

D R A F T

SUMMARY

Expands list of schools and entities included in definition of “diploma mill.”

Defines post-secondary accrediting agency to comply with current federal regulations recommending ending concept of regional accreditation.

A BILL FOR AN ACT

1
2 Relating to higher education accreditation policies; amending ORS 348.594,
3 348.597, 348.601, 348.603, 348.604, 348.605, 348.608 and 659A.318.

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

5 **SECTION 1.** ORS 348.594 is amended to read:

6 348.594. As used in ORS 348.594 to 348.615:

7 (1)(a) “Diploma mill” means:

8 (A) A school against which a court or public body, as defined in ORS
9 174.109, has issued a ruling or finding, after due process procedures, that the
10 school has engaged in dishonest, fraudulent or deceptive practices related to
11 the award of degrees, academic standards or student learning requirements;

12 [*or*]

13 (B) An entity without legal authority as a school to issue degrees valid
14 as credentials in the jurisdiction that authorizes issuance of degrees[.]; **or**

15 **(C) A school or entity that:**

16 **(i) Offers fee-based degrees, diplomas or certificates that may be**
17 **used to represent to the general public that the individual possessing**
18 **the degree, diploma or certificate has completed a program of post-**
19 **secondary education or training;**

1 (ii) Requires an individual to complete little or no education or
2 coursework to obtain the degree, diploma or certificate; and

3 (iii) Has not been accredited by a post-secondary accrediting
4 agency.

5 (b) “Diploma mill” does not include:

6 (A) A school operating legally under ORS 348.604; or

7 (B) A school that is actively seeking and able to show evidence of rea-
8 sonable progress toward [*regional*] **institutional** accreditation with [*one of*
9 *the regional*] a post-secondary accrediting **agency** [*bodies recognized by the*
10 *United States Department of Education*].

11 (2) “Post-secondary accrediting agency” means a legal entity, or
12 part of a legal entity, that:

13 (a) Conducts accrediting activities through voluntary peer review;

14 (b) Makes decisions concerning the accreditation or pre-
15 accreditation status of institutions and programs; and

16 (c) Is recognized by the United States Department of Education as
17 an entity that conducts the activities and makes the decisions de-
18 scribed in this subsection.

19 [(2)(a)] (3)(a) “School” means a person, organization, school or institution
20 of learning that confers or offers to confer an academic degree upon a person
21 or to provide academic credit applicable to a degree.

22 (b) “School” does not include:

23 (A) An Oregon community college;

24 (B) A public university listed in ORS 352.002; or

25 (C) The Oregon Health and Science University.

26 **SECTION 2.** ORS 348.597 is amended to read:

27 348.597. (1) Except as provided in subsection (2) of this section, ORS
28 348.594 to 348.615 apply to all schools that operate in this state.

29 (2) ORS 348.594 to 348.615 do not apply to:

30 (a) A school, or a separately accredited campus of a school, if the school:

31 (A) Is a nonprofit school that is exempt from federal income tax under

1 section 501(c)(3) of the Internal Revenue Code;

2 (B) **Prior to July 14, 2005**, conferred degrees in this state under the same
3 control for at least 10 consecutive years; and

4 (C) **Has received institutional accreditation from a post-secondary**
5 **accrediting agency as defined in ORS 348.594** [*Is accredited by a regional*
6 *accrediting association or its national successor*];

7 (b) A school that, on July 14, 2005, was a school that met the criteria and
8 followed procedures to obtain [*a religious*] **an** exemption adopted by rule by
9 the Oregon Student Access Commission [*and that offered only degrees with*
10 *approved titles in theology or religious occupations*]; or

11 (c) A school that **received a religious exemption** [*is exempt from ORS*
12 *348.594 to 348.615*] under ORS 348.604.

13 (3) The Higher Education Coordinating Commission shall issue a separate
14 license to issue degrees to each school that meets the requirements for ex-
15 emption from evaluation by the commission set forth in subsection (2)(a) of
16 this section. The license shall remain in effect if the school continues to
17 meet the requirements of subsection (2)(a) of this section.

18 **SECTION 3.** ORS 348.601 is amended to read:

19 348.601. The Degree Authorization Account is established separate and
20 distinct from the General Fund. All moneys received by the Higher Educa-
21 tion Coordinating Commission under ORS 348.603, 348.606 and 348.609 shall
22 be deposited into the account and are continuously appropriated to the
23 [*Higher Education Coordinating*] commission to carry out the duties, func-
24 tions and powers of the commission under ORS 348.594 to 348.615.

25 **SECTION 4.** ORS 348.603 is amended to read:

26 348.603. (1) The Higher Education Coordinating Commission shall:

27 (a) Authorize approved schools to offer academic degree programs;

28 (b) Authorize approved degree-granting schools to offer nondegree pro-
29 grams leading to a certificate or diploma;

30 (c) Validate claims of degree possession;

31 (d) Terminate substandard or fraudulent degree activities;

1 (e) Terminate activities, **including the enrollment of Oregon students,**
2 of diploma mills operating in or from Oregon;

3 (f) Except as provided in subsection (3) of this section, terminate the op-
4 eration in or from Oregon of post-secondary accrediting [*bodies*] **organiza-**
5 **tions that do not qualify as post-secondary accrediting agencies** [*are not*
6 *recognized by the United States Department of Education or by the*
7 *commission*]; and

8 (g) Review proposed new publicly funded post-secondary programs and
9 locations.

10 (2) The commission, by rule, may impose a fee on any school or person
11 requesting information from the commission. The amount of the fee shall be
12 established to recover designated expenses incurred by the commission in
13 carrying out the administration of ORS 348.594 to 348.615. Any fees collected
14 under this subsection shall be deposited in the Degree Authorization Account
15 established under ORS 348.601.

16 (3) Subsection (1)(f) of this section does not apply to [*a body*] **an organ-**
17 **ization** the role of which is to accredit schools that offer only associate,
18 bachelor's or master's degrees [*with titles*] **leading to occupations** in the-
19 ology or religious occupations or, if the schools also offer doctoral degrees,
20 offer doctoral degrees only in theology or religious occupations that have
21 been approved by a [*federally recognized accrediting organization*] **post-**
22 **secondary accrediting agency.**

23 **SECTION 5.** ORS 348.604 is amended to read:

24 348.604. Upon application from a school, as defined in ORS 348.594, the
25 Higher Education Coordinating Commission shall grant an exemption from
26 ORS 348.594 to 348.615 to the school if the school:

27 (1) Is, or is operated by, a nonprofit corporation;

28 (2) Offers only associate, bachelor's or master's degrees [*with titles*]
29 **leading to occupations** in theology or religious occupations, or, if the
30 school also offers doctoral degrees, offers doctoral degrees in theology or
31 religious occupations that have been approved by a [*federally recognized ac-*

1 *crediting organization*] **post-secondary accrediting agency as defined in**
2 **ORS 348.594;**

3 (3) Teaches students with faculty members who:

4 (a) Hold degrees:

5 (A) From a school that, at the time of the conferral of the degrees, was
6 accredited by a **post-secondary accrediting agency as defined in ORS**
7 **348.594** [*federally recognized accrediting organization*], held an exemption
8 under this section, or was a school that, on July 14, 2005, met the criteria
9 and followed procedures to obtain a religious exemption adopted by rule by
10 the Oregon Student Access Commission and that offered only degrees [*with*
11 *approved titles*] **leading to occupations** in theology or religious occupations;

12 (B) That are at least one level above the degree level of the program in
13 which the faculty members teach or that are the terminal degrees in the field
14 in which the faculty members teach; and

15 (C) That are not honorary degrees; or

16 (b) Possess sufficient compensatory qualifications to substitute for aca-
17 demic degrees in the fields in which the faculty members teach;

18 (4) Offers a curriculum:

19 (a) Of a duration and level that is comparable to the curriculums offered
20 by schools that are not exempt under this section; and

21 (b) That, with higher degrees, increases the difficulty of the work ex-
22 pected of students;

23 (5) Requires students to complete academic assignments and to demon-
24 strate learning appropriate to the curriculum;

25 (6) Awards credit toward degrees proportionate to the work done by stu-
26 dents;

27 (7) Offers admission:

28 (a) To a student:

29 (A) With a high school diploma or an equivalent credential; or

30 (B) Who completed the equivalent of a high school education through
31 home study; and

1 (b) Based on evidence that the student can reasonably expect to complete
2 a degree and benefit from the education offered;

3 (8) Provides or arranges for faculty members and students to have access
4 to information that supports instruction and stimulates research or inde-
5 pendent study in all areas of the curriculum;

6 (9) Provides accurate and appropriate credit transcripts to students of the
7 school and accurate and appropriate diplomas to graduates of the school;

8 (10) Charges tuition by the credit hour or other fixed rate for instruction
9 during an academic term and does not charge tuition or fees for the award
10 of a degree or charge a single fee for an entire degree program;

11 (11) Provides the oversight required by the Higher Education Coordinat-
12 ing Commission over a faculty member or administrator who has:

13 (a) Been convicted of a felony; or

14 (b) Violated a state or federal law related to the operation of a school;

15 (12) Provides facilities that permit private communication between faculty
16 members and students;

17 (13) Provides a number of faculty members that is adequate for the num-
18 ber of students enrolled;

19 (14) Provides clear and accurate information to students about the
20 school's expectations of students in the school's courses;

21 (15) Ensures that a student who is pursuing a degree is making contin-
22 uous progress toward the degree;

23 (16) Before a student enrolls in the school, informs the student that a
24 school to which the student might transfer retains the discretion whether to
25 accept the transfer of credits earned at the school;

26 (17) Provides official transcripts of faculty members to the **Higher Edu-**
27 **cation Coordinating** Commission; and

28 (18) Pays the fee imposed by ORS 348.607.

29 **SECTION 6.** ORS 348.605 is amended to read:

30 348.605. (1) A school that obtains an exemption under ORS 348.604 or that,
31 on July 14, 2005, met the criteria and followed procedures to obtain a reli-

1 gious exemption adopted by rule by the Oregon Student Access Commission
2 and that offered only degrees [*with approved titles*] **leading to occupations**
3 in theology or religious occupations may not:

4 (a) Award more than 25 percent of the credit toward a degree for nonin-
5 structional activities, such as challenge examinations and professional or life
6 experiences;

7 (b) Represent that the school is:

8 (A) Approved by the State of Oregon; or

9 (B) Accredited by an organization unless the organization **qualifies as a**
10 **post-secondary accrediting agency as defined in ORS 348.594** [*is recog-*
11 *nized as an accreditor by the United States Department of Education*]; or

12 (c) Pay a faculty member a commission or otherwise base a faculty
13 member's compensation on the faculty member's recruitment of students to
14 the school.

15 (2) A school that obtains an exemption under ORS 348.604 or that, on July
16 14, 2005, met the criteria and followed procedures to obtain a religious ex-
17 emption adopted by rule by the Oregon Student Access Commission and that
18 offered only degrees [*with approved titles*] **leading to occupations** in theol-
19 ogy or religious occupations shall:

20 (a) Preserve official transcripts for all faculty members and students;

21 (b) Notify the Higher Education Coordinating Commission if a faculty
22 member or administrator at the school has:

23 (A) Been convicted of a felony; or

24 (B) Violated a state or federal law related to the operation of a school;

25 (c) Place in any course catalog that is available to students or to the
26 public a notice that states: "(Name of school) has been granted exempt status
27 by the State of Oregon to offer theological and/or religious occupations de-
28 grees.";

29 (d) If the school closes, return to students tuition payments for the cur-
30 rent term on a prorated basis;

31 (e) If the school provides placement services to a student, describe the

1 placement services clearly and accurately to the student and avoid giving
2 unrealistic expectations of placement to the student; and

3 (f) If an administrator claims to possess an academic degree:

4 (A) Ensure that the administrator possesses the academic degree that the
5 administrator claims to possess; and

6 (B) Require that the degree is from a school that, at the time of the
7 conferral of the degree, was accredited by a [*federally recognized accrediting*
8 *organization*] **post-secondary accrediting agency as defined in ORS**
9 **348.594**, held an exemption under this section, or was a school that, on July
10 14, 2005, met the criteria and followed procedures to obtain a religious ex-
11 emption adopted by rule by the Oregon Student Access Commission and of-
12 fered only degrees [*with approved titles*] **leading to occupations** in theology
13 or religious occupations.

14 **SECTION 7.** ORS 348.608 is amended to read:

15 348.608. (1) Each year, on a date prescribed by the Higher Education Co-
16 ordinating Commission, a school that obtains an exemption under ORS
17 348.604 or a school that, on July 14, 2005, met the criteria and followed
18 procedures to obtain a religious exemption adopted by rule by the Oregon
19 Student Access Commission and that offered only degrees [*with approved ti-*
20 *ties*] **leading to occupations** in theology or religious occupations, shall
21 submit to the Higher Education Coordinating Commission a statement that
22 reads: “(Name of School) hereby certifies that the school remains in compli-
23 ance with all conditions for a religious exemption from ORS 348.594 to
24 348.615.”

25 (2) A school that obtains an exemption under ORS 348.604 or a school
26 that, on July 14, 2005, met the criteria and followed procedures to obtain a
27 religious exemption adopted by rule by the Oregon Student Access Commis-
28 sion and that offered only degrees [*with approved titles*] **leading to occu-**
29 **pations** in theology or religious occupations remains exempt unless the
30 Higher Education Coordinating Commission suspends or revokes the ex-
31 emption.

1 (3) The Higher Education Coordinating Commission may suspend or re-
2 voke an exemption if:

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

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

12 (c) After the notice and opportunity to cure provided in subsection (4) of
13 this section, a school is in violation of ORS 348.605.

14 (4) The Higher Education Coordinating Commission shall provide notice
15 of and 90 days to cure a school's:

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

18 (b) Failure to maintain compliance with a condition for exemption under
19 ORS 348.604 if the commission has received a complaint from a student or
20 former student of the school that the school is failing to comply with a
21 condition for exemption under ORS 348.604 and the commission has deter-
22 mined the complaint is valid; or

23 (c) Violation of ORS 348.605.

24 (5) A school may appeal the denial, suspension or revocation of an ex-
25 emption to the Higher Education Coordinating Commission.

26 (6) A school may appeal the Higher Education Coordinating Commission's
27 decision that a faculty member does not possess sufficient compensatory
28 qualifications to substitute for an academic degree in the field in which the
29 faculty member teaches.

30 (7) The Higher Education Coordinating Commission shall conduct an ap-
31 peal under this section as a contested case under ORS chapter 183.

1 (8)(a) If a school appeals the denial, suspension or revocation of an ex-
 2 emption and the Higher Education Coordinating Commission upholds the
 3 denial, suspension or revocation, the commission shall provide the school 90
 4 days to cure the grounds for the denial, suspension or revocation. If the
 5 school does not cure the grounds for the denial, suspension or revocation
 6 within 90 days after the commission upholds the denial, suspension or revo-
 7 cation, then the denial, suspension or revocation becomes effective 90 days
 8 after the issuance of the decision on the appeal by the commission.

9 (b) If a school does not appeal the denial, suspension or revocation of an
 10 exemption to the commission and the school does not cure the grounds for
 11 the denial, suspension or revocation within the period of time to appeal the
 12 decision to the commission, then the denial, suspension or revocation be-
 13 comes effective upon the expiration of the period of time to appeal.

14 **SECTION 8.** ORS 659A.318 is amended to read:

15 659A.318. (1) If an employer requires an applicant or employee to have an
 16 academic degree from a post-secondary institution to qualify for a position,
 17 but does not require a degree with a specific title, it is an unlawful em-
 18 ployment practice for the employer to refuse to hire or promote or in any
 19 manner discriminate or retaliate against the applicant or employee only be-
 20 cause the applicant or employee meets the educational requirements for the
 21 position by having a degree [*with a title*] **leading to occupations** in theology
 22 or religious occupations from a school that, when the degree was issued, was
 23 a school:

24 (a) That, on July 14, 2005, met the criteria and followed procedures to
 25 obtain a religious exemption adopted by rule by the Oregon Student Access
 26 Commission and that offered only degrees [*with approved titles*] **leading to**
 27 **occupations** in theology or religious occupations; or

28 (b) Exempt from ORS 348.594 to 348.615 under ORS 348.604.

29 (2) If an employer other than a public body, as defined in ORS 192.311,
 30 offers employees benefits of tuition reimbursement, educational debt re-
 31 duction, educational incentive or educational contribution or gift match for

1 educational services provided by a post-secondary institution and the em-
2 ployer does not restrict the program to specific institutions or degrees with
3 specific titles, it is an unlawful employment practice for the employer to re-
4 fuse to offer the benefit to or in any manner discriminate or retaliate against
5 an employee because the employee attends or seeks to attend a school that
6 is:

7 (a) A school that, on July 14, 2005, met the criteria and followed proce-
8 dures to obtain a religious exemption adopted by rule by the Oregon Student
9 Access Commission and that offered only degrees [*with approved titles*]
10 **leading to occupations** in theology or religious occupations; or

11 (b) Exempt from ORS 348.594 to 348.615 under ORS 348.604.

12
