Senate Bill 457
Sponsored by Senator HASS; Senators BOQUIST, BURDICK, DEMBROW, FREDERICK, GOLDEN, MANNING JR, PROZANSKI, RILEY, ROBLAN, STEINER HAYWARD, TAYLOR, WAGNER (Presession filed.)

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.

Adds consumer advocate as nonvoting member of Higher Education Coordinating Commission.

Prohibits commission from exempting private career school from regulation for sole reason that school received accreditation from accrediting agency.

Requires institution of higher education to post information about how to file complaint on website. Allows student two years to file complaint against institution.

Requires institution of higher education to make graduation rate, cohort default rate on federal student loans and other information publicly available on website of institution.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to higher education; creating new provisions; amending ORS 345.015, 345.120, 348.608, 350.050 and 350.075; and prescribing an effective date.

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

SECTION 1. ORS 350.050 is amended to read:

350.050. (1) There is established a Higher Education Coordinating Commission, consisting of nine voting members appointed by the Governor.

(2) The Governor shall appoint:

(a) One member from each of the five congressional districts in this state; and

(b) Four members of the general public.

(3) The Governor shall also appoint six nonvoting members to the commission. The Governor shall elicit recommendations for appointments made under paragraphs (a) to (e) of this subsection from official student, faculty and nonfaculty staff organizations at community colleges and public universities listed in ORS 352.002. The Governor shall elicit recommendations from student advocacy groups for appointments made under paragraph (f) of this subsection. The six nonvoting members of the commission shall consist of:

(a) One student at a public university listed in ORS 352.002;

(b) One faculty member at a public university listed in ORS 352.002;

(c) One student at a community college in this state;

(d) One faculty member at a community college in this state; [and]

(e) One nonfaculty member of the staff from either a public university listed in ORS 352.002 or a community college[.]; and

(f) One consumer advocate who has knowledge of consumer protection issues facing post-secondary students.

(4) The term of office of each voting member is four years and the term of office for each nonvoting member is two years. A member serves at the pleasure of the Governor. Before the expiration
of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next
following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor
shall make an appointment to become immediately effective for the unexpired term.
(5) The Governor may at any time, for cause, remove any member of the board that the Gover-
nor has appointed, after notice and public hearing, but not more than three members shall be re-
moved within a period of four years, unless it is for corrupt conduct in office.
(6) The appointment of voting members of the commission is subject to confirmation by the
Senate in the manner prescribed in ORS 171.562 and 171.565.
(7) A member of the commission is entitled to compensation and expenses as provided in ORS
292.495.

SECTION 2. ORS 345.015 is amended to read:
345.015. ORS 345.010 to 345.450 do not apply to:
(1) Instruction or training solely avocational or recreational in nature or to institutions offering
such education exclusively.
(2) Instruction or training sponsored or offered by a bona fide trade, business, professional or
fraternal organization or by a business primarily for the organization’s membership or the business’s
employees.
(3) Instruction or training sponsored, offered or contracted by organizations, institutions or
agencies, if the instruction or training is advertised or promoted to be in the nature of professional
self-improvement or personal self-improvement and the instruction or training is not:
(a) Advertised or promoted as leading to or fulfilling the requirements for licensing, certifica-
tion, accreditation or education credentials; or
(b) Leading to an occupation, employment or other activity for which a person may reasonably
expect financial compensation.
(4) Courses offered in hospitals that meet standards prescribed by the American Medical Asso-
ciation or national accrediting associations for nursing.
(5) Courses, instruction or training offered for a limited number of hours, as defined by rule of
the Higher Education Coordinating Commission.
(6) Schools offering only courses of an advanced training or continuing educational nature when
offered solely to licensed practitioners and people previously qualified or employed in the profession
for which a course is being offered.
(7) Courses, instruction or training offered to prepare a student to become certified as a nursing
assistant or a medication aide in compliance with standards prescribed by the Oregon State Board
of Nursing.
(8)(a) Schools that the Higher Education Coordinating Commission:
[(a)] (A) Determines are adequately regulated by other means that guarantee the school meets
the standards described in ORS 345.325; and
[(b)] (B) As a result of the determination described in [paragraph (a)] subparagraph (A) of this
subsection paragraph, grants an exemption from the licensure requirements of ORS 345.010 to
345.450.
(b) The commission may not grant an exemption for a school under paragraph (a) of this
subsection based solely on a finding that the school has received accreditation from an ac-
crediting agency.
(9) Schools offering only review instruction to prepare a student to take an examination to enter
a profession, where the student has completed prior training related to the profession.
(10) Schools described in ORS 348.597 and, except as provided in ORS 345.017, schools approved by the Higher Education Coordinating Commission to confer or offer to confer academic degrees under ORS 348.606.

(11) Any parochial or denominational institution providing instruction or training relating solely to religion and that does not grant degrees.

SECTION 3. ORS 345.120 is amended to read:

345.120. (1)(a) On the written complaint of any person, the Higher Education Coordinating Commission shall, and on the commission’s own motion may, investigate the actions of any career school or agent, or any person who assumes to act in either capacity within this state.

(b) The commission may investigate an action under this subsection only if the action occurred within two years before either the date on which the complaint was filed or the last day the student attended the school, whichever is later.

(c) Each career school shall post on the website of the school information about how a complaint may be filed under this section.

(2) After receiving a written complaint or deciding to proceed to an investigation on its own motion under subsection (1) of this section, the commission shall notify the career school that is the subject of the investigation. When conducting an investigation under this section, the commission shall engage with both the career school under investigation and with any affected students.

(3) As a result of the investigation, and in addition to any penalty that may be imposed under ORS 345.992, the commission may issue a notice for corrective action or, subject to the procedures set forth in subsection (4) of this section, may suspend or revoke any license issued under ORS 345.010 to 345.450 when the licensee has:

(a) Obtained a license by misrepresentation.

(b) Violated ORS 345.010 to 345.450 or any applicable rule.

(c) Ceased to engage in the business authorized by the license.

(d) Willfully used or employed any method, act or practice declared unlawful by ORS 646.608.

(4)(a) When notice of suspension or revocation is issued, the licensee shall be notified and, upon request, shall be granted a contested case hearing under ORS 183.310 (2).

(b) If a licensee requests a contested case hearing under this subsection, the suspension or revocation may take effect only after a hearing officer determines that there is proper cause.

(5) A licensee that is issued a notice for corrective action must be formally notified by the commission that it has deficiencies that must be corrected within a time specified in the notice.

(6) A licensee whose license is suspended is prohibited from advertising, recruiting or enrolling students but may remain in operation to complete training of students enrolled on the effective date of the suspension.

(7) A licensee whose license has been revoked is not authorized to continue in operation on and after the effective date of the revocation.

SECTION 4. ORS 348.608 is amended to read:

348.608. (1) Each year, on a date prescribed by the Higher Education Coordinating Commission, a school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005, met the criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon Student Access Commission and that offered only degrees with approved titles in theology or religious occupations, shall submit to the Higher Education Coordinating Commission a statement that reads: “(Name of School) hereby certifies that the school remains in compliance with all conditions for a religious exemption from ORS 348.594 to 348.615.”
(2) A school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005, met the criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon Student Access Commission and that offered only degrees with approved titles in theology or religious occupations remains exempt unless the Higher Education Coordinating Commission suspends or revokes the exemption.

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

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

(b) The commission has received a complaint from a student or former student of the school that the school is failing to comply with a condition for exemption under ORS 348.604, the commission determines that the complaint is valid, the school has been provided with notice and opportunity to cure as required by subsection [(4)] (5) of this section and the school fails to comply with the condition listed in the notice; or

(c) After the notice and opportunity to cure provided in subsection [(4)] (5) of this section, the school is in violation of ORS 348.605.

(4)(a) The commission may investigate a complaint from a student or former student that a school is failing to comply with a condition for exemption under ORS 348.604 only if the alleged failure to comply occurred within two years before either the date on which the complaint was filed or the last day the student attended the school, whichever is later.

(b) Each school described under subsection (1) of this section shall post on the website of the school information about how a complaint may be filed under this subsection.

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

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

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

(c) Violation of ORS 348.605.

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

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

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

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

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

SECTION 5. ORS 350.075 is amended to read:

350.075. (1) As used in this section, “student access programs” means scholarship, loan, grant
and access programs described in ORS chapter 348.

(2) The Higher Education Coordinating Commission shall be guided by the legislative findings
in ORS 341.009, 350.001 and 350.005 and the goals and mission of post-secondary education set forth
in ORS 350.009 and 350.014.

(3) The Higher Education Coordinating Commission shall:

(a) Develop state goals for the state post-secondary education system, including community col-
leges and public universities listed in ORS 352.002, and for student access programs.

(b) Determine strategic investments in the state’s community colleges, public universities and
student access programs necessary to achieve state post-secondary education goals.

(c) Coordinate the post-secondary elements of data collection and structure, with the advice and
recommendation of the state’s independent institutions, community colleges and public universities,
as appropriate, in order to construct a state longitudinal data system.

(d) Adopt a strategic plan for achieving state post-secondary education goals, taking into con-
sideration the contributions of this state’s independent institutions, philanthropic organizations and
other organizations dedicated to helping Oregonians reach state goals. State post-secondary educa-
tion goals as described in this section should include, but need not be limited to:

(A) Increasing the educational attainment of the population;

(B) Increasing this state’s global economic competitiveness and the quality of life of its resi-
dents;

(C) Ensuring affordable access for qualified Oregon students at each college or public university;

(D) Removing barriers to on-time completion; and

(E) Tracking progress toward meeting the state’s post-secondary education goals established in
the strategic plan described in this paragraph.

(e)(A) Each biennium, after receiving funding requests from the state’s community colleges and
public universities as authorized by law, recommend to the Governor a consolidated higher educa-
tion agency request budget aligned with the strategic plan described in paragraph (d) of this sub-
section, including appropriations for:

(i) Student access programs;

(ii) Public universities listed in ORS 352.002, including but not limited to education and general
operations, statewide public services and state-funded debt service;

(iii) Community colleges, including but not limited to education and general operations and
state-funded debt service;

(iv) New facilities or programs;

(v) Capital improvements and deferred maintenance;

(vi) Special initiatives and investments; and

(vii) Any other program, duty or function a public university listed in ORS 352.002 is authorized
to undertake.

(B) In the development of the consolidated higher education agency request budget:

(i) Determine the costs necessary to provide quality post-secondary education;

(ii) Solicit input from educators, education policy experts, appropriate legislative committees,
students and other persons interested in the development of the funding model; and
(iii) Solicit public input regarding educational priorities.

(f) Adopt rules governing the distribution of appropriations from the Legislative Assembly to community colleges, public universities listed in ORS 352.002 and student access programs. These rules must be based on allocation formulas developed in consultation with the state's community colleges and public universities, as appropriate.

(g) Approve or disapprove any significant change to the academic program of a community college or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the commission shall consider the recommendation from the community college or public university seeking to make the change to an academic program that is issued pursuant to the obligation of the governing board of a community college or public university to review and approve academic programs. The commission shall ensure that approved programs:

(A) Are consistent with the mission statement of the community college or public university;
(B) Do not unnecessarily duplicate academic programs offered by Oregon's other community colleges or public universities;
(C) Are not located in a geographic area that will cause undue hardship to Oregon’s other community colleges or public universities; and
(D) Are allocated among Oregon's community colleges and public universities to maximize the achievement of statewide needs and requirements.

(h) For public universities listed in ORS 352.002:

(A) Approve the mission statement adopted by a governing board of a public university.
(B) Review and determine whether a proposed annual increase of resident undergraduate enrollment fees of greater than five percent is appropriate.
(C) Advise the Governor and the Legislative Assembly on issues of university governance.
(D) Approve and authorize degrees.
(E) Perform the evaluation and certification required by ORS 350.095.
(i) Authorize degrees to be offered by independent post-secondary institutions in this state under ORS 348.594 to 348.615.

(j) Oversee the licensing of career schools under ORS 345.010 to 345.450.

(k) Have the authority to enter into and administer interstate agreements regarding the provision of post-secondary distance education. The participation by an educational institution that is not based in this state in distance learning courses or programs that are part of an interstate agreement entered into and administered under this paragraph does not constitute operating in this state for purposes of ORS 348.594 to 348.615. The commission, by rule, may impose a fee on any educational institution that seeks to operate under or participate in such interstate agreements. The fee amount shall be established to recover designated expenses incurred by the commission in participating in such agreements.

(L) Coordinate and collaborate with the Chief Education Office as provided by section 1, chapter 519, Oregon Laws 2011.

(4)(a) The Higher Education Coordinating Commission shall implement a process to review and appropriately act on student complaints regarding any school operating in this state. As part of the process implemented under this subsection, the commission may:

(A) Receive student complaints from students regarding a school;
(B) Specify the type of information that must be included in a student complaint;
(C) Investigate and resolve student complaints that relate to state financial aid;
(D) Refer a student complaint to another entity for investigation and resolution as provided in
paragraph (b) of this subsection;

(E) Adopt rules to implement the provisions of this subsection; and

(F) Enter into agreements to implement the provisions of this subsection.

(b) The commission may refer the investigation and resolution of a student complaint to:

(A) An appropriate state agency if the complaint alleges that a school has violated a state law concerning consumer protection, civil rights, employment rights or environmental quality;

(B) A school’s accrediting association if the complaint relates to the school’s authorization to offer academic degree programs or to the quality of the school’s academic degree programs; or

(C) The school at which the student is enrolled if the commission determines that the complaint should be resolved through the school’s internal review process.

(c) The commission may investigate and resolve student complaint filed under this subsection only if the action that is the subject of the complaint occurred within two years before either the date on which the complaint was filed or the last day the student attended the school, whichever is later.

[(c)]

(d) As used in this subsection:

(A)(i) “School” means an independent institution of higher education that meets the requirements of ORS 348.597 (2)(a).

(ii) “School” does not mean a school that is exempt from ORS 348.594 to 348.615 under ORS 348.597 (2)(b) or (c).

(B) “Student” means a person who is enrolled at a school for the purpose of obtaining a degree, certificate or other recognized educational credential offered by that school.

(5) A student complaint that is received by the Higher Education Coordinating Commission, including but not limited to a student complaint filed under subsection (4) of this section, is not subject to disclosure under ORS 192.311 to 192.478.

(6) In addition to the duties described in subsections (2) to (4) of this section, the Higher Education Coordinating Commission shall advise the Legislative Assembly, the Governor, community colleges, public universities and other state boards and commissions on policies in order to:

(a) Ensure or improve access to higher education by diverse and underserved populations.

(b) Encourage student success and completion initiatives.

(c) Improve the coordination of the provision of educational services, including:

(A) Transfers and coenrollment throughout the higher education system;

(B) Accelerated college credit programs for high school students;

(C) Applied baccalaureate and other transfer degrees;

(D) Programs and grants that span multiple institutions; and

(E) Reciprocity agreements with other states.

(d) In coordination with the State Board of Education, enhance the use and quality of dual credit, career and technical pathways and efforts to create a culture of college attendance in this state.

(e) In coordination with the State Workforce and Talent Development Board, local workforce development boards, the Oregon Health and Science University and independent institutions, ensure that the state’s colleges and universities offer programs in high-demand occupations that meet Oregon’s workforce needs.

(f) Improve economies of scale by encouraging and facilitating the use of the shared services among post-secondary institutions in this state.

(7) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter
183, may adopt administrative rules.

(8) With the exception of the rulemaking authority granted in subsection (7) of this section, the Higher Education Coordinating Commission may delegate any of its powers, duties or functions to a committee of the commission or to the executive director of the commission.

(9) The Higher Education Coordinating Commission may, subject to the Public Contracting Code, enter into contracts and agreements, including grant agreements, with public and private entities for those higher education and workforce development activities that are consistent with ORS 350.001 and 350.005, with the policies set forth in ORS chapters 341 and 348 and with statutory policies related to career schools and public universities.

(10) The Higher Education Coordinating Commission may exercise only powers, duties and functions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by law, all other authorities reside at the institutional level with the respective boards of the post-secondary institutions.


350.075. (1) As used in this section, “student access programs” means scholarship, loan, grant and access programs described in ORS chapter 348.

(2) The Higher Education Coordinating Commission shall be guided by the legislative findings in ORS 341.009, 350.001 and 350.005 and the goals and mission of post-secondary education set forth in ORS 350.009 and 350.014.

(3) The Higher Education Coordinating Commission shall:

(a) Develop state goals for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for student access programs.

(b) Determine strategic investments in the state’s community colleges, public universities and student access programs necessary to achieve state post-secondary education goals.

(c) Coordinate the post-secondary elements of data collection and structure, with the advice and recommendation of the state’s independent institutions, community colleges and public universities, as appropriate, in order to construct a state longitudinal data system.

(d) Adopt a strategic plan for achieving state post-secondary education goals, taking into consideration the contributions of this state’s independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals. State post-secondary education goals as described in this section should include, but need not be limited to:

(A) Increasing the educational attainment of the population;

(B) Increasing this state’s global economic competitiveness and the quality of life of its residents;

(C) Ensuring affordable access for qualified Oregon students at each college or public university;

(D) Removing barriers to on-time completion; and

(E) Tracking progress toward meeting the state’s post-secondary education goals established in the strategic plan described in this paragraph.

(e)(A) Each biennium, after receiving funding requests from the state’s community colleges and public universities as authorized by law, recommend to the Governor a consolidated higher education agency request budget aligned with the strategic plan described in paragraph (d) of this sub-
section, including appropriations for:

(i) Student access programs;

(ii) Public universities listed in ORS 352.002, including but not limited to education and general operations, statewide public services and state-funded debt service;

(iii) Community colleges, including but not limited to education and general operations and state-funded debt service;

(iv) New facilities or programs;

(v) Capital improvements and deferred maintenance;

(vi) Special initiatives and investments; and

(vii) Any other program, duty or function a public university listed in ORS 352.002 is authorized to undertake.

(B) In the development of the consolidated higher education agency request budget:

(i) Determine the costs necessary to provide quality post-secondary education;

(ii) Solicit input from educators, education policy experts, appropriate legislative committees, students and other persons interested in the development of the funding model; and

(iii) Solicit public input regarding educational priorities.

(f) Adopt rules governing the distribution of appropriations from the Legislative Assembly to community colleges, public universities listed in ORS 352.002 and student access programs. These rules must be based on allocation formulas developed in consultation with the state's community colleges and public universities, as appropriate.

(g) Approve or disapprove any significant change to the academic program of a community college or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the commission shall consider the recommendation from the community college or public university seeking to make the change to an academic program that is issued pursuant to the obligation of the governing board of a community college or public university to review and approve academic programs. The commission shall ensure that approved programs:

(A) Are consistent with the mission statement of the community college or public university;

(B) Do not unnecessarily duplicate academic programs offered by Oregon's other community colleges or public universities;

(C) Are not located in a geographic area that will cause undue hardship to Oregon's other community colleges or public universities; and

(D) Are allocated among Oregon’s community colleges and public universities to maximize the achievement of statewide needs and requirements.

(h) For public universities listed in ORS 352.002:

(A) Approve the mission statement adopted by a governing board of a public university.

(B) Review and determine whether a proposed annual increase of resident undergraduate enrollment fees of greater than five percent is appropriate.

(C) Advise the Governor and the Legislative Assembly on issues of university governance.

(D) Approve and authorize degrees.

(E) Perform the evaluation and certification required by ORS 350.095.

(i) Authorize degrees to be offered by independent post-secondary institutions in this state under ORS 348.594 to 348.615.

(j) Oversee the licensing of career schools under ORS 345.010 to 345.450.

(k) Have the authority to enter into and administer interstate agreements regarding the provision of post-secondary distance education. The participation by an educational institution that is
not based in this state in distance learning courses or programs that are part of an interstate
agreement entered into and administered under this paragraph does not constitute operating in this
state for purposes of ORS 348.594 to 348.615. The commission, by rule, may impose a fee on any
educational institution that seeks to operate under or participate in such interstate agreements. The
fee amount shall be established to recover designated expenses incurred by the commission in par-
ticipating in such agreements.

(4)(a) The Higher Education Coordinating Commission shall implement a process to review and
appropriately act on student complaints regarding any school operating in this state. As part of the
process implemented under this subsection, the commission may:
(A) Receive student complaints from students regarding a school;
(B) Specify the type of information that must be included in a student complaint;
(C) Investigate and resolve student complaints that relate to state financial aid;
(D) Refer a student complaint to another entity for investigation and resolution as provided in
paragraph (b) of this subsection;
(E) Adopt rules to implement the provisions of this subsection; and
(F) Enter into agreements to implement the provisions of this subsection.

(b) The commission may refer the investigation and resolution of a student complaint to:
(A) An appropriate state agency if the complaint alleges that a school has violated a state law
concerning consumer protection, civil rights, employment rights or environmental quality;
(B) A school’s accrediting association if the complaint relates to the school’s authorization to
offer academic degree programs or to the quality of the school’s academic degree programs; or
(C) The school at which the student is enrolled if the commission determines that the complaint
should be resolved through the school’s internal review process.

(c) The commission may investigate and resolve a student complaint filed under this
subsection only if the action that is the subject of the complaint occurred within two years
before either the date on which the complaint was filed or the last day the student attended
the school, whichever is later.

(c) (d) As used in this subsection:
(A)(i) “School” means an independent institution of higher education that meets the require-
ments of ORS 348.597 (2)(a).
(ii) “School” does not mean a school that is exempt from ORS 348.594 to 348.615 under ORS
348.597 (2)(b) or (c).
(B) “Student” means a person who is enrolled at a school for the purpose of obtaining a degree,
certificate or other recognized educational credential offered by that school.

(5) A student complaint that is received by the Higher Education Coordinating Commission, in-
cluding but not limited to a student complaint filed under subsection (4) of this section, is not sub-
ject to disclosure under ORS 192.311 to 192.478.

(6) In addition to the duties described in subsections (2) to (4) of this section, the Higher Edu-
cation Coordinating Commission shall advise the Legislative Assembly, the Governor, community
colleges, public universities and other state boards and commissions on policies in order to:
(a) Ensure or improve access to higher education by diverse and underserved populations.
(b) Encourage student success and completion initiatives.
(c) Improve the coordination of the provision of educational services, including:
(A) Transfers and coenrollment throughout the higher education system;
(B) Accelerated college credit programs for high school students;
(C) Applied baccalaureate and other transfer degrees;
(D) Programs and grants that span multiple institutions; and
(E) Reciprocity agreements with other states.
(d) In coordination with the State Board of Education, enhance the use and quality of dual
credit, career and technical pathways and efforts to create a culture of college attendance in this
state.
(e) In coordination with the State Workforce and Talent Development Board, local workforce
development boards, the Oregon Health and Science University and independent institutions, ensure
that the state's colleges and universities offer programs in high-demand occupations that meet
Oregon's workforce needs.
(f) Improve economies of scale by encouraging and facilitating the use of the shared services
among post-secondary institutions in this state.
(7) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter
183, may adopt administrative rules.
(8) With the exception of the rulemaking authority granted in subsection (7) of this section, the
Higher Education Coordinating Commission may delegate any of its powers, duties or functions to
a committee of the commission or to the executive director of the commission.
(9) The Higher Education Coordinating Commission may, subject to the Public Contracting Code,
enter into contracts and agreements, including grant agreements, with public and private entities
for those higher education and workforce development activities that are consistent with ORS
350.001 and 350.005, with the policies set forth in ORS chapters 341 and 348 and with statutory
policies related to career schools and public universities.
(10) The Higher Education Coordinating Commission may exercise only powers, duties and
functions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by
law, all other authorities reside at the institutional level with the respective boards of the post-
secondary institutions.
SECTION 7. Section 8 of this 2019 Act is added to and made a part of ORS chapter 348.
SECTION 8. (1) As used in this section and section 11 of this 2019 Act:
(a) “Cohort default rate” means the percentage of an institution of higher education’s
borrowers who enter repayment on federal student loans during a fiscal year and who default
on repayment of the federal student loans prior to the end of the second following fiscal year
as reported by the United States Department of Education.
(b) “Financial aid” has the meaning given that term in ORS 348.505.
(c) “Graduation rate” means the percentage of full-time, first-time degree or
certificate-seeking undergraduate students who graduate in 150 percent or less of the ex-
pected time to complete degree requirements as most recently reported publicly in any for-
mat, including preliminary data records, by the United States Department of Education.
(d) “Institution of higher education” has the meaning given that term in ORS 348.582.
(2) The Higher Education Coordination Commission shall, for each institution of higher
education, annually certify the graduation rate and cohort default rate as most recently re-
ported by the United States Department of Education.
(3)(a) Except as provided in subsection (6) of this section and notwithstanding any other
 provision of law, a student is ineligible to receive an initial grant or award of state financial
aid or to have previously granted or awarded state financial aid renewed for an additional
academic year if the student is enrolled at an institution of higher education that has:
(A) A three-year cohort default rate of 15.5 percent or higher, as certified by the commission; or

(B) A graduation rate of 30 percent or less, as certified by the commission.

(b) If the United States Department of Education has not reported the graduation rate or three-year cohort default rate for an institution of higher education, students enrolled at the institution shall be provisionally eligible to receive an initial grant or award of state financial aid or to have previously granted or awarded state financial aid renewed until the department has reported the data.

(c) A student who is enrolled in an institution of higher education that makes the student ineligible to receive or renew state financial aid under paragraph (a) of this subsection shall be eligible to receive an initial grant or award of state financial aid or to have previously granted or awarded state financial aid renewed for additional academic years if:

(A) The student enrolls in an institute of higher education that has a three-year cohort default rate and graduation rate that allows enrolled students to receive or renew state financial aid; or

(B) The United States Department of Education corrects or revises the three-year cohort default rate or graduation rate that triggered the student's ineligibility for receiving or renewing state financial aid under paragraph (a) of this subsection.

(4) The Higher Education Coordinating Commission shall provide the following to each student seeking state financial aid to attend an institution of higher education for which the student is ineligible to receive or renew state financial aid under this section:

(a) The reason the student is ineligible to receive or renew state financial aid to attend the institution of higher education.

(b) A list of all institutions of higher education in this state at which the student would be eligible to receive or renew state financial aid.

(5)(a) The Higher Education Coordinating Commission shall establish an appeal process for an institution of higher education at which students are ineligible to receive or renew state financial aid under subsection (3) of this section.

(b) The commission may grant an appeal made by an institution of higher education under this subsection only if the commission determines:

(A) The institution of higher education has a cohort size of 20 individuals or less; and

(B) The cohort is not representative of the overall institutional performance.

(6) This section does not apply to institutions of higher education for which the United States Department of Education reports that 40 percent or less of the enrolled undergraduate students borrowed federal loans during the two academic years before the academic year in which the Higher Education Coordinating Commission is certifying the three-year cohort default rate or graduation rate under subsection (2) of this section.

(7) The Higher Education Coordinating Commission may adopt rules necessary to implement this section.

SECTION 9. (1) As used in this section, “cohort default rate,” “financial aid” and “institution of higher education” have the meanings given those terms in section 8 of this 2019 Act.

(2) Notwithstanding section 8 of this 2019 Act, students are eligible to receive or renew state financial aid during the 2020-2021 academic year when enrolled at an institution of higher education that has a three-year cohort default rate that is less than 24.6 percent.
SECTION 10. Section 9 of this 2019 Act is repealed on January 2, 2022.

SECTION 11. Each institution of higher education shall make publicly available on the website of the institution:

(1) The graduation rate of the institution;

(2) The cohort default rate of students enrolled at the institution;

(3) Information required to be disclosed to enrolled students pursuant to the Higher Education Opportunity Act of 2008 (P.L. 110-315), as amended; and

(4) Any other information required to be disclosed to all enrolled students under state or federal law.

SECTION 12. Sections 8, 9 and 11 of this 2019 Act and the amendments to ORS 345.015, 345.120, 348.608, 350.050 and 350.075 by sections 1 to 6 of this 2019 Act first apply to the 2020-2021 academic year.

SECTION 13. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.