

State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-3076/10  
GMM:bjk:rs  
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SN 8/17  
Wanted soon

2009 BILL

DN 01E

SA

regen.

1 AN ACT to amend 20.292 (2) (g), 38.50 (7) (g) and 38.50 (10) (a); and to create  
2 38.50 (12), 38.50 (13) and 111.335 (1) (cx) of the statutes; relating to: the use  
3 of the terms college, university, and state in the name of a school that is subject  
4 to the approval of the Educational Approval Board; the issuing, manufacture,  
5 or use of a false academic credential; the false use of a legitimate academic  
6 credential; making an appropriation; and providing a penalty.

**Analysis by the Legislative Reference Bureau**

Under current law, no private trade, correspondence, business, or technical school (proprietary school) may advertise or operate in this state unless the proprietary school is first approved by the Educational Approval Board (EAB).

This bill prohibits a proprietary school from using the term "college," "university," or "state" in its name unless approved by the EAB. The bill requires the EAB to approve the use of those terms in the name of a proprietary school if the school has accreditation recognized by the U.S. secretary of education or has the foreign equivalent of that accreditation or has accreditation recognized by the Council for Higher Education Accreditation. If a school uses the term "college," "university," or "state" without the approval of the EAB, the school may be required to forfeit not more than \$500 for each day of operation without that approval and a student of the school may bring a civil action to recover fees paid to the school, plus costs and disbursements, including reasonable attorney fees.

**BILL**

↑ a promotion, transfer or reassignment  
from such a position or an increase in compensation or benefits  
for such a position

The bill also prohibits all of the following:

1. Knowingly issuing or manufacturing a false academic credential, as defined in the bill. A person who violates this prohibition is guilty of a Class I felony, which is punishable by a fine not to exceed \$10,000 or imprisonment not to exceed three years and six months, or both.

2. Knowingly using a false academic credential or falsely using or claiming to have a legitimate academic credential in any communication to a client or to the general public, in connection with any business, trade, profession, or occupation, or to obtain a license or other approval required to practice a trade, profession, or occupation; to obtain admission to an authorized institution of higher education, as defined in the bill; or to obtain 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 person who violates any of these prohibitions may be required to forfeit not more than \$1,000.

For purposes of those prohibitions:

1. "Academic credential" means a degree, transcript, certificate, or other similar document that indicates the completion of a program, course, or course of instruction leading to, or the earning of academic credit toward, the granting of an associate, baccalaureate, or graduate degree.

2. "False academic credential" means an academic credential issued or manufactured by a person that is not an authorized institution of higher education.

3. "Legitimate academic credential" means an academic credential issued by an authorized institution of higher education.

4. "Authorized institution of higher education" means an educational institution that has accreditation recognized by the U.S. secretary of education or has the foreign equivalent of that accreditation or has accreditation recognized by the Council for Higher Education Accreditation; is approved by the EAB to operate as a proprietary school in this state; operates in this state and is a school exempt from EAB approval; 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; or has been found by the EAB 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.

Finally, the bill provides that it is not employment discrimination because of 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, ~~to obtain employment or licensure~~ in violation of the bill.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

**BILL**

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 20.292 (2) (g) of the statutes is amended to read:

2           20.292 (2) (g) *Proprietary school programs.* The amounts in the schedule for  
3 the examination and approval of proprietary school programs. Ninety percent of all  
4 moneys received from the issuance of solicitor's permits under s. 38.50 (8) and from  
5 the fees under s. 38.50 (10) and all moneys received from the fees under s. 38.50 (13)  
6 (d) shall be credited to this appropriation account.

7           **SECTION 2.** 38.50 (7) (g) of the statutes is amended to read:

8           38.50 (7) (g) Approve courses of instruction, schools, names of schools, changes  
9 of ownership or control of schools, and teaching locations meeting the requirements  
10 and standards established by the board and complying with rules promulgated by  
11 the board ~~and~~, publish a list of the schools and courses of instruction approved and  
12 a list of schools that are authorized to use the term "college," "university," or "state"  
13 in their names, and make those lists of schools available on the board's Internet site.

14           **SECTION 3.** 38.50 (10) (a) of the statutes is amended to read:

15           38.50 (10) (a) *Authority.* All proprietary schools shall be examined and  
16 approved by the board before operating in this state. Approval shall be granted to  
17 schools meeting the criteria established by the board for a period not to exceed one  
18 year. No school may advertise in this state unless approved by the board or use the  
19 term "college," "university," or "state" unless approved by the board under sub. (12).

20 All approved schools shall submit quarterly reports, including information on  
21 enrollment, number of teachers and their qualifications, course offerings, number of

**BILL**

1 graduates, number of graduates successfully employed, and such other information  
2 as the board considers necessary. If a school closure results in losses to students,  
3 parents, or sponsors, the board may authorize the full or partial payment of those  
4 losses from the appropriation under s. 20.292 (2) (gm).

5 **SECTION 4.** 38.50 (12) of the statutes is created to read:

6 38.50 (12) APPROVAL OF NAME OF SCHOOL. No school may use the term “college,”  
7 “university,” or “state” in its name unless the use of the term is approved by the board  
8 under this subsection. The board shall approve the use of those terms in the name  
9 of a school if the school has accreditation recognized by the U.S. secretary of  
10 education or has the foreign equivalent of that accreditation or has accreditation  
11 recognized by the Council for Higher Education Accreditation.

12 **SECTION 5.** 38.50 (13) of the statutes is created to read:

13 38.50 (13) FALSE ACADEMIC CREDENTIALS. (a) In this subsection:

14 1. “Academic credential” means a degree, transcript, certificate, or other  
15 similar document that indicates the completion of a program, course, or course of  
16 instruction leading to, or the earning of academic credit toward, the granting of an  
17 associate, baccalaureate, or graduate degree.

18 2. “Authorized institution of higher education” means an educational  
19 institution that meets any of the following requirements:

20 a. Has accreditation recognized by the U.S. secretary of education or has the  
21 foreign equivalent of that accreditation or has accreditation recognized by the  
22 Council for Higher Education Accreditation.

23 b. Is approved by the board to operate in this state.

24 c. Operates in this state and is a school described in sub. (1) (e) 1. to 8.

**BILL**

1 d. Does not operate in this state, but is licensed or otherwise approved by the  
2 appropriate state agency of another state and is an active applicant for accreditation  
3 by an accrediting body recognized by the U.S. secretary of education or by the Council  
4 for Higher Education Accreditation.

5 e. Has been found by the board to meet standards of academic quality  
6 comparable to those of an educational institution located in the United States that  
7 has accreditation recognized by the U.S. secretary of education or by the Council for  
8 Higher Education Accreditation to offer credentials of the type and level claimed.

9 3. "False academic credential" means an academic credential issued or  
10 manufactured by a person that is not an authorized institution of higher education.

11 4. "Legitimate academic credential" means an academic credential issued by  
12 an authorized institution of higher education.

13 (b) Any person who knowingly issues or manufactures a false academic  
14 credential is guilty of a Class I felony.

15 (c) Any person who knowingly uses a false academic credential, or who falsely  
16 uses or claims to have a legitimate academic credential, in any communication to a  
17 client or to the general public, in connection with any business, trade, profession, or  
18 occupation, or for any of the following purposes may be required to forfeit not more  
19 than \$1,000:

20 1. To obtain a license or other approval required to practice a trade, profession,  
21 or occupation.

22 2. To obtain admission to an authorized institution of higher education.

23 3. To obtain an employment position with a state agency or with a political  
24 subdivision of the state, including an elective or appointive position, whether  
25 compensated or not.

to obtain a promotion, transfer or reassignment  
from such a position;  
or to obtain an increase  
in compensation or other benefits for such a position

**BILL**

1 (d) The board may charge a fee for evaluating an educational institution under  
2 par. (a) 2. e. in an amount that is sufficient to cover all costs that the board incurs  
3 in evaluating the institution. All fees collected by the board under this paragraph  
4 shall be credited to the appropriation account under s. 20.292 (2) (g).

5 **SECTION 6.** 111.335 (1) (cx) of the statutes is created to read:

6 111.335 (1) (cx) Notwithstanding s. 111.322, it is not employment  
7 discrimination because of conviction record to refuse to employ or license, or to bar  
8 or terminate from employment or licensure, any individual who has been convicted

9 under s. 38.50 (13) (c) ~~of knowingly using a false academic credential, or of falsely~~  
10 ~~using or claiming to have a legitimate academic credential, to obtain employment or~~  
11 ~~licensure.~~

12 (END)

*& any offense*

*D-note*

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-3076/2dn

GMM:.....

*g Lbjk*

Date

Mary:

This redraft makes the substantive changes requested in your August 15, 2009, drafting instructions, but does not break up and relocate the provisions of s. 38.50 (13) (b) and (c) for all of the following reasons:

1. Actually, s. 38.50 (13) (b) and (c) pertain directly to the EAB because an "authorized institution of higher education" includes an educational institution that is approved by the EAB (s. 38.50 (13) (a) 2. b) an educational institution that is described in s. 38.50 (1) (e) 1. to 8. c) and an educational institution that has been found by the EAB to meet certain standards of academic quality (s. 38.50 (13) (a) 2. e). Moreover, the provisions pertain indirectly to the TCS because the EAB is attached to the TCS under s. 15.945.

2. Section 38.50 (13) (c) (intro.) does not belong in the criminal law chapters because a violation of that provision is not a crime. Rather, a violation of that provision is punishable by a forfeiture, and s. 938.12 provides that conduct that is punishable only by a forfeiture is not a crime.

3. Section 38.50 (13) (c) 1. does not belong in the DORL chapters because there are numerous occupational licenses issued by agencies other than DORL. See s. 73.0301 (1) (d) for a list of those licenses.

4. Section 38.50 (13) (c) 2. does not belong in ch. 36 because ch. 36 pertains only to the UW System. There are numerous private colleges and proprietary schools in this state other than the UW System.

5. Section 38.50 (13) (c) 3. could be detached from the rest of the provisions relating to false academic credentials and replicated in the various chapters relating to state and local employment, but that would result in unnecessary duplication and lengthening of the statutes. Plus, most users of the statutes like to find what they are looking for all in one place without having to search here and there for piecemeal provisions.

In sum, to paraphrase Winston Churchill on democracy, s. 38.50 (13) might not be the ideal place for a statute governing false academic credentials, but placing it anywhere else would be even worse.

Gordon M. Malaise  
Senior Legislative Attorney  
Phone: (608) 266-9738  
E-mail: gordon.malaise@legis.wisconsin.gov

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-3076/2dn  
GMM:bjk:rs

August 19, 2009

Mary:

This redraft makes the substantive changes requested in your August 15, 2009, drafting instructions, but does not break up and relocate the provisions of s. 38.50 (13) (b) and (c) for all of the following reasons:

1. Actually, s. 38.50 (13) (b) and (c) pertain directly to the EAB because an "authorized institution of higher education" includes an educational institution that is approved by the EAB [s. 38.50 (13) (a) 2. b.], an educational institution that is described in s. 38.50 (1) (e) 1. to 8. [s. 38.50 (13) (a) 2. c.], and an educational institution that has been found by the EAB to meet certain standards of academic quality [s. 38.50 (13) (a) 2. e.]. Moreover, the provisions pertain indirectly to the TCS because the EAB is attached to the TCS under s. 15.945.

2. Section 38.50 (13) (c) (intro.) does not belong in the criminal law chapters because a violation of that provision is not a crime. Rather, a violation of that provision is punishable by a forfeiture, and s. 939.12 provides that conduct that is punishable only by a forfeiture is not a crime.

3. Section 38.50 (13) (c) 1. does not belong in the DRL chapters because there are numerous occupational licenses issued by agencies other than DRL. See s. 73.0301 (1) (d) for a list of those licenses.

4. Section 38.50 (13) (c) 2. does not belong in ch. 36 because ch. 36 pertains only to the UW System. There are numerous private colleges and proprietary schools in this state other than the UW System.

5. Section 38.50 (13) (c) 3. could be detached from the rest of the provisions relating to false academic credentials and replicated in the various chapters relating to state and local employment, but that would result in unnecessary duplication and lengthening of the statutes. Plus, most users of the statutes like to find what they are looking for all in one place without having to search here and there for piecemeal provisions.

In sum, to paraphrase Winston Churchill on democracy, s. 38.50 (13) might not be the ideal place for a statute governing false academic credentials, but placing it anywhere else would be even worse.

Gordon M. Malaise  
Senior Legislative Attorney  
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**Malaise, Gordon**

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**From:** Matthias, Mary  
**Sent:** Monday, September 14, 2009 8:07 AM  
**To:** Malaise, Gordon  
**Cc:** Vander Meer, John  
**Subject:** FW: Q on diploma mill draft

Good morning Gordon!

Rep. Hixson would like some more changes to the diploma bill draft--LRB 3076/2. There are 3 items in this e-mail, in **BOLD**, below. I haven't come up with precise language for #3 but you can get the idea of what we're aiming at.

I will forward you another e-mail that has one more minor change.

FYI --Davis Dies said there are only 2 institutions in Wisconsin that offer an associate degree or higher that are not accredited. I am not sure but I think he said only 1 of these is actually in operation now- Wright Graduate Institute.

Also I am waiting to hear back from John Vander Meer whether they want to grandfather any entity that is currently EAB-approved and using one of those terms in its name, but does not meet the requirements of offering an associate degree or higher and being accredited.

Thanks!

Mary Matthias  
Senior Staff Attorney  
Wisconsin Legislative Council Staff  
Ph.(608)266-0932;Fax (608)266-3830

**Changes to s.38.50(12) APPROVAL OF NAME OF SCHOOL**

**~~/~~ Don't use the term "school" in this provision of the bill because "school" is defined to be limited to the types of entities that EAB regulates. There are other educational institutions that are not regulated by EAB, such as teacher training institutions that are under the purview of DPI and religious institutions that are exempt from EAB regulation. We want this provision to cover all institutions/entities.**

**~~/~~ Delete the requirement that an entity get board approval to use the terms in its name and instead prohibit any entity from using the term "college" or "university" in its name unless 2 criteria are met: (1) The entity offers an associate degree or higher; (2) The entity has accreditation recognized by the US Secretary of Education, or the foreign equivalent of that accreditation, as determined by the Board (this reason for this change is described in more detail in the next e-mail), or by the Council for Higher Education Accreditation.**

**3. Prohibit any educational institution from using the terms "state" or "Wisconsin" in the name of the institution a way that is likely to mislead the public into believing the institution is operated by or in connection with or under the auspices of the State of Wisconsin. (need to work on this language).**

Mary Matthias  
Senior Staff Attorney  
Wisconsin Legislative Council Staff  
Ph.(608)266-0932;Fax (608)266-3830

**Malaise, Gordon**

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**From:** Matthias, Mary  
**Sent:** Monday, September 14, 2009 8:09 AM  
**To:** Malaise, Gordon  
**Cc:** Vander Meer, John  
**Subject:** FW: responses to Prof. Gollin's comments

Gordon-

Here is one more change to the diploma mill bill—LRB 3076/2. I am sending the whole e-mail string in case you want to know the background of this requested change:

✓ On page 4, line 1, and page 4, line 22, after the first occurrence of "accreditation," add "as determined by the Board".

This change is meant to clarify that EAB has authority to determine whether accreditation by a foreign entity (including a foreign government) is equivalent to accreditation recognized by the US Department of Education.

Thanks!!

*Mary Matthias*

Senior Staff Attorney  
Wisconsin Legislative Council Staff  
Ph.(608)266-0932;Fax (608)266-3830

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**From:** Matthias, Mary  
**Sent:** Thursday, September 10, 2009 11:39 AM  
**To:** Vander Meer, John  
**Subject:** responses to Prof. Gollin's comments

John—

Here are my responses to George Gollin's comments on the text of LRB 3076/2, (contained in his e-mail to John Wiley, dated 8/31/09). I underlined the only change to the bill that I think is necessary based on his comments. Next I am going to contact David Dies about the question I had regarding the use of the terms "college, university or state" by EAB-approved schools. I'll let you know what I find out and whether I think the bill needs to be clarified on that point

Also I will make a copy of Gollin's e-mail and send it to you by page as soon as I hit send

Mary

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**SECTION 2:** Professor Gollin did not note any problem.

**SECTION 3:** He has concern over practicality of requiring quarterly reports and reports of the number of graduates successfully employed—These reports are required under current law. The draft does not add a new requirement or expand the current requirement.

**SECTION 4:** The draft states that the board must approve use of certain terms by a school that " has the foreign equivalent of that (US Department of Education] accreditation" Professor Gollin is concerned that accreditation by a foreign government is not a reliable indicator of quality or veracity since accreditation may be given to fictitious schools in return for bribes. He suggests looking at Oregon statutes as an example of how to reword this provision.

The LRB 3076/2 language is as follows:

The Board shall approve the use of those terms [college, university or state] in the name of a school if the school has accreditation recognized by the US Secretary of education *or has the foreign equivalent of that accreditation* or has accreditation recognized by the Council for Higher Education Accreditation.

I checked and found that Oregon statutes use the same language that is used in the draft:

348.609 Representation of possession of academic degree; complaints; civil penalties; rules; fees. (1) A person who has been warned by the Oregon Student Assistance Commission, through the Office of Degree Authorization, to cease and desist may not claim or represent that the person possesses any academic degree unless the degree has been awarded to or conferred upon the person by a school that:

(a) **Has accreditation recognized by the United States Department of Education or the foreign equivalent of such accreditation;**

(b) Has been approved by the Oregon Student Assistance Commission through the Office of Degree Authorization to offer and confer degrees in Oregon;

(c) Is described in ORS 348.597; or

(d) Is located in the United States and has been found by the commission to meet standards of academic quality comparable to those of an institution located in the United States that has accreditation, recognized by the United States Department of Education, to offer degrees of the type and level claimed by the person.

However the website of the Oregon Office of Degree Authorization describes it a bit differently: <http://www.osac.state.or.us/oda/accreditation.html> It says:

In order to be valid for public or licensed employment in Oregon, a degree must be earned at one of the following:

- An institution accredited by an U.S. accreditor recognized as such by the U.S. Department of Education. Licensure by another state (except for the New York Board of Regents) does not by itself meet this standard.
- A foreign institution having the foreign equivalent of U.S.-approved accreditation **as determined by ODA**. (ODA is the Oregon Office of Degree Authorization, Oregon's equivalent to the EAB)
- A U.S. institution approved by ODA subsequent to evaluation.

✓ You might want to consider adding "as determined by the Board" (on page 4, line 1, and page 4, line 22, after the first occurrence of "accreditation") to clarify that EAB has authority to

determine whether accreditation by a foreign entity (even a foreign government) is equivalent to accreditation recognized by the US Department of Education.

**SECTION 5** Suggestion of changing “person” to “entity”: Existing law already defines “person” for the entire EAB statute, which includes these new provisions. Specifically, s.38.50(1)(d) states:

"Person" means any individual, partnership, association, corporation, or limited liability company, or any combination of these.

This most likely addresses his concern.

Mary

**Malaise, Gordon**

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**From:** Vander Meer, John  
**Sent:** Monday, September 14, 2009 9:37 AM  
**To:** Malaise, Gordon  
**Cc:** Matthias, Mary  
**Subject:** FW: Q on diploma mill draft

Dear Gordon:

✓ After talking with Mary, I think it is probably the better part of wisdom to grandfather any entity that is currently EAB-approved and using one of those terms in its name, but does not meet the requirements of offering an associate degree or higher and being accredited. I don't think that small time organizations that aren't deliberately misleading the public and that the EAB is aware of should be penalized – forced to redo their letterhead and all of that...

I hope this helps. As always, please let me know if you have any additional questions, and when you get the chance could you let me know that received this email.

Thanks for all of your help on this issue.  
-- John

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**John J. Vander Meer**

*Research Assistant, Office of State Representative Kim Hixson  
Committee Clerk, Assembly Committee on Colleges and Universities*  
Phone: (608) 266-9650  
E-mail: [john.vandermeer@legis.wi.gov](mailto:john.vandermeer@legis.wi.gov)

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**From:** Matthias, Mary  
**Sent:** Monday, September 14, 2009 8:07 AM  
**To:** Malaise, Gordon  
**Cc:** Vander Meer, John  
**Subject:** FW: Q on diploma mill draft

Good morning Gordon!

Rep. Hixson would like some more changes to the diploma bill draft--LRB 3076/2. There are 3 items in this e-mail, in **BOLD**, below. I haven't come up with precise language for #3 but you can get the idea of what we're aiming at.

I will forward you another e-mail that has one more minor change.

FYI –Davis Dies said there are only 2 institutions in Wisconsin that offer an associate degree or higher that are not accredited. I am not sure but I think he said only 1 of these is actually in operation now- Wright Graduate Institute.

Also I am waiting to hear back from John Vander Meer whether they want to grandfather any entity that is currently EAB-approved and using one of those terms in its name, but does not meet the requirements of offering an associate degree or higher and being accredited.

Thanks!

Mary Matthias  
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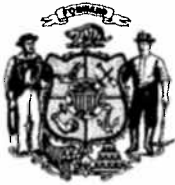
### **Changes to s.38.50(12) APPROVAL OF NAME OF SCHOOL**

**1. Don't use the term "school" in this provision of the bill because "school" is defined to be limited to the types of entities that EAB regulates. There are other educational institutions that are not regulated by EAB, such as teacher training institutions that are under the purview of DPI and religious institutions that are exempt from EAB regulation. We want this provision to cover all institutions/entities.**

**2. Delete the requirement that an entity get board approval to use the terms in its name and instead prohibit any entity from using the term "college" or "university" in its name unless 2 criteria are met: (1) The entity offers an associate degree or higher; (2) The entity has accreditation recognized by the US Secretary of Education, or the foreign equivalent of that accreditation, as determined by the Board (this reason for this change is described in more detail in the next e-mail), or by the Council for Higher Education Accreditation.**

**3. Prohibit any educational institution from using the terms "state" or "Wisconsin" in the name of the institution a way that is likely to mislead the public into believing the institution is operated by or in connection with or under the auspices of the State of Wisconsin. (need to work on this language).**

Mary Matthias  
Senior Staff Attorney  
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Ph.(608)266-0932;Fax (608)266-3830



State of Wisconsin  
2009-2010 LEGISLATURE

LRB-3076/A

stays GMM:bjk:rs

IN 916

Soon

2009 BILL

SA Inserts

NOT

Those exceptions include  
These exceptions include  
= schools that are supported mainly  
by taxes, schools that are of a  
denominational character, schools  
that are approved by other state  
agencies, and schools that are  
accredited by accrediting agencies  
recognized by the EAB

Insert A

and Wisconsin

Requirement

1 AN ACT to amend 20.292 (2) (g), 38.50 (7) (g) and 38.50 (10) (a); and to create  
2 38.50 (12), 38.50 (13) and 111.335 (1) (cx) of the statutes; relating to: the use  
3 of the terms college, university, and state in the name of a school that is subject  
4 to the approval of the Educational Approval Board; the issuing, manufacture,  
5 or use of a false academic credential; the false use of a legitimate academic  
6 credential; making an appropriation; and providing a penalty.

As determined by the EAB

subject to certain exceptions

including a school that is exempt from the EAB approval requirement

Analysis by the Legislative Reference Bureau

Under current law, no private trade, correspondence, business, or technical school (proprietary school) may advertise or operate in this state unless the proprietary school is first approved by the Educational Approval Board (EAB). This bill prohibits a proprietary school from using the term "college," "university," or "state" in its name unless approved by the EAB. The bill requires the EAB to approve the use of those terms in the name of a proprietary school if the school has accreditation recognized by the U.S. secretary of education or has the foreign equivalent of that accreditation or has accreditation recognized by the Council for Higher Education Accreditation. If a school uses the term "college," "university," or "state" without the approval of the EAB, the school may be required to forfeit not more than \$500 for each day of operation without that approval and a student of the school may bring a civil action to recover fees paid to the school, plus costs and disbursements, including reasonable attorney fees.

violation of the bill

provides an educational program for which it awards an associate or higher degree and the school



**BILL**

The bill also prohibits all of the following:

1. Knowingly issuing or manufacturing a false academic credential, as defined in the bill. A person who violates this prohibition is guilty of a Class I felony, which is punishable by a fine not to exceed \$10,000 or imprisonment not to exceed three years and six months, or both.

2. Knowingly using a false academic credential or falsely using or claiming to have a legitimate academic credential in any communication to a client or to the general public, in connection with any business, trade, profession, or occupation, or to obtain a license or other approval required to practice a trade, profession, or occupation; to obtain admission to an authorized institution of higher education, as defined in the bill; or to obtain 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.

For purposes of those prohibitions:

1. "Academic credential" means a degree, transcript, certificate, or other similar document that indicates the completion of a program, course, or course of instruction leading to, or the earning of academic credit toward, the granting of an associate, baccalaureate, or graduate degree.

2. "False academic credential" means an academic credential issued or manufactured by a person that is not an authorized institution of higher education.

3. "Legitimate academic credential" means an academic credential issued by an authorized institution of higher education.

4. "Authorized institution of higher education" means an educational institution that has accreditation recognized by the U.S. secretary of education, or has the foreign equivalent of that accreditation, or has accreditation recognized by the Council for Higher Education Accreditation; is approved by the EAB to operate as a proprietary school in this state; operates in this state and is a school exempt from EAB approval; 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; or has been found by the EAB 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.

Finally, the bill provides that it is not employment discrimination because of 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.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a

↑ as determined by the EAB ↓

**BILL**

report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1 SECTION 1. 20.292 (2) (g) of the statutes is amended to read:

2 20.292 (2) (g) *Proprietary school programs.* The amounts in the schedule for  
3 the examination and approval of proprietary school programs. Ninety percent of all  
4 moneys received from the issuance of solicitor's permits under s. 38.50 (8) and from  
5 the fees under s. 38.50 (10) and all moneys received from the fees under s. 38.50 (13)  
6 (d) shall be credited to this appropriation account.

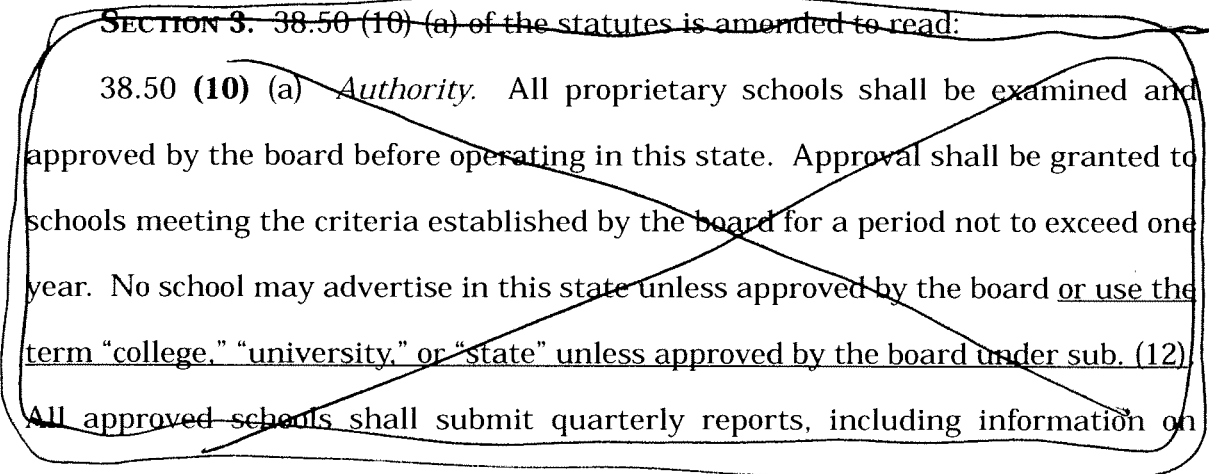
state or Wisconsin

7 SECTION 2. 38.50 (7) (g) of the statutes is amended to read:

8 38.50 (7) (g) Approve courses of instruction, schools, ~~names of schools~~ changes  
9 of ownership or control of schools, and teaching locations meeting the requirements  
10 and standards established by the board and complying with rules promulgated by  
11 the board and <sup>the</sup> publish a list of the schools and courses of instruction approved and  
12 a list of schools that are authorized to use the term "college," "university," ~~state~~  
13 in their names <sup>the</sup> and make those lists of schools available on the board's Internet site.

14 SECTION 3. 38.50 (10) (a) of the statutes is amended to read:

15 38.50 (10) (a) *Authority.* All proprietary schools shall be examined and  
16 approved by the board before operating in this state. Approval shall be granted to  
17 schools meeting the criteria established by the board for a period not to exceed one  
18 year. No school may advertise in this state unless approved by the board or use the  
19 term "college," "university," or "state" unless approved by the board under sub. (12).  
20 All approved schools shall submit quarterly reports, including information on



**BILL**

1 ~~enrollment, number of teachers and their qualifications, course offerings, number of~~  
 2 ~~graduates, number of graduates successfully employed, and such other information~~  
 3 ~~as the board considers necessary. If a school closure results in losses to students,~~  
 4 ~~parents, or sponsors, the board may authorize the full or partial payment of those~~  
 5 ~~losses from the appropriation under s. 20.292 (2) (gm).~~

6 **SECTION 4.** 38.50 (12) of the statutes is created to read:

7 38.50 (12) APPROVAL OF NAME OF SCHOOL. No school may use the term "college,"  
 8 "university," or "state" in its name unless the use of the term is approved by the board  
 9 under this subsection. The board shall approve the use of those terms in the name  
 10 of a school if the school has accreditation recognized by the U.S. secretary of  
 11 education or has the foreign equivalent of that accreditation or has accreditation  
 12 ~~recognized by the Council for Higher Education Accreditation.~~

13 **SECTION 5.** 38.50 (13) of the statutes is created to read:

14 38.50 (13) FALSE ACADEMIC CREDENTIALS. (a) In this subsection:

15 1. "Academic credential" means a degree, transcript, certificate, or other  
 16 similar document that indicates the completion of a program, course, or course of  
 17 instruction leading to, or the earning of academic credit toward, the granting of an  
 18 associate, baccalaureate, or graduate degree.

19 2. "Authorized institution of higher education" means an educational  
 20 institution that meets any of the following requirements:

21 a. Has accreditation recognized by the U.S. secretary of education <sup>or</sup> has the  
 22 foreign equivalent of that accreditation <sup>(as determined by the board)</sup> or has accreditation recognized by the  
 23 Council for Higher Education Accreditation.

24 b. Is approved by the board to operate in this state.

25 c. Operates in this state and is a school described in sub. (1) (e) 1. to 8.

Insert  
4-12

3

**BILL**

1           d. Does not operate in this state, but is licensed or otherwise approved by the  
2           appropriate state agency of another state and is an active applicant for accreditation  
3           by an accrediting body recognized by the U.S. secretary of education or by the Council  
4           for Higher Education Accreditation.

5           e. Has been found by the board to meet standards of academic quality  
6           comparable to those of an educational institution located in the United States that  
7           has accreditation recognized by the U.S. secretary of education or by the Council for  
8           Higher Education Accreditation to offer credentials of the type and level claimed.

9           3. “False academic credential” means an academic credential issued or  
10          manufactured by a person that is not an authorized institution of higher education.

11          4. “Legitimate academic credential” means an academic credential issued by  
12          an authorized institution of higher education.

13          (b) Any person who knowingly issues or manufactures a false academic  
14          credential is guilty of a Class I felony.

15          (c) Any person who knowingly uses a false academic credential, or who falsely  
16          uses or claims to have a legitimate academic credential, in any communication to a  
17          client or to the general public, in connection with any business, trade, profession, or  
18          occupation, or for any of the following purposes may be required to forfeit not more  
19          than \$1,000:

20           1. To obtain a license or other approval required to practice a trade, profession,  
21           or occupation.

22           2. To obtain admission to an authorized institution of higher education.

23           3. To obtain an employment position with a state agency or with a political  
24           subdivision of the state, including an elective or appointive position, whether

**BILL****SECTION 5**

1 compensated or not; to obtain a promotion, transfer, or reassignment from such a  
2 position; or to obtain an increase in compensation or benefits for such a position.

3 (d) The board may charge a fee for evaluating an educational institution under  
4 par. (a) 2. e. in an amount that is sufficient to cover all costs that the board incurs  
5 in evaluating the institution. All fees collected by the board under this paragraph  
6 shall be credited to the appropriation account under s. 20.292 (2) (g).

7 **SECTION 6.** 111.335 (1) (cx) of the statutes is created to read:

8 111.335 (1) (cx) Notwithstanding s. 111.322, it is not employment  
9 discrimination because of conviction record to refuse to employ or license, or to bar  
10 or terminate from employment or licensure, any individual who has been convicted  
11 of any offense under s. 38.50 (13) (c).

12

(END)

2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-3076/3ins  
GMM.....

(INSERT 4-12)

1 SECTION 1. 38.50 (12) of the statutes is created to read:

2 38.50 (12) NAME OF SCHOOL. (a) No school, including a school described in sub.  
3 (1) (e) 1. to 8., may use the term “college” or “university” in its name unless the school  
4 provides an educational program for which it awards an associate or higher degree  
5 and the school has accreditation recognized by the U.S. secretary of education, has  
6 the foreign equivalent of that accreditation, as determined by the board, or has  
7 accreditation recognized by the Council for Higher Education Accreditation. This  
8 paragraph does not apply to a school that was doing business in this state with the  
9 approval of the board prior to the effective date of this paragraph... [lrb inserts date].

10 (b) No school, including a school described in sub. (1) (e) 1. to 8., may use the  
11 term “state” or “Wisconsin” in its name if the use of that term operates to mislead the  
12 public into believing that the school is affiliated with the University of Wisconsin  
13 System, the technical college system, or this state, unless the school actually is so  
14 affiliated.

15 (c) The attorney general or any district attorney may bring an action in circuit  
16 court for the enforcement of this subsection, including bringing an action to restrain  
17 by temporary or permanent injunction any violation of par. (a) or (b).

18 (d) Any person who violates par. (a) or (b) may be required to forfeit not more  
19 than \$500. Each day of operation in violation of par. (a) or (b) constitutes a separate  
20 offense.

21 (e) In addition to any other remedies provided by law, a student who attends  
22 a school that is in violation of par. (a) or (b) may bring a civil action to recover fees

1 paid to the school, together with costs and disbursements, including reasonable  
2 attorney fees.

**(END OF INSERT)**

**(INSERT A)**

<sup>NO</sup>~~Q~~ This prohibition, however, does not apply to a school that was doing business in this state with the approval of the EAB prior to the effective date of the bill. The bill also 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 that term operates to mislead the public into believing that the school is affiliated with the University of Wisconsin System, the technical college system, or this state, unless the school actually is so affiliated.

**(END OF INSERT)**

**Malaise, Gordon**

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**From:** Vander Meer, John  
**Sent:** Friday, September 25, 2009 4:39 PM  
**To:** Malaise, Gordon  
**Cc:** Matthias, Mary  
**Subject:** RE: FINAL CHANGE TO DEGREE MILLS BILL

-3076

Dear Gordon:

Rep. Hixson wanted to have one final change made to the degree mills bill: adding the word "institute" to the list of restricted terms.

Thanks again for your help on this.  
-- JVM

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**John J. Vander Meer**

*Research Assistant, Office of State Representative Kim Hixson  
Committee Clerk, Assembly Committee on Colleges and Universities*

Phone: (608) 266-9650

E-mail: [john.vandermeer@legis.wi.gov](mailto:john.vandermeer@legis.wi.gov)





State of Wisconsin  
2009 - 2010 LEGISLATURE

LN 9/27  
soon

LRB-3076  
GMM:bjk:ph

Stays  
RMR

2009 BILL

SA

regem.

institute  
institute

1 AN ACT to amend 20.292 (2) (g) and 38.50 (7) (g); and to create 38.50 (12), 38.50  
2 (12), 38.50 (13) and 111.335 (1) (cx) of the statutes; relating to: the use of the  
3 terms college, university, state, and Wisconsin in the name of a school; the  
4 issuing, manufacture, or use of a false academic credential; the false use of a  
5 legitimate academic credential; making an appropriation; and providing a  
6 penalty.

college, university or institute

**Analysis by the Legislative Reference Bureau**

Under current law, subject to certain exceptions, no private trade, correspondence, business, or technical school may advertise or operate in this state unless the school is first approved by the Educational Approval Board (EAB). Those exceptions include schools that are supported mainly by taxes, schools that are of a denominational character, schools are approved by other state agencies, and schools that are accredited by accrediting agencies recognized by the EAB.

> This bill prohibits a school, including a school that is exempt from the EAB approval requirement, from using the term "college" or "university" in its name unless the school provides an educational program for which it awards an associate or higher degree and the school has accreditation recognized by the U.S. secretary of education; has the foreign equivalent of that accreditation, as determined by the EAB; or has accreditation recognized by the Council for Higher Education Accreditation. This prohibition, however, does not apply to a school that was doing

**BILL**

University

business in this state with the approval of the EAB prior to the effective date of the bill. The bill also 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 that term operates to mislead the public into believing that the school is affiliated with the University of Wisconsin System, the technical college system, or this state, unless the school actually is so affiliated. If a school uses the term "college," "university," "state," or "Wisconsin" in violation of the bill, the school may be required to forfeit not more than \$500 for each day of operation without that approval and a student of the school may bring a civil action to recover fees paid to the school, plus costs and disbursements, including reasonable attorney fees.

The bill also prohibits all of the following:

1. Knowingly issuing or manufacturing a false academic credential, as defined in the bill. A person who violates this prohibition is guilty of a Class I felony, which is punishable by a fine not to exceed \$10,000 or imprisonment not to exceed three years and six months, or both.

2. Knowingly using a false academic credential or falsely using or claiming to have a legitimate academic credential in any communication to a client or to the general public, in connection with any business, trade, profession, or occupation, or to obtain a license or other approval required to practice a trade, profession, or occupation; to obtain admission to an authorized institution of higher education, as defined in the bill; or to obtain 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.

For purposes of those prohibitions:

1. "Academic credential" means a degree, transcript, certificate, or other similar document that indicates the completion of a program, course, or course of instruction leading to, or the earning of academic credit toward, the granting of an associate, baccalaureate, or graduate degree.

2. "False academic credential" means an academic credential issued or manufactured by a person that is not an authorized institution of higher education.

3. "Legitimate academic credential" means an academic credential issued by an authorized institution of higher education.

4. "Authorized institution of higher education" means an educational institution that has accreditation recognized by the U.S. secretary of education, has the foreign equivalent of that accreditation, as determined by the EAB, or has accreditation recognized by the Council for Higher Education Accreditation; is approved by the EAB to operate as a proprietary school in this state; operates in this state and is a school exempt from EAB approval; 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; or has been found by the EAB to meet standards of academic quality comparable to those of an educational institution located in the United States that has

**BILL**

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.

Finally, the bill provides that it is not employment discrimination because of 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.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 20.292 (2) (g) of the statutes is amended to read:

2           20.292 (2) (g) *Proprietary school programs.* The amounts in the schedule for  
3 the examination and approval of proprietary school programs. Ninety percent of all  
4 moneys received from the issuance of solicitor's permits under s. 38.50 (8) and from  
5 the fees under s. 38.50 (10) and all moneys received from the fees under s. 38.50 (13)  
6 (d) shall be credited to this appropriation account.

7           **SECTION 2.** 38.50 (7) (g) of the statutes is amended to read:

Wisconsin

8           38.50 (7) (g) Approve courses of instruction, schools, changes of ownership or  
9 control of schools, and teaching locations meeting the requirements and standards  
10 established by the board and complying with rules promulgated by the board and;  
11 publish a list of the schools and courses of instruction approved and a list of the  
12 schools that are authorized to use the term "college," "university," "state," or  
13 "Wisconsin" in their names; and make those lists of the schools available on the  
14 board's Internet site.

15           **SECTION 3.** 38.50 (12) of the statutes is created to read:

BILL

*college, university or institute*

1 38.50 (12) NAME OF SCHOOL. (a) No school, including a school described in sub.

2 (1) (e) 1. to 8., may use the term ~~college or university~~ in its name unless the school  
3 provides an educational program for which it awards an associate or higher degree  
4 and the school has accreditation recognized by the U.S. secretary of education; has  
5 the foreign equivalent of that accreditation, as determined by the board; or has  
6 accreditation recognized by the Council for Higher Education Accreditation. This  
7 paragraph does not apply to a school that was doing business in this state with the  
8 approval of the board prior to the effective date of this paragraph .... [LRB inserts  
9 date].

10 (b) No school, including a school described in sub. (1) (e) 1. to 8., may use the  
11 term "state" or "Wisconsin" in its name if the use of that term operates to mislead the  
12 public into believing that the school is affiliated with the University of Wisconsin  
13 System, the technical college system, or this state, unless the school actually is so  
14 affiliated.

15 (c) The attorney general or any district attorney may bring an action in circuit  
16 court for the enforcement of this subsection, including bringing an action to restrain  
17 by temporary or permanent injunction any violation of par. (a) or (b).

18 (d) Any person who violates par. (a) or (b) may be required to forfeit not more  
19 than \$500. Each day of operation in violation of par. (a) or (b) constitutes a separate  
20 offense.

21 (e) In addition to any other remedies provided by law, a student who attends  
22 a school that is in violation of par. (a) or (b) may bring a civil action to recover fees  
23 paid to the school, together with costs and disbursements, including reasonable  
24 attorney fees.

25 SECTION 4. 38.50 (13) of the statutes is created to read:

**BILL**

1           38.50 (13) FALSE ACADEMIC CREDENTIALS. (a) In this subsection:

2           1. "Academic credential" means a degree, transcript, certificate, or other  
3 similar document that indicates the completion of a program, course, or course of  
4 instruction leading to, or the earning of academic credit toward, the granting of an  
5 associate, baccalaureate, or graduate degree.

6           2. "Authorized institution of higher education" means an educational  
7 institution that meets any of the following requirements:

8           a. Has accreditation recognized by the U.S. secretary of education; has the  
9 foreign equivalent of that accreditation, as determined by the board; or has  
10 accreditation recognized by the Council for Higher Education Accreditation.

11           b. Is approved by the board to operate in this state.

12           c. Operates in this state and is a school described in sub. (1) (e) 1. to 8.

13           d. Does not operate in this state, but is licensed or otherwise approved by the  
14 appropriate state agency of another state and is an active applicant for accreditation  
15 by an accrediting body recognized by the U.S. secretary of education or by the Council  
16 for Higher Education Accreditation.

17           e. Has been found by the board to meet standards of academic quality  
18 comparable to those of an educational institution located in the United States that  
19 has accreditation recognized by the U.S. secretary of education or by the Council for  
20 Higher Education Accreditation to offer credentials of the type and level claimed.

21           3. "False academic credential" means an academic credential issued or  
22 manufactured by a person that is not an authorized institution of higher education.

23           4. "Legitimate academic credential" means an academic credential issued by  
24 an authorized institution of higher education.

**BILL**

1 (b) Any person who knowingly issues or manufactures a false academic  
2 credential is guilty of a Class I felony.

3 (c) Any person who knowingly uses a false academic credential, or who falsely  
4 uses or claims to have a legitimate academic credential, in any communication to a  
5 client or to the general public, in connection with any business, trade, profession, or  
6 occupation, or for any of the following purposes may be required to forfeit not more  
7 than \$1,000:

8 1. To obtain a license or other approval required to practice a trade, profession,  
9 or occupation.

10 2. To obtain admission to an authorized institution of higher education.

11 3. To obtain an employment position with a state agency or with a political  
12 subdivision of the state, including an elective or appointive position, whether  
13 compensated or not; to obtain a promotion, transfer, or reassignment from such a  
14 position; or to obtain an increase in compensation or benefits for such a position.

15 (d) The board may charge a fee for evaluating an educational institution under  
16 par. (a) 2. e. in an amount that is sufficient to cover all costs that the board incurs  
17 in evaluating the institution. All fees collected by the board under this paragraph  
18 shall be credited to the appropriation account under s. 20.292 (2) (g).

19 **SECTION 5.** 111.335 (1) (cx) of the statutes is created to read:

20 111.335 (1) (cx) Notwithstanding s. 111.322, it is not employment  
21 discrimination because of conviction record to refuse to employ or license, or to bar  
22 or terminate from employment or licensure, any individual who has been convicted  
23 of any offense under s. 38.50 (13) (c).

24 (END)

**Malaise, Gordon**

---

**From:** Vander Meer, John  
**Sent:** Thursday, October 08, 2009 10:55 AM  
**To:** Malaise, Gordon  
**Subject:** FW: 3076/3 changes

Dear Gordon:

After reviewing the legislation, Kim wanted to make a few more changes on the degree mills bill.

Here they are:

1. We're not going to add the term "institute" – so let's make these changes off the /3 version.
2. We want to make changes to the section which deals with use of a false academic credential (See below)

Please let me know if you have any questions. Thanks for your assistance. Sorry about going back and forth on this, but I think once these changes are made we should be in good shape.

Sincerely,  
JVM

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**John J. Vander Meer**

*Research Assistant, Office of State Representative Kim Hixson  
Committee Clerk, Assembly Committee on Colleges and Universities*  
Phone: (608) 266-9650  
E-mail: [john.vandermeer@legis.wi.gov](mailto:john.vandermeer@legis.wi.gov)

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**From:** Matthias, Mary  
**Sent:** Wednesday, October 07, 2009 10:02 AM  
**To:** Vander Meer, John  
**Subject:** 3076/3 changes

John-

Here's a summary of our recent conversation on the diploma mill bill.

You've decided to go with 3076/3 instead of the /4. After conferring with David Dies, it was decided that "institute" should not be included in the list of prohibited terms in the name of a school.

In addition, you would like a portion of 3076/3 redrafted [page 6, lines 3-14] to modify and clarify the actions for which a person may be subject to a forfeiture of up to \$1000. Specifically, you would like 38.50(13)(c) redrafted to read as follows:

(c) Any person who knowingly uses a false academic credential, or who falsely claims to have a legitimate academic credential for any of the following purposes may be required to forfeit not more than \$1,000:

10/08/2009

1. In any communication to a client or to the general public that is made in connection with the person's business, trade, profession, or occupation.
2. To obtain a license or other approval required to practice a trade, profession, or occupation.
3. To obtain admission to an authorized institution of higher education.
4. To obtain 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; to obtain a promotion, transfer, or reassignment from such a position; or to obtain an increase in compensation or benefits for such a position.

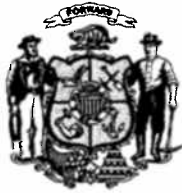
*Mary Matthias*

Senior Staff Attorney

Wisconsin Legislative Council Staff

Ph.(608)266-0932;Fax (608)266-3830





State of Wisconsin  
2009 - 2010 LEGISLATURE

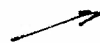
LRB-3076/A

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2009 BILL

SA

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1 AN ACT *to amend* 20.292 (2) (g) and 38.50 (7) (g); and *to create* 38.50 (12), 38.50

2 (13) and 111.335 (1) (cx) of the statutes; **relating to:** the use of the terms college,

3 university, ~~institute~~ state, and Wisconsin in the name of a school; the issuing,

4 manufacture, or use of a false academic credential; the false use of a legitimate

5 academic credential; making an appropriation; and providing a penalty.

**Analysis by the Legislative Reference Bureau**

Under current law, subject to certain exceptions, no private trade, correspondence, business, or technical school may advertise or operate in this state unless the school is first approved by the Educational Approval Board (EAB). Those exceptions include schools that are supported mainly by taxes, schools that are of a denominational character, schools are approved by other state agencies, and schools that are accredited by accrediting agencies recognized by the EAB.

> This bill prohibits a school, including a school that is exempt from the EAB approval requirement, from using the term college, university, or institute in its name unless the school provides an educational program for which it awards an associate or higher degree and the school has accreditation recognized by the U.S. secretary of education; has the foreign equivalent of that accreditation, as determined by the EAB; or has accreditation recognized by the Council for Higher Education Accreditation. This prohibition, however, does not apply to a school that was doing business in this state with the approval of the EAB prior to the effective date of the bill. The bill also prohibits a school including a school that is exempt from

**BILL**

the EAB approval requirement, from using the term "state" or "Wisconsin" in its name if the use of that term operates to mislead the public into believing that the school is affiliated with the University of Wisconsin System, the technical college system, or this state, unless the school actually is so affiliated. If a school uses the term "college," "university," ~~university~~ "state," or "Wisconsin" in violation of the bill, the school may be required to forfeit not more than \$500 for each day of operation without that approval and a student of the school may bring a civil action to recover fees paid to the school, plus costs and disbursements, including reasonable attorney fees.

The bill also prohibits all of the following:

1. Knowingly issuing or manufacturing a false academic credential, as defined in the bill. A person who violates this prohibition is guilty of a Class I felony, which is punishable by a fine not to exceed \$10,000 or imprisonment not to exceed three years and six months, or both.

2. Knowingly using a false academic credential or falsely ~~using or~~ claiming to have a legitimate academic credential in any communication to a client or to the general public, in connection with any business, trade, profession, or occupation ~~or~~ ~~to obtain~~ a license or other approval required to practice a trade, profession, or occupation ~~to obtain~~ admission to an authorized institution of higher education, as defined in the bill; or ~~to obtain~~ 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.

For purposes of those prohibitions:

1. "Academic credential" means a degree, transcript, certificate, or other similar document that indicates the completion of a program, course, or course of instruction leading to, or the earning of academic credit toward, the granting of an associate, baccalaureate, or graduate degree.

2. "False academic credential" means an academic credential issued or manufactured by a person that is not an authorized institution of higher education.

3. "Legitimate academic credential" means an academic credential issued by an authorized institution of higher education.

4. "Authorized institution of higher education" means an educational institution that has accreditation recognized by the U.S. secretary of education, has the foreign equivalent of that accreditation, as determined by the EAB, or has accreditation recognized by the Council for Higher Education Accreditation; is approved by the EAB to operate as a proprietary school in this state; operates in this state and is a school exempt from EAB approval; 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; or has been found by the EAB to meet standards of academic quality comparable to those of an educational institution located in the United States that has

2) for the purpose of obtaining  
3) for the purpose of obtaining  
4) for the purpose of obtaining

as follows  
"in" stays

**BILL**

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.

Finally, the bill provides that it is not employment discrimination because of 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.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 20.292 (2) (g) of the statutes is amended to read:

2           20.292 (2) (g) *Proprietary school programs.* The amounts in the schedule for  
3 the examination and approval of proprietary school programs. Ninety percent of all  
4 moneys received from the issuance of solicitor's permits under s. 38.50 (8) and from  
5 the fees under s. 38.50 (10) and all moneys received from the fees under s. 38.50 (13)  
6 (d) shall be credited to this appropriation account.

7           **SECTION 2.** 38.50 (7) (g) of the statutes is amended to read:

8           38.50 (7) (g) Approve courses of instruction, schools, changes of ownership or  
9 control of schools, and teaching locations meeting the requirements and standards  
10 established by the board and complying with rules promulgated by the board and;  
11 publish a list of the schools and courses of instruction approved and a list of the  
12 schools that are authorized to use the term "college," "university," ~~hospital~~ "state,"  
13 or "Wisconsin" in their names; and make those lists of the schools available on the  
14 board's Internet site.

15           **SECTION 3.** 38.50 (12) of the statutes is created to read:

Handwritten notes in a bubble: "college" with a circled "4" above it, "or", "university", and "college" or "university" with checkmarks below.

1           38.50 (12) NAME OF SCHOOL. (a) No school, including a school described in sub.

2           (1) (e) 1. to 8., may use the term ~~college~~ <sup>2</sup> "university" or ~~institute~~ in its name  
 3 unless the school provides an educational program for which it awards an associate  
 4 or higher degree and the school has accreditation recognized by the U.S. secretary  
 5 of education; has the foreign equivalent of that accreditation, as determined by the  
 6 board; or has accreditation recognized by the Council for Higher Education  
 7 Accreditation. This paragraph does not apply to a school that was doing business in  
 8 this state with the approval of the board prior to the effective date of this paragraph  
 9 .... [LRB inserts date].

10           (b) No school, including a school described in sub. (1) (e) 1. to 8., may use the  
 11 term "state" or "Wisconsin" in its name if the use of that term operates to mislead the  
 12 public into believing that the school is affiliated with the University of Wisconsin  
 13 System, the technical college system, or this state, unless the school actually is so  
 14 affiliated.

15           (c) The attorney general or any district attorney may bring an action in circuit  
 16 court for the enforcement of this subsection, including bringing an action to restrain  
 17 by temporary or permanent injunction any violation of par. (a) or (b).

18           (d) Any person who violates par. (a) or (b) may be required to forfeit not more  
 19 than \$500. Each day of operation in violation of par. (a) or (b) constitutes a separate  
 20 offense.

21           (e) In addition to any other remedies provided by law, a student who attends  
 22 a school that is in violation of par. (a) or (b) may bring a civil action to recover fees  
 23 paid to the school, together with costs and disbursements, including reasonable  
 24 attorney fees.

25           **SECTION 4.** 38.50 (13) of the statutes is created to read:

**BILL**

1           38.50 (13) FALSE ACADEMIC CREDENTIALS. (a) In this subsection:

2           1. "Academic credential" means a degree, transcript, certificate, or other  
3 similar document that indicates the completion of a program, course, or course of  
4 instruction leading to, or the earning of academic credit toward, the granting of an  
5 associate, baccalaureate, or graduate degree.

6           2. "Authorized institution of higher education" means an educational  
7 institution that meets any of the following requirements:

8           a. Has accreditation recognized by the U.S. secretary of education; has the  
9 foreign equivalent of that accreditation, as determined by the board; or has  
10 accreditation recognized by the Council for Higher Education Accreditation.

11           b. Is approved by the board to operate in this state.

12           c. Operates in this state and is a school described in sub. (1) (e) 1. to 8.

13           d. Does not operate in this state, but is licensed or otherwise approved by the  
14 appropriate state agency of another state and is an active applicant for accreditation  
15 by an accrediting body recognized by the U.S. secretary of education or by the Council  
16 for Higher Education Accreditation.

17           e. Has been found by the board to meet standards of academic quality  
18 comparable to those of an educational institution located in the United States that  
19 has accreditation recognized by the U.S. secretary of education or by the Council for  
20 Higher Education Accreditation to offer credentials of the type and level claimed.

21           3. "False academic credential" means an academic credential issued or  
22 manufactured by a person that is not an authorized institution of higher education.

23           4. "Legitimate academic credential" means an academic credential issued by  
24 an authorized institution of higher education.

**BILL**

as follows may be required to forfeit not more than \$1,000.  
P 1000 in

1 (b) Any person who knowingly issues or manufactures a false academic  
2 credential is guilty of a Class I felony.

3 (c) Any person who knowingly uses a false academic credential, or who falsely  
4 ~~uses or~~ claims to have a legitimate academic credential, ~~or~~ any communication to a  
5 client or to the general public, in connection with any business, trade, profession, or

6 occupation, ~~or for any of the following purposes may be required to forfeit not more~~  
7 ~~than \$1,000.~~ <sup>2000</sup> For the purpose of obtaining

8 1. ~~To obtain~~ a license or other approval required to practice a trade, profession,  
9 or occupation. <sup>3000</sup> For the purpose of obtaining

10 2. ~~To obtain~~ admission to an authorized institution of higher education.

11 3. ~~To obtain~~ an employment position with a state agency or with a political  
12 subdivision of the state, including an elective or appointive position, whether  
13 compensated or not; ~~to obtain~~ <sup>4000</sup> For the purpose of obtaining a promotion, transfer, or reassignment from such a  
14 position; or ~~to obtain~~ <sup>at obtaining</sup> an increase in compensation or benefits for such a position.

15 (d) The board may charge a fee for evaluating an educational institution under  
16 par. (a) 2. e. in an amount that is sufficient to cover all costs that the board incurs  
17 in evaluating the institution. All fees collected by the board under this paragraph  
18 shall be credited to the appropriation account under s. 20.292 (2) (g).

**SECTION 5.** 111.335 (1) (cx) of the statutes is created to read:

20 111.335 (1) (cx) Notwithstanding s. 111.322, it is not employment  
21 discrimination because of conviction record to refuse to employ or license, or to bar  
22 or terminate from employment or licensure, any individual who has been convicted  
23 of any offense under s. 38.50 (13) (c).

**Malaise, Gordon**

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**From:** Vander Meer, John  
**Sent:** Friday, December 04, 2009 1:17 PM  
**To:** Malaise, Gordon  
**Cc:** Sen.Risser  
**Subject:** RE: Changes to the Degree Mills Bill

December 4, 2009

Dear Gordon:

After speaking with Senator Risser's staff it came to our attention that they had a similar bill related to the issue of regulation of degree mills. However, because the Senator expressed concerns regarding the addition of another felony to Wisconsin Statutes, he requested a change in the bill downgrading the penalty from a **Class-I Felony** to a **Class-A Misdemeanor**. I have spoken with all our co-sponsors and they are on board with this change so that we will only introduce one bill.

*Would you draft a new version of our bill (LRB-3076/5) with this change and also draft a companion for Sen. Risser's office that reflects this change as well?*

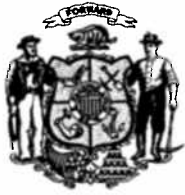
Thank you for your assistance on this matter.

Sincerely,  
JVM

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**John J. Vander Meer**

*Research Assistant, Office of State Representative Kim Hixson  
Committee Clerk, Assembly Committee on Colleges and Universities  
Phone: (608) 266-9650  
E-mail: [john.vandermeer@legis.wi.gov](mailto:john.vandermeer@legis.wi.gov)*



State of Wisconsin  
2009 - 2010 LEGISLATURE

LN 12/04  
son

LRB-3076/6  
GMM:bjk:md  
6  
MR  
stays

2009 BILL

SA

regen.

1 AN ACT *to amend* 20.292 (2) (g) and 38.50 (7) (g); and *to create* 38.50 (12), 38.50  
2 (13) and 111.335 (1) (cx) of the statutes; **relating to:** the use of the terms college,  
3 university, state, and Wisconsin in the name of a school; the issuing,  
4 manufacture, or use of a false academic credential; the false use of a legitimate  
5 academic credential; making an appropriation; and providing a penalty.

that

***Analysis by the Legislative Reference Bureau***

Under current law, subject to certain exceptions, no private trade, correspondence, business, or technical school may advertise or operate in this state unless the school is first approved by the Educational Approval Board (EAB). Those exceptions include schools that are supported mainly by taxes, schools that are of a denominational character, schools are approved by other state agencies, and schools that are accredited by accrediting agencies recognized by the EAB.

This bill prohibits a school, including a school that is exempt from the EAB approval requirement, from using the term "college" or "university" in its name unless the school provides an educational program for which it awards an associate or higher degree and the school has accreditation recognized by the U.S. secretary of education; has the foreign equivalent of that accreditation, as determined by the EAB; or has accreditation recognized by the Council for Higher Education Accreditation. This prohibition, however, does not apply to a school that was doing business in this state with the approval of the EAB prior to the effective date of the bill. The bill also prohibits a school, including a school that is exempt from the EAB



**BILL**

Class A misdemeanor

approval requirement, from using the term "state" or "Wisconsin" in its name if the use of that term operates to mislead the public into believing that the school is affiliated with the University of Wisconsin System, the technical college system, or this state, unless the school actually is so affiliated. If a school uses the term "college," "university," "state," or "Wisconsin" in violation of the bill, the school may be required to forfeit not more than \$500 for each day of operation without that approval and a student of the school may bring a civil action to recover fees paid to the school, plus costs and disbursements, including reasonable attorney fees.

The bill also prohibits all of the following:

1. Knowingly issuing or manufacturing a false academic credential, as defined in the bill. A person who violates this prohibition is guilty of a ~~Class B felony~~ <sup>Class A misdemeanor</sup> which is punishable by a fine not to exceed \$10,000 or imprisonment not to exceed ~~three~~ <sup>nine</sup> years and six months, or both.

2. 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.

For purposes of those prohibitions:

1. "Academic credential" means a degree, transcript, certificate, or other similar document that indicates the completion of a program, course, or course of instruction leading to, or the earning of academic credit toward, the granting of an associate, baccalaureate, or graduate degree.

2. "False academic credential" means an academic credential issued or manufactured by a person that is not an authorized institution of higher education.

3. "Legitimate academic credential" means an academic credential issued by an authorized institution of higher education.

4. "Authorized institution of higher education" means an educational institution that has accreditation recognized by the U.S. secretary of education, has the foreign equivalent of that accreditation, as determined by the EAB, or has accreditation recognized by the Council for Higher Education Accreditation; is approved by the EAB to operate as a proprietary school in this state; operates in this state and is a school exempt from EAB approval; 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; or has been found by the EAB to meet standards of academic quality comparable to those of an educational institution located in the United States that has

**BILL**

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.

Finally, the bill provides that it is not employment discrimination because of 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.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 20.292 (2) (g) of the statutes is amended to read:

2           20.292 (2) (g) *Proprietary school programs.* The amounts in the schedule for  
3 the examination and approval of proprietary school programs. Ninety percent of all  
4 moneys received from the issuance of solicitor's permits under s. 38.50 (8) and from  
5 the fees under s. 38.50 (10) and all moneys received from the fees under s. 38.50 (13)  
6 (d) shall be credited to this appropriation account.

7           **SECTION 2.** 38.50 (7) (g) of the statutes is amended to read:

8           38.50 (7) (g) Approve courses of instruction, schools, changes of ownership or  
9 control of schools, and teaching locations meeting the requirements and standards  
10 established by the board and complying with rules promulgated by the board ~~and~~;  
11 publish a list of the schools and courses of instruction approved and a list of the  
12 schools that are authorized to use the term "college," "university," "state," or  
13 "Wisconsin" in their names; and make those lists of the schools available on the  
14 board's Internet site.

15           **SECTION 3.** 38.50 (12) of the statutes is created to read:

**BILL**

1           38.50 (12) NAME OF SCHOOL. (a) No school, including a school described in sub.  
2 (1) (e) 1. to 8., may use the term “college” or “university” in its name unless the school  
3 provides an educational program for which it awards an associate or higher degree  
4 and the school has accreditation recognized by the U.S. secretary of education; has  
5 the foreign equivalent of that accreditation, as determined by the board; or has  
6 accreditation recognized by the Council for Higher Education Accreditation. This  
7 paragraph does not apply to a school that was doing business in this state with the  
8 approval of the board prior to the effective date of this paragraph .... [LRB inserts  
9 date].

10           (b) No school, including a school described in sub. (1) (e) 1. to 8., may use the  
11 term “state” or “Wisconsin” in its name if the use of that term operates to mislead the  
12 public into believing that the school is affiliated with the University of Wisconsin  
13 System, the technical college system, or this state, unless the school actually is so  
14 affiliated.

15           (c) The attorney general or any district attorney may bring an action in circuit  
16 court for the enforcement of this subsection, including bringing an action to restrain  
17 by temporary or permanent injunction any violation of par. (a) or (b).

18           (d) Any person who violates par. (a) or (b) may be required to forfeit not more  
19 than \$500. Each day of operation in violation of par. (a) or (b) constitutes a separate  
20 offense.

21           (e) In addition to any other remedies provided by law, a student who attends  
22 a school that is in violation of par. (a) or (b) may bring a civil action to recover fees  
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24 attorney fees.

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**BILL**

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4 instruction leading to, or the earning of academic credit toward, the granting of an  
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9 foreign equivalent of that accreditation, as determined by the board; or has  
10 accreditation recognized by the Council for Higher Education Accreditation.

11           b. Is approved by the board to operate in this state.

12           c. Operates in this state and is a school described in sub. (1) (e) 1. to 8.

13           d. Does not operate in this state, but is licensed or otherwise approved by the  
14 appropriate state agency of another state and is an active applicant for accreditation  
15 by an accrediting body recognized by the U.S. secretary of education or by the Council  
16 for Higher Education Accreditation.

17           e. Has been found by the board to meet standards of academic quality  
18 comparable to those of an educational institution located in the United States that  
19 has accreditation recognized by the U.S. secretary of education or by the Council for  
20 Higher Education Accreditation to offer credentials of the type and level claimed.

21           3. "False academic credential" means an academic credential issued or  
22 manufactured by a person that is not an authorized institution of higher education.

23           4. "Legitimate academic credential" means an academic credential issued by  
24 an authorized institution of higher education.

**BILL**

Class A misdemeanor

1 (b) Any person who knowingly issues or manufactures a false academic  
2 credential is guilty of a ~~Class Felony~~.

3 (c) Any person who knowingly uses a false academic credential, or who falsely  
4 claims to have a legitimate academic credential, as follows may be required to forfeit  
5 not more than \$1,000:

6 1. In any communication to a client or to the general public, in connection with  
7 any business, trade, profession, or occupation.

8 2. For the purpose of obtaining a license or other approval required to practice  
9 a trade, profession, or occupation.

10 3. For the purpose of obtaining admission to an authorized institution of higher  
11 education.

12 4. For the purpose of obtaining an employment position with a state agency or  
13 with a political subdivision of the state, including an elective or appointive position,  
14 whether compensated or not; of obtaining a promotion, transfer, or reassignment  
15 from such a position; or of obtaining an increase in compensation or benefits for such  
16 a position.

17 (d) The board may charge a fee for evaluating an educational institution under  
18 par. (a) 2. e. in an amount that is sufficient to cover all costs that the board incurs  
19 in evaluating the institution. All fees collected by the board under this paragraph  
20 shall be credited to the appropriation account under s. 20.292 (2) (g).

21 **SECTION 5.** 111.335 (1) (cx) of the statutes is created to read:  
22 111.335 (1) (cx) Notwithstanding s. 111.322, it is not employment  
23 discrimination because of conviction record to refuse to employ or license, or to bar

**BILL**

1 or terminate from employment or licensure, any individual who has been convicted  
2 of any offense under s. 38.50 (13) (c).

3 (END)

**Parisi, Lori**

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**From:** Vander Meer, John

**Sent:** Monday, December 07, 2009 3:16 PM

**To:** LRB.Legal

**Subject:** Draft Review: LRB 09-3076/6 Topic: Regulation of diploma mills

Please Jacket LRB 09-3076/6 for the ASSEMBLY.