

SENATE BILL REPORT

ESHB 2507

As Reported By Senate Committee On:
Early Learning, K-12 & Higher Education, February 24, 2006

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

Brief Description: Prohibiting false or misleading college degrees.

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

Brief History: Passed House: 2/09/06, 98-0.

Committee Activity: Early Learning, K-12 & Higher Education: 2/23/06, 2/24/06 [DPA].

SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

Majority Report: Do pass as amended.

Signed by Senators McAuliffe, Chair; Pridemore, Vice Chair, Higher Education; Weinstein, Vice Chair, Early Learning & K-12; Schmidt, Ranking Minority Member; Benton, Berkey, Carrell, Delvin, Eide, Kohl-Welles, Pflug, Rasmussen, Rockefeller, Schoesler and Shin.

Staff: Susan Mielke (786-7422)

Background: Washington law prohibits a degree granting institution from "operating" in Washington unless it has been approved by the Higher Education Coordinating Board (HECB). Under the HECB rules, 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, which is punishable 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, the Legislature passed a law prohibiting K-12 certificated staff 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 to the school district any increased compensation received due to the degree.

Summary of Amended Bill: Anyone who issues or uses a false academic credential is subject to the act. A "false academic credential", "grant", "offer" and "operate", are each defined.

It is an unfair or deceptive business practice and a crime of fraud for a person to grant or offer to grant a false academic credential, to represent that a false academic credit can be applied toward a credential offered by another person, or to solicit another person to seek or earn a false academic credential or credit. The venue for a deceptive business practice lawsuit involving false academic credentials would be in the county where an element of the offense occurred or in any other venue authorized by law.

Additionally, it is a crime of fraud for a person to knowingly use a false academic credential or falsely claim to have a credential issued by an accredited and HECB recognized institution in a written or oral advertisement or promotion, or with the intent to obtain employment, a license, a certificate to practice, a promotion, compensation or other benefit, admission to an educational program in the state, or gain a position in government whether compensated in the position or not. Both issuing and knowingly using a false academic credential is a class C felony.

It is clarified that the minimum standards of HECB for degree-granting institutions must require an institution be accredited, have an application pending before the accrediting agency, or have been granted a waiver by the HECB waiving the requirement of accreditation. The HECB must periodically review the waivers of accreditation.

Amended Bill Compared to Original Bill: The definition of "false academic credential" is added and the definition of "accredited" is removed. It is clarified that anyone who issues or uses a false academic credential is subject to the act.

The civil offense language is removed and language to make it is an unfair or deceptive business practice and a crime of fraud for a person to grant or offer to grant a false academic credential, to represent that a false academic credit can be applied toward a credential offered by another person, or to solicit another person to seek or earn a false academic credential or credit. The venue for a deceptive business practice lawsuit involving false academic credentials would be in the county where an element of the offense occurred or in any other venue authorized by law.

Additionally, it is a crime of fraud for a person to knowingly use a false academic credential or falsely claim to have a credential issued by an accredited and HECB recognized institution in a written or oral advertisement or promotion, or with the intent to obtain employment, a license, a certificate to practice, a promotion, compensation or other benefit, admission to an educational program in the state, or gain a position in government whether compensated in the position or not. Both issuing and knowingly using a false academic credential is a class C felony.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: Diploma mills are a nation-wide problem, but states that are perceived to have laws that are lenient towards diploma mills become havens for these illegitimate businesses. The fake degrees given by diploma mills cheapen the degrees of those who work hard to obtain legitimate degrees. We believe that the Senate striker combines the strength of both the Senate and the House bill to stop diploma mills from operating in our state and protect our consumers and employers.

Testimony Against: None.

Who Testified: PRO: Representative Kenney, prime sponsor, Jack Zurlini, Office of the Attorney General, Michael Ball, Higher Education Coordinating Board.