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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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**2009 Assembly Bill 624**

**Assembly Amendment 1,  
as Amended**

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**Assembly Bill 624** 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. The amendment affects only the provisions of the bill pertaining to the use of certain terms in the name of a school.

### *Use of “College” or “University” in a School’s Name*

**Current law** does not regulate the use of the term “college” or “university.”

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 System and the Wisconsin Technical College System).
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 the Department of Public Instruction (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 **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 is accredited. The prohibition does not apply to any EAB-approved school that was doing business in Wisconsin prior to the effective date of the bill.

Thus, under the bill, any institution listed under items 1. through 8, above, that does not offer an associate degree or higher and is not accredited would be prohibited from using the term “college” or university” in its name. Some institutions that could be affected include “Barber Colleges,” employer-operated institutions similar to “Hamburger University,” and religious institutions such as “Bible Colleges.”

**Assembly Amendment 1 (AA 1)** makes the following changes to the bill’s provisions that prohibit the use of the term “college” or “university” in a school’s name:

1. Specifies that no “person” may use those terms in its name unless certain requirements are met. “Person” means any individual, partnership, association, corporation, or limited liability company, or any combination of these. This change clarifies that the prohibition applies to the use of those terms by any entity, not only by an actual school.
2. “Grandfathers” the use of the term “college” or “university” in the name of any of the entities listed below that was doing business in Wisconsin prior to the effective date of the bill. Under the amendment, barber colleges, employer-operated schools, religious institutions, and other entities that currently use “college” or “university” in their name may continue to do so, but new entities may not use these terms in their names:
  - a. Schools of a parochial or denominational character offering courses having a sectarian objective.
  - b. Schools primarily offering instruction avocational or recreational in nature and not leading to a vocational objective.
  - c. Courses conducted by employers exclusively for their employees.
  - d. Schools, courses of instruction, and training programs that are approved or licensed and supervised by other state agencies and boards.

- e. Schools approved by DPI for the training of teachers.
3. Creates an exemption from the prohibition on the use of the term “college” or “university” for a person who uses the term “college” or “university” in the person’s name only for purposes of amusement if the person does not hold itself out to the public in any way as a legitimate institution of higher education.

**Assembly Amendment 1 to AA 1** alters the prohibition on the use of the term “college” or “university” to permit persons that do not hold themselves out to the public in any way as a legitimate institution of higher education to use both terms.

This clarifies that an individual may use the terms in names, particularly for businesses that are not providers of education, without being in violation of state law. Examples of such business names could include “University Bar and Grill” or “College Dry Cleaners.” This modification negates the need for a special exception for “purposes of amusement” and, thus, this section is deleted under the Assembly Amendment 1 to AA 1.

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

**Current law** does not regulate the use of the term “state” or “Wisconsin.”

The **bill** 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 University of Wisconsin System or the Wisconsin Technical College System, or this state, unless the school actually is so affiliated.

The **amendment** also deletes the phrase “or this state” in the prohibition described above.

The **amendment** also specifies that the prohibition does not apply to a school described in s. 38.50 (1) (e) 1., Stats., 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.

### **Legislative History**

2009 Assembly Bill 624 was introduced on December 17, 2009, by Representative Hixson; co-sponsored by Senator Risser. Assembly Amendment 1 was offered by Representative Hixson on February 23, 2010.

On February 24, 2010, the Assembly Committee on Colleges and Universities recommended adoption of Assembly Amendment 1 on a vote of Ayes, 9; Noes, 3, and recommended passage of the bill, as amended, on a vote of Ayes, 8; Noes, 4.

Assembly Amendment 1 to Assembly Amendment 1 was offered by Representative Hixson on March 1, 2010.

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