to assist the Program. Other boards may be similarly challenged as their members may not have the expertise and resources, nor are they designed to carry out the full range of licensing functions including on-site inspections of facilities or audits of school operations. However, some BMT board members may be willing to consider providing additional support in administering the Program to the extent their abilities to perform their existing professional licensing board responsibilities are not diminished.

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<sup>5</sup>See HIC v. Lingle, 120 Hawaii 51, 201 P.3d 564 (2008)

## Summary of Findings

In general, the findings indicate the following:

1. State licensure of PTVT schools appears to be necessary for both schools and students in a number of instances. The purpose of state licensure is to ensure adequate educational quality. In some cases, licensure meets the eligibility qualifications needed for student aid/benefits, and professional licensure. Also, survey responses indicated that schools applying to provide certain types of training disclose their state licensing information in their application (see Attachment A, Page 10, response to question 7, concerning participation in Hawaii State Department of Labor-approved training programs). However, there may be a number of non-degree granting schools whose students do not receive financial assistance nor otherwise need to be state licensed.
2. Based on the low number of complaints in recent years, consumer protection of students does not appear to have been a major issue amongst existing schools.
3. PTVT licensing of schools meets various compliance requirements for some schools (i.e., certifications) and their students (i.e., financial aid eligibility, state professional licensure eligibility) and may provide enhanced credibility for the school. In fact, some exempt schools apply for licensure creating unnecessary licensure work.
4. The Working Group recognizes that the need for fee increases are necessary to better support the continuation of PTVT school licensing. Current licensing fees are set via the DOE's administrative rules, have not been adjusted for at least 30 years, and are deposited directly to the State's General Fund. Regardless of any changes the Legislature decides to make concerning PTVT licensing, fee adjustments need to be given serious consideration.
5. In the event of licensing fee adjustments, the Working Group recognizes the need to balance the costs to administer an effective licensing program and any possible negative impacts such cost adjustments may have on local PTVT schools' operations.



## **RECOMMENDATIONS**

### **DCCA and DOE Joint Recommendations**

Both Departments agree that the current licensing requirements need to be updated and modified. The licensing requirements have been in existence since 1939. In addition, legislation would be required to assist with this modification.

#### ***Recommendation 1: Modify Scope of Licensing Requirements***

Revise, redefine, and restrict the scope of licensing requirements to include only those schools requiring licensure for purposes of securing student financial aid (i.e., requirements for federal student aid, educational grants, or other funding sources requiring state-level licensure) or fulfilling professional licensure requirements for students.

#### ***Recommendation 2: Legislation***

Introduce legislation to repeal or revise portions of affected Hawaii Revised Statutes and Hawaii Administrative Rules.

## **DCCA Recommendations**

**Recommendation:** Improve the current Program and maintain it within the DOE by carrying out the following:

1. Review existing statutes and rules to eliminate unnecessary procedures, increase fees, and provide DOE with additional regulatory authority.
2. Consider a more limited form of regulation that would be more closely tailored to the needs of the licensees and their students. Deregulate schools that do not require licensure.
3. Provide more funding and resources to the DOE for administering the Program.
  - a. Raise the current fees for the DOE Licensing Program above the nominal \$100.00 initial application and \$50.00 application renewal fees to provide greater support for the program.
  - b. Create a dedicated special fund to collect and hold licensing program funds.
4. Support the DOE Program by gathering assistance from within the State, including DCCA, to aid in administration of the Program.
5. Coordinate with DCCA the handling of consumer complaints against PTVT schools that allege unfair or deceptive acts or practices.

Each of the recommendations above are explained in more detail below.

### **Recommendation 1**

*Review existing statutes and rules to eliminate unnecessary procedures, increase fees, and provide DOE with additional regulatory authority.*

DOE's PTVT statutes have not been revised since 1998 and the majority of PTVT rules appear to have been promulgated in 1987. The PTVT statutes and DOE rules place significant responsibilities on DOE staff, some of which may be unrealistic given the lack of programmatic support. DCCA recommends that the statute and rules be comprehensively reviewed to eliminate unnecessary procedures, with specific consideration given to elimination of procedures that DOE has already stopped performing. As noted below, rule revisions should include license fee increases.

For example, the following statutory changes may be considered:

Repeal HRS §302A-424. This provision allows for a potentially expanded scope of DOE operations for PTVT schools when consideration should be given to reducing the scope of Program operations.

Revise HRS § 302A-427, concerning the DOE's powers for the PTVT Program, as follows:

**[§302A-427] Powers of department.** [~~No license shall be issued under sections 302A-424 to 302A-428 until the department has approved the method and content of the advertising, the standards and the methods of instruction, and the equipment provided. The department may consult with trade or vocational experts as to the equipment provided and the standards and methods of instruction offered.~~] The department may adopt reasonable rules relating to the enforcement of sections 302A-424 to 302A-428.

Revise HRS § 302A-428, concerning Program penalties, as follows:

**[§302A-428] Penalty.** Any person, firm, or corporation that violates sections 302A-424 to 302A-428 [~~shall be guilty of a misdemeanor, but shall be subject to a maximum fine of not more than \$100 or imprisonment for not more than ninety days, or both.~~] may be fined not more than \$[INSERT] per violation or imprisoned not more than [INSERT] or both.

Also, revise **HRS § 302A-426**, regarding the suspension and revocation of PTVT licenses, to provide DOE with a broader range of sanctions in the event of a licensing violation.

DCCA believes that DOE should “right-size” the program, reduce unnecessary receipt and review of documents, and update its laws and rules before it considers more drastic changes to the program.

## **Recommendation 2**

*Consider a more limited form of regulation that would be more closely tailored to the needs of the licensees and their students. Deregulate schools that do not require licensure.*

The Working Group determined from school input that a number of PTVT schools have students that use different forms of financial aid, such as federal loans and grants. Five responding schools indicated they have Program Participation Agreements with the U.S. Department of Education’s Office of Postsecondary Education such that their students are eligible to participate in federal financial assistance programs. In addition, some PTVT schools have indicated that they utilize different forms of financial aid to operate their schools beyond tuition and fees, which includes grants from local organizations. See Attachment A for a listing of those financial aid and funding assistance programs in which the different PTVT schools take part.

Certain types of PTVT schools also provide courses of study for which school licensure is required for students to apply for professional licensure following graduation. An example of this requirement is in the area of massage therapy licensure. Also, at least one PTVT school indicates that it needs licensure because of existing contracts to provide workforce training and re-entry training for government agencies. See, Attachment A, General Information (Questions 7, 16, 17).

The Working Group also determined that a number of PTVT schools may not require state licensure, except to comply with §302A-425, HRS.

The current law provides for comprehensive regulation of all PTVT licensees, including curriculum review and approval, facilities and equipment review and approval, instructor licensure, and school inspections. Given the diverse needs for licensure and the unclear need for all currently licensed schools to be regulated, DCCA recommends that DOE consider (1) deregulating at least some schools through additional exceptions to the definition of “private trade, vocation or technical school” in HRS §302A-101, or through some other statutory exception, and (2) retention of the existing surety bond requirement under the DOE’s PTVT administrative rules.

While surety bond protection would not be available to students of deregulated schools, existing consumer protection laws protect all consumers, including students, from unfair or deceptive acts or practices such as misrepresentations in advertising or false or misleading solicitations. Moreover, as discussed below (see DCCA recommendation #5), the PTVT schools reported an absence of customer complaints over the last several years.

A reduction in the number of schools requiring DOE licensure would help the DOE in administering the licensing aspects of the Program.

### **Recommendation 3**

*Adjust the licensing program fee and funding structure to better support the DOE Licensing Program with a dedicated funding mechanism.*

- Raise the current fees for the DOE Licensing Program from the \$100.00 initial application and \$50.00 application renewal fees established in administrative rules to a level that provides more resources for the licensing program.

Current fees for the DOE Licensing Program have remained at current levels for several decades while costs for administration continue to increase. A self-sustaining program relying solely on licensing fees and related program income would be very expensive, given the small licensee pool (approximately 30) and the amount of review and oversight required under the existing law and rules, however, some level of fee increase with funds dedicated to the Program would more closely align Program revenue with expenses and reduce any reliance of the Program on the general fund. DCCA recommends a combination of dedicated funds and general funds that would provide the DOE with discretion to set fees in amounts that could balance the needs of the Program with the impact the fee increases would have on the licensee population.

- Create a dedicated special fund to collect and hold licensing program funds.

The current DOE Licensing Program is funded by the State's general fund, which is where current licensing fees are deposited. In order for the Program to have sufficient revenue to optimally perform its statutory responsibilities, alternative funding options should be explored, including fee increases, as recommended above, with collected revenue dedicated to the Program. DCCA, therefore, recommends the creation of a special fund to receive licensing fees and to fund the Program for this purpose.

An example of a dedicated funding mechanism for educational programs is shown below with respect to administrative rules covering the Hawaii DOE's Adult Education Program:

**§8-33-1 Financing adult education program.** The financial support for the adult education program shall be in part from fees collected from students enrolled, and in part from public funds appropriated for this purpose in accordance with state and federal laws. Administrative and supervisory costs, costs of instruction and all other necessary expenses not covered by fees and other authorized charges shall be paid from funds appropriated for this purpose. [Eff. 3/30/86; comp MAY 19, 1997] (Auth: HRS §§302A-1112, 302A-435) (Imp: HRS §§302A-1112, 302A-435; 20 U.S.C. §1203)

#### **Recommendation 4**

*Support the DOE Program by gathering assistance from within the State, including DCCA, to aid in the administration of the DOE Licensing Program.*

An option for providing the DOE Licensing Program with greater licensing expertise and guidance is to create a cooperative relationship between DOE's Program and DCCA programs. This cooperative relationship could take a number of forms, including information sharing and training between DCCA staff and DOE staff. This arrangement could be a benefit by allowing both DOE and DCCA to support the licensing Program by focusing on the functions which each agency is most familiar. Board member assistance also could be made available depending upon the specific topic and the existing workload of the assisting board. Like many other departments with volunteer boards, DCCA is encountering some difficulty filling vacancies, especially for those boards with lengthy agendas and multiple oversight responsibilities. As such, DCCA would want to avoid placing additional workloads on its volunteer board members to the extent possible.

#### **Recommendation 5**

*Coordinate with DCCA the handling of consumer complaints against PTVT schools that allege unfair or deceptive acts or practices.*

Results from the Working Group's survey and the available records from the DOE Licensing Program show that the level of complaints against PTVT schools under the Program is essentially non-existent over the last several years (see Attachment A for responses concerning

complaints and enforcement issues against PTVT schools). Aside from school closure complaints that have occurred in the past, the reported low number of complaints in recent years indicate that consumer protection issues do not appear to be pervasive amongst existing schools in general. Accordingly, it appears from recent responses that there is not a significant demonstrated risk of harm to PTVT school students in attending these schools.

In addition, there are a number of consumer protection laws in place that already create a safety net for all consumers, including students of PTVT schools. These consumer protection laws include protections against deceptive trade practices under HRS § 480-2. These protections will continue to be enforced by DCCA. DCCA is willing to coordinate with DOE regarding the types of complaints that fall within DCCA's jurisdiction.

## **DOE Recommendations**

Licensing PTVT schools is misaligned with the DOE's primary mission. Its mission is focused on K-12 education to ensure that all public school students can reach their fullest potential and attain their aspirations in the 21st century.

Given its budgetary constraints and restrictions, PTVT administration by the DOE continues to and has taken away valuable resources and time that should be solely focused on providing direct services and supports for Hawaii public schools, educators and students.

Additionally, the DOE acknowledges its inability to properly administer a regulatory program that is not compatible with the DOE's primary mission.

Therefore, the DOE strongly supports PTVT oversight be transferred in whole to DCCA, where the regulatory expertise exists.

### **Recommendation: Transfer oversight for the PTVT Program currently administered by the DOE to the Department of Commerce and Consumer Affairs (DCCA).**

*In 2002, the State Auditor affirmed this recommendation:*

*"Finally, a recent change in the licensing law brings into question the program is appropriate administrative placement. A 1998 amendment to Section 302A-425, HRS, added a new purpose statement that places emphasis on the protection of consumers. Recognizing the Department of Education's primary mission of educating students from grades kindergarten through 12 and the licensing program's primary purpose of consumer protection, consideration should be given to transferring the program from the Department of Education to the Department of Commerce and Consumer Affairs. The purpose of the licensing law would be aligned more appropriately with the consumer protection mission of the Department of Commerce and Consumer Affairs."*

Under this recommendation, DCCA would assume full responsibility for the PTVT program and:

- Grant licenses and provide oversight either by creating a new program office or via the current Professional and Vocational Licensing Boards. Start-up funding would be required to create an office to:
  - Ensure schools are properly licensed and regulated and meet the minimum requirements for licensure;
  - Ensure licenses are not backdated and are issued in accordance with the timeframe specified in the administrative rules;
  - Ensure license fees are collected prior to issuing a school a license to operate;
  - Ensure license fees are deposited in a timely manner; and
  - Review its administrative rules for the licensing program so recommended national standards for licensing proprietary schools and current surety bond deficiencies are addressed.

Implementation of this recommendation would require:

- Introduction of legislation to repeal Hawaii Revised Statutes (HRS) 302A-424 to -428 and Hawaii Administrative Rules (HAR), Title 8, Chapter 101. In addition, establish a new statute to authorize DCCA to issue PTVT licensing. This new DCCA program should be independent of HRS 305J Post-Secondary Education Authorization as the intent of HRS 305J is different in scope and services.
- Limiting Private, Trade, Vocational or Technical (PTVT) licensing to specific licensed areas handled by the Department of Commerce and Consumer Affairs (DCCA) Professional Vocational Licensing Division (PVL) enforced by DCCA's Regulated Industries Complaints Office (RICO).
- Continued enforcement of PTVT policies and procedures by DCCA.
- Consideration of a "registration" option versus licensing or certification in regards to PTVT schools.

*Registration is defined as "requiring practitioners to register their details onto the State roster so the State can keep track of practitioners." Licensing is "regulation" that "confers a legal right to practice to individuals who meet certain qualifications." Certification "restricts the use of certain titles to persons who meet certain qualifications but does not bar others from offering such services without using a the title."<sup>6</sup>*

**Should PTVT oversight remain status quo, the Department of Education will seek:**

- To only provide licensing to Private, Trade, Vocational or Technical (PTVT) licensing to specific licensed areas handled by the Department of Commerce and Consumer Affairs (DCCA) Professional Vocational Licensing Division (PVL) enforced by DCCA's Regulated Industries Complaints Office (RICO).
- To only provide licensing to Private, Trade, Vocational or Technical (PTVT) schools requiring a license from a state educational agency. PTVT schools will be required to provide documentation outlining the mandated specified requirement including but not limited to schools that require a license to secure grant funding or student scholarships or attainment of accreditation. Only schools that provide official documentation from the requesting organization will be accepted.
- To introduce legislation to amend Hawaii Revised Statutes (HRS) 302A-424 to -428 and Hawaii Administrative Rules (HAR), Title 8, Chapter 101 to include an increase in fees and change in licensing requirements. A proposal for consideration would increase licensing fees covering a two-year period from \$100 for initial licensure to \$7,500-\$10,000 and from \$50 for renewal of licensure to \$4,500-\$7,000 to cover program personnel and operations costs.
- To request start-up general funding of approximately \$100,000 per fiscal year for two years<sup>7</sup> to create and establish a PTVT Program office with personnel and operating costs.

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<sup>6</sup> "Sunrise Analysis: Regulation of Unaccredited Degree ..." 2014. 22 Dec. 2015  
<<http://files.hawaii.gov/auditor/Reports/2014/14-03.pdf>>

<sup>7</sup> 33 schools are currently licensed through August 31, 2017.



- To assign the Department of Commerce and Consumer Affairs (DCCA) with the responsibility to provide enforcement services for the PTVT program to investigate cases involving alleged unfair and deceptive practices or complaints at no cost to the DOE.

## ATTACHMENT A

### Report to the Legislature Senate Concurrent Resolution No. 46, Senate Draft 2 (2015)

The following response report includes consolidated summary information from 23 survey/questionnaire responses provided by various private trade, vocational, and technical ("PTVT") schools either licensed or applying for licensure with the Department of Education ("DOE") under the requirements of Sections 302A-424 to -428, Hawaii Revised Statutes ("DOE Program"). Questions below were included in an optional online-accessible questionnaire sent to PTVT schools with contact information on file through the DOE Program. Responses were collected beginning in early August of 2015, the last interested PTVT school providing questionnaire responses on September 15, 2015.

While follow up inquiries were conducted by members of the DOE staff and Department of Commerce and Consumer Affairs staff, this response report includes only the information provided by PTVT Schools through their questionnaire responses.

#### **GENERAL INFORMATION [Includes Questions 1, 3, and 4]<sup>8</sup>**

Number of Responding Schools: 23

Industries Covered (count greater than no. of responding schools):

- Massage Therapy (11);
- Shiatsu Therapy (1);
- Dental Assisting (1);
- Travel/Culinary (1);
- Computer-Aided Design and Drafting (1);
- Barbering and Styling (2);
- Holistic Health Practitioner (1);
- Hypnotherapy (1);
- Medical Assisting (3);
- Medical Administration (1);
- Pharmacy Technicians (2);
- Additional Medical Training (Coding, Phlebotomy, EKG Operations) (1);
- Computer and General Office Training (Office Technology Management, Office Systems Accounting) (2);
- Tax Preparation (1)

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<sup>8</sup>Question 2 asked for updates to school contact information found on the DOE's vocational school licensing program website.

**Question 3. Years Licensed**

	Average (Mean)	Median	Range
Total Years Licensed (DOE Program)	14.64	10	1 to 64

*\*Average, median, and range were calculated using all 23 responding schools.*

**Question 4. Enrollment**

	Average (Mean)	Median	Range
Total Enrollment [5-year avg. or since licensure/operation]	118.66	60	7.5 to 720

*\*Average, median, and range were calculated using all 23 responding schools. Figures used a five-year average to calculate total enrollment, or an average of all years in operation/licensed when a school has been operating/licensed less than five years.*

**REGULATORY/LICENSING ACTIVITIES [Question 5]**

The following figures provide an average of amongst all respondents of the number of times each school has been engaged in the listed licensing/regulatory activities:

Type of Licensing/Regulatory Activity (since licensure)	Number of Instances/Actions [Average (since licensure)]
1. Initial Licensing Applications	1.09
2. License Renewal*	4.65
3. License Revocation/Suspension	0
4. Facility/Equipment Inspection*	2.48
5. Review of Advertising Materials*	2.87
6. Curriculum Review*	3.65
7. Staff/Instructor Review*	4.00
8. Inspections/Audits	1.48
9. Hearings/Appeals	0
10. Administrative Rules*	1.78

*\*Indicates likely higher averages; survey allowed for a maximum response of "10+" for each licensing activity.*

**LICENSING COSTS [Question 6]**

Each school was asked to provide estimated annual costs associated with licensing under the DOE Program. Types of costs included licensing/application fees, outside representation to assist with the licensing process, costs allocated to the use of staff time and resources for compliance, other costs (open), and accreditation-related costs. Total costs represent an aggregate of cost information provided, and, when necessary, the highest cost presented as part of a range of costs for any item was used to calculate total and average costs.

Type of Licensing Cost	Average (Mean)	Median	Range	No. of Schools Reporting \$0
1. Total Costs (sum of reported costs)	\$8,508.20	\$1,275.00	\$50.00 to \$100,050	-
2. DOE Initial/Renewal Application Fee	\$514.13	\$50.00	\$0.00 to \$10,000	0
3. Outside Representation for Licensing	\$98.59	\$0.00	\$0.00 to \$1,177.50	17
4. Utilization of Staff Resources for Compliance Activities	\$4,345.65	\$0.00	\$0.00 to \$50,000	14
5. Other Costs	\$1,077.00	\$0.00	\$0.00 to \$12,000	15
6. Accreditation	\$2,472.83	\$0.00	\$0.00 to \$38,000	16

*\*Averages, medians, and ranges were calculated using all 23 responding schools.*

**NOTE: Question 7 is included out of order in the section on GENERAL INFORMATION below.**

**FINANCIAL AID [Questions 8, 9, 10, 11, 12, and subparts]**

Schools were asked to provide information on the nature of financial aid/benefits that students attending their courses receive both in general and regarding specific types of financial aid/benefit programs. Quantitative responses are provided either as totals or averages/medians/ranges, and qualitative responses are listed in full. Where necessary, responses are amended and noted to remove specific information concerning the responding school.

***Question 8 and 8a. Do students qualify/receive financial aid or assistance to cover the costs of attending your school? If so, what types of assistance are received, and what percent of students receive assistance and what is the level of average annual aid/assistance?***

Number of schools indicating students qualify/receive financial aid or assistance: 12

Additional general financial aid/assistance responses [Question 8a]

<p>"Federal Title IV - Pell Grant, Subsidized and Unsubsidized Student Loans 80% receive aid averaging \$8500 annually</p> <p>Veterans Benefits - 8% receiving an average of \$16,000.00 annually"</p>
<p>"1) Work Assistance Program (up to \$3,000 per student) with additional clinic massage to cover the cost of tuition payment</p> <p>2) Hana Lima Scholarship (\$1,500) via Alu Like Inc. for native Hawaiian students</p> <p>3) Vocational Rehabilitation by both State of Hawaii and Veteran's Affairs</p> <p>4) Veteran's Affairs Post 9/11 GI Bill"</p>
<p>"On Oct 2014: (1) We collected \$13,828.53 from the State to date from the ETF fund. (2) We have trained 67 students that have used ETF Funding (3) In the same period, we trained a total of 100 open enrollment students. (4) Thus, 67% of open enrollment students in Hawaii use ETF funding."</p>
<p>"Parent and Children Together (PACT) 2% Alu Like 5%"</p>
<p>"Montgomery GI Bill 10-100%, Post 9/11 GI Bill 10-100%, WIA, 10-50%, Alu Like 10-20%</p> <p>Total: 30-40%"</p>
<p>"Student are able to received assistance from Alu Like. We do not offer any federal financial aid yet. Assistance from Alu like varies from year to year, and about 5% of our students received assistance."</p>
<p>"We have small State and Federal contracts that either cover the cost or contribute to the cost of training programs offered."</p>
<p>"Pell Grant- SEOG PLUS Loan Stafford Loan 90% receive some form of aid.</p> <p>Each student average amount is \$12,500.00"</p>
<p>"Title IV Financial Assistance - approx. 73% Title IV Pell Grants - approx. 63% Title IV Loans - approx. 63% Non-Title IV Assistance - approx. 90%"</p>

<b>TYPE OF LOAN</b>	<b># of students</b>	<b>% of total students reported</b>	<b>AVERAGE ANNUAL AID RECEIVED</b>
Pell	462	82	\$2939
FSEOG	219	39	\$75
D/L Subsidized	370	66	\$3375
D/L Unsubsidized	372	66	\$3375
D/L Parent Plus	29	5	\$5219
MYCAA	10	1	\$4000
Alu Like	46	8	\$1645
HMC Scholarship	4	.7	\$900
PACT Scholarship	9	2	\$1470
WIA	10	2	\$5950
VA Payments	15	2	\$8246
Voc Rehab Payments	6	1	\$9456

This school indicated that the responses above also apply to question 8c.

"Pell and Supplemental Grants  
Veterans Grants  
MYCAA  
Direct Loans

85 to 95% of the schools student body are from low income families.  
Mosts low income families apply for enough grant and loans to cover their full cost of tuition and tools. (Requesting approximately \$14318.00) approximately \$900,000. In grants and loans would cover most students in a year. The amount fluctuates with the number of students enrolled.

Approx. 10% also need help with living expenses."

"Overall the licensing process through the DOE has been positive. Staff are quick, clear, and helpful. Forms are relatively easy to fill out and straightforward, and only slightly redundant.

This is in stark contrast to how DCCA-approved massage schools negatively describe their approval process, which is evidently a slow nit-picky process involving inconsistent or contradictory instructions and bizarre regulations that are simply not good for bodywork education.

If DCCA is going to take over the approval process for all massage schools, then they should adopt education requirements and educational guidelines that are more inline with the rest of the country [google ELAP blueprint]. They should also find a way to be as helpful and responsive as the DOE office has been. I think that schools should be given several years to prepare for such changes.

As a Ph.D. with a Masters degree in Education, I'm more than happy to offer more detailed thoughts on how the DOE application could be better (minor suggestions) or how DCCA could take over with the least disruption and the most benefit to quality education."

**Questions 8b and 8c. Is state licensure required for your students to be eligible for financial aid/assistance? If so, provide the type and source(s) of funding.**

Number of schools indicating that state licensure is a financial aid requirement: 9

For those 9 schools responding "yes" to Question 8b, additional responses include:

"Required by both our Accrediting Agency and the Federal DOE"
"Employment and Training Funding through the State of Hawaii Dept of Labor and Industrial Relations."
"Department of Public Safety, Worklinks, DOLIR ETF, USPO, USPSO"
"Federal Financial Aid"
"Title IV"
"Hanalima scholarship"
"VA, and other Federal funding sources, student loans, and also eligibility to provide student visas for foreign students. I am currently in the process of obtaining eligibility for such funding.  I believe there is a two year waiting period."
"Pell grants and Student loans"
"None of our students have FA since we are not accredited. But if we were accredited, I'm sure state-licensure would be required for FA. I can't list those funding sources since we don't currently use them."

**Question 9 and 9a. Do you have a Program Participation Agreement ("PPA") with the U.S. Department of Education's Office of Postsecondary Education ("OPE") such that your students are eligible to participate in Federal Student Financial Assistance programs under Title IV regulations? If so, what is your OPE number?**

Number of schools having a PPA with OPE for Title IV student assistance: 5

For those five schools responding "yes" to Question 9, their respective OPE numbers have been omitted from this results report.

**Questions 10 and 10a. Are any of your students recipients of U.S. Department of Veterans Affairs benefits relating to attending your school? If so, how many students?**

Number of schools with students receiving USDVA benefit for attending school: 9

For Question 10a, see the following information below

	Average (Mean)	Median	Range
No. of PTVT school students per school receiving USDVA benefits for attending school	9	6	1 to 30

*\*Average, median, and range were calculated using information from just those 9 schools to which question was reported to apply.*

**Questions 11 and 11a. Are any of your students attending your school as a foreign student on a student visa? If so, how many students?**

Number of schools with students attending on a foreign student visa: 5

For Question 11a, see the following information below:

	Average (Mean)	Median	Range
No. of PTVT school students per school attending on a foreign student visa	9	5	2 to 30

*\*Average, median, and range were calculated using information from just those 5 schools to which question was reported to apply.*

**Questions 12 and 12a. Is your school accredited? If so, what is the name of the accrediting organization?**

Number of accredited schools^: 5

For Question 12a, the following accrediting agencies^ were listed (no. of times listed):

- ACCSC [Accrediting Commission of Career Schools and Colleges] (2)
- ABHES [Accrediting Bureau of Health Education Schools]
- Accrediting Council for Continuing Education and Training
- The Accrediting Commission of Trade and Technical Schools
- American Association of Drugless Practitioners^



- ABMP [Associated Bodywork & Massage Professionals]^
- AMTA [American Massage Therapy Association]^ (2)
- DOE [Department of Education]^
- DCCA [Department of Commerce and Consumer Affairs]^
- MBLEX^
- NCBTMB [National Certification Board for Therapeutic Massage & Bodywork]^ (2)

*^Not an accrediting agency approved by the U.S. Department of Education. Although listed by schools as accrediting agencies, the organizations pointed out in this note are not approved by the U.S. DOE for such accrediting purposes. They have been included in the list here solely to reflect school responses to this questionnaire. Accordingly, the number of accredited schools reported here has been adjusted to reflect the non-approved status of the noted organizations.*

**PROFESSIONAL QUALIFICATIONS/LICENSURE [Question 13 and subpart]**

Schools were asked to provide information requirements where state licensure of schools or curriculum is necessary to be eligible for professional licensure or certification. Quantitative responses are provided either as totals or averages/medians/ranges, and qualitative responses are summarized. Where necessary, responses are amended and noted to remove specific information concerning the responding school.

**Questions 13 and 13a. Are any of your students in a course of study that requires graduation from a state-licensed school in order to qualify for professional licensure? If so, how many students and what professional licenses?**

Number of schools with students requiring state licensure of PTVT School to qualify for professional licensure or certification: 10

For Question 13a, see the following information below

	Average (Mean)	Median	Range
No. of PTVT school students per school requiring state-licensure to qualify for professional licensure	35.33	15	3 to 150

*\*Average, median, and range were calculated using information from just those 9 (see explanation below) schools to which question was reported to apply.*

Note that eight of the ten schools answering "yes" to question 13 above have students anticipated to take the massage therapy license examination, for which state licensure of their school is required. A ninth school has students anticipated to take the state barbering examination, for which state licensure of their school is required.

An additional tenth school noted that federal law requires licensure for certified medical assistant and registered medical assistant purposes, but no student totals were provided to further explain this requirement. As such, the figures above cover just the nine schools providing student figures as requested.

**COMPLAINTS/ENFORCEMENT [Questions 14 and 15]**

To gauge the educational consumer/service-related risks to students attending PTVT Schools, as well as to better understand the risks posed to the public beyond the sale of educational services to students, schools were asked to provide information on compliance and enforcement actions with which they have been involved over the last five (5) years. Where necessary, responses are amended and noted to remove specific information concerning the responding school.

**Question 14. How many complaints were made against your school for any licensing requirements or violations within the last five (5) years?**

Number of complaints indicated under DOE Program: 0

Additional Responses:

"None - We fully explain about our program and licensing for the intended state or country of each prospective student who attend or come visit for a school tour."
"Once from board of health- they inspected and was clean and things were good."
"None, One haircutting client (not a student) complained to the DOE about our school policy that all client services must be paid for or a client refusing to pay must leave a photo id with the school and guarantee that he will never return. It was addressed by the DOE and closed. (Some people will complain everywhere they go, attempting to get free services)"

**Question 15. Has your school been cited by or has any investigation concerning your school been opened by the DOE or any organization for any violations of DOE licensing requirements or violations within the last five (5) years? If so, describe and note any penalties assessed?**

Number of investigations reported for DOE Program or other organizations: 1\*

Additional Responses

"No violations. The school strives to constantly meet all regulations .  Visitations and inspections have occurred whenever the school opened a new facility, DOE representatives also joined the visiting teams from the Accrediting Commission of Career Schools and Colleges to observe commission activities and procedures."
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\*Note this count includes one response to Question 14 that referred to an investigation that was beyond the scope of Question 14.

**GENERAL INFORMATION [Questions 7, 16, and 17]**

Schools were given the opportunity and encouraged to openly describe their experiences and concerns as licensed PTVT Schools operating in the State. Where necessary, responses are amended and noted to remove specific information concerning the responding school.

**Question 7. Please provide any additional information or comments regarding your school's experience and/or the requirements of licensure.**

<p>"School Staff and Students are very happy that they are able to work/learn at the school and are proud that our school is approved by the state of Hawaii."</p>
<p>"We just recently received the DOE license for Private Trade, Vocational, and Technical Schools. And this is our first time applying for a renewal license.</p> <p>We are a reseller of Autodesk software and we support our products by providing services. Open enrollment training is one of the services that we provide to our customers.</p> <p>I recorded 0 enrollment for some of the previous years because I do not have those numbers readily available to meet the deadline of this survey."</p>
<p>"In the past we needed to submit the articles of incorporation not only the first time but many times. It was the same documents always."</p>
<p>"For the most part obtaining the license was a straightforward process. The biggest issue was in obtaining clearance from the health department, whose understanding was that this was a requirement only for food, massage, or public elementary/secondary schools. We eventually found a supervisor who had been around long enough to know of the requirement."</p>
<p>"I have worked closely with former DOE director to get application into a fillable format which took years and a number of re-certification periods to happen but it's finally done. Depending on how many courses or types of courses, instructors, etc. you have, it takes quite a bit of time. This is where most companies have to dedicate its time and resources (cost) to for 3-4 weeks. I also think the DOE should start cracking down on educational/trade facilities that are not compliant with its standards. I know of many CDL [Commercial Drivers License] schools that are operating without going through the same process and can't understand why?"</p>
<p>"The information about the cost might not be very accurate. Due to change in the principal, some values might be missing. I got as closed as possible."</p>
<p>"<b>[School providing this response]</b> has over 25 years of experience with socially and economically disadvantaged and under-served populations. Through licensure, the school has been able to help thousands of students over the years gain entrance and/or advancement in careers that have positively impacted the students, their families, and communities."</p>
<p>"<b>[School providing this response is]</b> a DOLIR ETF Training Provider, Worklinks Training Provider for Youth and Adults and Mental Health First Aid Certified Instructors.</p> <p>We also have contracts with the Department of Public Safety, USPO and USPSO to teach classes and programs.</p> <p>As such, we have yearly inspections, audits and reviews conducted by several agencies."</p>
<p>"It is important to have DOE as the entire overseer of promoting our programs and school compliance reporting as they head academic regulations set forth and governed by ALL schools."</p>

"I think that the current system with the DCCA and the DOE is adequate. It is obvious that I appreciate the higher demands and prestige a license from the State DOE provides our school! Many others cannot pass the stringent requirements for licensing, therefore I hope that our school can remain under the auspices of the DOE."

"Marjorie Lau helped bring the school and catalog up to accreditation standards by requiring more and more of us years ago. We will always be grateful.

Strict adherence to DOE standards helps make schools develop better school standards, address and improve curriculum and student services.

Meeting the DOE licensure standards prepare schools to attempt and eventually achieve accreditation standards."

"Overall the licensing process through the DOE has been positive. Staff are quick, clear, and helpful. Forms are relatively easy to fill out and straightforward, and only slightly redundant.

This is in stark contrast to how DCCA-approved massage schools negatively describe their approval process, which is evidently a slow nit-picky process involving inconsistent or contradictory instructions and bizarre regulations that are simply not good for bodywork education.

If DCCA is going to take over the approval process for all massage schools, then they should adopt education requirements and educational guidelines that are more inline with the rest of the country [google ELAP blueprint]. They should also find a way to be as helpful and responsive as the DOE office has been. I think that schools should be given several years to prepare for such changes.

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**Question 16. Aside from the requirements of Chapter 302 A, Hawaii Revised Statutes, Chapter 101, Hawaii Administrative Rules, and any requirements to allow federal financial aid/assistance for students, please describe any additional reasons your school would need state-level licensure, authorization, designation, or other recognition?**

<p>"For schools who have either Regional or National Accreditation State level licensure is redundant and unnecessary."</p>
<p>"Our school need state-level authorization for students to be recognized that they studied at a school approved by the state of Hawaii and are eligible to take Hawaii Massage License Exam.</p> <p>Also, our school need to be approved by the state in order to accept foreign students with student VISAs in the future."</p>
<p>"We are not a Title IV school. Thus, we are not required for federal financial aid or assistance."</p>
<p>"I think that it's important or we open the doors too many fly by night operations coming in to do business and jeopardizing small local businesses. Over my 13 years of ownership, I have witnessed companies coming into Hawaii promising to deliver Masters Degrees in 6-12 months and have taken advantage of many veterans. We have had many large companies with deep pockets come into the state and do a pricing war with local competition, which drove out more than 90% of all tech trade schools."</p>
<p>"Licensure provides the school with credibility to offer vocational programs. A PTVT license lets prospective students and other stakeholders know that the school is in compliance with standards that will promote successful learning outcomes in an learning environment that is safe for all students."</p>
<p>"Required for the certifications we have."</p>
<p>"I am a fledgling school, with a vision to bring respect, honor and recognition to a field that is typically regarded as "non-professional". State licensure adds credibility to the profession of Holistic Health Practitioners, whose talents are sorely needed for those seeking alternative healthcare in today's society. Although there is no licensure requirements for HHP yet, I believe that in the future, the field of Holistic medicine will be widely recognized and respected. My hope is that I can continue as a DOE licensed school to train Holistic Health Practitioners."</p>
<p>"The Barber Rules require that a student graduate from a Barber School licensed by the State Department of Education. State licensure is a plus in preparing schools to meet Accreditation standards. It helps all schools to address all areas of student health and safety, teacher experience, and financial budgets."</p>
<p>"Most of our students come from other states. They come because they know that the state that they are coming from will license them with our transcripts. They would not license them if our school wasn't licensed by the state of hawaii. Without state-level licensure, our school would cease to operate."</p>

**Question 17. Is the responding school interested in participating in any Focus Group web conference/phone sessions related to this topic?**

Responding schools answering "yes": 10