

SENATE BILL REPORT

ESHB 2381

As Reported By Senate Committee On:
Higher Education, February 26, 2004

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

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

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

Brief History:

Committee Activity: Higher Education: 2/19/04, 2/26/04 [DPA].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended.

Signed by Senators Carlson, Chair; Schmidt, Vice Chair; Kohl-Welles, Pflug, B. Sheldon and Shin.

Staff: Heather Lewis-Lechner (786-7448)

Background: 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.

The HECB has the authority to review private institutions seeking authorization to operate in Washington and the board has established standards for review in order to ensure an institution has the appropriate policies, staffing, infrastructure, and support needed to offer the degrees they claim to offer. 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. Most public and private institutions seek accreditation, and the United States Department of Education (USDOE) maintains a list of approved accrediting agencies. Washington currently does not require an institution to be accredited in order to obtain authorization. All but two authorized institutions in Washington are accredited and those two institutions are currently in the process of seeking accreditation.

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 the board 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 to Washington residents. This includes institutions advertising to Washington residents via the internet and institutions who advertise using a Washington telephone or post office box.

Summary of Amended Bill: The HECB must 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 must 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 honorary degrees.

Amended Bill Compared to Substitute Bill: The provision making specific mention of HECB's ability to include accreditation as a requirement for higher education institutions to operate in Washington is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The purpose of this bill is basic consumer protection. There are a number of "diploma mills" that offer substandard degrees and the use of these degrees is increasing. People with these substandard degrees are holding jobs that impact public health and safety, such as sex abuse counselors, child psychologists, and athletic coaches. This bill will help the HECB tighten up the rules. While fraud can never be absolutely prevented we can distribute more information and give consumers more tools to be more savvy and determine what are fraudulent practices and what are not. This bill will allow us to do that. The issue of exemptions was raised and religious institutions are the primary institutions that are exempt under current law.

Testimony Against: None.

Testified: PRO: Rep. Kenney, prime sponsor; Bruce Botka, HECB.