

Enrolled Senate Bill 199

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Theodore R. Kulongoski for Oregon Student Assistance Commission)

CHAPTER

AN ACT

Relating to student assistance; amending ORS 348.505, 348.530, 348.570 and 733.650; repealing ORS 348.393, 348.395, 348.397, 348.399, 348.405, 348.410, 348.415, 348.420, 348.425, 348.575, 348.645 and 348.650; and declaring an emergency.

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

SECTION 1. ORS 348.505 is amended to read:

348.505. As used in ORS [348.393 to 348.399 and] 348.505 to 348.695:

- (1) "Commission" means the Oregon Student Assistance Commission.
- (2) "Financial aid" includes loans, grants, scholarships, work opportunities and other forms of financial aid to assist students in completing their post-high-school education.

SECTION 2. ORS 348.530 is amended to read:

348.530. The Oregon Student Assistance Commission may:

- (1) Negotiate for and contract with private and governmental agencies for the establishment of financial aid programs.
- (2) Receive gifts of any type, including gifts of stock and real property, for the purpose of establishing, continuing and increasing financial aid.
- (3) Administer any form of financial aid submitted to and accepted for administration by the commission.
- (4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and other reasonable expenses, including refund of overpayment of fees, which are related to and necessary for making and protecting guaranteed loans and recovering moneys and loans and management of property acquired in connection with such loans.
- (5) Sue and be sued.
- (6) Pursuant to ORS chapter 183, adopt such rules as may be necessary to carry out the provisions of ORS 348.040 to 348.280, [348.393 to 348.399,] 348.505 to 348.695 and 348.992.
- (7) Cooperatively coordinate all types of financial aid activities.
- (8) Establish a State of Oregon scholar program to recognize students with outstanding academic achievement and other demonstrated attributes. The students will not necessarily receive financial aid.
- (9) Guarantee loans by eligible lending institutions to students who are enrolled or accepted for enrollment at any eligible institution and parents of those students, under the provisions of the Higher Education Act of 1965 as amended.

(10) Deny financial aid to any student owing a refund or in default on financial aid previously made available to that student.

(11) Establish and implement any program permitted under federal law to guaranty agencies, including administrative garnishment and wage withholding under Public Law 102-164, section 605.

SECTION 3. ORS 348.530, as amended by section 2, chapter 360, Oregon Laws 2003, is amended to read:

348.530. The Oregon Student Assistance Commission may:

(1) Negotiate for and contract with private and governmental agencies for the establishment of financial aid programs.

(2) Receive gifts of any type, including gifts of stock and real property, for the purpose of establishing, continuing and increasing financial aid.

(3) Administer any form of financial aid submitted to and accepted for administration by the commission.

(4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and other reasonable expenses, including refund of overpayment of fees, which are related to and necessary for making and protecting guaranteed loans and recovering moneys and loans and management of property acquired in connection with such loans.

(5) Sue and be sued.

(6) Pursuant to ORS chapter 183, adopt such rules as may be necessary to carry out the provisions of ORS 348.040 to 348.280, [348.393 to 348.399,] 348.505 to 348.695 and 348.992.

(7) Cooperatively coordinate all types of financial aid activities.

(8) Establish a State of Oregon scholar program to recognize students with outstanding academic achievement and other demonstrated attributes. The students will not necessarily receive financial aid.

(9) Guarantee loans by eligible lending institutions to student residents of the State of Oregon who are enrolled or accepted for enrollment at any eligible institution, nonresident students enrolled or accepted for enrollment in an institution of higher education or community college in Oregon, and parents of those students, under the provisions of the Higher Education Act of 1965 as amended.

(10) Deny financial aid to any student owing a refund or in default on financial aid previously made available to that student.

(11) Establish and implement any program permitted under federal law to guaranty agencies, including administrative garnishment and wage withholding under Public Law 102-164, section 605.

SECTION 4. ORS 348.570 is amended to read:

348.570. (1) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Oregon Student Assistance Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of the expenses of the Oregon Student Assistance Commission in carrying out the purposes of ORS 348.210 to 348.250, 348.505 to 348.615, 348.696 and 348.992. Interest earned by the fund shall be credited to the fund.

[(2) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Student Loan Guarantee Fund, which may be invested in the same manner as the Oregon Student Assistance Fund. This fund shall receive funds from federal, state or private sources for the purpose of guarantying payment of loans made by eligible lending institutions to students who are enrolled or accepted for enrollment at any eligible institution and parents of those students, under the provisions of the Higher Education Act of 1965 as amended and for administrative expenses of guarantying loans. This fund, including the interest earnings on the fund, if any, is continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission.]

[(3)] (2) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Alternative Student Loan Program Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of expenses of the commission in carrying out the purposes of ORS 348.625 to 348.695. This fund, including the interest earnings on the fund, if any,

is continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission.

[(4)] (3)(a) There is established in the General Fund an account to be known as the Nursing Services Account. Funds in the account shall be used for the payment of expenses of the Nursing Services Program created in ORS 442.540.

(b) The account shall consist of:

(A) Funds appropriated to the Oregon Student Assistance Commission for deposit into the account;

(B) Collections and penalties received by the commission under ORS 442.545; and

(C) Any donations or grants received by the commission for purposes of the Nursing Services Program.

(c) Any funds in the account that are not expended in any biennium shall be retained in the account and may be expended in the next biennium.

[(5)] (4) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Former Foster Youth Scholarship Fund. Moneys received from appropriations, donations and grants shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Student Assistance Commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.270 (1)(b). Interest earned by the fund shall be credited to the fund.

SECTION 5. ORS 348.570, as amended by section 5, chapter 360, Oregon Laws 2003, is amended to read:

348.570. (1) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Oregon Student Assistance Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of the expenses of the Oregon Student Assistance Commission in carrying out the purposes of ORS 348.210 to 348.250, 348.505 to 348.615, 348.696 and 348.992. Interest earned by the fund shall be credited to the fund.

[(2) *There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Student Loan Guarantee Fund, which may be invested in the same manner as the Oregon Student Assistance Fund. This fund shall receive funds from federal, state or private sources for the purpose of guarantying payment of loans made by eligible lending institutions to student residents of the State of Oregon who are enrolled or accepted for enrollment at any eligible institution, nonresident students enrolled or accepted for enrollment in an institution of higher education or community college in Oregon, and parents of those students, under the provisions of the Higher Education Act of 1965 as amended and for administrative expenses of guarantying loans. This fund, including the interest earnings on the fund, if any, is continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission.*]

[(3)] (2) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Alternative Student Loan Program Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of expenses of the commission in carrying out the purposes of ORS 348.625 to 348.695. This fund, including the interest earnings on the fund, if any, is continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission.

[(4)] (3)(a) There is established in the General Fund an account to be known as the Nursing Services Account. Funds in the account shall be used for the payment of expenses of the Nursing Services Program created in ORS 442.540.

(b) The account shall consist of:

(A) Funds appropriated to the Oregon Student Assistance Commission for deposit into the account;

(B) Collections and penalties received by the commission under ORS 442.545; and

(C) Any donations or grants received by the commission for purposes of the Nursing Services Program.

(c) Any funds in the account that are not expended in any biennium shall be retained in the account and may be expended in the next biennium.

[(5)] (4) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Former Foster Youth Scholarship Fund. Moneys received from appropriations, donations and grants shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Student Assistance Commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.270 (1)(b). Interest earned by the fund shall be credited to the fund.

SECTION 6. ORS 733.650 is amended to read:

733.650. Funds of an insurer may be invested in the following:

(1) Obligations secured by a mortgage or deed of trust payment of which is guaranteed by a policy of mortgage insurance.

(2) Obligations issued, assumed or guaranteed by the International Bank for Reconstruction and Development.

(3) Bank and bankers' acceptances and other bills of exchange of the kind and nature made eligible by law for purchase in the open market by federal reserve banks.

(4) Deposits, certificates of deposits, accounts or savings or certificate shares or accounts of or in banks, trust companies, savings and loan associations or building and loan associations insured with the Federal Deposit Insurance Corporation or qualified to do business under the laws of this state.

(5) Obligations issued by trustees or receivers of a corporation created or existing under the laws of a sovereign which, or the assets of which, are being administered under the direction of a court having jurisdiction if the obligation is adequately secured as to principal and interest.

(6) Transportation equipment used wholly or in part within a sovereign, or adequately secured trust certificates of participation or similar obligations or contracts evidencing an interest in such transportation equipment, where the investor is entitled to receive a determined or determinable portion of rental, purchase or other obligatory payments for use or purchase of the equipment.

(7) Purchase contracts or lease-purchase agreements executed under the Federal Public Buildings Purchase Contract Act of 1954, or the Post Office Department Property Act of 1954.

(8) Stock of the Federal Home Loan Bank to the extent of the minimum required by the Federal Home Loan Bank Act. An insurer acquiring such stock may exercise all rights and powers given to members under such Act, including but not by way of limitation the right to obtain advances or borrow money from such bank and to pledge collateral as security therefor.

(9) Obligations issued, assumed or guaranteed by the Inter-American Development Bank.

[(10) *Loans guaranteed by the Oregon Student Assistance Commission pursuant to ORS 348.393 to 348.399 and 348.505 to 348.695.*]

[(11)] (10) Obligations issued, assumed or guaranteed by the Asian Development Bank.

[(12)] (11) Obligations issued, assumed or guaranteed by the African Development Bank.

SECTION 7. ORS 348.393, 348.395, 348.397, 348.399, 348.405, 348.410, 348.415, 348.420, 348.425, 348.575, 348.645 and 348.650 are repealed.

SECTION 8. This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect July 1, 2007.

Passed by Senate March 12, 2007

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Secretary of Senate

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President of Senate

Passed by House May 31, 2007

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Speaker of House

Received by Governor:

.....M,....., 2007

Approved:

.....M,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M,....., 2007

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Secretary of State