

A-Engrossed
House Bill 2117

Ordered by the House April 21
Including House Amendments dated April 21

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber for Oregon Student Assistance 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.

[Transfers functions of Office of Degree Authorization from Oregon Student Assistance Commission to Department of Education. Changes name of Office of Degree Authorization Account to Degree Authorization Account. Creates list of regionally accredited schools exempt from degree authorization process.]

Corrects references to deleted provision relating to schools that offer certain religious degrees that, on specified date, had obtained religious exemption adopted by rule by Oregon Student Assistance Commission.

A BILL FOR AN ACT

1
2 Relating to higher education degrees; amending ORS 348.597, 348.604, 348.605, 348.608 and 659A.318.

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

4 **SECTION 1.** ORS 348.597 is amended to read:

5 348.597. (1) Except as provided in subsection (2) of this section, ORS 348.594 to 348.615 apply to
6 all schools that operate in this state.

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

8 (a) An Oregon community college;

9 (b) A state institution of higher education within the Oregon University System;

10 (c) The Oregon Health and Science University;

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

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

14 (B) Conferred degrees in this state under the same control for at least five consecutive years;
15 and

16 (C) Is accredited by a regional accrediting association or its national successor;

17 (e) A school that, on *[the date preceding July 15, 2005, was a school described in ORS 348.594*
18 **(2)(d)] July 14, 2005, was a school that met the criteria and followed procedures to obtain a**
19 **religious exemption adopted by rule by the Oregon Student Assistance Commission and that**
20 **offered only degrees with approved titles in theology or religious occupations; or**

21 (f) A school that is exempt from ORS 348.594 to 348.615 under ORS 348.604.

22 **(3) The Office of Degree Authorization shall issue a separate license to issue degrees to**
23 **each school that meets the requirements for exemption from evaluation by the office set**
24 **forth in subsection (2)(d) of this section. The license shall remain in effect if the school**
25 **continues to meet the requirements of subsection (2)(d) of this section.**

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 **SECTION 2.** ORS 348.604 is amended to read:

2 348.604. Upon application from a school, as defined in ORS 348.594, the Oregon Student Assist-
3 ance Commission, through the Office of Degree Authorization, shall grant an exemption from ORS
4 348.594 to 348.615 to the school if the school:

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

6 (2) Offers only associate, bachelor's or master's degrees with titles in theology or religious oc-
7 cupations, or, if the school also offers doctoral degrees, offers doctoral degrees in theology or reli-
8 gious occupations that have been approved by a federally recognized accrediting organization;

9 (3) Teaches students with faculty members who:

10 (a) Hold degrees:

11 (A) From a school that, at the time of the conferral of the degrees, was accredited by a federally
12 recognized accrediting organization, held an exemption under this section, or was a school [*described*
13 *in ORS 348.594 (2)(d) on the date preceding July 15, 2005*] **that, on July 14, 2005, met the criteria**
14 **and followed procedures to obtain a religious exemption adopted by rule by the Oregon Stu-**
15 **dent Assistance Commission and that offered only degrees with approved titles in theology**
16 **or religious occupations;**

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

19 (C) That are not honorary degrees; or

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

22 (4) Offers a curriculum:

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

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

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

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

29 (7) Offers admission:

30 (a) To a student:

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

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

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

35 (8) Provides or arranges for faculty members and students to have access to information that
36 supports instruction and stimulates research or independent study in all areas of the curriculum;

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

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

42 (11) Provides the oversight required by the commission through the office over a faculty member
43 or administrator who has:

44 (a) Been convicted of a felony; or

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

1 (12) Provides facilities that permit private communication between faculty members and stu-
2 dents;

3 (13) Provides a number of faculty members that is adequate for the number of students enrolled;

4 (14) Provides clear and accurate information to students about the school's expectations of stu-
5 dents in the school's courses;

6 (15) Ensures that a student who is pursuing a degree is making continuous progress toward the
7 degree;

8 (16) Before a student enrolls in the school, informs the student that a school to which the stu-
9 dent might transfer retains the discretion whether to accept the transfer of credits earned at the
10 school;

11 (17) Provides official transcripts of faculty members to the office; and

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

13 **SECTION 3.** ORS 348.605 is amended to read:

14 348.605. (1) A school that obtains an exemption under ORS 348.604 or that, [*on the date preceding*
15 *July 15, 2005, was a school described in ORS 348.594 (2)(d)*] **on July 14, 2005, met the criteria and**
16 **followed procedures to obtain a religious exemption adopted by rule by the Oregon Student**
17 **Assistance Commission and that offered only degrees with approved titles in theology or re-**
18 **ligious occupations** may not:

19 (a) Award more than 25 percent of the credit toward a degree for noninstructional activities,
20 such as challenge examinations and professional or life experiences;

21 (b) Represent that the school is:

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

23 (B) Accredited by an organization unless the organization is recognized as an accreditor by the
24 United States Department of Education; or

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

27 (2) A school that obtains an exemption under ORS 348.604 or that, [*on the date preceding July*
28 *15, 2005, was a school described in ORS 348.594 (2)(d)*] **on July 14, 2005, met the criteria and**
29 **followed procedures to obtain a religious exemption adopted by rule by the Oregon Student**
30 **Assistance Commission and that offered only degrees with approved titles in theology or re-**
31 **ligious occupations** shall:

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

33 (b) Notify the Office of Degree Authorization if a faculty member or administrator at the school
34 has:

35 (A) Been convicted of a felony; or

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

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

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

42 (e) If the school provides placement services to a student, describe the placement services
43 clearly and accurately to the student and avoid giving unrealistic expectations of placement to the
44 student; and

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

1 (A) Ensure that the administrator possesses the academic degree that the administrator claims
2 to possess; and

3 (B) Require that the degree is from a school that, at the time of the conferral of the degree,
4 was accredited by a federally recognized accrediting organization, held an exemption under this
5 section, or was a school [*described in ORS 348.594 (2)(d) on the date preceding July 15, 2005*] **that,**
6 **on July 14, 2005, met the criteria and followed procedures to obtain a religious exemption**
7 **adopted by rule by the Oregon Student Assistance Commission and offered only degrees with**
8 **approved titles in theology or religious occupations.**

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

10 348.608. (1) Each year, on a date prescribed by the Office of Degree Authorization, a school that
11 obtains an exemption under ORS 348.604 or a school that, on [*the date preceding July 15, 2005, was*
12 *a school described in ORS 348.594 (2)(d)*] **July 14, 2005, met the criteria and followed procedures**
13 **to obtain a religious exemption adopted by rule by the Oregon Student Assistance Commis-**
14 **sion and that offered only degrees with approved titles in theology or religious occupations,**
15 shall submit to the office a statement that reads: “(Name of School) hereby certifies that the school
16 remains in compliance with all conditions for a religious exemption from ORS 348.594 to 348.615.”

17 (2) A school that obtains an exemption under ORS 348.604 or a school that, on [*the date pre-*
18 *ceding July 15, 2005, was a school described in ORS 348.594 (2)(d)*] **July 14, 2005, met the criteria**
19 **and followed procedures to obtain a religious exemption adopted by rule by the Oregon Stu-**
20 **dent Assistance Commission and that offered only degrees with approved titles in theology**
21 **or religious occupations** remains exempt unless the office suspends or revokes the exemption.

22 (3) The office may suspend or revoke an exemption if:

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

25 (b) The office has received a complaint from a student or former student of the school that the
26 school is failing to comply with a condition for exemption under ORS 348.604, the office determines
27 that the complaint is valid, the school has been provided with notice and opportunity to cure as
28 required by subsection (4) of this section and the school fails to comply with the condition listed in
29 the notice; or

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

32 (4) The Oregon Student Assistance Commission, through the office, shall provide notice of and
33 90 days to cure a school’s:

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

35 (b) Failure to maintain compliance with a condition for exemption under ORS 348.604 if the of-
36 fice has received a complaint from a student or former student of the school that the school is
37 failing to comply with a condition for exemption under ORS 348.604 and the office has determined
38 the complaint is valid; or

39 (c) Violation of ORS 348.605.

40 (5) A school may appeal the denial, suspension or revocation of an exemption to the commission.

41 (6) A school may appeal to the commission the office’s decision that a faculty member does not
42 possess sufficient compensatory qualifications to substitute for an academic degree in the field in
43 which the faculty member teaches.

44 (7) The commission shall conduct an appeal under this section as a contested case under ORS
45 chapter 183.

1 (8)(a) If a school appeals the denial, suspension or revocation of an exemption and the commis-
2 sion upholds the denial, suspension or revocation, the commission shall provide the school 90 days
3 to cure the grounds for the denial, suspension or revocation. If the school does not cure the grounds
4 for the denial, suspension or revocation within 90 days after the commission upholds the denial,
5 suspension or revocation, then the denial, suspension or revocation becomes effective 90 days after
6 the issuance of the decision on the appeal by the commission.

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

11 **SECTION 5.** ORS 659A.318 is amended to read:

12 659A.318. (1) If an employer requires an applicant or employee to have an academic degree from
13 a post-secondary institution to qualify for a position, but does not require a degree with a specific
14 title, it is an unlawful employment practice for the employer to refuse to hire or promote or in any
15 manner discriminate or retaliate against the applicant or employee only because the applicant or
16 employee meets the educational requirements for the position by having a degree with a title in
17 theology or religious occupations from a school that, when the degree was issued, was a school
18 [described in ORS 348.594 (2)(d) on the date preceding July 15, 2005, or was a school]:

19 (a) **That, on July 14, 2005, met the criteria and followed procedures to obtain a religious**
20 **exemption adopted by rule by the Oregon Student Assistance Commission and that offered**
21 **only degrees with approved titles in theology or religious occupations; or**

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

23 (2) If an employer other than a public body, as defined in ORS 192.410, offers employees benefits
24 of tuition reimbursement, educational debt reduction, educational incentive or educational contri-
25 bution or gift match for educational services provided by a post-secondary institution and the em-
26 ployer does not restrict the program to specific institutions or degrees with specific titles, it is an
27 unlawful employment practice for the employer to refuse to offer the benefit to or in any manner
28 discriminate or retaliate against an employee because the employee attends or seeks to attend a
29 school that is:

30 (a) A school that [was, on the date before July 15, 2005, described in ORS 348.594 (2)(d)], **on July**
31 **14, 2005, met the criteria and followed procedures to obtain a religious exemption adopted**
32 **by rule by the Oregon Student Assistance Commission and that offered only degrees with**
33 **approved titles in theology or religious occupations; or**

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

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