

HOUSE BILL REPORT

ESHB 2507

As Amended by the Senate

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.

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 granting false or misleading degrees and imposes penalties up to \$1,000 for doing so.
- Requires a person claiming in writing to have a degree from a program not accredited, approved by the HECB, or granted a waiver or exemption to disclose that the degree was granted by an unaccredited or unapproved school. Failure to do so may result in a fine of up to \$1,000.

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 "false or misleading" degrees. A degree is "false or misleading" if it falsely suggests that the person named in the degree or document has completed the requirements for an academic or professional program, when in fact the person has not done so. The HECB or a court may impose a penalty of up to \$1,000 on anyone who claims to have a degree that is false or misleading.

The bill limits how a person awarded a degree from an institution of higher education that is not authorized by the HECB, accredited, a foreign degree-granting institution, or granted a waiver or exemption by the HECB may indicate in writing that he or she has the degree. In such a case, the person must clearly specify that the degree was awarded by an institution not

authorized by the HECB or accredited. The HECB or court may impose a civil penalty of up to \$1,000 on someone who violates this provision.

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).

EFFECT OF SENATE AMENDMENT(S):

The Senate striking amendment broadens the definition of "false or misleading degree," and defines as false or misleading any degree issued by a school that is not (1) approved by the Higher Education Coordinating Board (HECB), (2) accredited by a national recognized accrediting agency, or (3) issued a waiver or exemption by the HECB.

The Senate's amendment prohibits a person from using a false or misleading degree to obtain a job, promotion, government position, or other benefit.

The House bill imposes only civil penalties on diploma mills and the people who use degrees from diploma mills. The Senate's amendment imposes civil penalties of up to \$2000 and criminal penalties of up to 5 years in jail, a \$10,000 fine, or both. A person must "knowingly" violate the law for the criminal penalties to be imposed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect July 1, 2006.

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.