

House Bill 3562

Sponsored by COMMITTEE ON HIGHER EDUCATION (at the request of Higher Education Coordinating Commission)

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**.

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, 348.597, 348.601, 348.603,
3 348.604, 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 174.109, has issued a ruling
9 or finding, after due process procedures, that the school has engaged in dishonest, fraudulent or
10 deceptive practices related to the award of degrees, academic standards or student learning re-
11 quirements; *[or]*

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

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

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

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

20 **(iii) Has not been accredited by a post-secondary accrediting agency.**

21 (b) "Diploma mill" does not include:

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

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

26 **(2) "Post-secondary accrediting agency" means a legal entity, or part of a legal entity,**
27 **that:**

28 **(a) Conducts accrediting activities through voluntary peer review;**

29 **(b) Makes decisions concerning the accreditation or pre-accreditation status of insti-**
30 **tutions and programs; and**

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 **(c) Is recognized by the United States Department of Education as an entity that con-**
 2 **ducts the activities and makes the decisions described in this subsection.**

3 [(2)(a)] **(3)(a)** “School” means a person, organization, school or institution of learning that con-
 4 fers or offers to confer an academic degree upon a person or to provide academic credit applicable
 5 to a degree.

6 (b) “School” does not include:

7 (A) An Oregon community college;

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

9 (C) The Oregon Health and Science University.

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

11 348.597. (1) Except as provided in subsection (2) of this section, ORS 348.594 to 348.615 apply to
 12 all schools that operate in this state.

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

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

15 (A) Is a nonprofit school that is exempt from federal income tax under section 501(c)(3) of the
 16 Internal Revenue Code;

17 (B) **Prior to July 14, 2005**, conferred degrees in this state under the same control for at least
 18 10 consecutive years; and

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

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

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

27 (3) The Higher Education Coordinating Commission shall issue a separate license to issue de-
 28 grees to each school that meets the requirements for exemption from evaluation by the commission
 29 set forth in subsection (2)(a) of this section. The license shall remain in effect if the school continues
 30 to meet the requirements of subsection (2)(a) of this section.

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

32 348.601. The Degree Authorization Account is established separate and distinct from the General
 33 Fund. All moneys received by the Higher Education Coordinating Commission under ORS 348.603,
 34 348.606 and 348.609 shall be deposited into the account and are continuously appropriated to the
 35 [*Higher Education Coordinating*] commission to carry out the duties, functions and powers of the
 36 commission under ORS 348.594 to 348.615.

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

38 348.603. (1) The Higher Education Coordinating Commission shall:

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

40 (b) Authorize approved degree-granting schools to offer nondegree programs leading to a certif-
 41 icate or diploma;

42 (c) Validate claims of degree possession;

43 (d) Terminate substandard or fraudulent degree activities;

44 (e) Terminate activities, **including the enrollment of Oregon students**, of diploma mills op-
 45 erating in or from Oregon;

1 (f) Except as provided in subsection (3) of this section, terminate the operation in or from
 2 Oregon of post-secondary accrediting [*bodies*] **organizations that do not qualify as post-secondary**
 3 **accrediting agencies** [*are not recognized by the United States Department of Education or by the*
 4 *commission*]; and

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

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

11 (3) Subsection (1)(f) of this section does not apply to [*a body*] **an organization** the role of which
 12 is to accredit schools that offer only associate, bachelor's or master's degrees [*with titles*] **leading**
 13 **to occupations** in theology or religious occupations or, if the schools also offer doctoral degrees,
 14 offer doctoral degrees only in theology or religious occupations that have been approved by a
 15 [*federally recognized accrediting organization*] **post-secondary accrediting agency**.

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

17 348.604. Upon application from a school, as defined in ORS 348.594, the Higher Education Co-
 18 ordinating Commission shall grant an exemption from ORS 348.594 to 348.615 to the school if the
 19 school:

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

21 (2) Offers only associate, bachelor's or master's degrees [*with titles*] **leading to occupations** in
 22 theology or religious occupations, or, if the school also offers doctoral degrees, offers doctoral de-
 23 grees in theology or religious occupations that have been approved by a [*federally recognized ac-*
 24 *crediting organization*] **post-secondary accrediting agency as defined in ORS 348.594**;

25 (3) Teaches students with faculty members who:

26 (a) Hold degrees:

27 (A) From a school that, at the time of the conferral of the degrees, was accredited by a **post-**
 28 **secondary accrediting agency as defined in ORS 348.594** [*federally recognized accrediting organ-*
 29 *ization*], held an exemption under this section, or was a school that, on July 14, 2005, met the
 30 criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon
 31 Student Access Commission and that offered only degrees [*with approved titles*] **leading to occupa-**
 32 **tions** in theology or religious occupations;

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

35 (C) That are not honorary degrees; or

36 (b) Possess sufficient compensatory qualifications to substitute for academic degrees in the fields
 37 in which the faculty members teach;

38 (4) Offers a curriculum:

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

41 (b) That, with higher degrees, increases the difficulty of the work expected of students;

42 (5) Requires students to complete academic assignments and to demonstrate learning appropriate
 43 to the curriculum;

44 (6) Awards credit toward degrees proportionate to the work done by students;

45 (7) Offers admission:

- 1 (a) To a student:
- 2 (A) With a high school diploma or an equivalent credential; or
- 3 (B) Who completed the equivalent of a high school education through home study; and
- 4 (b) Based on evidence that the student can reasonably expect to complete a degree and benefit
- 5 from the education offered;
- 6 (8) Provides or arranges for faculty members and students to have access to information that
- 7 supports instruction and stimulates research or independent study in all areas of the curriculum;
- 8 (9) Provides accurate and appropriate credit transcripts to students of the school and accurate
- 9 and appropriate diplomas to graduates of the school;
- 10 (10) Charges tuition by the credit hour or other fixed rate for instruction during an academic
- 11 term and does not charge tuition or fees for the award of a degree or charge a single fee for an
- 12 entire degree program;
- 13 (11) Provides the oversight required by the Higher Education Coordinating Commission over a
- 14 faculty member or administrator who has:
- 15 (a) Been convicted of a felony; or
- 16 (b) Violated a state or federal law related to the operation of a school;
- 17 (12) Provides facilities that permit private communication between faculty members and stu-
- 18 dents;
- 19 (13) Provides a number of faculty members that is adequate for the number of students enrolled;
- 20 (14) Provides clear and accurate information to students about the school's expectations of stu-
- 21 dents in the school's courses;
- 22 (15) Ensures that a student who is pursuing a degree is making continuous progress toward the
- 23 degree;
- 24 (16) Before a student enrolls in the school, informs the student that a school to which the stu-
- 25 dent might transfer retains the discretion whether to accept the transfer of credits earned at the
- 26 school;
- 27 (17) Provides official transcripts of faculty members to the **Higher Education Coordinating**
- 28 **Commission**; and
- 29 (18) Pays the fee imposed by ORS 348.607.

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

31 348.605. (1) A school that obtains an exemption under ORS 348.604 or that, on July 14, 2005,

32 met the criteria and followed procedures to obtain a religious exemption adopted by rule by the

33 Oregon Student Access Commission and that offered only degrees *[with approved titles]* **leading to**

34 **occupations** in theology or religious occupations may not:

- 35 (a) Award more than 25 percent of the credit toward a degree for noninstructional activities,
- 36 such as challenge examinations and professional or life experiences;
- 37 (b) Represent that the school is:
- 38 (A) Approved by the State of Oregon; or
- 39 (B) Accredited by an organization unless the organization **qualifies as a post-secondary ac-**
- 40 **crediting agency as defined in ORS 348.594** *[is recognized as an accreditor by the United States*
- 41 *Department of Education]*; or
- 42 (c) Pay a faculty member a commission or otherwise base a faculty member's compensation on
- 43 the faculty member's recruitment of students to the school.

44 (2) A school that obtains an exemption under ORS 348.604 or that, on July 14, 2005, met the

45 criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon

1 Student Access Commission and that offered only degrees [*with approved titles*] **leading to occupa-**
 2 **tions** in theology or religious occupations shall:

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

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

6 (A) Been convicted of a felony; or

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

8 (c) Place in any course catalog that is available to students or to the public a notice that states:
 9 “(Name of school) has been granted exempt status by the State of Oregon to offer theological and/or
 10 religious occupations degrees.”;

11 (d) If the school closes, return to students tuition payments for the current term on a prorated
 12 basis;

13 (e) If the school provides placement services to a student, describe the placement services
 14 clearly and accurately to the student and avoid giving unrealistic expectations of placement to the
 15 student; and

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

17 (A) Ensure that the administrator possesses the academic degree that the administrator claims
 18 to possess; and

19 (B) Require that the degree is from a school that, at the time of the conferral of the degree,
 20 was accredited by a [*federally recognized accrediting organization*] **post-secondary accrediting**
 21 **agency as defined in ORS 348.594**, held an exemption under this section, or was a school that, on
 22 July 14, 2005, met the criteria and followed procedures to obtain a religious exemption adopted by
 23 rule by the Oregon Student Access Commission and offered only degrees [*with approved titles*]
 24 **leading to occupations** in theology or religious occupations.

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

26 348.608. (1) Each year, on a date prescribed by the Higher Education Coordinating Commission,
 27 a school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005, met the
 28 criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon
 29 Student Access Commission and that offered only degrees [*with approved titles*] **leading to occupa-**
 30 **tions** in theology or religious occupations, shall submit to the Higher Education Coordinating
 31 Commission a statement that reads: “(Name of School) hereby certifies that the school remains in
 32 compliance with all conditions for a religious exemption from ORS 348.594 to 348.615.”

33 (2) A school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005,
 34 met the criteria and followed procedures to obtain a religious exemption adopted by rule by the
 35 Oregon Student Access Commission and that offered only degrees [*with approved titles*] **leading to**
 36 **occupations** in theology or religious occupations remains exempt unless the Higher Education Co-
 37 ordinating Commission suspends or revokes the exemption.

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

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

41 (b) The commission has received a complaint from a student or former student of the school that
 42 the school is failing to comply with a condition for exemption under ORS 348.604, the commission
 43 determines that the complaint is valid, the school has been provided with notice and opportunity to
 44 cure as required by subsection (4) of this section and the school fails to comply with the condition
 45 listed in the notice; or

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

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

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

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

10 (c) Violation of ORS 348.605.

11 (5) A school may appeal the denial, suspension or revocation of an exemption to the Higher
 12 Education Coordinating Commission.

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

16 (7) The Higher Education Coordinating Commission shall conduct an appeal under this section
 17 as a contested case under ORS chapter 183.

18 (8)(a) If a school appeals the denial, suspension or revocation of an exemption and the Higher
 19 Education Coordinating Commission upholds the denial, suspension or revocation, the commission
 20 shall provide the school 90 days to cure the grounds for the denial, suspension or revocation. If the
 21 school does not cure the grounds for the denial, suspension or revocation within 90 days after the
 22 commission upholds the denial, suspension or revocation, then the denial, suspension or revocation
 23 becomes effective 90 days after the issuance of the decision on the appeal by the commission.

24 (b) If a school does not appeal the denial, suspension or revocation of an exemption to the
 25 commission and the school does not cure the grounds for the denial, suspension or revocation within
 26 the period of time to appeal the decision to the commission, then the denial, suspension or revoca-
 27 tion becomes effective upon the expiration of the period of time to appeal.

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

29 659A.318. (1) If an employer requires an applicant or employee to have an academic degree from
 30 a post-secondary institution to qualify for a position, but does not require a degree with a specific
 31 title, it is an unlawful employment practice for the employer to refuse to hire or promote or in any
 32 manner discriminate or retaliate against the applicant or employee only because the applicant or
 33 employee meets the educational requirements for the position by having a degree [*with a title*]
 34 **leading to occupations** in theology or religious occupations from a school that, when the degree
 35 was issued, was a school:

36 (a) That, on July 14, 2005, met the criteria and followed procedures to obtain a religious ex-
 37 emption adopted by rule by the Oregon Student Access Commission and that offered only degrees
 38 [*with approved titles*] **leading to occupations** in theology or religious occupations; or

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

40 (2) If an employer other than a public body, as defined in ORS 192.311, offers employees benefits
 41 of tuition reimbursement, educational debt reduction, educational incentive or educational contri-
 42 bution or gift match for educational services provided by a post-secondary institution and the em-
 43 ployer does not restrict the program to specific institutions or degrees with specific titles, it is an
 44 unlawful employment practice for the employer to refuse to offer the benefit to or in any manner
 45 discriminate or retaliate against an employee because the employee attends or seeks to attend a

1 school that is:

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

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

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