

# FINAL BILL REPORT

## ESHB 2381

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Synopsis as Enacted

**Brief Description:** Ensuring the quality of degree-granting institutions of higher education.

**Sponsors:** By House Committee on Higher Education (originally sponsored by Representatives Kenney, Cox, Fromhold, Chase, Miloscia, Morrell and Moeller).

**House Committee on Higher Education**  
**Senate Committee on Higher Education**

### **Background:**

Degree-Granting Authorization and Accreditation. A private or out-of-state institution of higher education may not grant or offer to grant a degree unless the Higher Education Coordinating Board (HECB) has authorized the institution to grant degrees in Washington. Although some private institutions are exempt, the HECB rules apply generally to any institution with a presence in Washington that offers educational credentials, instruction, or services prerequisite to, or indicative of, an academic or professional degree beyond the high school level.

In its review of private institutions seeking authorization to operate in Washington, the HECB examines various documents and interviews the institution's officials. In order to ensure that an institution has appropriate policies, staffing, infrastructure, and support to offer the degrees they claim to offer, the HECB has established standards for review related to administration, academic programs, faculty, support services, and financial stability. Audited financial statements are required every two years for reauthorization.

Accreditation is a process used in some states consisting of peer review of an institution's curricula, instructional support, and finances. Accrediting bodies may rely on self-study or self-reporting by the institution under review. Most public and private institutions seek accreditation, and the United States Department of Education (USDOE) maintains a list of approved accrediting agencies. Although Washington does not require an institution to be accredited in order to obtain authorization, all but two authorized institutions are accredited. The two non-accredited institutions are in the process of seeking accreditation.

Substandard and Unauthorized Degree-Granting Institutions. The HECB is charged with adopting minimum standards and necessary measures to protect the public from substandard and fraudulent or deceptive practices. The HECB authority to investigate complaints extends to any institution it reasonably believes is subject to its jurisdiction, including any institution: (1) offering degree programs or courses for credit at a physical location in Washington; (2) maintaining a server for a distance learning program in Washington; or (3) recruiting or advertising directly to Washington residents.

Unauthorized internet-based institutions that offer degrees with little or no post-secondary level academic work present significant enforcement challenges because they may operate outside the jurisdiction of the HECB. The substandard practices of these institutions also implicate consumer protection concerns for both students and the general public.

**Summary:**

The HECB is permitted to include accreditation or progress toward accreditation by an agency recognized by the USDOE as a requirement for private degree-granting higher education institutions to operate in Washington.

The HECB is directed to develop information for the public regarding the substandard and potentially fraudulent practices of institutions that sell or award degrees without requiring adequate and appropriate post-secondary course work. To the extent feasible, information should include links to additional resources.

Existing exemptions are declared nonpermanent and the HECB is directed to periodically review exempt degree-granting institutions. An exemption will be continued only if the institution continues to qualify based on the criteria for exemption in effect at the time of review.

A clarification is made that the cost of inspecting institutions under the HECB's jurisdiction must be borne by the institution. Further clarification is made regarding exemptions for institutions that offer only credit-bearing seminars or workshops lasting three or fewer days and those that offer only noncredit-bearing seminars and workshops.

**Votes on Final Passage:**

House	94	2	
Senate	46	0	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate receded)

**Effective:** June 10, 2004