

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 56

(Chair, Education, Health, and Environmental Affairs  
Committee)(By Request - Departmental - Higher  
Education Commission)

Education, Health, and Environmental Affairs

Appropriations

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**Unauthorized Institutions of Postsecondary Education - Transcripts, Diplomas,  
and Grade Reports - Penalties**

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This departmental bill prohibits a person from buying, selling, distributing, using, offering, or presenting as genuine a transcript, diploma, or grade report of an entity that represents itself as an institution of postsecondary education if the entity is not authorized to operate as an institution of postsecondary education.

The bill takes effect June 1, 2013.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in general fund revenues and expenditures due to the bill's penalty provisions. Any increase in District Court caseloads as a result of the bill can be handled with existing budgeted resources. The Maryland Higher Education Commission (MHEC) can handle additional complaints and make additional referrals to a local State's Attorney's office using existing resources.

**Local Effect:** Potential minimal increase in expenditures due to the bill's penalty provisions.

**Small Business Effect:** MHEC has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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## Analysis

**Current Law:** A person may not falsely make, falsely alter, forge, or counterfeit; cause or procure to be falsely made, falsely altered, forged, or counterfeited; or willingly aid or assist in falsely making, falsely altering, forging, or counterfeiting a transcript, diploma, or grade report of an institution of postsecondary education. A person also may not knowingly buy, sell, distribute, use, offer, or present as genuine a false, forged, counterfeited, or altered transcript, diploma, or grade report of an institution of postsecondary education. Further, a person may not use, offer, or present a transcript, diploma, or grade report of an institution of postsecondary education in a fraudulent manner. A violator is guilty of a misdemeanor and subject to a maximum \$1,000 fine and/or imprisonment for up to six months.

**Background:** MHEC reports that, as education standards for employment have increased, it has become increasingly important for individuals to have documentation of success in postsecondary education. Unfortunately, the importance of these credentials has resulted in attempts to misrepresent credentials and concurrently misrepresent institutions of postsecondary education. This pressure has also led to the emergence of fraudulent operations that, for a fee, issue false educational credentials (*i.e.*, diploma mills). The bill expands the prohibition established by Chapter 53 of 2011 (SB 292) against the creation or use of falsified transcripts, diplomas, and grade reports to include transcripts, diplomas, and grade reports issued by institutions that do not have approval to operate in Maryland or in other states or countries.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Baltimore City Community College, Maryland Higher Education Commission, Maryland Independent College and University Association, University System of Maryland, Department of Legislative Services

**Fiscal Note History:** First Reader - January 14, 2013  
ncs/rhh

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Higher Education Commission – False, Forged, Altered  
Transcripts, Diplomas and Grade Reports

BILL NUMBER: SB 56

PREPARED BY: Maryland Higher Education Commission

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.