

HOUSE BILL REPORT

ESHB 2507

As Passed Legislature

Title: An act relating to degree-granting institutions of higher education.

Brief Description: Prohibiting false or misleading college degrees.

Sponsors: By House Committee on Higher Education & Workforce Education (originally sponsored by Representatives Kenney, Shabro, Hasegawa, Morrell, Rodne, Lantz and Ormsby).

Brief History:

Committee Activity:

Higher Education & Workforce Education: 1/20/06, 1/26/06 [DPS].

Floor Activity:

Passed House: 2/9/06, 98-0.

Senate Amended.

Passed Senate: 3/3/06, 49-0.

House Refuses to Concur.

Senate Receded.

Senate Amended.

Passed Senate: 3/7/06, 46-0.

House Concurred.

Passed House: 3/8/06, 98-0.

Passed Legislature.

Brief Summary of Engrossed Substitute Bill

- Requires an institution of higher education operating in Washington to: (1) be accredited by a nationally recognized accrediting agency; (2) have an accreditation application pending; or (3) have been granted a waiver or exemption by the Higher Education Coordinating Board (HECB).
- Prohibits offering, granting or knowingly using a false academic credential and imposes criminal penalties for doing so.
- Makes offering or granting a false academic credential a violation of Washington's Consumer Protection Act.

HOUSE COMMITTEE ON HIGHER EDUCATION & WORKFORCE EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Kenney, Chair; Sells, Vice Chair; Cox, Ranking Minority Member; Rodne, Assistant Ranking Minority Member; Dunn, Fromhold, Hasegawa, Jarrett, Ormsby, Priest, Roberts and Sommers.

Staff: Sarah Ream (786-7303).

Background:

Washington law prohibits a private degree granting institution from "operating" in Washington unless it has been approved by the Higher Education Coordinating Board (HECB). The definition of "operate" is broad. An institution of higher education "operates" in Washington if it does any of the following things:

- offers courses to Washington residents (including offering courses electronically);
- grants or offers to grant a degree to a Washington resident (including advertising or publicizing that the institution offers the degree); or
- maintains or advertises that the institution has a Washington location, mailing address or phone number.

If an institution operates in Washington without approval of the HECB, the entity and its owners, officers, and employees are guilty of a gross misdemeanor. They may be punished by up to a \$1,000 fine and/or up to one year in jail.

Washington law also directs the HECB to develop and publish information to the public regarding entities that sell or award fraudulent degrees.

In 2005 Washington enacted a law that prohibits certificated educational staff in the K-12 system from using credits earned from an unaccredited institution to move up the salary schedule. A certificated staff who submits a degree from an unaccredited institution for the purpose of receiving a pay increase shall be: (1) fined \$300 by the Office of the Superintendent of Public Instruction, and (2) required to pay back any increased compensation received due to the degree.

Summary of Engrossed Substitute Bill:

The bill requires that a degree granting institution operating in Washington: (1) be accredited by an accrediting agency recognized by the United States Department of Education; (2) have an application for accreditation pending; or (3) have been granted a waiver or exemption by the HECB from the accreditation requirement.

This bill prohibits offering or granting a "false academic credential." A false academic credential is a document that evidences or demonstrates that a person completed a course of instruction or program beyond the secondary level that was not issued by an institution: (1) accredited by a nationally recognized accrediting agency; (2) that has an accreditation application pending; or (3) that has been granted a waiver or exemption by the Higher

Education Board. A person who offers or grants false academic credentials is guilty of a class "C" felony and violates Washington's Consumer Protection Act.

The bill prohibits a person from knowingly using a false academic credential to: (1) advertise or promote a business; (2) obtain employment, a license or certificate, a promotion, compensation or other employment benefit, or admission to an education program in this state; or (3) a position in government with authority over another person. A person who knowingly use a false academic credential in violation of this act is guilty of a gross misdemeanor.

The terms "grant," "offer," and "operate" are defined. "Grant" means award, bestow, confer, convey, sell or give. "Offer" means, in addition to its usual meanings, advertise, publicize, or solicit. To "operate" means to offer for degree credit courses (including via correspondence or electronically) to any Washington location, to grant or offer to grant degrees in Washington, or to maintain or advertise a Washington location, address, computer server, or telephone number (except for the purpose of communicating with alumni).

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Diploma mills cheapen real degrees that people work hard to obtain. False degrees also send a message to the public that degrees are cheap and easy to obtain. The law needs to protect consumers but also not put up roadblocks to legitimate institutions.

Testimony Against: None.

Persons Testifying: Representative Shabro; and Bruce Botka, Higher Education Coordinating Board.

Persons Signed In To Testify But Not Testifying: None.