
Docket Item:

- New Rule Temporary
 Amend Existing Rule Permanent
 Repeal Rule

Prompted by:

- State law changes
 Federal law changes
 Other

These changes go into effect on adoption.

Summary:

583-030-0020: This amendment establishes standards and application procedures for schools to seek authorization or exemption from the Commission to operate as a degree granting institution in Oregon. Establishes conditions for provisional authorization of non-exempt schools. The amendment further clarifies that schools are required to be accredited or seeking accreditation, and that provisional authorization can be granted if a school demonstrates that it is making progress in obtaining accreditation. The amendment also notes that there are other conditions that must be met to obtain provisional authorization. Other amendments include updating the length of time authorization is granted for, to allow authorization time to be extended beyond two years, for up to two more years, in extenuating or emergency situations. This update adds clarity to the authorization process.

583-030-0030: This amendment establishes the standards and procedures required for institutions to obtain authorization to offer academic degrees in Oregon. The amendments clarify that authorized institutions must notify the Commission of institution or program changes and the details of the change so the Commission may make a determination of whether the changes are substantive and may warrant further fees, or non-substantive changes, both requiring approval. The amendment further clarifies and provides examples of substantive changes and documentation required.

583-030-0042: This amendment updates reporting requirements of authorized degree granting schools in Oregon. The amendments to this rule clarify the delivery method for submitting institutional data; requires immediate notification of changes of faculty and administrators, academic and administrative policies affecting the control of the school or impacting the students, and any notifications from accrediting agencies and the U.S. Department of Education.

583-030-0044: This amendment establishes the state and degree granting schools' responsibility for student records, including specific requirements upon school closure. The amendments establish that transcripts held by the Commission or other authorized party should be held permanently. It also updates transcript transfer to the Commission to be electronic and in PDF format rather than hard copy.

583-030-0061: This new rule establishes that schools seeking initial authorization or authorization renewal from the Commission must submit a school closure plan, including a communication plan, teachout procedures or credit transfer options, and identification of custodian of records. This rule protects students through ensuring that in the event of a school closure, there is a clear process for them to obtain student records and issue a refund if warranted.

HIGHER EDUCATION COORDINATING COMMISSION

June 9, 2022

Docket Item #: 14.2

Material:

Rules text, redlined (below).

Staff Recommendation:

Staff recommends approving the permanent rules as drafted.

583-030-0020

Exercise of Office of Degree Authorization Authority

(1) A school that intends to offer to anyone from within Oregon or offer to Oregon residents from outside the state any form of instruction, lecture, training, tutoring, seminar, workshop, examination, evaluation, or other service represented as contributing credit or otherwise leading toward a specified or unspecified degree or certificate that will or might be conferred anywhere shall notify the Commission at least 6 months in advance and then promptly supply all information the Commission requests. Failure to notify the Commission in advance, or to provide information as directed, may result in the permanent denial of approval for the school to offer any services in or from Oregon, as well as administrative action, up to and including assessment of civil penalties.

(a) No school shall be eligible to apply for authorization to offer in or from Oregon any instruction, academic credit, or other services leading to a degree before it has obtained accreditation or pre-accreditation candidacy at or above the associate degree level from an accrediting body recognized by the U.S. Department of Education (USDE).

(2) Schools that are currently authorized, and not accredited, may be granted provisional authorization until the school has applied for accreditation recognized by the USDE. Provisional authorization may be approved for a period of not less than two years nor more than four years and may be extended at the discretion of the Commission. Provisional authorization shall be contingent upon the school continuously seeking and making satisfactory progress toward accreditation, as evidenced by submission to the Commission of a letter of intent and subsequent documentation from the accrediting agency.

(3) Provisional authorization may be approved for applications pending the following conditions for a period of not less than two years nor more than four years:

(a) Establishment of federal Financial Responsibility Composite Score (FRCS) or submission of the most recent independently audited financial statement, current same day balance sheets, and self-calculations of the composite score;

(b) Receipt or notification of investigations or adverse actions from state, federal, or accrediting agencies;

(c) Change of ownership before documentation of sales transaction is completed; or

(d) Pending approval of accrediting agency recognized by the USDE.

(24) Schools that offer no degrees in Oregon but want to offer a certificate are subject to the requirements of ORS chapter 345 and OAR chapter 715, division 45.

(35) Schools intending to apply for authorization or exemption from the Commission shall provide the Commission with information about the school's ownership and structure, proposed programs, relationships to other schools, partnership agreements, or online program management agreements, if

any. ~~On the basis of this preliminary information, the~~ The Commission's ~~executive director~~ will determine whether the school:

(a) Must apply for state authorization to offer instruction or related services leading to one or more degrees under the standards of OAR 583-030-0035 ~~or 583-083-0036~~;

(b) Is exempt for other than religious reasons under ORS 348.597;

(c) Is eligible for exemption under ORS 348.604 and therefore has a choice of standard state approval or religious exemption.

~~(46)~~ A school that applies for degree authorization or exemption shall use forms and follow procedures determined by the Commission. Failure to comply constitutes good reason to reject an application. Such school shall be open to inspection and may be inspected at any time to verify its statements and to examine facilities. Inspection of a school and evaluation of its application will be performed by state officials or consultants at the ~~Executive Director~~ Commission's discretion, and results will be utilized as the Commission considers appropriate. Information from other examiners, such as accreditors, the US Department of Education, and professional licensing agencies, shall accompany materials submitted by the school and may be used by the Commission at its discretion.

~~(57)~~ Authorization to offer instruction or related services leading to a degree applies to specific curricula and services for specific periods:

(a) Authorization is normally given for the state as a whole, but may be limited by the Commission in order to ensure program quality or operational stability.

(b) The Commission, on the basis of judgment about the relationship between a curriculum and a degree title, may require revision of title. Degree titles may not contain the name of organizations, companies, or products.

(c) Authorization is given for a specific degree for a fixed period of ~~not less than two years or and may be extended for another two years more than four calendar years upon a request submitted in writing to the Commission due to extenuating or emergency situations such including, but not limited to, as natural disasters, catastrophic events, a governor -declared emergency, or inability of the owner or administrator to perform their duties as determined by the Commission. The executive director may vary the length of approval periods by up to one year subject to the four year limit in order to consolidate applications or renewals for the convenience of the school or the Commission.~~

~~(68)~~ Authorization to offer instruction or related services leading to a degree expires at the end of the period for which it is given, without right or presumption of renewal, except that an authorized school having submitted to a complete and timely application for renewal continues to be authorized until such time as a review or revocation procedure may determine otherwise. After discontinuing its offer of an authorized degree before the end of the period of authorization, a school shall not reinstate the degree without permission from the Commission. A program shall be deemed discontinued if a period of two academic years passes without any students being enrolled in the program.

~~(79)~~ Authorization to offer instruction or related services leading to a degree is subject at all times to supplemental review if the school appears to be at risk or approaching probation, suspension, or revocation for proper cause according to procedures described in OAR 583-030-0045.

~~(81e)~~ Approval of a degree by the ~~commission~~ Commission does not constitute approval of the program as training for professional practice when the state licenses or otherwise regulates professional practice. Applicants must also seek approval from the appropriate state licensing entity.

(911) The Commission or its designee may enter into agreements and assess fees to cover costs of any proceeding relating to complaints as allowed by statute, including conducting an investigation pursuant to OAR 715-011-0080, contracting with outside entity to conduct an investigation, or holding an administrative hearing, brought pursuant to OAR 715-011-0090.

Statutory/Other Authority: ORS 348.606 & ORS 350.075

Statutes/Other Implemented: ORS 348.597, ORS 348.603, ORS 348.604, ORS 350.075 & ORS ~~648~~348.606

583-030-0030

Application Procedure

(1) A school seeking initial or renewal of degree authorization shall ~~allow~~ up to three months to prepare its application and six additional months for review by the Commission. ~~Approval of exempt degrees and abbreviated reviews for certain external or semi-residential degrees or for limited or restricted residential instruction may require less time.~~ To be considered timely, a complete application for renewal of an existing authorization must be submitted six months before the date that authorization expires, and a school seeking renewal is fully responsible for beginning the procedure.

(2) In order to be valid, application must be made by the method determined by the Commission, including completion according to instruction of any forms provided for the purpose. Modification will be allowed by explicit permission only. The applicant school shall submit any information requested by the Commission and may submit such supplemental information as it considers pertinent. ~~The Commission will provide advice.~~

(3) Program approval may be conditional on approval of employees hired after the approval date.

(4) Application for authorization to offer a degree or to provide services leading to a degree in whole or in part must be accompanied by payment of the fee described in ~~OAR 583-030-0046~~ Oregon Revised Statute 348.606, or such reduced fee as determined by the Commission in special circumstances. ~~Several curricula leading to the same degree may be submitted as part of a single application. A school seeking to have a degree program concentration or specialization evaluated must submit an application and fee after the initial program has been approved.~~

(5) Authorized degree-granting postsecondary schools shall notify the Commission of school and program changes for a determination of substantive or non-substantive changes. The school shall submit the following information to the Commission:

(a) Name of the school (and specific campus, if applicable).

(b) Name of the authorized program or school change, and

(c) The details of the proposed change(s). Depending on the information provided to the Commission, the change(s) may result in a comprehensive evaluation of the school and/or program(s) and may include application fees.

(6) The Commission defines a substantive change proposed by a school as one that would be sufficiently extensive and may impact the resources of the school and the requirements for program completion or graduation. A substantive change is a significant departure from current practice as outlined in the school's last authorization approval. Examples of substantive changes include, but are not limited to the following:

(a) A change in location or geographical area served;

(b) A change in legal status, form of control, or school ownership;

(c) Acquiring another school or any program or location of another school;

(d) An increase or decrease of required credit hours for successful completion of a degree program;

(e) Changes in academic outcomes, such as professional licensing or graduation requirements;

(f) Offering courses or programs at a higher or lower degree level than authorized, such as from an associate to a bachelor or the reverse;

(g) Changing the way a school measures student satisfactory academic progress;

(h) Entering into a written agreement with a third-party servicer, such as an online program manager, for providing academic services.

(7) If the change includes a change in mode of delivery of over 50%, the school must provide to the Commission a written explanation of the percentage of distance education, percentage of face-to-face instruction, and experience in distance education. In addition, the school must submit a summary that includes the following information:

(a) A curriculum map, a list, and descriptions of all courses within a program outlining which course(s) will be offered via distance education (synchronous or asynchronous, etc.);

(b) An explanation of the appropriateness of the program for delivery through distance education methods;

(c) The school's technology infrastructure, such as online library resources for each program offered;

(d) Information pertaining to the ability of students to successfully participate in distance education without creating undue hardships, other educational options that may be available, suitability to student learning styles, and available technology such as internet connections, software, and hardware;

(e) Faculty training and experience in online teaching and measurement of student progress;

(f) Technical assistance available for faculty and students;

(g) Evaluation of the effectiveness of distance education such as faculty and student surveys and reviews.

(8) A non-substantive change does not affect the requirements for program completion or graduation requirements, or impact the resources and capacity of the school, or include any of the substantive changes listed above. Non-substantive changes require review to confirm it is non-substantive, but do not require an evaluation and fees by formal approval by the Commission as is the case for substantive changes. Examples of non-substantive changes include, but are not limited to:

(a) Name change of existing program;

(b) Change of program title or course number;

(c) Change in the mode of delivery of an existing program if the modification(s) does not affect credit or degree completion/graduation requirements more than 50%, and meets the curriculum standards as listed in OAR 583-030-0035(6).

(9) Accredited institutions must submit to the Commission a copy of the institutional accrediting agency's substantive change approval letter or determination that the program change is a non-substantive change.

(10) Institutions seeking a substantive or non-substantive change in a program leading to professional licensure must submit a copy of the approval letter from the appropriate professional licensing board with their request for change.

Statutory/Other Authority: ORS 348.606 Statutes/Other
Implemented: ORS 348.603 & 348.606

583-030-0042
Reporting Requirements

(1) A school authorized to offer instruction or related services leading to one or more degrees under the standards in OAR 583-030-0035 shall annually submit to the Commission ~~annually, a detailed listing of students including personal student information, such as; personal identification, demographic and program information in a form and format as directed by the Commission. In addition, in a form provided by the Commission, a brief report of activities and planning in the academic or fiscal year just ended. In its report, the school shall describe any important changes in academic or administrative policies, facilities or locations of instruction, and organization or personnel. The school shall also supply data such as teacher turnover, and student enrollment, completion, and placement as requested on state forms provided by the Commission, together with current catalogs and the latest independent financial audit not previously submitted. Between annual reports, the school shall send to the Commission promptly qualification forms of new owners, governing board members, officers, administrators, or teachers serving Oregon students, and shall send immediately the details of any possible or anticipated change of ownership or governance or any other matter having extensive effect on the school.~~ data with a detailed listing of students, including personal student information, such as personal identification, demographic, and program information in a form and format as directed by the Commission.

(2) The school shall immediately notify the Commission of any important changes in academic or administrative policies, or any other matters that may, impact academic programs and services to students. Examples may include, but are not limited to:

(a) Facilities,

(b) Locations of instruction,

(c) Notifications received from the school's accrediting agency and the U.S. Department of Education, and

(d) Any reports of lawsuits, investigations, audits, actions or other formal inquiries by governmental bodies or legal authorities.

(3) The school shall annually submit the latest certified independently audited financial statement and same day balance sheets, if not previously submitted.

(4) ~~Between annual reports, T~~he school shall immediately submit send to the Commission ~~promptly~~ promptly qualifications forms of new owners, governing board members, officers, administrators, or ~~teachers~~ faculty serving Oregon students, and ~~shall send immediately~~ the details of any possible or anticipated change of ownership or governance or any other matter having extensive effect on ~~the school control of the school.~~

~~(3) A non-Oregon school authorized to offer instruction or related services leading to one or more degrees but without resident instruction or with limited resident instruction in Oregon under OAR 583-030-0036, shall submit to the Commission annually, a detailed listing of students including personal student information, such as; personal identification, demographic and program information in a form and format as directed by the Commission. In addition, in a form provided by the~~

~~Commission, a brief report of activities and planning in the academic or fiscal year just ended insofar as Oregon students would be affected. In its report, the school shall describe as they might affect Oregon residents any important changes in academic or administrative policies, facilities or locations of instruction, and organization or personnel. The school shall also supply Oregon enrollment and degrees granted data on a state form provided by the Commission, together with current catalogs and the latest independent financial audit not previously submitted. Between annual reports, the school shall send to the Commission's executive director immediately details of any possible or anticipated change of ownership, governance, curriculum, Oregon site coordinator, teachers or other matter having potential importance to Oregon students. This provision does not apply to a non-Oregon school authorized in Oregon through a reciprocity agreement, such as the State Authorization Reciprocity Agreement (SARA).~~

(5) A school that has obtained a religious exemption under ORS 348.604 shall submit the self-certification to the Commission as required under ORS 348.608 on or before September 1 of each year.

~~(5)~~ An authorized degree-granting school shall continue during the period of its authorization to respond promptly to any requests made by the Commission's ~~executive director~~ for general or ~~particular~~ specific information and shall supply the information as directed. Monthly reporting will be required for a school determined to be at risk pursuant to OAR 583-030-0045.

~~(6)~~(7) A school that ceases to offer any authorized or exempted degree or the instruction related thereto, other than during regular academic recesses, shall notify the Commission's ~~executive director~~ immediately and may not reinstate the degree program without permission.

Statutory/Other Authority: ORS 348.606

Statutes/Other Implemented: ORS 348.~~596597~~, & ORS 348.606, ORS 348.608

583-030-0044

State Responsibility for Student Records

Effective January 13, 2015:

(1) Pursuant to OAR 583-030-0035(14), transcripts held by the Commission, an authorized school, or a third-party credential service are permanent and shall never be destroyed.

~~(1)~~(2) The state is ultimate custodian of records documenting in transcript form the admission, academic degree credits, and performance ratings of Oregon students enrolled in Oregon schools postsecondary schools that have been authorized by the ~~Higher Education Coordinating~~ Commission to offer instruction or related services in or from Oregon leading to degrees that are valid as public credentials. Whenever such transcripts appear to be at risk of damage, loss, or misappropriation, the ~~commission's Commission-executive director~~ may direct a school to change its practices in order to safeguard the records, and the school shall comply immediately.

~~(2)~~(3) If such an authorized Oregon school plans to discontinue operations or is warned by the ~~commission's Commission-executive director~~ specifically because of failure to safeguard student records, the school shall promptly furnish to the ~~commission Commission~~ legible paper copies of fully current transcripts for all past and present students in an electronic format approved by the Commission.

~~(3)~~(4) If such an authorized Oregon school discontinues operation or has degree authorization revoked or suspended, it may seek ~~commission Commission~~ permission to place original transcripts in the custody of another authorized-related or similar school, or a third-party credential service that will continue to issue

them on behalf of former students. The ~~Ce~~ommission ~~will~~may approve another school as custodian or else seek possession of the original transcripts, if necessary by court order.

~~(45)~~ The ~~ecommission~~ Commission ~~on request~~ may take possession of transcripts from a closing Oregon unit of a non-Oregon degree granting school, if that appears to be the only way to protect Oregon residents who were enrolled at the Oregon unit.

(a) The school shall submit an electronic copy of student transcripts to the Commission when the permanent repository of the transcripts is not the Commission pursuant to OAR 583-030-0061(6)(g)(F).

(b) The school shall provide to the Commission a digital PDF copy of individual student transcripts, with filenames in a format directed by the Commission pursuant to OAR 583-030-0061(6)(g)(G).

(c) Records transferred to the Commission shall be retained permanently. Students may request copies of transcripts by written request on a form provided by the Commission along with a \$12.00 application fee. Students will receive one unofficial copy and three official sealed copies. The student may request an official copy be sent to an employer and/or postsecondary school by indicating such on the records request form. Transcripts will not be provided to third party credential services for education verification in compliance with FERPA rules for student protection. 20 U.S.C. § 1232g; 34 CFR Part 99.

~~(58)~~ Upon taking possession of student academic transcripts, the ~~ecommission~~ Commission will issue a transcript copy at the request of any student ~~who is not delinquent in fee payment~~, except that the ~~ecommission~~ Commission will not issue such transcript copies while any unit of the school of origin or the assigned custodial school can administer their issuance. Individual student records are confidential and not ~~ecommission records open to the~~ subject to public records requests.

Statutory/Other Authority: ORS 348.603, ORS 348.606

Statutes/Other Implemented: ORS 348.606

583-030-0061 (NEW)
School Closures

(1) Schools must submit to the Commission for approval a closure plan with the submission of an initial or renewal application for degree program authorization outlining their process in the event of an abrupt or planned school closure.

(2) If the school plans to discontinue a program and/or site currently available to Oregon residents, it shall notify the Commission immediately and submit alternative plans for program completion that are acceptable and approved by the Commission.

(3) In the event that the school plans to close and discontinue all its operations in Oregon, the chief administrative officer of the school shall notify the Commission of the closure per Oregon Administrative Rule (OAR) 583-030-0042(6) by submitting a letter on school letterhead immediately by email. The notification shall include a written statement that all recruitment efforts, marketing, advertisement, and enrollment of new students will cease at the time of the closure announcement.

(4) School staff shall meet with the Commission to review required closure procedures prior to notifying students and staff, and providing the Commission with the school's communication and teach-out/transfer plans.

(5) The school shall develop and submit a communication plan for Commission approval and complete the following tasks within a timeframe approved by the Commission:

(a) Notify students who were enrolled at a minimum of 60 calendar days prior to the closure, or attended anytime during the academic year, with a written notice approved by the Commission. That notice must include:

(A) The reason for the closure;

(B) The last day of instruction for each program;

(C) What procedures students are to follow to receive transcripts;

(D) How students can submit a surety bond/letter of credit or refund claim;

(E) What arrangements have been made for students to continue their education at no additional cost or undue transportation hardships, including agreements with other postsecondary schools. If teach-out options are not viable, the school must provide students with a list of possible transfer schools and contact information;

(F) Links to federal financial aid, loan discharge information, and the link to the school's closure website. If the school is a participant in federal student financial aid programs, it shall provide students with information concerning those programs and school closures.

(b) Post closure information on the school's website prior to student notification. The website shall include the following information: a copy of the closure notification letter; dates and contact information of institutional and programmatic accreditors; details on how to secure copies of official transcripts and diplomas, lists of teach-out partners and copies of articulation agreements or list of possible transfer options; links to catalogs and course syllabi; professional licensure and certification contacts; information on submitting tuition refund or surety bond claims, and links to USDE closed school student loan discharge;

(c) Provide the Commission with school data provided in a format determined by the Commission within 14 calendar days, including:

(A) Total number of students currently enrolled in each program of study;

(B) List of all students currently registered or enrolled in a program of study at the Oregon location. The list shall include student name, contact information, student ID, educational program name, number of credits completed, number of credits remaining for program completion, start dates and estimated completion dates, and anticipated decisions regarding teach out options for each student, including identifying students receiving federal financial aid and GI Bill benefits;

(C) Account ledgers for each student that includes clear and correct information about student charges, payments, source of each payment, and balance;

(D) Procedures for disbursement of refunds and set a date no later than 30 calendar days from the last day of instruction to issue refund checks in the full amount for which students are entitled.

(6) The school shall develop and submit a teach-out/transfer plan to the Commission that includes the following:

(a) Timeline for the closure and last date of instruction (or close approximation of anticipated closing date);

(b) Name and contact information of the person(s) who will be responsible for closing arrangements;

(c) School contacts for student advising, records, and staff responsible for refunds and financial aid;

(d) Name and contact information of the person(s) who will be responsible after the closure date;

(e) Process for distributing transcripts that meets the following minimum requirements:

(A) Distribute one unofficial and three official final transcripts to currently enrolled students or those that completed a term in the current academic year at no cost to the student by a date approved by the Commission but no later than 14 calendar days from the last day of instruction.

(B) The school must provide all former students with a final official copy of their transcripts before transcripts are sent to the custodian of records.

(C) After notification of a school closure, transcripts shall not be withheld for students still owing tuition or fees to the school, and all academic and financial holds shall be removed.

(f) Teach-out and transfer plans approved by the Commission must fulfill the school's educational obligations to its students and the school shall:

(A) Maintain authorization until all students have completed the in-house teach-out or have transferred to other schools to complete their programs;

(B) Identify transfer of credit issues and develop possible strategies to address type of accreditation, residency requirements, professional licensing skill assessment and remediation processes, and students with few remaining credits needed to complete their programs. Assistance to students that only require a few remaining credits for graduation shall be prioritized;

(C) Ensure that the school's students will continue to receive education of the same quality and content as that for which they contracted;

(D) Request an exception of OAR 583-030-0035(5)(a)(B) from the Commission reducing the amount of residential credit required for program completion as part of a teach-out/transfer plan or articulation agreement;

(E) Submit copies of articulation and transfer agreements;

(F) Submit a copy of the school's institutional accrediting agency approval of the teach-out/transfer plan;

(G) Provide student refunds of prepaid, unearned tuition and fees at the time of school closure if a teach-out or transfer of credit is not available.

(g) Identification of the permanent custodian of records for transcripts and other student records pursuant to OAR 583-030-0044.

(A) Schools and owners are responsible to arrange storage and the safekeeping of records. Pursuant to OAR 583-030-0035(14), transcripts are permanent and cannot be destroyed.

(B) As approved by the Commission, the custodian of records will continue to issue transcripts on behalf of former students and may include another authorized school, a third-party credential service, or a corporate headquarters.

(C) Institutions shall release academic and financial holds on student accounts before operation is discontinued and the records are transferred to the custodian of records.

(D) Academic records shall include licensing and certification training files for verification of clinical sites, hours, and other documentation as needed for professional licensing or certification requirements.

(E) If the Commission is designated as the custodian of record, final transcripts shall be submitted within 30 days prior to the school's closure in an electronic format specified by the Commission.

(F) The school shall submit a copy of student transcripts to the Commission when the permanent repository of the transcripts is not the Commission.

(G) The school shall provide to the Commission a digital PDF copy of individual student transcripts, with filenames in a format directed by the Commission.

(H) Pursuant to OAR 583-030-0044, the Commission may take possession of transcripts from a closing degree granting school, if the transcripts are determined to be in danger of destruction.

(7) Schools that fail to comply with the above rules are subject to criminal penalties under ORS 348.992.

Statutory/Other Authority: ORS 348.606

Statues/Other Implemented: ORS 348.606, ORS 348.9