

# House Bill 3028

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Tina Kotek for 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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Allows the HECC to set fees by rule to pay the cost of reviewing a school's application for approval. (Flesch Readability Score: 67.3).

Removes the statutory amounts that the Higher Education Coordinating Commission may charge for determining whether a school may confer or offer to confer a degree upon a person or provide academic credit applicable to a degree. Authorizes the commission to adopt rules imposing fees necessary to recover designated costs in reviewing a school's application for commission approval.

## A BILL FOR AN ACT

1  
2 Relating to degree authorization by the Higher Education Coordinating Commission; amending ORS  
3 348.604, 348.606 and 348.607.

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

5 **SECTION 1.** ORS 348.606 is amended to read:

6 348.606. (1) A school may not confer or offer to confer any academic degree upon a person, or  
7 provide services purporting to lead to a degree in whole or in part, without first obtaining approval  
8 from the Higher Education Coordinating Commission. The commission shall adopt by rule standards  
9 and procedures for the approval of schools.

10 (2) A school based outside of Oregon may not offer any educational credit or degree within  
11 Oregon, including through the Internet, mail or telephone, without first obtaining approval from the  
12 commission. This subsection does not apply to schools operating as part of an interstate agreement  
13 entered into under ORS 350.075 (3).

14 (3)[(a)] The commission, by rule, may impose fees on any school applying for approval to confer  
15 or offer to confer a degree upon a person or to provide academic credit applicable to a degree, **with**  
16 **the amount of each fee being established to recover the expenses incurred by the commission**  
17 **in carrying out the administration of ORS 348.594 to 348.615.** Any fee [imposed] **authorized** un-  
18 der this section is nonrefundable.

19 [(b) *The amount of each fee in this section is established to recover designated expenses incurred*  
20 *by the commission in carrying out the administration of ORS 348.594 to 348.615, and may not exceed*  
21 *the amounts specified in this section adjusted for inflation annually, beginning on July 1, 2012, pur-*  
22 *suant to the increase, if any, from the preceding year in the U.S. City Average Consumer Price Index*  
23 *for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of the United*  
24 *States Department of Labor.*]

25 [(4) *For periodic review of a school's general administrative and academic operations, and contin-*  
26 *ued oversight and support of the school, the commission may impose the following fee on each school,*  
27 *to be paid biennially:*]

28 [(a) *\$2,000 for a full review and oversight of a school with a complex organizational structure.*]

**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        *[(b) \$1,000 for a full review and oversight of a school wholly administered and governed at a single*  
 2 *campus in this state.]*

3        *[(5) For periodic evaluation of academic programs offered by schools subject to continued oversight,*  
 4 *the commission may impose the following fees per program for the following degrees or certificates:]*

5            *[(a) \$2,000 for a nondegree certificate.]*

6            *[(b) \$3,000 for an associate degree.]*

7            *[(c) \$4,000 for a bachelor's degree, master's degree or doctoral degree.]*

8        *[(6) Notwithstanding subsections (4) and (5) of this section, the commission may impose the fol-*  
 9 *lowing fees on each school that is not based in this state, offers distance learning courses or programs*  
 10 *in this state and is not operating as part of an interstate agreement entered into under ORS 350.075*  
 11 *(3):]*

12            *[(a) \$7,000, to be paid biennially, for a full review and oversight of a school.]*

13            *[(b) \$1,000 for each new program application not offered at the time of the school's initial applica-*  
 14 *tion to the commission.]*

15        *[(7)(a) In addition to the fees described in subsections (4) to (6) of this section, the commission may*  
 16 *impose on each school that is not based in this state a fee of \$1,000 per program that, as part of the*  
 17 *program, places students in a practicum based in this state.]*

18            *[(b) This subsection does not apply to a placement that is part of an online program offered by a*  
 19 *school.]*

20            *[(c) The commission may waive the fee imposed under this subsection for limited placements or*  
 21 *special circumstances that involve Oregon residents who return to this state for a practicum.]*

22        *[(8) In addition to the fees described in subsections (4) to (7) of this section:]*

23            *[(a) The commission may impose a fee of not more than \$500 for a change in program, based on*  
 24 *the scope and complexity of the proposed program change.]*

25            *[(b) For review of qualifications of staff prior to hiring, the commission may impose a fee of:]*

26            *[(A) Not more than \$50 for each new instructor.]*

27            *[(B) Not more than \$100 for each new administrator or senior academic staff person.]*

28        *[(9) In addition to the fees described in subsections (4) to (8) of this section, the commission may*  
 29 *assess:]*

30            *[(a) The actual costs related to the use of experts to evaluate programs leading to professional*  
 31 *licensure by the state, if such costs exceed 10 percent of the base fees.]*

32            *[(b) Costs associated with travel expenses for:]*

33            *[(A) Schools subject to review and oversight under subsection (4) of this section; or]*

34            *[(B) Schools located outside this state that seek authorization to offer degrees without accreditation*  
 35 *to residents of this state.]*

36        **[(10)] (4)(a) The fees the commission may impose by rule under this section include fees**  
 37 **for expenses relating to:**

38            **(A) The review or oversight of a school's administrative or academic operations;**

39            **(B) The evaluation of practicums, academic programs or changes in academic programs;**

40            **(C) The review of the qualifications of new faculty, administrators or senior academic**  
 41 **staff prior to hiring;**

42            **(D) The use of experts or travel necessary to decide whether to approve a school's ap-**  
 43 **plication under this section; and**

44            **(E) Any other action the commission deems necessary to determine whether a school**  
 45 **should be authorized to confer or offer to confer a degree upon a person or to provide aca-**

1 **ademic credit applicable to a degree.**

2 **(b) The fees imposed by rule by the commission under this section may account for dif-**  
3 **ferences in the anticipated complexity or time required to review an application depending**  
4 **on the type of school or program that is the subject of the application.**

5 **(5)** Any fees collected under this section shall be deposited in the Degree Authorization Account  
6 established under ORS 348.601.

7 [(11)] **(6)** As used in this section, “practicum” means a portion of a degree program that involves  
8 a supervised field placement in a professional or workplace environment.

9 **SECTION 2.** ORS 348.607 is amended to read:

10 348.607. (1)(a) The Higher Education Coordinating Commission may **by rule** impose a fee on a  
11 school that applies for an exemption under ORS 348.604.

12 (b) The amount of the fee **the commission may impose by rule under this section** may not  
13 exceed the actual cost to the commission of determining the school’s compliance with the require-  
14 ments for an exemption under ORS 348.604[, *and may not exceed \$1,000*].

15 (2) Except as provided in ORS 348.604 or 348.608 or section 6, chapter 546, Oregon Laws 2005,  
16 the commission may not impose requirements for a religious exemption from ORS 348.594 to 348.615.

17 **SECTION 3.** ORS 348.604 is amended to read:

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

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

22 (2) Offers only associate, bachelor’s or master’s degrees leading to occupations in theology or  
23 religious occupations, or, if the school also offers doctoral degrees, offers doctoral degrees in the-  
24 ology or religious occupations that have been approved by a post-secondary accrediting agency as  
25 defined in ORS 348.594;

26 (3) Teaches students with faculty members who:

27 (a) Hold degrees:

28 (A) From a school that, at the time of the conferral of the degrees, was accredited by a post-  
29 secondary accrediting agency as defined in ORS 348.594, held an exemption under this section, or  
30 was a school that, on July 14, 2005, met the criteria and followed procedures to obtain a religious  
31 exemption adopted by rule by the Oregon Student Access Commission and that offered only degrees  
32 leading to occupations 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*] **authorized** by ORS 348.607.

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