



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2009 Wisconsin Act 300
[2009 Senate Bill 431]

**Prohibiting the Use of Certain
Terms Relating to Higher Education
and False Academic Credentials**

2009 Wisconsin Act 300 (the Act) generally prohibits the use of certain terms in the name of a school unless certain requirements are met, prohibits issuing, manufacturing, or using a false academic credential, and prohibits falsely claiming to have a legitimate academic credential.

Use of “College” or “University” Prohibited

The Act prohibits a person that holds itself out to the public in any way as a legitimate institution of higher education from using the term “college” or “university” in its name unless the person provides an educational program for which it awards an associate or higher degree and the person is accredited. “Person” means any individual, partnership, association, corporation, or limited liability company, or any combination of these.

The Act “grandfathers” the use of the term “college” or “university” in the name of any entity listed below that was doing business in Wisconsin prior to the effective date of the bill:

1. Schools of a parochial or denominational character offering courses having a sectarian objective.
2. Schools primarily offering instruction avocational or recreational in nature and not leading to a vocational objective.
3. Courses conducted by employers exclusively for their employees.
4. Schools, courses of instruction, and training programs that are approved or licensed and supervised by other state agencies and boards.
5. Schools approved by the Department of Public Instruction (DPI) for the training of teachers.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.

Use of “State” or “Wisconsin” in a School’s Name

Under current law, any “school” must receive approval from the Educational Approval Board (EAB) to operate in Wisconsin. The pertinent statute defines “school” to mean “any private trade, correspondence, business, or technical school.” The statute exempts all of the following from the definition of “school” and, therefore, these institutions do not need the EAB approval to operate in Wisconsin:

1. In-state schools that are exempt from taxation under section 501 of the Internal Revenue Code and that either were incorporated in this state prior to January 1, 1992, or had their administrative headquarters and principal places of business in this state prior to 1970 (i.e., accredited private colleges and universities).
2. Schools that are supported mainly by taxes (i.e., the University of Wisconsin (UW) System and the Wisconsin Technical College System (WTCS)).
3. Schools of a parochial or denominational character offering courses having a sectarian objective.
4. Schools primarily offering instruction avocational or recreational in nature and not leading to a vocational objective.
5. Courses conducted by employers exclusively for their employees.
6. Schools, courses of instruction, and training programs that are approved or licensed and supervised by other state agencies and boards.
7. Schools approved by DPI for the training of teachers.
8. Schools accredited by accrediting agencies recognized by the board.
[s. 38.50 (1) (e) 1. to 8., Stats.]

The Act prohibits a school, including a school that is exempt from the EAB approval requirement, from using the term “state” or “Wisconsin” in its name if the use of the term operates to mislead the public into believing that the school is affiliated with the UW System or the WTCS unless the school actually is so affiliated.

The prohibition does not apply to a school described above in s. 38.50 (1) (e) 1., Stats.,¹ that has accreditation recognized by the U.S. Secretary of Education, has the foreign equivalent of that accreditation, as determined by the board, or has accreditation recognized by the Council for Higher Education Accreditation.

Manufacture, Issuance, and Use of False Academic Credentials

The Act prohibits knowingly issuing or manufacturing a false academic credential, defined as an academic credential issued or manufactured by a person that is not an authorized institution of higher education. An authorized institution of higher education is defined in the Act as an educational institution that meets any of the following requirements:

¹ This subparagraph refers to the 20 members of the Wisconsin Association of Independent Colleges and Universities (WAICU).

1. Has accreditation recognized by the U.S. Secretary of Education; has the foreign equivalent of that accreditation, as determined by the board; or has accreditation recognized by the Council for Higher Education Accreditation.
2. Is approved by the board to operate in this state.
3. Operates in this state and is a school described in s. 38.50 (1) (e) 1. to 8., Stats. [See description on page 2.]
4. Does not operate in this state, but is licensed or otherwise approved by the appropriate state agency of another state and is an active applicant for accreditation by an accrediting body recognized by the U.S. Secretary of Education or by the Council for Higher Education Accreditation.
5. Has been found by the board to meet standards of academic quality comparable to those of an educational institution located in the United States that has accreditation recognized by the U.S. Secretary of Education or by the Council for Higher Education Accreditation to offer credentials of the type and level claimed.

A person who violates this prohibition is guilty of a Class A misdemeanor, which is punishable by a fine not to exceed \$10,000 or imprisonment not to exceed nine months, or both.

The Act prohibits knowingly using a false academic credential or falsely claiming to have a legitimate academic credential as follows:

1. In any communication to a client or to the general public, in connection with any business, trade, profession, or occupation;
2. For the purpose of obtaining a license or other approval required to practice a trade, profession, or occupation;
3. For the purpose of obtaining admission to an authorized institution of higher education, as defined in the bill; or
4. For the purpose of obtaining an employment position with a state agency or with a political subdivision of the state, including an elective or appointive position, whether compensated or not, a promotion, transfer, or reassignment from such a position, or an increase in compensation or benefits for such a position.

A person who violates any of these prohibitions may be required to forfeit not more than \$1,000.

The Act also provides that it is not employment discrimination because of a conviction record to refuse to employ or license, or to bar or terminate from employment or licensure, any individual who has been convicted of knowingly using a false academic credential, or of falsely using or claiming to have a legitimate academic credential in violation of the bill.

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