

House Bill 4019

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Higher Education and Workforce Development)

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**.

Requires institutions of higher education to provide students with fact sheet regarding program requirements, costs of education, loans, average salary or wages, loan default rates and related data prior to enrollment. Requires annual report to Higher Education Coordinating Commission.

Requires commission to establish process for collecting program and degree-specific completion, on-time graduation and retention rate statistics.

Allows commission to amend fact sheet requirements by rule to comply with federal reporting requirements.

Specifies standards for data and rates provided.

Regulates advertising and solicitation of students by institutions of higher education.

Becomes operative July 1, 2015.

A BILL FOR AN ACT

1
2 Relating to higher education.

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

4 **SECTION 1. Sections 2 to 7 of this 2014 Act are added to and made a part of ORS chapter**
5 **348.**

6 **SECTION 2. (1)(a) An institution of higher education that operates in this state shall,**
7 **prior to enrollment, provide a prospective student with an educational value, school per-**
8 **formance and financial cost fact sheet.**

9 **(b) The fact sheet shall contain:**

10 **(A) The information described in sections 3, 4 and 5 of this 2014 Act; and**

11 **(B) Any demographic information that the Higher Education Coordinating Commission**
12 **by rule determines is necessary for an institution of higher education to report on its fact**
13 **sheet.**

14 **(c) The commission shall by rule establish a process to collect the program and degree-**
15 **specific completion, on-time graduation and retention rate statistics required under section**
16 **4 of this 2014 Act.**

17 **(d) The commission shall by rule determine the information necessary to permit pro-**
18 **spective students to evaluate programs and degrees that lead to a profession or trade that**
19 **requires a license, registration, certificate or other authorization to practice the profession**
20 **or trade in this state.**

21 **(e) The commission may by rule alter or add to the information and statistics that must**
22 **be included in the fact sheet required by this section and sections 3, 4 and 5 of this 2014 Act**
23 **in order to remain consistent with federal reporting requirements.**

24 **(2) The institution shall annually report to the commission all information required in**
25 **the fact sheet. The commission shall ensure that the information reported:**

26 **(a) Is useful to students;**

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) Is useful to policymakers;

2 (c) Is based upon the most credible and verifiable data available;

3 (d) Is consistent with information provided to the federal government, state government
4 or accreditation body when the information is already required to be reported to the federal
5 government, state government or accreditation body; and

6 (e) Does not impose undue compliance burdens on an institution.

7 (3) If an institution maintains an Internet website, the institution shall make publicly
8 available on the website in a prominent location:

9 (a) The fact sheet described in subsection (1) of this section;

10 (b) A link to the appropriate page of the commission's website that provides the fact
11 sheet for each institution subject to sections 2 to 7 of this 2014 Act; and

12 (c) The institution's most recent annual report submitted to the commission.

13 (4) The commission may adopt rules to implement this section and sections 3, 4 and 5
14 of this 2014 Act and may identify specific information that an institution is required to doc-
15 ument and maintain to substantiate the rates and information provided under sections 3, 4
16 and 5 of this 2014 Act.

17 **SECTION 3.** The fact sheet required under section 2 of this 2014 Act shall contain the
18 following educational value information regarding each educational program or degree:

19 (1) If the program or degree leads to a profession or trade that requires a license, reg-
20 istration, certificate or other authorization to practice the profession or trade in this state:

21 (a) Notice that a license, registration, certificate or other authorization is required to
22 practice the profession or trade in this state;

23 (b) The Internet address where the appropriate licensing or regulatory board lists re-
24 quirements for practicing the profession or trade in this state;

25 (c) Whether completion of the program or degree is required to practice the profession
26 or trade in this state; and

27 (d) A list of specific course or program requirements that a student must complete to
28 graduate from the program.

29 (2) A statement specifying whether the institution of higher education, or any of its
30 programs or degrees, is accredited by the relevant accrediting agency.

31 (3) A statement of the known limitations of the degree program, including, but not lim-
32 ited to:

33 (a) Information regarding the transferability of credits and whether credits may be
34 transferred to other institutions of higher education in this state.

35 (b) If the institution provides job placement services, a description of the nature and
36 extent of the services.

37 **SECTION 4.** (1) The fact sheet required under section 2 of this 2014 Act shall contain the
38 following school performance information:

39 (a) Program and degree-specific completion rates, including on-time graduation rates.

40 (b) Institution-wide retention rates.

41 (c) For each program or degree, the Internet address where the Employment Department
42 lists the average salary or wages earned in the profession or trade.

43 (d) If the institution of higher education participates in federal financial aid programs:

44 (A) The most recent three-year default rate reported by the United States Department
45 of Education for the institution; and

1 (B) The percentage of enrolled students receiving federal student loans.

2 (2) If a program is too new to provide the information required by this section, the in-
3 stitution shall include on the fact sheet the following statement: "This program is new.
4 Therefore, statistics regarding program completion and starting salary for students upon
5 completion of the program are unknown at this time. Information regarding general salary
6 may be available from government sources or from the institution, but is not equivalent to
7 actual performance data."

8 **SECTION 5.** The fact sheet required under section 2 of this 2014 Act shall contain the
9 following financial cost information:

10 (1) The name of the institution of higher education and the name of each educational
11 program or degree, including the total number of credit hours, clock hours or other incre-
12 ment required to complete the program or degree.

13 (2) A schedule of total charges, including the estimated cost of books, student fees and
14 lab fees and board, if applicable, with nonrefundable charges clearly identified.

15 (3) The total charges the student is obligated to pay upon enrollment.

16 (4) A disclosure that clearly states:

17 (a) Instructions for canceling enrollment; and

18 (b) The institution's refund policy.

19 (5) A statement that, if the student obtains a loan to pay for an educational program or
20 degree, the student will have the responsibility to repay the full amount of the loan plus in-
21 terest, less the amount of any refund.

22 (6) A statement that, if the student is eligible for a loan guaranteed by the federal or
23 state government and the student defaults on the loan, both of the following may occur:

24 (a) The federal or state government or a loan guarantee agency may take action against
25 the student, including applying any income tax refund to which the student is entitled to
26 reduce the balance owed on the loan.

27 (b) The student may not be eligible for any other federal student financial aid at another
28 institution of higher education or other government assistance while the loan is in default.

29 (7) A statement that the student may not be eligible for federal financial aid programs
30 if the institution is not accredited.

31 (8) Whether the institution participates in federal and state financial aid programs and,
32 if so, all consumer information required to be disclosed under the applicable federal and state
33 financial aid programs.

34 (9) A statement indicating the types of student financial aid available from the institution
35 of higher education.

36 **SECTION 6.** An institution of higher education that operates in this state may not:

37 (1) Promise or guarantee employment, or overstate the availability of jobs, upon com-
38 pletion of an educational program or degree from the institution.

39 (2) Advertise inaccurately regarding length of time required to learn a trade or skill.

40 (3) Omit from an advertisement, or from promotional material, information indicating
41 which educational programs are delivered by means of distance education.

42 (4) Advertise, or indicate in promotional material, that the institution is accredited, if the
43 institution is not accredited.

44 (5) Solicit students for enrollment by advertising material in "help wanted" or similar
45 columns in a magazine, newspaper or similar publication.

1 (6) Use advertising that does not identify the institution.

2 (7) Compensate or offer to compensate a student enrolled at the institution to act as an
3 agent of the institution to solicit, refer or recruit a person for enrollment in the institution,
4 other than through regular student employment. This subsection does not prohibit an insti-
5 tution from, during a calendar year, awarding tokens or gifts with an aggregate value of \$100
6 or less to a student for referring a person to the institution. A token or gift may not be in
7 the form of money.

8 (8) Pay any consideration to a person to induce the person to sign an enrollment agree-
9 ment for an educational program.

10 (9) Imply or suggest that:

11 (a) The institution is affiliated with a government agency, public or private corporation,
12 agency or association, if it is not so affiliated.

13 (b) The institution is a public institution, if it is not a public institution.

14 (c) The institution grants degrees, if the institution does not grant degrees.

15 (10) Use the phrase, "approved to operate," or similar words or phrases, without indi-
16 cating that "approved to operate" means compliance with standards set by law. If the Higher
17 Education Coordinating Commission has authorized an institution to offer an approved de-
18 gree program, the institution may indicate the approval but may not state or imply that:

19 (a) The institution or its educational programs are endorsed or recommended by the
20 State of Oregon or the commission.

21 (b) The approval to operate means the institution exceeds minimum standards set by law.

22 (11) Direct any individual to perform an act that violates this section, to refrain from
23 reporting unlawful conduct to the commission or any other government agency or to per-
24 suade a student not to complain to the commission.

25 (12) Compensate an employee involved in recruitment, enrollment, admissions, attend-
26 ance or sales of educational materials to students on the basis of a commission, commission
27 draw, bonus, quota or similar method related to the recruitment, enrollment, admissions,
28 attendance or sales of educational materials to students.

29 (13) Require a prospective student to provide personal contact information in order to
30 obtain, from the institution's Internet website:

31 (a) Educational program information required to be in the school catalog; or

32 (b) Any information required to be disseminated under the consumer information pro-
33 visions of the Higher Education Act of 1965, as amended.

34 (14) Offer an associate, baccalaureate, master's or doctoral degree without disclosing to
35 prospective students prior to enrollment whether the institution or the degree program is
36 accredited and any known limitation of the degree, including, but not limited to:

37 (a) Whether completion of the educational program will meet license, registration, cer-
38 tificate or other authorization requirements to practice a profession or trade in this state.

39 (b) That a student enrolled in an institution that is not accredited is not eligible for fed-
40 eral financial aid programs.

41 **SECTION 7.** As used in sections 2 to 7 of this 2014 Act, "institution of higher
42 education" means public universities listed in ORS 352.002, community colleges, for-profit
43 institutions of higher education and not-for-profit institutions of higher education.

44 **SECTION 8.** (1) Sections 2 to 7 of this 2014 Act become operative July 1, 2015.

45 (2) The Higher Education Coordinating Commission and an institution of higher educa-

1 **tion, as defined in section 7 of this 2014 Act, may take any action before the operative date**
2 **specified in subsection (1) of this section that is necessary to enable the commission and the**
3 **institution to exercise, on and after the operative date specified in subsection (1) of this**
4 **section, the duties, functions and powers specified in sections 2 to 7 of this 2014 Act.**

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