

HB 3564-2
(LC 452)
3/17/23 (DRG/ps)

Requested by HOUSE COMMITTEE ON HIGHER EDUCATION (at the request of Representative John Lively)

**PROPOSED AMENDMENTS TO
HOUSE BILL 3564**

1 On page 1 of the printed bill, delete line 3 and insert “348.500, 348.594,
2 348.597, 348.601, 348.603, 348.604, 348.605, 348.608, 350.050, 350.300, 476.696 and
3 659A.318.”.

4 On page 3, after line 20, insert:

5 **“SECTION 6.** ORS 348.500 is amended to read:

6 “348.500. (1) The Higher Education Coordinating Commission may estab-
7 lish Access to Student Assistance Programs in Reach of Everyone (ASPIRE)
8 to provide information about financial aid, [*and*] education, [*and*] training
9 **and career pathway** options beyond high school to students in Oregon
10 schools and colleges. The goals of the programs are to:

11 “(a) Provide mentoring and resources to help students access education
12 and training beyond high school;

13 “(b) Help Oregon schools build a sustainable community of volunteer
14 mentors; [*and*]

15 “(c) Educate students and families about the scholarship application pro-
16 cess and other options for paying for post-secondary education[.]; **and**

17 **“(d) Encourage the completion of a college or career pathway.**

18 “(2) The programs shall bring together students, school staff, community
19 volunteers and parents to help students overcome obstacles to their contin-
20 uing education. The programs may provide training, technical assistance and
21 other resources to Oregon middle schools, high schools and colleges on how

1 to establish a volunteer-based program. Adult volunteers who are trained
2 through the program may provide mentoring, training and encouragement to
3 students about post-secondary options and financial aid.

4 “(3) Each year, the programs shall provide financial aid instruction to
5 middle school, high school and college students and make the instruction
6 available to the students’ families. The instruction should focus on areas of
7 academic interest or career opportunities identified as particularly relevant
8 to the students and provide information on apprenticeships or technical and
9 occupational career pathways, with a focus on local apprenticeships or local
10 technical and occupational career pathways.

11 “(4) The financial aid instruction required under subsection (3) of this
12 section must outline:

13 “(a) The different types of student loans that are available to students
14 attending post-secondary institutions of education;

15 “(b) The potential use of individual development accounts established
16 under ORS 458.675 to 458.700 to pay for post-secondary education; and

17 “(c) The short-term and long-term economic impacts of each type of stu-
18 dent loan or individual development account.

19 “(5)(a) **The programs shall work directly with community-based or-**
20 **ganizations and other entities with experience serving historically**
21 **underserved communities in order to provide these communities with**
22 **information and resources designed to encourage college and career**
23 **readiness and to increase the participation of students from these**
24 **communities in college and career training.**

25 “(b) **The programs may provide grants or other support to organ-**
26 **izations and entities described in paragraph (a) of this subsection for**
27 **the purpose of delivering culturally competent, multilingual program-**
28 **ming and training opportunities.**

29 “**SECTION 7.** ORS 348.594 is amended to read:

30 “348.594. As used in ORS 348.594 to 348.615:

1 “(1)(a) ‘Diploma mill’ means:

2 “(A) A school against which a court or public body, as defined in ORS
3 174.109, has issued a ruling or finding, after due process procedures, that the
4 school has engaged in dishonest, fraudulent or deceptive practices related to
5 the award of degrees, academic standards or student learning requirements;
6 [or]

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

9 “(C) **A school or entity that:**

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

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

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

18 “(b) ‘Diploma mill’ does not include:

19 “(A) A school operating legally under ORS 348.604; or

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

24 “(2) **‘Post-secondary accrediting agency’ means a legal entity, or**
25 **part of a legal entity, that:**

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

27 “(b) **Makes decisions concerning the accreditation or pre-**
28 **accreditation status of institutions and programs; and**

29 “(c) **Is recognized by the United States Department of Education**
30 **as an entity that conducts the activities and makes the decisions de-**

1 **scribed in this subsection.**

2 “[~~(2)(a)~~] **(3)(a)** ‘School’ means a person, organization, school or institution
3 of learning that confers or offers to confer an academic degree upon a person
4 or to provide academic credit applicable to a degree.

5 “(b) ‘School’ does not include:

6 “(A) An Oregon community college;

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

8 “(C) The Oregon Health and Science University.

9 **“SECTION 8.** ORS 348.597 is amended to read:

10 “348.597. (1) Except as provided in subsection (2) of this section, ORS
11 348.594 to 348.615 apply to all schools that operate in this state.

12 “(2) ORS 348.594 to 348.615 do not apply to:

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

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

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

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

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

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

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

1 meet the requirements of subsection (2)(a) of this section.

2 **“SECTION 9.** ORS 348.601 is amended to read:

3 “348.601. The Degree Authorization Account is established separate and
4 distinct from the General Fund. All moneys received by the Higher Educa-
5 tion Coordinating Commission under ORS 348.603, 348.606 and 348.609 shall
6 be deposited into the account and are continuously appropriated to the
7 [*Higher Education Coordinating*] commission to carry out the duties, func-
8 tions and powers of the commission under ORS 348.594 to 348.615.

9 **“SECTION 10.** ORS 348.603 is amended to read:

10 “348.603. (1) The Higher Education Coordinating Commission shall:

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

12 “(b) Authorize approved degree-granting schools to offer nondegree pro-
13 grams leading to a certificate or diploma;

14 “(c) Validate claims of degree possession;

15 “(d) Terminate substandard or fraudulent degree activities;

16 “(e) Terminate activities, **including the enrollment of Oregon stu-**
17 **dents,** of diploma mills operating in or from Oregon;

18 “(f) Except as provided in subsection (3) of this section, terminate the
19 operation in or from Oregon of post-secondary accrediting [*bodies*] **organ-**
20 **izations** that **do not qualify as post-secondary accrediting agencies** [*are*
21 *not recognized by the United States Department of Education or by the com-*
22 *mission*]; and

23 “(g) Review proposed new publicly funded post-secondary programs and
24 locations.

25 “(2) The commission, by rule, may impose a fee on any school or person
26 requesting information from the commission. The amount of the fee shall be
27 established to recover designated expenses incurred by the commission in
28 carrying out the administration of ORS 348.594 to 348.615. Any fees collected
29 under this subsection shall be deposited in the Degree Authorization Account
30 established under ORS 348.601.

1 “(3) Subsection (1)(f) of this section does not apply to [*a body*] **an or-**
2 **ganization** the role of which is to accredit schools that offer only associate,
3 bachelor’s or master’s degrees [*with titles*] **leading to occupations** in the-
4 ology or religious occupations or, if the schools also offer doctoral degrees,
5 offer doctoral degrees only in theology or religious occupations that have
6 been approved by a [*federally recognized accrediting organization*] **post-**
7 **secondary accrediting agency.**

8 **“SECTION 11.** ORS 348.604 is amended to read:

9 “348.604. Upon application from a school, as defined in ORS 348.594, the
10 Higher Education Coordinating Commission shall grant an exemption from
11 ORS 348.594 to 348.615 to the school if the school:

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

13 “(2) Offers only associate, bachelor’s or master’s degrees [*with titles*]
14 **leading to occupations** in theology or religious occupations, or, if the
15 school also offers doctoral degrees, offers doctoral degrees in theology or
16 religious occupations that have been approved by a [*federally recognized ac-*
17 *crediting organization*] **post-secondary accrediting agency as defined in**
18 **ORS 348.594;**

19 “(3) Teaches students with faculty members who:

20 “(a) Hold degrees:

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

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

1 “(C) That are not honorary degrees; or
2 “(b) Possess sufficient compensatory qualifications to substitute for aca-
3 demic degrees in the fields in which the faculty members teach;
4 “(4) Offers a curriculum:
5 “(a) Of a duration and level that is comparable to the curriculums offered
6 by schools that are not exempt under this section; and
7 “(b) That, with higher degrees, increases the difficulty of the work ex-
8 pected of students;
9 “(5) Requires students to complete academic assignments and to demon-
10 strate learning appropriate to the curriculum;
11 “(6) Awards credit toward degrees proportionate to the work done by
12 students;
13 “(7) Offers admission:
14 “(a) To a student:
15 “(A) With a high school diploma or an equivalent credential; or
16 “(B) Who completed the equivalent of a high school education through
17 home study; and
18 “(b) Based on evidence that the student can reasonably expect to complete
19 a degree and benefit from the education offered;
20 “(8) Provides or arranges for faculty members and students to have access
21 to information that supports instruction and stimulates research or inde-
22 pendent study in all areas of the curriculum;
23 “(9) Provides accurate and appropriate credit transcripts to students of
24 the school and accurate and appropriate diplomas to graduates of the school;
25 “(10) Charges tuition by the credit hour or other fixed rate for instruction
26 during an academic term and does not charge tuition or fees for the award
27 of a degree or charge a single fee for an entire degree program;
28 “(11) Provides the oversight required by the Higher Education Coordi-
29 nating Commission over a faculty member or administrator who has:
30 “(a) Been convicted of a felony; or

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

2 “(12) Provides facilities that permit private communication between fac-
3 ulty members and students;

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

6 “(14) Provides clear and accurate information to students about the
7 school’s expectations of students in the school’s courses;

8 “(15) Ensures that a student who is pursuing a degree is making contin-
9 uous progress toward the degree;

10 “(16) Before a student enrolls in the school, informs the student that a
11 school to which the student might transfer retains the discretion whether to
12 accept the transfer of credits earned at the school;

13 “(17) Provides official transcripts of faculty members to the **Higher Ed-**
14 **ucation Coordinating** Commission; and

15 “(18) Pays the fee imposed by ORS 348.607.

16 “**SECTION 12.** ORS 348.605 is amended to read:

17 “348.605. (1) A school that obtains an exemption under ORS 348.604 or
18 that, on July 14, 2005, met the criteria and followed procedures to obtain a
19 religious exemption adopted by rule by the Oregon Student Access Commis-
20 sion and that offered only degrees [*with approved titles*] **leading to occu-**
21 **pations** in theology or religious occupations may not:

22 “(a) Award more than 25 percent of the credit toward a degree for non-
23 instructional activities, such as challenge examinations and professional or
24 life experiences;

25 “(b) Represent that the school is:

26 “(A) Approved by the State of Oregon; or

27 “(B) Accredited by an organization unless the organization **qualifies as**
28 **a post-secondary accrediting agency as defined in ORS 348.594** [*is re-*
29 *cognized as an accreditor by the United States Department of Education*]; or

30 “(c) Pay a faculty member a commission or otherwise base a faculty

1 member's compensation on the faculty member's recruitment of students to
2 the school.

3 “(2) A school that obtains an exemption under ORS 348.604 or that, on
4 July 14, 2005, met the criteria and followed procedures to obtain a religious
5 exemption adopted by rule by the Oregon Student Access Commission and
6 that offered only degrees [*with approved titles*] **leading to occupations** in
7 theology or religious occupations shall:

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

9 “(b) Notify the Higher Education Coordinating Commission if a faculty
10 member or administrator at the school has:

11 “(A) Been convicted of a felony; or

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

13 “(c) Place in any course catalog that is available to students or to the
14 public a notice that states: ‘(Name of school) has been granted exempt status
15 by the State of Oregon to offer theological and/or religious occupations de-
16 grees.’;

17 “(d) If the school closes, return to students tuition payments for the cur-
18 rent term on a prorated basis;

19 “(e) If the school provides placement services to a student, describe the
20 placement services clearly and accurately to the student and avoid giving
21 unrealistic expectations of placement to the student; and

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

23 “(A) Ensure that the administrator possesses the academic degree that the
24 administrator claims to possess; and

25 “(B) Require that the degree is from a school that, at the time of the
26 conferral of the degree, was accredited by a [*federally recognized accrediting*
27 *organization*] **post-secondary accrediting agency as defined in ORS**
28 **348.594**, held an exemption under this section, or was a school that, on July
29 14, 2005, met the criteria and followed procedures to obtain a religious ex-
30 emption adopted by rule by the Oregon Student Access Commission and of-

1 fered only degrees [*with approved titles*] **leading to occupations** in theology
2 or religious occupations.

3 **“SECTION 13.** ORS 348.608 is amended to read:

4 “348.608. (1) Each year, on a date prescribed by the Higher Education
5 Coordinating Commission, a school that obtains an exemption under ORS
6 348.604 or a school that, on July 14, 2005, met the criteria and followed
7 procedures to obtain a religious exemption adopted by rule by the Oregon
8 Student Access Commission and that offered only degrees [*with approved ti-*
9 *ties*] **leading to occupations** in theology or religious occupations, shall
10 submit to the Higher Education Coordinating Commission a statement that
11 reads: ‘(Name of School) hereby certifies that the school remains in compli-
12 ance with all conditions for a religious exemption from ORS 348.594 to
13 348.615.’

14 “(2) A school that obtains an exemption under ORS 348.604 or a school
15 that, on July 14, 2005, met the criteria and followed procedures to obtain a
16 religious exemption adopted by rule by the Oregon Student Access Commis-
17 sion and that offered only degrees [*with approved titles*] **leading to occu-**
18 **pations** in theology or religious occupations remains exempt unless the
19 Higher Education Coordinating Commission suspends or revokes the ex-
20 emption.

21 “(3) The Higher Education Coordinating Commission may suspend or re-
22 voke an exemption if:

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

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

1 comply with the condition listed in the notice; or

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

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

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

8 “(b) Failure to maintain compliance with a condition for exemption under
9 ORS 348.604 if the commission has received a complaint from a student or
10 former student of the school that the school is failing to comply with a
11 condition for exemption under ORS 348.604 and the commission has deter-
12 mined the complaint is valid; or

13 “(c) Violation of ORS 348.605.

14 “(5) A school may appeal the denial, suspension or revocation of an ex-
15 emption to the Higher Education Coordinating Commission.

16 “(6) A school may appeal the Higher Education Coordinating
17 Commission’s decision that a faculty member does not possess sufficient
18 compensatory qualifications to substitute for an academic degree in the field
19 in which the faculty member teaches.

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

22 “(8)(a) If a school appeals the denial, suspension or revocation of an ex-
23 emption and the Higher Education Coordinating Commission upholds the
24 denial, suspension or revocation, the commission shall provide the school 90
25 days to cure the grounds for the denial, suspension or revocation. If the
26 school does not cure the grounds for the denial, suspension or revocation
27 within 90 days after the commission upholds the denial, suspension or revo-
28 cation, then the denial, suspension or revocation becomes effective 90 days
29 after the issuance of the decision on the appeal by the commission.

30 “(b) If a school does not appeal the denial, suspension or revocation of

1 an exemption to the commission and the school does not cure the grounds
2 for the denial, suspension or revocation within the period of time to appeal
3 the decision to the commission, then the denial, suspension or revocation
4 becomes effective upon the expiration of the period of time to appeal.

5 **“SECTION 14.** ORS 659A.318 is amended to read:

6 “659A.318. (1) If an employer requires an applicant or employee to have
7 an academic degree from a post-secondary institution to qualify for a posi-
8 tion, but does not require a degree with a specific title, it is an unlawful
9 employment practice for the employer to refuse to hire or promote or in any
10 manner discriminate or retaliate against the applicant or employee only be-
11 cause the applicant or employee meets the educational requirements for the
12 position by having a degree [*with a title*] **leading to occupations** in theology
13 or religious occupations from a school that, when the degree was issued, was
14 a school:

15 “(a) That, on July 14, 2005, met the criteria and followed procedures to
16 obtain a religious exemption adopted by rule by the Oregon Student Access
17 Commission and that offered only degrees [*with approved titles*] **leading to**
18 **occupations** in theology or religious occupations; or

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

20 “(2) If an employer other than a public body, as defined in ORS 192.311,
21 offers employees benefits of tuition reimbursement, educational debt re-
22 duction, educational incentive or educational contribution or gift match for
23 educational services provided by a post-secondary institution and the em-
24 ployer does not restrict the program to specific institutions or degrees with
25 specific titles, it is an unlawful employment practice for the employer to re-
26 fuse to offer the benefit to or in any manner discriminate or retaliate against
27 an employee because the employee attends or seeks to attend a school that
28 is:

29 “(a) A school that, on July 14, 2005, met the criteria and followed proce-
30 dures to obtain a religious exemption adopted by rule by the Oregon Student

1 Access Commission and that offered only degrees [*with approved titles*]
2 **leading to occupations** in theology or religious occupations; or

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

4 **“SECTION 15.** ORS 350.300, as amended by section 2, chapter 42, Oregon
5 Laws 2022, is amended to read:

6 “350.300. (1) Notwithstanding ORS 341.290, 352.105 or 353.050, a student
7 who is a current foster child or former foster child or a current homeless
8 youth or former homeless youth, under 25 years of age and enrolled in
9 courses totaling one or more credit hours at an institution of higher educa-
10 tion as an undergraduate student shall have the amount of tuition and all
11 fees levied against the student waived if attending an institution of higher
12 education for purposes of pursuing an initial undergraduate degree.

13 “(2) A student is entitled to waiver of tuition and all fees under sub-
14 section (1) of this section until the student has received the equivalent of
15 four years of undergraduate education.

16 “(3) As a condition of receiving a tuition waiver for an academic year,
17 **if the student is eligible to file** the [*student must complete and submit*
18 *the*] Free Application for Federal Student Aid (FAFSA) [*for that academic*
19 *year*], **the student must complete and submit the application for that**
20 **academic year.**

21 “(4) A waiver of tuition and all fees under subsection (1) of this section
22 may be reduced by the amount of any federal aid scholarships or grants, an
23 award from the Oregon Opportunity Grant program established under ORS
24 348.205 and any other aid received from the institution of higher education.
25 For the purposes of this subsection, ‘federal aid scholarships or grants’ does
26 not include Chafee Educational and Training Voucher Program grants under
27 42 U.S.C. 677.

28 “(5) As used in this section:

29 “(a) ‘Former foster child’ means an individual who, for a total of six or
30 more months while between 14 and 21 years of age, was:

1 “(A) A ward of the court pursuant to ORS 419B.100 (1)(b) to (e), in the
2 legal custody of the Department of Human Services for out-of-home place-
3 ment and not dismissed from care before reaching 16 years of age; or

4 “(B) An Indian child subject to ORS 419B.600 to 419B.654, under the ju-
5 risdiction of a tribal court for out-of-home placement and not dismissed from
6 care before reaching 16 years of age.

7 “(b) ‘Homeless youth’ means a person who:

8 “(A) Experienced homelessness for a total of six or more months while
9 between 14 and 24 years of age;

10 “(B) While experiencing homelessness as described in subparagraph (A)
11 of this paragraph, received services from an organization contracted by the
12 Department of Human Services to provide services to homeless persons or
13 from a host home, as defined by the department by rule; and

14 “(C) Was at least 16 years of age when the person last received the ser-
15 vices described in subparagraph (B) of this paragraph.

16 “(c) ‘Institution of higher education’ means:

17 “(A) A public university listed in ORS 352.002;

18 “(B) A community college operated under ORS chapter 341; or

19 “(C) The Oregon Health and Science University.”.

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