

# Senate Bill 457

Sponsored by Senator HASS; Senators BOQUIST, BURDICK, DEMBROW, FREDERICK, GOLDEN, MANNING JR, PROZANSKI, RILEY, ROBLAN, STEINER HAYWARD, TAYLOR, WAGNER (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Adds consumer advocate as nonvoting member of Higher Education Coordinating Commission.

Prohibits commission from exempting private career school from regulation for sole reason that school received accreditation from accrediting agency.

Requires institution of higher education to post information about how to file complaint on website. Allows student two years to file complaint against institution.

Makes student ineligible to receive or renew state financial aid to attend school whose graduation rate or three-year cohort default rate on federal loans is below specified level.

Requires institution of higher education to make graduation rate, cohort default rate on federal student loans and other information publicly available on website of institution.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to higher education; creating new provisions; amending ORS 345.015, 345.120, 348.608,  
3 350.050 and 350.075; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 350.050 is amended to read:

6 350.050. (1) There is established a Higher Education Coordinating Commission, consisting of nine  
7 voting members appointed by the Governor.

8 (2) The Governor shall appoint:

9 (a) One member from each of the five congressional districts in this state; and

10 (b) Four members of the general public.

11 (3) The Governor shall also appoint [*five*] **six** nonvoting members to the commission. The Gov-  
12 ernor shall elicit recommendations for appointments made under **paragraphs (a) to (e) of this sub-**  
13 **section from official student, faculty and nonfaculty staff organizations at community colleges and**  
14 **public universities listed in ORS 352.002. The Governor shall elicit recommendations from stu-**  
15 **dent advocacy groups for appointments made under paragraph (f) of this subsection.** The  
16 [*five*] **six** nonvoting members of the commission shall consist of:

17 (a) One student at a public university listed in ORS 352.002;

18 (b) One faculty member at a public university listed in ORS 352.002;

19 (c) One student at a community college in this state;

20 (d) One faculty member at a community college in this state; [*and*]

21 (e) One nonfaculty member of the staff from either a public university listed in ORS 352.002 or  
22 a community college[.]; **and**

23 **(f) One consumer advocate who has knowledge of consumer protection issues facing**  
24 **post-secondary students.**

25 (4) The term of office of each voting member is four years and the term of office for each non-  
26 voting member is two years. A member serves at the pleasure of the Governor. Before the expiration

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next  
 2 following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor  
 3 shall make an appointment to become immediately effective for the unexpired term.

4 (5) The Governor may at any time, for cause, remove any member of the board that the Gover-  
 5 nor has appointed, after notice and public hearing, but not more than three members shall be re-  
 6 moved within a period of four years, unless it is for corrupt conduct in office.

7 (6) The appointment of voting members of the commission is subject to confirmation by the  
 8 Senate in the manner prescribed in ORS 171.562 and 171.565.

9 (7) A member of the commission is entitled to compensation and expenses as provided in ORS  
 10 292.495.

11 **SECTION 2.** ORS 345.015 is amended to read:

12 345.015. ORS 345.010 to 345.450 do not apply to:

13 (1) Instruction or training solely avocational or recreational in nature or to institutions offering  
 14 such education exclusively.

15 (2) Instruction or training sponsored or offered by a bona fide trade, business, professional or  
 16 fraternal organization or by a business primarily for the organization's membership or the business's  
 17 employees.

18 (3) Instruction or training sponsored, offered or contracted by organizations, institutions or  
 19 agencies, if the instruction or training is advertised or promoted to be in the nature of professional  
 20 self-improvement or personal self-improvement and the instruction or training is not:

21 (a) Advertised or promoted as leading to or fulfilling the requirements for licensing, certifica-  
 22 tion, accreditation or education credentials; or

23 (b) Leading to an occupation, employment or other activity for which a person may reasonably  
 24 expect financial compensation.

25 (4) Courses offered in hospitals that meet standards prescribed by the American Medical Asso-  
 26 ciation or national accrediting associations for nursing.

27 (5) Courses, instruction or training offered for a limited number of hours, as defined by rule of  
 28 the Higher Education Coordinating Commission.

29 (6) Schools offering only courses of an advanced training or continuing educational nature when  
 30 offered solely to licensed practitioners and people previously qualified or employed in the profession  
 31 for which a course is being offered.

32 (7) Courses, instruction or training offered to prepare a student to become certified as a nursing  
 33 assistant or a medication aide in compliance with standards prescribed by the Oregon State Board  
 34 of Nursing.

35 (8)(a) Schools that the Higher Education Coordinating Commission:

36 [(a)] (A) Determines are adequately regulated by other means that guarantee the school meets  
 37 the standards described in ORS 345.325; and

38 [(b)] (B) As a result of the determination described in [paragraph (a)] **subparagraph (A)** of this  
 39 [subsection] **paragraph**, grants an exemption from the licensure requirements of ORS 345.010 to  
 40 345.450.

41 **(b) The commission may not grant an exemption for a school under paragraph (a) of this**  
 42 **subsection based solely on a finding that the school has received accreditation from an ac-**  
 43 **crediting agency.**

44 (9) Schools offering only review instruction to prepare a student to take an examination to enter  
 45 a profession, where the student has completed prior training related to the profession.

1 (10) Schools described in ORS 348.597 and, except as provided in ORS 345.017, schools approved  
 2 by the Higher Education Coordinating Commission to confer or offer to confer academic degrees  
 3 under ORS 348.606.

4 (11) Any parochial or denominational institution providing instruction or training relating solely  
 5 to religion and that does not grant degrees.

6 **SECTION 3.** ORS 345.120 is amended to read:

7 345.120. (1)(a) On the written complaint of any person, the Higher Education Coordinating  
 8 Commission shall, and on the commission's own motion may, investigate the actions of any career  
 9 school or agent, or any person who assumes to act in either capacity within this state.

10 **(b) The commission may investigate an action under this subsection only if the action**  
 11 **occurred within two years before either the date on which the complaint was filed or the last**  
 12 **day the student attended the school, whichever is later.**

13 **(c) Each career school shall post on the website of the school information about how a**  
 14 **complaint may be filed under this section.**

15 (2) After receiving a written complaint or deciding to proceed to an investigation on its own  
 16 motion under subsection (1) of this section, the commission shall notify the career school that is the  
 17 subject of the investigation. When conducting an investigation under this section, the commission  
 18 shall engage with both the career school under investigation and with any affected students.

19 (3) As a result of the investigation, and in addition to any penalty that may be imposed under  
 20 ORS 345.992, the commission may issue a notice for corrective action or, subject to the procedures  
 21 set forth in subsection (4) of this section, may suspend or revoke any license issued under ORS  
 22 345.010 to 345.450 when the licensee has:

23 (a) Obtained a license by misrepresentation.

24 (b) Violated ORS 345.010 to 345.450 or any applicable rule.

25 (c) Ceased to engage in the business authorized by the license.

26 (d) Willfully used or employed any method, act or practice declared unlawful by ORS 646.608.

27 (4)(a) When notice of suspension or revocation is issued, the licensee shall be notified and, upon  
 28 request, shall be granted a contested case hearing under ORS 183.310 (2).

29 (b) If a licensee requests a contested case hearing under this subsection, the suspension or re-  
 30 vocation may take effect only after a hearing officer determines that there is proper cause.

31 (5) A licensee that is issued a notice for corrective action must be formally notified by the  
 32 commission that it has deficiencies that must be corrected within a time specified in the notice.

33 (6) A licensee whose license is suspended is prohibited from advertising, recruiting or enrolling  
 34 students but may remain in operation to complete training of students enrolled on the effective date  
 35 of the suspension.

36 (7) A licensee whose license has been revoked is not authorized to continue in operation on and  
 37 after the effective date of the revocation.

38 **SECTION 4.** ORS 348.608 is amended to read:

39 348.608. (1) Each year, on a date prescribed by the Higher Education Coordinating Commission,  
 40 a school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005, met the  
 41 criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon  
 42 Student Access Commission and that offered only degrees with approved titles in theology or reli-  
 43 gious occupations, shall submit to the Higher Education Coordinating Commission a statement that  
 44 reads: "(Name of School) hereby certifies that the school remains in compliance with all conditions  
 45 for a religious exemption from ORS 348.594 to 348.615."

1 (2) A school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005,  
 2 met the criteria and followed procedures to obtain a religious exemption adopted by rule by the  
 3 Oregon Student Access Commission and that offered only degrees with approved titles in theology  
 4 or religious occupations remains exempt unless the Higher Education Coordinating Commission  
 5 suspends or revokes the exemption.

6 (3) The Higher Education Coordinating Commission may suspend or revoke an exemption if:

7 (a) After the notice and opportunity to cure provided in subsection [(4)] (5) of this section, a  
 8 school fails to provide the statement required by subsection (1) of this section;

9 (b) The commission has received a complaint from a student or former student of the school that  
 10 the school is failing to comply with a condition for exemption under ORS 348.604, the commission  
 11 determines that the complaint is valid, the school has been provided with notice and opportunity to  
 12 cure as required by subsection [(4)] (5) of this section and the school fails to comply with the con-  
 13 dition listed in the notice; or

14 (c) After the notice and opportunity to cure provided in subsection [(4)] (5) of this section, [a]  
 15 the school is in violation of ORS 348.605.

16 **(4)(a) The commission may investigate a complaint from a student or former student**  
 17 **that a school is failing to comply with a condition for exemption under ORS 348.604 only if**  
 18 **the alleged failure to comply occurred within two years before either the date on which the**  
 19 **complaint was filed or the last day the student attended the school, whichever is later.**

20 **(b) Each school described under subsection (1) of this section shall post on the website**  
 21 **of the school information about how a complaint may be filed under this subsection.**

22 [(4)] (5) The Higher Education Coordinating Commission shall provide notice of and 90 days to  
 23 cure a school's:

24 (a) Failure to provide the statement required by subsection (1) of this section;

25 (b) Failure to maintain compliance with a condition for exemption under ORS 348.604 if the  
 26 commission has received a complaint from a student or former student of the school that the school  
 27 is failing to comply with a condition for exemption under ORS 348.604 and the commission has de-  
 28 termined the complaint is valid; or

29 (c) Violation of ORS 348.605.

30 [(5)] (6) A school may appeal the denial, suspension or revocation of an exemption to the Higher  
 31 Education Coordinating Commission.

32 [(6)] (7) A school may appeal the Higher Education Coordinating Commission's decision that a  
 33 faculty member does not possess sufficient compensatory qualifications to substitute for an academic  
 34 degree in the field in which the faculty member teaches.

35 [(7)] (8) The Higher Education Coordinating Commission shall conduct an appeal under this  
 36 section as a contested case under ORS chapter 183.

37 [(8)(a)] (9)(a) If a school appeals the denial, suspension or revocation of an exemption and the  
 38 Higher Education Coordinating Commission upholds the denial, suspension or revocation, the com-  
 39 mission shall provide the school 90 days to cure the grounds for the denial, suspension or revoca-  
 40 tion. If the school does not cure the grounds for the denial, suspension or revocation within 90 days  
 41 after the commission upholds the denial, suspension or revocation, then the denial, suspension or  
 42 revocation becomes effective 90 days after the issuance of the decision on the appeal by the com-  
 43 mission.

44 (b) If a school does not appeal the denial, suspension or revocation of an exemption to the  
 45 commission and the school does not cure the grounds for the denial, suspension or revocation within

1 the period of time to appeal the decision to the commission, then the denial, suspension or revoca-  
2 tion becomes effective upon the expiration of the period of time to appeal.

3 **SECTION 5.** ORS 350.075 is amended to read:

4 350.075. (1) As used in this section, "student access programs" means scholarship, loan, grant  
5 and access programs described in ORS chapter 348.

6 (2) The Higher Education Coordinating Commission shall be guided by the legislative findings  
7 in ORS 341.009, 350.001 and 350.005 and the goals and mission of post-secondary education set forth  
8 in ORS 350.009 and 350.014.

9 (3) The Higher Education Coordinating Commission shall:

10 (a) Develop state goals for the state post-secondary education system, including community col-  
11 leges and public universities listed in ORS 352.002, and for student access programs.

12 (b) Determine strategic investments in the state's community colleges, public universities and  
13 student access programs necessary to achieve state post-secondary education goals.

14 (c) Coordinate the post-secondary elements of data collection and structure, with the advice and  
15 recommendation of the state's independent institutions, community colleges and public universities,  
16 as appropriate, in order to construct a state longitudinal data system.

17 (d) Adopt a strategic plan for achieving state post-secondary education goals, taking into con-  
18 sideration the contributions of this state's independent institutions, philanthropic organizations and  
19 other organizations dedicated to helping Oregonians reach state goals. State post-secondary educa-  
20 tion goals as described in this section should include, but need not be limited to:

21 (A) Increasing the educational attainment of the population;

22 (B) Increasing this state's global economic competitiveness and the quality of life of its resi-  
23 dents;

24 (C) Ensuring affordable access for qualified Oregon students at each college or public university;

25 (D) Removing barriers to on-time completion; and

26 (E) Tracking progress toward meeting the state's post-secondary education goals established in  
27 the strategic plan described in this paragraph.

28 (e)(A) Each biennium, after receiving funding requests from the state's community colleges and  
29 public universities as authorized by law, recommend to the Governor a consolidated higher educa-  
30 tion agency request budget aligned with the strategic plan described in paragraph (d) of this sub-  
31 section, including appropriations for:

32 (i) Student access programs;

33 (ii) Public universities listed in ORS 352.002, including but not limited to education and general  
34 operations, statewide public services and state-funded debt service;

35 (iii) Community colleges, including but not limited to education and general operations and  
36 state-funded debt service;

37 (iv) New facilities or programs;

38 (v) Capital improvements and deferred maintenance;

39 (vi) Special initiatives and investments; and

40 (vii) Any other program, duty or function a public university listed in ORS 352.002 is authorized  
41 to undertake.

42 (B) In the development of the consolidated higher education agency request budget:

43 (i) Determine the costs necessary to provide quality post-secondary education;

44 (ii) Solicit input from educators, education policy experts, appropriate legislative committees,  
45 students and other persons interested in the development of the funding model; and

- 1 (iii) Solicit public input regarding educational priorities.
- 2 (f) Adopt rules governing the distribution of appropriations from the Legislative Assembly to  
3 community colleges, public universities listed in ORS 352.002 and student access programs. These  
4 rules must be based on allocation formulas developed in consultation with the state's community  
5 colleges and public universities, as appropriate.
- 6 (g) Approve or disapprove any significant change to the academic program of a community col-  
7 lege or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the  
8 commission shall consider the recommendation from the community college or public university  
9 seeking to make the change to an academic program that is issued pursuant to the obligation of the  
10 governing board of a community college or public university to review and approve academic pro-  
11 grams. The commission shall ensure that approved programs:
- 12 (A) Are consistent with the mission statement of the community college or public university;
- 13 (B) Do not unnecessarily duplicate academic programs offered by Oregon's other community  
14 colleges or public universities;
- 15 (C) Are not located in a geographic area that will cause undue hardship to Oregon's other  
16 community colleges or public universities; and
- 17 (D) Are allocated among Oregon's community colleges and public universities to maximize the  
18 achievement of statewide needs and requirements.
- 19 (h) For public universities listed in ORS 352.002:
- 20 (A) Approve the mission statement adopted by a governing board of a public university.
- 21 (B) Review and determine whether a proposed annual increase of resident undergraduate en-  
22 rollment fees of greater than five percent is appropriate.
- 23 (C) Advise the Governor and the Legislative Assembly on issues of university governance.
- 24 (D) Approve and authorize degrees.
- 25 (E) Perform the evaluation and certification required by ORS 350.095.
- 26 (i) Authorize degrees to be offered by independent post-secondary institutions in this state under  
27 ORS 348.594 to 348.615.
- 28 (j) Oversee the licensing of career schools under ORS 345.010 to 345.450.
- 29 (k) Have the authority to enter into and administer interstate agreements regarding the pro-  
30 vision of post-secondary distance education. The participation by an educational institution that is  
31 not based in this state in distance learning courses or programs that are part of an interstate  
32 agreement entered into and administered under this paragraph does not constitute operating in this  
33 state for purposes of ORS 348.594 to 348.615. The commission, by rule, may impose a fee on any  
34 educational institution that seeks to operate under or participate in such interstate agreements. The  
35 fee amount shall be established to recover designated expenses incurred by the commission in par-  
36 ticipating in such agreements.
- 37 (L) Coordinate and collaborate with the Chief Education Office as provided by section 1, chapter  
38 519, Oregon Laws 2011.
- 39 (4)(a) The Higher Education Coordinating Commission shall implement a process to review and  
40 appropriately act on student complaints regarding any school operating in this state. As part of the  
41 process implemented under this subsection, the commission may:
- 42 (A) Receive student complaints from students regarding a school;
- 43 (B) Specify the type of information that must be included in a student complaint;
- 44 (C) Investigate and resolve student complaints that relate to state financial aid;
- 45 (D) Refer a student complaint to another entity for investigation and resolution as provided in

1 paragraph (b) of this subsection;

2 (E) Adopt rules to implement the provisions of this subsection; and

3 (F) Enter into agreements to implement the provisions of this subsection.

4 (b) The commission may refer the investigation and resolution of a student complaint to:

5 (A) An appropriate state agency if the complaint alleges that a school has violated a state law  
6 concerning consumer protection, civil rights, employment rights or environmental quality;

7 (B) A school's accrediting association if the complaint relates to the school's authorization to  
8 offer academic degree programs or to the quality of the school's academic degree programs; or

9 (C) The school at which the student is enrolled if the commission determines that the complaint  
10 should be resolved through the school's internal review process.

11 **(c) The commission may investigate and a resolve student complaint filed under this**  
12 **subsection only if the action that is the subject of the complaint occurred within two years**  
13 **before either the date on which the complaint was filed or the last day the student attended**  
14 **the school, whichever is later.**

15 [(c)] (d) As used in this subsection:

16 (A)(i) "School" means an independent institution of higher education that meets the require-  
17 ments of ORS 348.597 (2)(a).

18 (ii) "School" does not mean a school that is exempt from ORS 348.594 to 348.615 under ORS  
19 348.597 (2)(b) or (c).

20 (B) "Student" means a person who is enrolled at a school for the purpose of obtaining a degree,  
21 certificate or other recognized educational credential offered by that school.

22 (5) A student complaint that is received by the Higher Education Coordinating Commission, in-  
23 cluding but not limited to a student complaint filed under subsection (4) of this section, is not sub-  
24 ject to disclosure under ORS 192.311 to 192.478.

25 (6) In addition to the duties described in subsections (2) to (4) of this section, the Higher Edu-  
26 cation Coordinating Commission shall advise the Legislative Assembly, the Governor, community  
27 colleges, public universities and other state boards and commissions on policies in order to:

28 (a) Ensure or improve access to higher education by diverse and underserved populations.

29 (b) Encourage student success and completion initiatives.

30 (c) Improve the coordination of the provision of educational services, including:

31 (A) Transfers and coenrollment throughout the higher education system;

32 (B) Accelerated college credit programs for high school students;

33 (C) Applied baccalaureate and other transfer degrees;

34 (D) Programs and grants that span multiple institutions; and

35 (E) Reciprocity agreements with other states.

36 (d) In coordination with the State Board of Education, enhance the use and quality of dual  
37 credit, career and technical pathways and efforts to create a culture of college attendance in this  
38 state.

39 (e) In coordination with the State Workforce and Talent Development Board, local workforce  
40 development boards, the Oregon Health and Science University and independent institutions, ensure  
41 that the state's colleges and universities offer programs in high-demand occupations that meet  
42 Oregon's workforce needs.

43 (f) Improve economies of scale by encouraging and facilitating the use of the shared services  
44 among post-secondary institutions in this state.

45 (7) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter

1 183, may adopt administrative rules.

2 (8) With the exception of the rulemaking authority granted in subsection (7) of this section, the  
3 Higher Education Coordinating Commission may delegate any of its powers, duties or functions to  
4 a committee of the commission or to the executive director of the commission.

5 (9) The Higher Education Coordinating Commission may, subject to the Public Contracting Code,  
6 enter into contracts and agreements, including grant agreements, with public and private entities  
7 for those higher education and workforce development activities that are consistent with ORS  
8 350.001 and 350.005, with the policies set forth in ORS chapters 341 and 348 and with statutory  
9 policies related to career schools and public universities.

10 (10) The Higher Education Coordinating Commission may exercise only powers, duties and  
11 functions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by  
12 law, all other authorities reside at the institutional level with the respective boards of the post-  
13 secondary institutions.

14 **SECTION 6.** ORS 350.075, as amended by section 61, chapter 774, Oregon Laws 2015, section  
15 6, chapter 30, Oregon Laws 2016, section 56, chapter 117, Oregon Laws 2016, section 8, chapter 66,  
16 Oregon Laws 2017, section 2, chapter 98, Oregon Laws 2017, section 6, chapter 185, Oregon Laws  
17 2017, section 22, chapter 297, Oregon Laws 2017, and section 2b, chapter 440, Oregon Laws 2017, is  
18 amended to read:

19 350.075. (1) As used in this section, “student access programs” means scholarship, loan, grant  
20 and access programs described in ORS chapter 348.

21 (2) The Higher Education Coordinating Commission shall be guided by the legislative findings  
22 in ORS 341.009, 350.001 and 350.005 and the goals and mission of post-secondary education set forth  
23 in ORS 350.009 and 350.014.

24 (3) The Higher Education Coordinating Commission shall:

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26 leges and public universities listed in ORS 352.002, and for student access programs.

27 (b) Determine strategic investments in the state’s community colleges, public universities and  
28 student access programs necessary to achieve state post-secondary education goals.

29 (c) Coordinate the post-secondary elements of data collection and structure, with the advice and  
30 recommendation of the state’s independent institutions, community colleges and public universities,  
31 as appropriate, in order to construct a state longitudinal data system.

32 (d) Adopt a strategic plan for achieving state post-secondary education goals, taking into con-  
33 sideration the contributions of this state’s independent institutions, philanthropic organizations and  
34 other organizations dedicated to helping Oregonians reach state goals. State post-secondary educa-  
35 tion goals as described in this section should include, but need not be limited to:

36 (A) Increasing the educational attainment of the population;

37 (B) Increasing this state’s global economic competitiveness and the quality of life of its resi-  
38 dents;

39 (C) Ensuring affordable access for qualified Oregon students at each college or public university;

40 (D) Removing barriers to on-time completion; and

41 (E) Tracking progress toward meeting the state’s post-secondary education goals established in  
42 the strategic plan described in this paragraph.

43 (e)(A) Each biennium, after receiving funding requests from the state’s community colleges and  
44 public universities as authorized by law, recommend to the Governor a consolidated higher educa-  
45 tion agency request budget aligned with the strategic plan described in paragraph (d) of this sub-

1 section, including appropriations for:

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4 operations, statewide public services and state-funded debt service;

5 (iii) Community colleges, including but not limited to education and general operations and  
6 state-funded debt service;

7 (iv) New facilities or programs;

8 (v) Capital improvements and deferred maintenance;

9 (vi) Special initiatives and investments; and

10 (vii) Any other program, duty or function a public university listed in ORS 352.002 is authorized  
11 to undertake.

12 (B) In the development of the consolidated higher education agency request budget:

13 (i) Determine the costs necessary to provide quality post-secondary education;

14 (ii) Solicit input from educators, education policy experts, appropriate legislative committees,  
15 students and other persons interested in the development of the funding model; and

16 (iii) Solicit public input regarding educational priorities.

17 (f) Adopt rules governing the distribution of appropriations from the Legislative Assembly to  
18 community colleges, public universities listed in ORS 352.002 and student access programs. These  
19 rules must be based on allocation formulas developed in consultation with the state's community  
20 colleges and public universities, as appropriate.

21 (g) Approve or disapprove any significant change to the academic program of a community col-  
22 lege or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the  
23 commission shall consider the recommendation from the community college or public university  
24 seeking to make the change to an academic program that is issued pursuant to the obligation of the  
25 governing board of a community college or public university to review and approve academic pro-  
26 grams. The commission shall ensure that approved programs:

27 (A) Are consistent with the mission statement of the community college or public university;

28 (B) Do not unnecessarily duplicate academic programs offered by Oregon's other community  
29 colleges or public universities;

30 (C) Are not located in a geographic area that will cause undue hardship to Oregon's other  
31 community colleges or public universities; and

32 (D) Are allocated among Oregon's community colleges and public universities to maximize the  
33 achievement of statewide needs and requirements.

34 (h) For public universities listed in ORS 352.002:

35 (A) Approve the mission statement adopted by a governing board of a public university.

36 (B) Review and determine whether a proposed annual increase of resident undergraduate en-  
37 rollment fees of greater than five percent is appropriate.

38 (C) Advise the Governor and the Legislative Assembly on issues of university governance.

39 (D) Approve and authorize degrees.

40 (E) Perform the evaluation and certification required by ORS 350.095.

41 (i) Authorize degrees to be offered by independent post-secondary institutions in this state under  
42 ORS 348.594 to 348.615.

43 (j) Oversee the licensing of career schools under ORS 345.010 to 345.450.

44 (k) Have the authority to enter into and administer interstate agreements regarding the pro-  
45 vision of post-secondary distance education. The participation by an educational institution that is

1 not based in this state in distance learning courses or programs that are part of an interstate  
 2 agreement entered into and administered under this paragraph does not constitute operating in this  
 3 state for purposes of ORS 348.594 to 348.615. The commission, by rule, may impose a fee on any  
 4 educational institution that seeks to operate under or participate in such interstate agreements. The  
 5 fee amount shall be established to recover designated expenses incurred by the commission in par-  
 6 ticipating in such agreements.

7 (4)(a) The Higher Education Coordinating Commission shall implement a process to review and  
 8 appropriately act on student complaints regarding any school operating in this state. As part of the  
 9 process implemented under this subsection, the commission may:

10 (A) Receive student complaints from students regarding a school;

11 (B) Specify the type of information that must be included in a student complaint;

12 (C) Investigate and resolve student complaints that relate to state financial aid;

13 (D) Refer a student complaint to another entity for investigation and resolution as provided in  
 14 paragraph (b) of this subsection;

15 (E) Adopt rules to implement the provisions of this subsection; and

16 (F) Enter into agreements to implement the provisions of this subsection.

17 (b) The commission may refer the investigation and resolution of a student complaint to:

18 (A) An appropriate state agency if the complaint alleges that a school has violated a state law  
 19 concerning consumer protection, civil rights, employment rights or environmental quality;

20 (B) A school's accrediting association if the complaint relates to the school's authorization to  
 21 offer academic degree programs or to the quality of the school's academic degree programs; or

22 (C) The school at which the student is enrolled if the commission determines that the complaint  
 23 should be resolved through the school's internal review process.

24 **(c) The commission may investigate and resolve a student complaint filed under this**  
 25 **subsection only if the action that is the subject of the complaint occurred within two years**  
 26 **before either the date on which the complaint was filed or the last day the student attended**  
 27 **the school, whichever is later.**

28 [(c)] (d) As used in this subsection:

29 (A)(i) "School" means an independent institution of higher education that meets the require-  
 30 ments of ORS 348.597 (2)(a).

31 (ii) "School" does not mean a school that is exempt from ORS 348.594 to 348.615 under ORS  
 32 348.597 (2)(b) or (c).

33 (B) "Student" means a person who is enrolled at a school for the purpose of obtaining a degree,  
 34 certificate or other recognized educational credential offered by that school.

35 (5) A student complaint that is received by the Higher Education Coordinating Commission, in-  
 36 cluding but not limited to a student complaint filed under subsection (4) of this section, is not sub-  
 37 ject to disclosure under ORS 192.311 to 192.478.

38 (6) In addition to the duties described in subsections (2) to (4) of this section, the Higher Edu-  
 39 cation Coordinating Commission shall advise the Legislative Assembly, the Governor, community  
 40 colleges, public universities and other state boards and commissions on policies in order to:

41 (a) Ensure or improve access to higher education by diverse and underserved populations.

42 (b) Encourage student success and completion initiatives.

43 (c) Improve the coordination of the provision of educational services, including:

44 (A) Transfers and coenrollment throughout the higher education system;

45 (B) Accelerated college credit programs for high school students;

- 1 (C) Applied baccalaureate and other transfer degrees;  
2 (D) Programs and grants that span multiple institutions; and  
3 (E) Reciprocity agreements with other states.

4 (d) In coordination with the State Board of Education, enhance the use and quality of dual  
5 credit, career and technical pathways and efforts to create a culture of college attendance in this  
6 state.

7 (e) In coordination with the State Workforce and Talent Development Board, local workforce  
8 development boards, the Oregon Health and Science University and independent institutions, ensure  
9 that the state's colleges and universities offer programs in high-demand occupations that meet  
10 Oregon's workforce needs.

11 (f) Improve economies of scale by encouraging and facilitating the use of the shared services  
12 among post-secondary institutions in this state.

13 (7) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter  
14 183, may adopt administrative rules.

15 (8) With the exception of the rulemaking authority granted in subsection (7) of this section, the  
16 Higher Education Coordinating Commission may delegate any of its powers, duties or functions to  
17 a committee of the commission or to the executive director of the commission.

18 (9) The Higher Education Coordinating Commission may, subject to the Public Contracting Code,  
19 enter into contracts and agreements, including grant agreements, with public and private entities  
20 for those higher education and workforce development activities that are consistent with ORS  
21 350.001 and 350.005, with the policies set forth in ORS chapters 341 and 348 and with statutory  
22 policies related to career schools and public universities.

23 (10) The Higher Education Coordinating Commission may exercise only powers, duties and  
24 functions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by  
25 law, all other authorities reside at the institutional level with the respective boards of the post-  
26 secondary institutions.

27 **SECTION 7. Section 8 of this 2019 Act is added to and made a part of ORS chapter 348.**

28 **SECTION 8. (1) As used in this section and section 11 of this 2019 Act:**

29 (a) **"Cohort default rate" means the percentage of an institution of higher education's**  
30 **borrowers who enter repayment on federal student loans during a fiscal year and who default**  
31 **on repayment of the federal student loans prior to the end of the second following fiscal year**  
32 **as reported by the United States Department of Education.**

33 (b) **"Financial aid" has the meaning given that term in ORS 348.505.**

34 (c) **"Graduation rate" means the percentage of full-time, first-time degree or**  
35 **certificate-seeking undergraduate students who graduate in 150 percent or less of the ex-**  
36 **pected time to complete degree requirements as most recently reported publicly in any for-**  
37 **mat, including preliminary data records, by the United States Department of Education.**

38 (d) **"Institution of higher education" has the meaning given that term in ORS 348.582.**

39 (2) **The Higher Education Coordination Commission shall, for each institution of higher**  
40 **education, annually certify the graduation rate and cohort default rate as most recently re-**  
41 **ported by the United States Department of Education.**

42 (3)(a) **Except as provided in subsection (6) of this section and notwithstanding any other**  
43 **provision of law, a student is ineligible to receive an initial grant or award of state financial**  
44 **aid or to have previously granted or awarded state financial aid renewed for an additional**  
45 **academic year if the student is enrolled at an institution of higher education that has:**

1 (A) A three-year cohort default rate of 15.5 percent or higher, as certified by the com-  
2 mission; or

3 (B) A graduation rate of 30 percent or less, as certified by the commission.

4 (b) If the United States Department of Education has not reported the graduation rate  
5 or three-year cohort default rate for an institution of higher education, students enrolled at  
6 the institution shall be provisionally eligible to receive an initial grant or award of state fi-  
7 nancial aid or to have previously granted or awarded state financial aid renewed until the  
8 department has reported the data.

9 (c) A student who is enrolled in an institution of higher education that makes the student  
10 ineligible to receive or renew state financial aid under paragraph (a) of this subsection shall  
11 be eligible to receive an initial grant or award of state financial aid or to have previously  
12 granted or awarded state financial aid renewed for additional academic years if:

13 (A) The student enrolls in an institute of higher education that has a three-year cohort  
14 default rate and graduation rate that allows enrolled students to receive or renew state fi-  
15 nancial aid; or

16 (B) The United States Department of Education corrects or revises the three-year cohort  
17 default rate or graduation rate that triggered the student's ineligibility for receiving or re-  
18 newing state financial aid under paragraph (a) of this subsection.

19 (4) The Higher Education Coordinating Commission shall provide the following to each  
20 student seeking state financial aid to attend an institution of higher education for which the  
21 student is ineligible to receive or renew state financial aid under this section:

22 (a) The reason the student is ineligible to receive or renew state financial aid to attend  
23 the institution of higher education.

24 (b) A list of all institutions of higher education in this state at which the student would  
25 be eligible to receive or renew state financial aid.

26 (5)(a) The Higher Education Coordinating Commission shall establish an appeal process  
27 for an institution of higher education at which students are ineligible to receive or renew  
28 state financial aid under subsection (3) of this section.

29 (b) The commission may grant an appeal made by an institution of higher education un-  
30 der this subsection only if the commission determines:

31 (A) The institution of higher education has a cohort size of 20 individuals or less; and

32 (B) The cohort is not representative of the overall institutional performance.

33 (6) This section does not apply to institutions of higher education for which the United  
34 States Department of Education reports that 40 percent or less of the enrolled undergradu-  
35 ate students borrowed federal loans during the two academic years before the academic year  
36 in which the Higher Education Coordinating Commission is certifying the three-year cohort  
37 default rate or graduation rate under subsection (2) of this section.

38 (7) The Higher Education Coordinating Commission may adopt rules necessary to imple-  
39 ment this section.

40 **SECTION 9.** (1) As used in this section, "cohort default rate," "financial aid" and "insti-  
41 tution of higher education" have the meanings given those terms in section 8 of this 2019  
42 Act.

43 (2) Notwithstanding section 8 of this 2019 Act, students are eligible to receive or renew  
44 state financial aid during the 2020-2021 academic year when enrolled at an institution of  
45 higher education that has a three-year cohort default rate that is less than 24.6 percent.

1       **SECTION 10.** Section 9 of this 2019 Act is repealed on January 2, 2022.

2       **SECTION 11.** Each institution of higher education shall make publicly available on the  
3 website of the institution:

4           (1) The graduation rate of the institution;

5           (2) The cohort default rate of students enrolled at the institution;

6           (3) Information required to be disclosed to enrolled students pursuant to the Higher Ed-  
7 ucation Opportunity Act of 2008 (P.L. 110-315), as amended; and

8           (4) Any other information required to be disclosed to all enrolled students under state  
9 or federal law.

10       **SECTION 12.** Sections 8, 9 and 11 of this 2019 Act and the amendments to ORS 345.015,  
11 345.120, 348.608, 350.050 and 350.075 by sections 1 to 6 of this 2019 Act first apply to the  
12 2020-2021 academic year.

13       **SECTION 13.** This 2019 Act takes effect on the 91st day after the date on which the 2019  
14 regular session of the Eightieth Legislative Assembly adjourns sine die.

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