

House Bill 2118

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Presession filed (at the request of Governor John A. Kitzhaber for Oregon University System)

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**.

Redefines Oregon University System as public university system, consisting of office of Chancellor of Oregon University System and seven public universities with more authority and independence to manage affairs, operations and obligations. Creates new process for State Board of Higher Education to enter into performance compact with state in conjunction with biennial funding request. Eliminates requirement to seek expenditure limitation to spend other available moneys, including enrollment fees collected from students. Revises current process for setting enrollment fees by requiring student and student government participation. Exempts Oregon University System from certain laws relating to state agencies. Grants State Board of Higher Education power of eminent domain. Grants board authority to purchase insurance. Authorizes board to offer fee remissions to students. Increases membership of board to 15 members. Authorizes board to purchase property and construct facilities without seeking legislative approval if purchase or construction is to be completed without appropriating General Fund moneys or using general obligation bonds. Credits all interest earned in Oregon University System Fund to Oregon University System. Authorizes board to create institutional boards that may exercise powers over one or more public universities.

Becomes operative January 1, 2012.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to higher education; creating new provisions; amending ORS 30.264, 131.594, 182.122,
3 182.415, 183.635, 184.475, 184.477, 190.610, 192.501, 205.450, 205.455, 238.005, 238.300, 238.350,
4 238A.005, 243.105, 243.107, 243.778, 243.910, 243.956, 244.050, 270.100, 273.155, 273.785, 276.227,
5 276.229, 276.612, 279A.025, 283.305, 283.310, 284.633, 284.701, 285B.168, 285B.174, 286A.615,
6 286A.700, 291.038, 291.055, 292.043, 292.044, 310.155, 326.543, 326.587, 329.822, 329.840, 332.114,
7 332.155, 336.057, 337.500, 337.511, 338.115, 339.885, 340.005, 342.144, 342.147, 342.360, 342.390,
8 342.443, 344.259, 344.557, 348.005, 348.180, 348.183, 348.205, 348.210, 348.270, 348.282, 348.394,
9 348.429, 348.597, 348.890, 348.900, 348.910, 351.001, 351.005, 351.007, 351.010, 351.020, 351.050,
10 351.060, 351.062, 351.065, 351.067, 351.070, 351.072, 351.075, 351.077, 351.085, 351.086, 351.088,
11 351.094, 351.097, 351.110, 351.117, 351.130, 351.140, 351.150, 351.155, 351.160, 351.205, 351.210,
12 351.230, 351.240, 351.300, 351.310, 351.317, 351.320, 351.340, 351.450, 351.455, 351.460, 351.506,
13 351.590, 351.628, 351.638, 351.642, 351.643, 351.644, 351.646, 351.649, 351.656, 351.658, 351.700,
14 351.704, 351.840, 351.870, 351.885, 352.002, 352.004, 352.008, 352.010, 352.015, 352.017, 352.021,
15 352.223, 352.360, 352.370, 352.375, 352.380, 352.385, 352.390, 352.510, 352.669, 353.260, 353.440,
16 353.600, 353.603, 357.004, 408.095, 431.690, 433.090, 461.543, 541.375, 634.660, 659.855, 660.315,
17 660.358, 679.020, 696.182, 743.550 and 759.445; repealing ORS 351.003, 351.009, 351.090, 351.200
18 and 351.315; appropriating money; and declaring an emergency.

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

20 **SECTION 1. The Legislative Assembly finds that public higher education is necessary to**
21 **accomplish the findings in ORS 351.001 and recognizes the following as fundamental goals of**
22 **public higher education in this state:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (1) Creating an educated citizenry to support responsible roles in a democratic society
 2 and provide a globally competitive workforce to drive this state's economy, while ensuring
 3 access for all qualified Oregonians to a high-quality post-secondary education;

4 (2) Ensuring a high-quality learning environment that allows students to succeed;

5 (3) Creating original knowledge and advancing innovation; and

6 (4) Contributing positively to the economic, civic and cultural life of communities in all
 7 regions of Oregon.

8 **SECTION 2.** Sections 3, 4, 6 and 9 of this 2011 Act are added to and made a part of ORS
 9 351.010 to 351.070.

10 **SECTION 3.** The Oregon University System is established as a public university system,
 11 consisting of the office of the Chancellor of the Oregon University System, the public uni-
 12 versities listed in ORS 352.002 and any related offices, departments or activities. The State
 13 Board of Higher Education, on behalf of the Oregon University System, shall exercise and
 14 carry out all of the powers, rights and duties that are expressly conferred upon the board
 15 or that are implied by law or incident to such powers, rights and duties. The Oregon Uni-
 16 versity System is a governmental entity performing governmental functions and exercising
 17 governmental powers. The Oregon University System is not considered a unit of local or
 18 municipal government or, except as otherwise provided by law, a state agency for purposes
 19 of state statutes and constitutional provisions.

20 **SECTION 4.** (1)(a) The State Board of Higher Education is authorized, upon an affirma-
 21 tive vote of the board, to establish institutional boards to discharge specified duties and ob-
 22 ligations on behalf of the State Board of Higher Education for one or more of the public
 23 universities listed in ORS 352.002.

24 (b) When creating an institutional board for one or more public universities, the State
 25 Board of Higher Education shall make a finding that the establishment of the institutional
 26 board enhances the fulfillment of the public university's mission and the achievement of the
 27 Oregon University System's goals of public higher education.

28 (2) If the State Board of Higher Education establishes an institutional board for one or
 29 more of the public universities, the State Board of Higher Education shall, by rule:

30 (a) Specifically identify the duties and obligations delegated to the institutional board; and

31 (b) Establish a mechanism, including but not limited to a performance compact, to make
 32 the institutional board accountable for specified performance objectives.

33 (3) If the State Board of Higher Education establishes an institutional board for one or
 34 more of the public universities, the institutional board shall, at all times, include at least one
 35 current member of the State Board of Higher Education as a voting member of the institu-
 36 tional board, who shall be appointed by the president of the State Board of Higher Education.

37 **SECTION 5.** The State Board of Higher Education shall undertake a study of the poten-
 38 tial benefits and contributions, if any, that an institutional board for any of the public uni-
 39 versities listed in ORS 352.002 may provide to the Oregon University System and the affected
 40 public universities for the achievement of the Oregon University System's goals of public
 41 higher education. The State Board of Higher Education shall report its findings, together
 42 with any recommendations regarding the creation, structure and authority of institutional
 43 boards, to the Legislative Assembly no later than February 1, 2013.

44 **SECTION 6.** (1) The State Board of Higher Education shall set enrollment fees for each
 45 public university listed in ORS 352.002. Enrollment fees include tuition for education and

1 services and any other charges found by the board to be necessary to carry out the educa-
 2 tional program of the Oregon University System.

3 (2) The board shall, by rule, establish a process under which each public university may
 4 develop and submit proposed enrollment fees for board consideration. The process must
 5 provide for participation of enrolled students and the recognized student government of the
 6 public university.

7 (3) Each public university listed in ORS 352.002 is authorized to offer fee remissions to
 8 its students, including remissions offered on the basis of need, from any authorized source
 9 of revenue. Moneys appropriated from the General Fund may not be used to fund fee re-
 10 missions to students of the public university.

11 **SECTION 7.** (1) For the purposes of this section, “performance compact” means an
 12 agreement between the State Board of Higher Education and the State of Oregon to achieve
 13 certain performance targets in order to enhance the success of Oregon University System
 14 students in exchange for consideration of the appropriation sought in a funding request
 15 submitted by the State Board of Higher Education to the Oregon Department of Adminis-
 16 trative Services.

17 (2) On or before September 1 of each even-numbered year, the board shall submit a
 18 funding request to the department for the Oregon University System, applicable to the
 19 biennium beginning on July 1 of the following year. The funding request must include a per-
 20 formance compact.

21 (3) The department shall include the funding request as part of the Governor’s biennial
 22 budget submitted to the Legislative Assembly. Any funding request approved by the Legis-
 23 lative Assembly must direct the moneys appropriated to the department for allocation to the
 24 Oregon University System.

25 (4) The funding request must, in addition to the proposed performance compact, include
 26 a report on performance from the previous biennium’s performance compact. The board shall
 27 submit the performance report on or before December 1 of each even-numbered year.

28 (5) The board shall, by rule, establish a framework for the development of a performance
 29 compact that must accompany the funding request to the department.

30 (6) The board is authorized to:

31 (a) Request, as part of the funding request, state appropriations for budgetary items,
 32 including but not limited to education and general operations, statewide public services, state
 33 funded debt service, capital improvements and other special initiatives and investments; and

34 (b) Allocate moneys from its state appropriations and other available moneys among the
 35 office of the Chancellor of the Oregon University System, public universities listed in ORS
 36 352.002 and offices, departments and activities under the control of the board.

37 (7) The board is not required to seek expenditure limitation approval from the Legislative
 38 Assembly to spend any available moneys, including but not limited to moneys from enroll-
 39 ment fees collected pursuant to section 6 of this 2011 Act.

40 **SECTION 8.** Section 7 of this 2011 Act applies to biennia beginning on or after July 1,
 41 2013.

42 **SECTION 9.** The State Board of Higher Education shall:

43 (1) Approve all mission statements of the public universities listed in ORS 352.002; and

44 (2) Approve all academic programs offered at the public universities, and shall ensure
 45 that the academic programs:

1 (a) Are consistent with the mission statement of the respective public university;

2 (b) Do not unnecessarily duplicate academic programs offered by other public universities
3 listed in ORS 352.002; and

4 (c) Are allocated among the public universities in the Oregon University System to
5 maximize the achievement of statewide needs and requirements.

6 **SECTION 10.** As used in sections 10 to 14 of this 2011 Act:

7 (1) "Bond-related costs" means:

8 (a) The costs and expenses of issuing, administering and maintaining higher education
9 revenue bonds including, but not limited to, the costs of:

10 (A) Paying or redeeming higher education revenue bonds.

11 (B) Paying amounts due in connection with credit enhancement devices or agreements
12 for exchange of interest rates.

13 (C) Paying the fees, administrative costs and expenses of the State Treasurer and the
14 Oregon University System, including the costs of consultants or advisers retained by the
15 State Treasurer or the Chancellor of the Oregon University System, for the higher education
16 revenue bonds.

17 (b) The costs of funding reserves for the higher education revenue bonds.

18 (c) Capitalized interest for the higher education revenue bonds.

19 (d) Rebates or penalties due to the United States in connection with the higher education
20 revenue bonds.

21 (e) Any other costs or expenses that the State Treasurer or the chancellor determines
22 are necessary or desirable in connection with issuing and maintaining the higher education
23 revenue bonds.

24 (2) "Higher education revenue bonds" means revenue bonds issued pursuant to section
25 11 of this 2011 Act.

26 (3) "Higher education revenues" includes:

27 (a) Tuition, fees and charges imposed or collected by the Oregon University System, or
28 by one of the universities in the system; and

29 (b) Moneys appropriated, allocated or otherwise made available to the Oregon University
30 System, or to one of its universities, by the Legislative Assembly, if those moneys are law-
31 fully available to pay the bond-related costs of higher education revenue bonds.

32 **SECTION 11.** (1) At the request of the Chancellor of the Oregon University System, the
33 State Treasurer may issue, as provided in ORS chapter 286A, higher education revenue bonds
34 from time to time, the net proceeds of which must be used to:

35 (a) Finance projects that the State Board of Higher Education determines will assist the
36 Oregon University System in carrying out its statutory powers;

37 (b) Refund bonds issued for the projects; and

38 (c) Pay bond-related costs.

39 (2)(a) After reserving sufficient funds each biennium to satisfy state general obligation
40 debt resulting from obligations under Article XI-F(1) and Article XI-G of the Oregon Con-
41 stitution and under an energy loan program pursuant to ORS chapter 470, the chancellor
42 may pledge all or a portion of the remaining amount of higher education revenues, pursuant
43 to ORS 286A.102, to secure higher education revenue bonds, credit enhancement devices or
44 agreements for the exchange of interest rates.

45 (b) The chancellor shall identify the specific higher education revenues that will be

1 pledged to secure each series of higher education revenue bonds and specify the status of the
 2 lien of each pledge.

3 (3) The chancellor may enter into covenants, pursuant to ORS 286A.025 (4)(c), on behalf
 4 of the State of Oregon for the benefit of holders of higher education revenue bonds, providers
 5 of credit enhancement for higher education revenue bonds and counterparties to agreements
 6 for exchange of interest rates to:

7 (a) Adjust the rates, charges or fees that produce higher education revenues so that
 8 higher education revenues equal or exceed specified levels during specified periods.

9 (b) Create only those pledges or liens on higher education revenues that are permitted
 10 by the covenants authorized by this section.

11 (c) Budget and apply higher education revenues, or otherwise allow higher education re-
 12 venues to be applied, in amounts that, when added to other moneys lawfully available for the
 13 purpose, will be sufficient:

14 (A) To pay in full and when due the principal, interest and premium on outstanding
 15 higher education revenue bonds;

16 (B) To pay amounts due in connection with agreements for exchange of interest rates
 17 and credit enhancement devices for higher education revenue bonds; and

18 (C) To maintain the balance required by covenants in any debt service reserves estab-
 19 lished for the higher education revenue bonds.

20 (4) The chancellor shall operate the properties of the Oregon University System in com-
 21 pliance with the higher education revenue bond covenants until all higher education revenue
 22 bonds are paid or defeased.

23 (5) Higher education revenue bonds are not a debt or a general obligation of the State
 24 of Oregon or the Oregon University System, and neither the full faith and credit nor the
 25 taxing power of the State of Oregon may be pledged to secure or pay the higher education
 26 revenue bonds.

27 (6) The State Treasurer and the Oregon University System do not have an obligation to
 28 pay bond-related costs except as provided in sections 10 to 14 of this 2011 Act. A holder of
 29 higher education revenue bonds issued under this section does not have the right to compel
 30 the exercise of the taxing power of the State of Oregon to pay bond-related costs.

31 (7) As long as any higher education revenue bonds issued under this section are out-
 32 standing, covenants related to the higher education revenue bonds are deemed to be con-
 33 tracts between the State of Oregon and holders of the higher education revenue bonds. The
 34 State of Oregon may not give force or effect to a statute or initiative or referendum measure
 35 approved by the electors of this state if doing so would unconstitutionally impair existing
 36 covenants made with the holders of existing higher education revenue bonds or would un-
 37 constitutionally impair other obligations or agreements regarding the security of higher ed-
 38 ucation revenue bonds to which the moneys deposited in the accounts established by sections
 39 12 to 14 of this 2011 Act are pledged and assigned.

40 **SECTION 12.** An account in the Oregon University System Fund established by ORS
 41 351.506 is designated for the purposes described in section 11 (1) of this 2011 Act. The account
 42 consists of net proceeds of higher education revenue bonds issued under section 11 of this
 43 2011 Act and other moneys made available for the purposes described in section 11 (1) of this
 44 2011 Act. Moneys in the account may be invested as provided in ORS 293.701 to 293.820, and
 45 interest earned by the account must be credited to the account. Moneys in the account are

1 continuously appropriated to the Oregon University System for the purposes described in
 2 section 11 (1) of this 2011 Act.

3 **SECTION 13.** (1) An account in the Oregon University System Fund established by ORS
 4 351.506 is designated for the purposes of paying, when due, the principal of, the interest on
 5 and the premium, if any, on outstanding higher education revenue bonds. Moneys in the
 6 account may be invested as provided in ORS 293.701 to 293.820, and interest earned by the
 7 account must be credited to the account. Moneys in the account are continuously appropri-
 8 ated to the Oregon University System for the purposes described in this section.

9 (2) The Oregon University System shall deposit in the account:

10 (a) Capitalized or accrued interest on higher education revenue bonds;

11 (b) Amounts appropriated or otherwise made available by the Legislative Assembly for
 12 deposit in the account; and

13 (c) Reserves established for the payment of higher education revenue bonds.

14 (3) At the request of the Oregon University System, the State Treasurer may create
 15 separate subaccounts in the account for reserves and debt service for each series of higher
 16 education revenue bonds as provided in ORS 286A.025 (2)(g).

17 **SECTION 14.** (1) An account in the Oregon University System Fund established by ORS
 18 351.506 is designated for the purpose of paying bond-related costs under sections 10 to 14 of
 19 this 2011 Act. Moneys in the account may be invested as provided in ORS 293.701 to 293.820,
 20 and interest earned by the account must be credited to the account. Moneys in the account
 21 are continuously appropriated to the Oregon University System for payment of bond-related
 22 costs under sections 10 to 14 of this 2011 Act.

23 (2) The Oregon University System shall deposit in the account:

24 (a) Proceeds of higher education revenue bonds that were issued to pay bond-related
 25 costs; and

26 (b) Amounts appropriated or otherwise made available by the Legislative Assembly for
 27 deposit in the account.

28 (3) At the request of the Oregon University System, the State Treasurer may create
 29 separate subaccounts in the account as provided in ORS 286A.025 (2)(g).

30 **SECTION 15.** ORS 351.001 is amended to read:

31 351.001. The Legislative Assembly finds that:

32 (1) For its **survival and** political well-being, Oregon needs wise and effective leadership and an
 33 informed citizenry.

34 (2) For its **survival and** economic well-being, Oregon needs able and imaginative men and
 35 women for the direction and operation of all its institutions, for the production of goods and services
 36 and for the management of its fiscal affairs. Oregon also needs alert and informed consumers.

37 (3) For its cultural advancement, Oregon needs creative talent as well as appreciative and dis-
 38 criminating readers, viewers and listeners. Oregon also needs people who understand the diverse
 39 patterns of behavior, communication and belief that make up the common cultures of the various
 40 communities in which we all must function.

41 (4) For its survival, Oregon needs citizens who understand the interdependence of human beings
 42 and our shared dependence on the resources provided by our natural environment.

43 (5) Oregon needs people who, in the roles of parents and teachers and in other capacities, are
 44 able to transmit the state's and the nation's ideals and heritage to future generations.

45 (6) For their personal well-being, individual Oregonians need to cultivate an advanced literacy

1 essential to leading productive and rewarding lives. This includes the capacity to think logically and
 2 critically; to internalize and exemplify humane values; to write, speak and figure clearly and accu-
 3 rately; to understand, in some depth, a variety of psychological, historical, cultural, aesthetic and
 4 scientific concepts and theories; and to master a range of occupational, professional, avocational,
 5 social and personal skills.

6 **SECTION 16.** ORS 351.005 is amended to read:

7 351.005. Giving due consideration to the historical and continuing interest of the people of the
 8 State of Oregon in encouraging deserving and qualified citizens to realize their aspirations for
 9 higher education, the Legislative Assembly declares that **public** higher education for residents of
 10 Oregon who desire it and are qualified to benefit from it is [*critical*] **indispensable** to the [*welfare*
 11 *and security*] **success and survival** of this state and this nation and consequently is an important
 12 public purpose.

13 **SECTION 17.** ORS 351.007 is amended to read:

14 351.007. The Legislative Assembly declares its intent to promote and enhance **public** higher ed-
 15 ucation in a manner that:

16 (1) **Values an affordable, accessible public education for every Oregon resident who is**
 17 **qualified and interested in pursuing higher education.**

18 (2) **Emphasizes and prioritizes a statewide approach to creating opportunities for and**
 19 **access to public higher education.**

20 (3) **Insists on accountability and transparency within the Oregon University System.**

21 [(1)] (4) Enables citizens of all ages, backgrounds and levels of income to participate in the
 22 search for knowledge and individual development.

23 [(2)] (5) Stresses undergraduate teaching as a high priority.

24 [(3)] (6) Provides for selected graduate and professional programs that address state, national
 25 and global needs.

26 [(4)] (7) Encourages high quality research and scholarship, both basic and applied, by its faculty
 27 and students.

28 (8) **Highlights the connection between the Oregon University System and economic and**
 29 **civic development across this state.**

30 [(5)] (9) Fosters diversity of educational opportunity.

31 [(6)] (10) Promotes service to the public.

32 [(7)] (11) Makes effective and efficient use of human, physical and financial resources.

33 [(8) *Encourages cooperation with other educational institutions.*]

34 (12) **Encourages and fosters cooperation and collaboration with other universities, both**
 35 **public and private, community colleges, schools, governmental entities and business and**
 36 **community partners.**

37 **SECTION 18.** ORS 351.010 is amended to read:

38 351.010. The Oregon University System [*is established and is organized as described in ORS*
 39 *352.002. The system*] shall be conducted under the control of a board of [12] **15** directors, to be
 40 known as the State Board of Higher Education. **Except as otherwise provided by law, the board**
 41 **has sole authority to govern, set policy and otherwise manage the affairs of the public uni-**
 42 **versities listed in ORS 352.002.** The board shall consist of:

43 (1) Two students[,] who at the time of their appointment to the board[,] are [*admitted at*] **at-**
 44 **tending** different public [*institutions of higher education in Oregon*] **universities** listed in ORS
 45 352.002.

1 (2) One member of the faculty at Oregon State University, Portland State University or Uni-
2 versity of Oregon.

3 (3) One member of the faculty at Eastern Oregon University, Oregon Institute of Technology,
4 Southern Oregon University or Western Oregon University.

5 (4) *[Eight]* **Eleven** members of the general public who are not students or faculty **members** at
6 the time of *[their]* appointment.

7 **SECTION 19.** (1) **The three directors added to the State Board of Higher Education by the**
8 **amendments to ORS 351.010 in section 18 of this 2011 Act shall be appointed for terms be-**
9 **ginning January 1, 2012.**

10 (2) **Notwithstanding the term of office specified in ORS 351.040, of the three directors**
11 **added to the board by the amendments to ORS 351.010 in section 18 of this 2011 Act:**

12 (a) **One shall serve for a term ending June 30, 2013;**

13 (b) **One shall serve for a term ending June 30, 2014; and**

14 (c) **One shall serve for a term ending June 30, 2015.**

15 **SECTION 20.** ORS 351.020 is amended to read:

16 351.020. (1) The directors of the State Board of Higher Education *[shall]* **must** be residents of
17 Oregon and *[shall be]* **are** appointed by the Governor. The *[appointment is]* **appointments are** sub-
18 ject to the confirmation of the Senate in the manner provided by ORS 171.562 and 171.565. No di-
19 rector who is not a student or faculty member at the time of appointment may be an employee of
20 any of the *[institutions or departments]* **public universities or offices, departments or activities**
21 under the control of the State Board of Higher Education*], nor shall more than seven graduates of*
22 *or students admitted at these institutions, nor more than three graduates of or students admitted at any*
23 *one of these institutions or departments, be members of the board at any time].* The faculty members
24 appointed under this section may not participate in any discussions or action by the board or attend
25 any executive session of the board involving collective bargaining issues that affect faculty at any
26 public *[institution of higher education]* **university listed in ORS 352.002.**

27 (2) To assist the Governor in making appointments of the student members as provided in ORS
28 351.010, the duly organized and recognized entities of student government at each *[state institution*
29 *of higher education]* **public university** shall submit a list of nominees to the Governor. The entities
30 are entitled to no more than three nominees per *[school]* **public university**. The Governor shall
31 consider these lists in the selection of the student members to be appointed to the State Board of
32 Higher Education.

33 (3) To assist the Governor in making appointments of the faculty members as provided in ORS
34 351.010, a duly organized and recognized association of faculty members may submit a list of nomi-
35 nees to the Governor. The Governor shall consider any submitted list in the selection of the faculty
36 members to be appointed to the State Board of Higher Education.

37 (4) When making an appointment of the faculty **or student** members as provided in ORS 351.010,
38 the Governor shall rotate the appointments among representatives from various public *[institutions*
39 *of higher education]* **universities** to ensure equal representation among the *[institutions]* **public**
40 **universities.**

41 **SECTION 21.** ORS 351.050 is amended to read:

42 351.050. The board shall elect one of its members as president who shall serve for the fiscal year
43 for which the president is elected. The board shall meet *[regularly once every three months]* **at least**
44 **four times each fiscal year** at such times and places as the president may determine. *[Special*
45 *meetings may be called by the president upon the written request of any six members of the board.*

1 ~~Six]~~ **Eight** members shall constitute a quorum for the transaction of business.

2 **SECTION 22.** ORS 351.060 is amended to read:

3 351.060. The State Board of Higher Education may:

4 (1) Control and provide for, subject to the conditions of this section, the custody and occupation
5 of the grounds, buildings, books, papers and documents belonging to each and all of the
6 [*institutions*] **public universities and offices**, departments or activities under the control of the
7 State Board of Higher Education.

8 (2) Manage, control and apply all property of whatever nature given to or appropriated for the
9 use, support or benefit of any or all of the [*institutions*] **public universities or offices**, departments
10 or activities under the control of the State Board of Higher Education, according to the terms and
11 conditions of such gift or appropriation. Moneys received under this section shall be deposited in a
12 designated account in the Oregon University System Fund established by ORS 351.506. Interest
13 earned by the account shall be credited to the account.

14 (3) **Design, acquire**, erect, improve, repair, maintain, **lease, renovate, demolish**, equip, [*and*]
15 furnish **and dispose of** buildings, structures and lands [*for higher education*] **necessary for carrying**
16 **out its powers, rights and duties.**

17 (4) Acquire, receive, hold, control, convey, sell, manage, operate, lease, lend, **license**, improve
18 and develop any and all property, real or personal:

19 (a) Given to any of the [*institutions*] **public universities or offices**, departments or activities
20 under the control of the State Board of Higher Education by private donors, whether such gifts are
21 made to the State Board of Higher Education or to the State of Oregon; or

22 (b) Acquired by any other method or from any source by the State Board of Higher Education
23 for the benefit of any of the [*institutions*] **public universities or offices**, departments or activities
24 under the control of the board, except for any structure, equipment or asset encumbered by a cer-
25 tificate of participation.

26 [*(5) Manage mineral and geothermal resource rights and proceeds therefrom acquired or held for*
27 *the state by the board pursuant to this chapter and ORS chapter 567. This includes leasing mineral*
28 *and geothermal resource rights consistent with ORS 273.785.]*

29 **(5) Exercise the power of eminent domain for the condemnation of property of any kind**
30 **and all water rights, easements and appurtenances thereto that the State Board of Higher**
31 **Education considers necessary for carrying out the powers, rights and duties of the board.**

32 (6) Take and hold mortgages on real and personal property acquired by way of gift or arising
33 out of transactions entered into in accordance with the powers, **rights and duties** [*and authority*
34 *given to the board by this section, ORS 351.070 and 351.150]* **of the State Board of Higher Educa-**
35 **tion.**

36 (7) Institute, maintain and participate in suits and actions and other judicial proceedings, in the
37 name of the State of Oregon, for the foreclosure of such mortgages or for the purpose of carrying
38 into effect any and all of the powers, **rights and duties** [*and authority given to the State Board of*
39 *Higher Education by this section and ORS 351.070 and 351.150.]* **of the State Board of Higher Ed-**
40 **ucation. Except as otherwise provided by ORS 30.260 to 30.300, the board has the authority**
41 **to defend and indemnify its employees, officers and agents when they are acting in good faith**
42 **within the course and scope of their duties for public purposes.**

43 (8) Acquire, receive, hold, control, sell, manage, operate, lease, **license** or lend any goods, sup-
44 plies, materials, equipment, services and information technology, for the use, support or benefit of
45 any of the [*institutions*] **public universities or offices**, departments or activities under the control

1 of the **State Board of Higher Education.**

2 [(9) Delegate any of the powers, duties or functions granted to the board under this section to any
3 state institution of higher education within the Oregon University System.]

4 **(9) With the approval of the State Treasurer, enter into financing agreements in ac-
5 cordance with ORS 283.085 to 283.092.**

6 **(10) Own, control and operate Oregon University System motor vehicles for use by public
7 universities and offices, departments and activities under the control of the State Board of
8 Higher Education. The board shall, by rule, establish requirements governing the use and
9 operation of Oregon University System motor vehicles.**

10 **(11) Purchase any insurance, operate a self-insurance program or otherwise arrange for
11 the equivalent of insurance coverage of any nature.**

12 **(12) Hire or retain attorneys for the provision of legal services, including but not limited
13 to general advice, representation in litigation and representation in appellate matters.**

14 **SECTION 23.** ORS 351.062 is amended to read:

15 351.062. (1) Except for the power to prescribe enrollment fees under [ORS 351.070 (3)(c)] **section
16 6 of this 2011 Act** and the power to adopt rules, the State Board of Higher Education may delegate
17 any of the powers, duties or functions of the board to a committee of the board, **an institutional
18 board established under section 4 of this 2011 Act, the Chancellor of the Oregon University
19 System or a president of a public university listed in ORS 352.002.**

20 **(2) The board may delegate any of its powers, duties or functions as provided by law.**

21 **SECTION 24.** ORS 351.065 is amended to read:

22 351.065. (1) The State Board of Higher Education may, for each [*institution, division and de-
23 partment*] **public university or office, department or activity** under its control, adopt rules and
24 specific orders by or through the [*institutional executive of each institution*] **president of each public
25 university** governing access to personnel records of the [*institution, division or department, which*]
26 **public university or office, department or activity that** are less than 25 years old.

27 (2) Rules adopted under subsection (1) of this section shall require that personnel records be
28 subjected to restrictions on access unless upon a finding by the [*institutional executive*] **president
29 of the public university** that the public interest in maintaining individual rights to privacy in an
30 adequate educational environment would not suffer by disclosure of such records. Access to such
31 records may be limited to designated classes of information or persons, or to stated times and con-
32 ditions, or to both, but cannot be limited for records more than 25 years old.

33 (3) No rule or order promulgated pursuant to this section shall deny to a faculty member full
34 access to the member's personnel file or records kept by the board or its [*institutions, schools or
35 departments*] **public universities or offices, departments or activities**, except as provided in
36 [*paragraphs (d) and (e) of this subsection*] **subsections (7) and (8) of this section.**

37 [(a)] **(4)** The number of files relating to the evaluation of a faculty member shall be limited to
38 three, to be kept in designated, available locations.

39 [(b)] **(5)** Any evaluation received by telephone shall be documented in each of the faculty
40 member's files by means of a written summary of the conversation with the names of the conversants
41 identified.

42 [(c)] **(6)** A faculty member shall be entitled to submit, for placement in the three files, evidence
43 rebutting, correcting, amplifying or explaining any document contained therein and other material
44 [*which*] **that** the member believes might be of assistance in the evaluation process.

45 [(d)] **(7)** Letters and other information submitted in confidence to the board or its [*institutions,*

1 *schools or departments*] **public universities, offices, departments or activities** prior to July 1,
 2 1975, shall be maintained in the files designated. However, if a faculty member requests access to
 3 those files, the anonymity of the contributor of letters and other information obtained prior to July
 4 1, 1975, shall be protected. The full text shall be made available except that portions of the text
 5 *[which]* **that** would serve to identify the contributor shall be excised by a faculty committee. Only
 6 the names of the contributors and the excised portions of the documents may be kept in a file other
 7 than the three prescribed by *[paragraph (a) of this subsection]* **subsection (4) of this section.**

8 *[(e)]* **(8)** Confidential letters and other information submitted to or solicited after July 1, 1975,
 9 by the board or its *[institutions, schools or departments]* **public universities, offices, departments**
 10 **or activities** prior to the employment of a prospective faculty member are exempt from the pro-
 11 visions of this section. However, if the member is employed by the board or its *[institutions, schools*
 12 *or departments]* **public universities, offices, departments or activities**, the confidential preem-
 13 ployment materials shall be placed in the three authorized files. If a faculty member requests access
 14 to the member's files, the anonymity of the contributor of confidential preemployment letters and
 15 other preemployment information shall be protected. The full text shall be made available, except
 16 that portions of the text *[which]* **that** would serve to identify the contributor shall be excised and
 17 retained in a file other than the three designated in *[paragraph (a) of this subsection]* **subsection**
 18 **(4) of this section.**

19 *[(f)]* **(9)** Classroom survey evaluation by students of a faculty member's classroom or laboratory
 20 performance shall be anonymous. The record of tabulated reports shall be placed in at least one of
 21 the files designated in *[paragraph (a) of this subsection]* **subsection (4) of this section.** All survey
 22 instruments used to obtain evaluation data shall be returned to the faculty member.

23 *[(g)]* **(10)** After July 1, 1975, the board[,] **and** its *[institutions, schools or departments]* **public**
 24 **universities, offices, departments or activities**, when evaluating its employed faculty members,
 25 *[shall]* **may** not solicit *[nor]* **or** accept letters, documents or other materials, given orally or in
 26 written form, from individuals or groups who wish their identity kept anonymous or the information
 27 they provide kept confidential.

28 *[(4)]* **(11)** No rule or order promulgated pursuant to this section limits the authority of the *[in-*
 29 *stitution, division or department]* **public universities, offices, departments or activities under the**
 30 **control of the board** to prepare, without identification of individual persons who have not con-
 31 sented thereto, statistical or demographic reports from personnel records.

32 *[(5)]* **(12)** Any category of personnel records specifically designated as confidential pursuant to
 33 valid rules or orders pursuant to this section *[shall not be deemed]* **is not** a public record for the
 34 purposes of ORS 192.420.

35 *[(6)]* **(13)** As used in this section, "personnel records" means records containing information kept
 36 by the *[institution, division or department]* **public university, office, department or activity** con-
 37 cerning a faculty member and furnished by the faculty member or by others about the faculty
 38 member at the *[member's or at the institution, division or department's]* request **of the faculty**
 39 **member or the public university, office, department or activity**, including, but not limited to,
 40 information concerning discipline, membership activity, employment performance or other personal
 41 records of individual persons.

42 **SECTION 25.** ORS 351.067 is amended to read:

43 351.067. (1) In carrying out its authority under ORS 351.070, the State Board of Higher Educa-
 44 tion may authorize receipt of compensation for any officer or employee of the Oregon University
 45 System from private or public resources, including, but not limited to, income from:

- 1 (a) Consulting;
- 2 (b) Appearances and speeches;
- 3 (c) Intellectual property conceived, reduced to practice or originated and therefore owned within
- 4 the Oregon University System;
- 5 (d) Providing services or other valuable consideration for a private corporation, individual, or
- 6 entity, whether paid in cash or in-kind, stock or other equity interest, or anything of value regard-
- 7 less of whether there is a licensing agreement between the Oregon University System and the pri-
- 8 vate entity; and
- 9 (e) Performing public duties paid by private organizations, including institution corporate affil-
- 10 iates, [*which augment*] **that augments** an officer's or employee's publicly funded salary. Such income
- 11 shall be authorized and received in accordance with policies and rules established by the board.
- 12 (2) The board may not authorize compensation, as [*defined*] **described** in subsection (1) of this
- 13 section, that, in the board's judgment, does not comport with the mission of [*the institution*] **a public**
- 14 **university listed in ORS 352.002** and the Oregon University System or substantially interferes with
- 15 an officer's or employee's duties to the Oregon University System.
- 16 (3) Any compensation described and authorized under subsection (1) of this section is considered
- 17 official compensation or reimbursement of expenses for purposes of ORS 244.040 and is not consid-
- 18 ered an honorarium prohibited by ORS 244.042. If authorization or receipt of the compensation cre-
- 19 ates a potential conflict of interest, the officer or employee shall report the potential conflict in
- 20 writing in accordance with rules of the [*state*] board. The disclosure is a public record subject to
- 21 public inspection.
- 22 (4) The [*state*] board shall adopt by rule standards governing employee outside employment and
- 23 activities, including potential conflict of interest, as defined by [*state*] board rule and consistent with
- 24 ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing potential
- 25 or actual conflict of interest complaints.
- 26 **SECTION 26.** ORS 351.070 is amended to read:
- 27 351.070. (1) The [*Oregon University System, in accordance with rules adopted by the*] State Board
- 28 of Higher Education[,] shall, **by rule**, implement a personnel system **for the Oregon University**
- 29 **System** and may engage in collective bargaining with [*its*] **the** employees. All collective bargaining
- 30 with any certified or recognized exclusive employee representative shall be under the direction and
- 31 supervision of the Chancellor of the Oregon University System. **The board and** the Oregon Uni-
- 32 versity System shall have payroll authority [*pursuant to ORS 292.043 to 292.180*].
- 33 (2)(a) The board shall establish competitive procedures for the purchasing, procurement and
- 34 contracting of goods, services and information technology, for the benefit of the Oregon University
- 35 System and all the [*institutions, departments and activities therein*] **public universities and offices,**
- 36 **departments and activities under the control of the board.** The board may also establish ex-
- 37 emptions from the competitive procedures when appropriate.
- 38 (b) The board shall ensure that the hourly rate of wage paid by any contractor upon all public
- 39 improvements contracts undertaken for the board shall not be less than the same rate of wage as
- 40 determined by the Bureau of Labor and Industries for an hour's work in the same trade or occupa-
- 41 tion in the locality where such labor is performed. Claims or disputes arising under this subsection
- 42 shall be decided by the Commissioner of the Bureau of Labor and Industries.
- 43 (c) The board shall adopt policies and procedures that achieve results equal to or better than
- 44 the standards existing on July 17, 1995, regarding affirmative action, pay equity for comparable
- 45 work, recycling, the provision of workers' compensation insurance to workers on contract and the

1 participation of emerging small businesses and businesses owned by minorities and women.

2 (3) The board may, for each *[institution]* **public university listed in ORS 352.002** *[under its*
3 *control]*:

4 (a) Appoint and employ a president and the requisite number of *[professors, teachers and]*
5 *employees[,]* and prescribe their compensation and tenure of office or employment.

6 (b) Demand and receive the interest mentioned in ORS 352.510 and all sums due and accruing
7 *[to the institutions of higher education]* for admission and tuition *[therein]*, and apply the same, or so
8 much thereof as is necessary, to the payment of the compensation referred to in paragraph (a) of this
9 subsection and the other current expenses *[of the institutions]*.

10 *[(c) Prescribe fees for enrollment into the institutions. Such enrollment fees shall include tuition*
11 *for education and general services and such other charges found by the board to be necessary to carry*
12 *out its educational programs. The board may award student aid from any fund other than the General*
13 *Fund.]*

14 *[(d)]* (c) Prescribe incidental fees for programs under the supervision or control of the board
15 found by the board, upon its own motion or upon recommendation of the recognized student gov-
16 ernment *[of the institution concerned]*, to be advantageous to the cultural or physical development
17 of students. Fees realized in excess of amounts allocated and exceeding required reserves shall be
18 considered surplus incidental fees and shall be allocated for programs under the control of the board
19 and found to be advantageous to the cultural or physical development of students by the
20 *[institution]* president upon the recommendation of the recognized student government *[at the insti-*
21 *tution concerned]*.

22 *[(e)]* (d) Upon recommendation of the recognized student government, collect optional fees *[au-*
23 *thorized by the institution executive,]* for student activities not included in paragraph (c) *[or (d)]* of
24 this subsection **or section 6 of this 2011 Act as authorized by the president**. The payment of such
25 optional fees *[shall be]* **is** at the option and selection of the student and *[shall not be]* **is not** a pre-
26 requisite of enrollment.

27 *[(f)]* (e) Confer, **consistent with the mission and programs of each public university and**
28 on the recommendation of the faculty of *[any such institution]* **the public university**, such degrees
29 as usually are conferred by *[such institutions]* **public universities**, or as *[they deem]* **the faculty**
30 **deems** appropriate.

31 *[(g)]* (f) Prescribe the qualifications for admission *[into such institutions]*.

32 (4) Subject to such delegation as the board may decide to make to the *[institutions, divisions and*
33 *departments]* **public universities and offices, departments and activities** under its control, the
34 board, for each *[institution, division and department]* **public university, office, department or ac-**
35 **tivity** under its control:

36 (a) Shall supervise the general course of instruction therein, and the research, extension, edu-
37 cational and other activities thereof.

38 (b) Shall adopt rules and bylaws for the government thereof, including the faculty, teachers,
39 students and employees therein.

40 (c) Shall maintain cultural and physical development services and facilities therefor and, in
41 connection therewith, may cooperate and enter into agreements with any person or governmental
42 agency.

43 (d) May contract to provide health services at student health centers.

44 (e) Shall provide health services at student health centers to students.

45 (f) May provide health services at student health centers to any of the following:

1 (A) Dependents of students.

2 (B) Staff.

3 (C) Faculty.

4 (g) Shall prescribe and collect charges.

5 (h) Shall adopt rules relating to the creation, use, custody and disclosure, including access, of
6 student education records [*of the institutions*] that are consistent with the requirements of applicable
7 state and federal law. Whenever a student has attained 18 years of age or is attending [*an institution*
8 *of post-secondary education*] **a public university listed in ORS 352.002**, the permission or consent
9 required of and the rights accorded to a parent of the student regarding education records shall
10 thereafter be required of and accorded to only the student.

11 (5) For each [*institution under its jurisdiction*] **public university listed in ORS 352.002**, the
12 board shall provide opportunities for part-time students to obtain complete undergraduate degrees
13 at unconventional times, which include but are not limited to early morning and noon hours,
14 evenings and weekends. In administering these degree programs, the [*institution*] **public university**
15 may use any educational facility available for the use of the [*institution*] **public university**.

16 (6) For all [*institutions of higher education*] **public universities** listed in ORS 352.002, the board
17 shall, [*no later than October 1, 2010, and*] to the extent feasible and cost beneficial, develop and
18 [*begin implementation of*] **implement** a common admissions process that permits applicants to be
19 considered for admission to more than one [*institution*] **public university**.

20 **SECTION 27.** ORS 351.072 is amended to read:

21 351.072. (1) Notwithstanding ORS chapter 183, the following actions may be taken by the State
22 Board of Higher Education or the [*educational institutions*] **public universities** under its control
23 without compliance with the rulemaking provisions of ORS chapter 183:

24 (a) Adoption of standards, regulations, policies or practices relating primarily to admissions,
25 academic advancement, classroom grading policy, the granting of academic credits, granting of de-
26 grees, scholarships and similar academic matters.

27 (b) Adoption of fees or fee schedules relating to charges for symposiums, conferences, short
28 courses, food, books or other retail goods, prices of admission to athletic, entertainment or cultural
29 events or advertising rates in student or [*institutional*] **university** publications. However, student
30 loan service charges, charges levied as penalties for prohibited conduct, general tuition, building
31 fees, incidental fees, health service fees and residence hall and housing charges shall be adopted in
32 accordance with the provisions of ORS chapter 183.

33 (2) Any standards, regulations, policies, practices or fees adopted under this section by the State
34 Board of Higher Education or by any of the [*educational institutions*] **public universities** under its
35 control shall be reduced to writing and made available to interested persons upon request.

36 **SECTION 28.** ORS 351.075 is amended to read:

37 351.075. [(1)] The State Board of Higher Education shall appoint a chief executive officer who
38 shall be known as the Chancellor of the Oregon University System and who shall serve at the
39 pleasure of the board. [*The board may appoint one or more assistants as may be necessary.*]

40 [(2) *The chancellor and the assistants of the chancellor shall be persons who by training and ex-*
41 *perience are well qualified to perform the duties of their offices and to assist in carrying out the func-*
42 *tions of the board under ORS 351.010 to 351.070, 351.075 to 351.260, 351.310 to 351.615, 351.770 to*
43 *351.840, 352.002 to 352.006, 352.010 to 352.053, 352.230, 352.360, 352.370, 352.390, 352.400 and 352.510*
44 *to 352.760.*]

45 [(3) *The State Board of Higher Education shall fix the compensation of the chancellor and the as-*

1 *sistants of the chancellor.]*

2 **SECTION 29.** ORS 351.077 is amended to read:

3 351.077. (1) Pursuant to ORS 342.447, the *[office of the]* Chancellor of the Oregon University
4 System shall ensure the implementation of the plans developed for recruitment of minority teachers.

5 (2) The chancellor shall report biennially to the State Board of Higher Education and the Leg-
6 islative Assembly on the implementation and results of the plans. The report may include recom-
7 mendations on ways in which the Legislative Assembly can assist in increasing the number of
8 minority teachers.

9 **SECTION 30.** ORS 351.085 is amended to read:

10 351.085. The Chancellor of the Oregon University System shall exercise, under the direction of
11 the State Board of Higher Education, the administrative **and management** authority necessary to
12 carry out the policies **and directives** of the board with respect to the *[institutions, departments or*
13 *activities]* **public universities and offices, departments and activities** under the control of the
14 board. In carrying out the duties of the chancellor, the chancellor shall:

15 (1) *[Act as]* **Serve as chief executive officer of the Oregon University System and adminis-**
16 **trative officer of the State Board of Higher Education.**

17 (2) **Supervise the presidents of the public universities listed in ORS 352.002 and recom-**
18 **mend the terms and conditions of their employment to the board, including but not limited**
19 **to appointment, compensation and termination.**

20 *[(2)]* (3) Maintain a centralized service program for all *[institutions, departments]* **public uni-**
21 **versities and offices, departments and activities under the control of the board,** including but
22 not limited to[,] accounting, statistical services, capital construction, management analysis, legal
23 services, academic affairs and educational research.

24 *[(3)]* (4) Collect and compile information and statistics relative to the operation of the *[insti-*
25 *tutions, departments]* **public universities and offices, departments and activities under the con-**
26 **trol** of the *[State]* board *[of Higher Education]*.

27 *[(4)]* (5) Prepare and submit to the *[State]* board *[of Higher Education]* an annual operating
28 budget for all *[institutions, departments]* **public universities and offices, departments and activ-**
29 **ities under the control** of the board, **including but not limited to budget allocations to the**
30 **public universities and offices, departments and activities.**

31 *[(5)]* (6) Oversee the preparation and submission to the *[State Board of Higher Education of the*
32 *biennial budget requests of the institutions, departments and activities]* **board of the funding request**
33 **for the Oregon University System** for consideration by the board as the *[budget]* **funding** request
34 *[to the Governor]* under *[ORS 351.090]* **section 7 of this 2011 Act.** *[The chancellor shall provide an-*
35 *alyses of the budget requests of the institutions, departments and activities, including in such analyses*
36 *alternative considerations as may be necessary or desirable for the board in the adoption of its budget*
37 *request.]*

38 *[(6)]* (7) Appoint[, *subject to the State Personnel Relations Law, and with the approval of the State*
39 *Board of Higher Education,*] such personnel as may be necessary for the performance of the duties
40 of the chancellor.

41 *[(7)]* (8) Designate, if the chancellor wishes, one or more suitable persons to sign or countersign
42 warrants, vouchers, certificates[,] or other papers and documents requiring the signature of the
43 chancellor.

44 *[(8)]* (9) Prepare the agendas for *[State]* board *[of Higher Education]* meetings and provide an
45 analysis of proposals made to the board, including such alternatives as may be necessary or desir-

1 able for their consideration, and make recommendations thereon.

2 [(9)] (10) Prepare and submit to the [State] board [of Higher Education] on or about December
3 31 of each year an annual report in which the chancellor describes the principal activities of the
4 Oregon University System during the fiscal year ending June 30. [*The report shall include a state-*
5 *ment of all funds received, the source or sources from which received, the expenditure and disbursement*
6 *of all funds and the purposes for which they were expended. The report shall contain a statement of*
7 *the number of students enrolled in each institution, department or activity, the number of degrees con-*
8 *ferred, the improvements made and new courses of instruction added, together with a statement showing*
9 *in a general way the status of all activities and functions of the State Board of Higher Education.*]

10 [(10)] (11) Keep a record of the transactions of the [State] board [of Higher Education].

11 [(11)] (12) Have the custody of all books, papers, documents and other property belonging to the
12 [State] board [of Higher Education].

13 [(12)] (13) Give such instructions as may be necessary to carry out the directives of the [State]
14 board [of Higher Education] and forward them to the various institution presidents and heads of
15 **offices**, departments and activities.

16 [(13)] (14) Provide for meetings of the presidents and principal executives of the [*institutions,*
17 *departments*] **public universities and offices, departments** and activities **under the control of the**
18 **board**, at such times as the [State] board [of Higher Education] may direct[, *such meetings to*]. **The**
19 **meetings shall** be open to any member of the board. [*At such meetings, the executives of the Oregon*
20 *University System may propose policies or policy changes or statements for consideration by the board*
21 *and develop recommendations concerning allocations of funds.*]

22 [(14)] (15) Perform such other administrative **or management** assistance and consider other
23 administrative **or management** matters as the [State] board [of Higher Education] may require.

24 **SECTION 31.** ORS 351.086 is amended to read:

25 351.086. (1) Except as otherwise provided in this chapter and ORS chapter 352, the provisions
26 of ORS chapters **182, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291** and 292 **and ORS**
27 **180.060, 180.160, 180.210, 180.220, 180.225, 180.230 and 279.835 to 279.855** do not apply to the
28 Oregon University System.

29 (2) Notwithstanding subsection (1) of this section, ORS [240.167, 240.185] **182.100, 182.109,**
30 279A.065 (2), 279B.055 (3), 279C.380 (1)(a) and (3), 279C.600 to 279C.625, 279C.800, 279C.810, 279C.825,
31 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865, 279C.870, **291.200,**
32 **291.201 to 291.222, 291.223, 291.224 (2) and (6), 291.226, 291.322 to 291.334, 291.405, 291.407,**
33 **291.445, [and] 292.043 and 292.044** apply to the Oregon University System.

34 [(3) *Notwithstanding any other law, the following provisions do not apply to the Oregon University*
35 *System:*]

36 [(a) *ORS 182.310 to 182.400;*]

37 [(b) *ORS 273.413 to 273.456;*]

38 [(c) *ORS 276.071 and 276.072; and*]

39 [(d) *ORS 291.038.*]

40 [(4)] (3) Notwithstanding subsection [(3)(b)] (1) of this section, ORS 273.413 to 273.456 apply to
41 any structure, equipment or asset owned by the Oregon University System that is encumbered by
42 a certificate of participation.

43 (4) **Notwithstanding subsection (5) of this section, the provisions of ORS chapters 35, 190,**
44 **192, 244, 286A, 295 and 297, and ORS 30.260 to 30.460, 184.480, 184.483, 184.486, 184.488, 200.005**
45 **to 200.025, 200.045 to 200.090, 200.100 to 200.120, 200.160 to 200.200, 236.605 to 236.640, 243.650**

1 to 243.782, 243.800, 243.820, 243.830, 243.850, 243.910 to 243.945, 307.090 and 307.112 apply to the
 2 Oregon University System under the same terms as they apply to other public bodies other
 3 than the State of Oregon.

4 (5) The Oregon University System, as a distinct governmental entity, is not subject to
 5 any provision of law enacted after January 1, 2011, with respect to any governmental entity,
 6 that is unique to governmental entities, unless the provision specifically provides that it ap-
 7 plies to the Oregon University System.

8 [(5)] (6) In carrying out the duties, functions and powers imposed by law upon the Oregon Uni-
 9 versity System, the State Board of Higher Education or the Chancellor of the Oregon University
 10 System may contract with any public agency for the performance of such duties, functions and
 11 powers as the [Oregon University System] board or chancellor considers appropriate.

12 **SECTION 32.** ORS 351.088 is amended to read:

13 351.088. Notwithstanding ORS chapter 183, the State Board of Higher Education or any [state
 14 institution of higher education under the jurisdiction of the board] public university listed in ORS
 15 352.002 may, by rule, establish adjudicative procedures that are consistent with federal and state
 16 constitutional requirements and other provisions of law. The adjudicative procedures shall be con-
 17 sistent with ORS 183.413 to 183.497 and 183.502 whenever the type of hearing or procedure required
 18 is substantially of the character that would necessitate the procedures required by ORS 183.413 to
 19 183.470.

20 **SECTION 33.** ORS 351.094 is amended to read:

21 351.094. (1) [Notwithstanding any other provision of law,] The State Board of Higher Education
 22 or the Oregon University System [shall] may provide group insurance to its employees through the
 23 Public Employees' Benefit Board[, but] or may elect[, at the discretion of the State Board of Higher
 24 Education,] to provide alternative group health and welfare insurance benefit plans to its em-
 25 ployees.[, should the same level of benefits be available at a lower cost than through the Public
 26 Employees' Benefit Board.]

27 [(2) For the purposes of ORS 243.555 to 243.575, if the State Board of Higher Education chooses
 28 not to participate in the benefit plans offered through the Public Employees' Benefit Board, the State
 29 Board of Higher Education may have the authority granted to the Public Employees' Benefit Board
 30 under ORS 243.555 to 243.575 for the administration of an appropriate expense reimbursement plan.]

31 [(3)] (2) The board or the Oregon University System [shall] may offer [a] one or more deferred
 32 compensation [plan for] plans to its employees. The Oregon University System shall, at the dis-
 33 cretion of the board, choose whether to offer its employees the state deferred compensation plan
 34 established under ORS 243.401 to 243.507 or another deferred compensation plan that the board
 35 elects to make available to the employees of the Oregon University System.

36 **SECTION 34.** ORS 351.097 is amended to read:

37 351.097. (1) The payment of salary or compensation of the officers, teachers, instructors and
 38 other employees of the Oregon University System, where such salary or compensation is payable out
 39 of the State Treasury and is fixed by law or the State Board of Higher Education at a definite rate
 40 per hour, day, week, month or year, shall be made weekly, biweekly, semimonthly or monthly with
 41 any necessary adjustments, as provided in this section.

42 (2) With the approval of the board, the Chancellor of the Oregon University System shall make
 43 out, certify and transmit to the board at the end of each pay period a payroll, duly verified by the
 44 chancellor or other designated officer and approved by the proper auditing committee or officer,
 45 showing the names of the several officers, teachers, instructors and other employees during the

1 preceding payroll period, the rate of compensation of each by the hour, day, week, month or year,
 2 the time employed, the amount due and any other facts the board requires. The board, if it approves
 3 the payroll, shall draw a warrant on the State Treasurer for the aggregate amount allowed in favor
 4 of the chancellor, who shall immediately pay over the moneys received to the several parties enti-
 5 tled thereto and take receipts therefor, which shall be transmitted to the board.

6 (3) Notwithstanding subsection (2) of this section [*or any other law*] and pursuant to ORS
 7 293.330, the State Board of Higher Education may authorize the chancellor to designate a person
 8 employed by and located at each [*institution of higher education*] **public university** under the juris-
 9 diction of the board to implement and administer the payroll system selected by the board to pay
 10 employees designated by the board. The person shall be under bond to the State of Oregon.

11 (4) When an employee receives payment of salary or compensation in an amount greater than
 12 the employee's entitlement, the amount of the overpayment may be deducted from salary or com-
 13 pensation earned by the employee. The deduction may be in such form and manner as the State
 14 Board of Higher Education may prescribe.

15 **SECTION 35.** ORS 351.110 is amended to read:

16 351.110. All relationships and negotiations between the Legislative Assembly and its various
 17 committees and [*the institutions of higher education shall*] **a public university listed in ORS 352.002**
 18 **must** be carried on through the **office of the Chancellor of the Oregon University System**. [*A*
 19 *subordinate official*] **An employee** representing any of the [*separate institutions*] **public universities**
 20 may not appear before the Legislative Assembly or any committee except upon the written authority
 21 of the State Board of Higher Education **or the chancellor**.

22 **SECTION 36.** ORS 351.117 is amended to read:

23 351.117. (1) If the State Board of Higher Education determines that enrollment is sufficient to
 24 make an American Sign Language class economically viable and if qualified instructors are avail-
 25 able, the board may offer to students courses for credit in American Sign Language at [*any institu-*
 26 *tion of higher education within the Oregon University System*] **a public university**. Such courses shall
 27 satisfy any second language elective requirement.

28 (2) The State Board of Higher Education is encouraged to continue to:

29 (a) Coordinate with the State Board of Education [*and the Oregon School for the Deaf*] to develop
 30 curricula for American Sign Language courses;

31 (b) Implement programs to locate and prepare qualified teachers and interpreters of American
 32 Sign Language; and

33 (c) Assist [*institutions of higher education*] **public universities** in identifying local and regional
 34 needs and resources available for American Sign Language courses.

35 **SECTION 37.** ORS 351.130 is amended to read:

36 351.130. (1) The State Board of Higher Education shall encourage gifts and donations to [*insti-*
 37 *tutions of higher education within the Oregon University System by faithfully devoting*] **the board and**
 38 **the Oregon University System. For purposes of the public universities listed in ORS 352.002,**
 39 **the board, to encourage gifts and donations, shall faithfully devote** the gifts or donations to the
 40 [*institution*] **public university** for which the gift or donation is intended.

41 (2) The Higher Education Donation Fund is established in the State Treasury, separate and
 42 distinct from the General Fund. Moneys in the Higher Education Donation Fund are continuously
 43 appropriated to the State Board of Higher Education for the purpose for which the moneys were
 44 donated. Moneys in the fund may be invested as provided in ORS 293.701 to 293.820, subject to the
 45 terms or restrictions of any gifts or donations. Any interest or other income derived from the in-

1 vestment of the fund shall be credited to the fund.

2 (3) All gifts and donations received shall be used in accordance with the terms of the gift or
3 donation. Gifts or donations may be deposited in the Oregon University System Fund established by
4 ORS 351.506 or in the Higher Education Donation Fund. The board shall consider the amount, na-
5 ture and purpose of, and any restriction placed on, gifts and donations, and determine whether to
6 deposit the gift or donation in the Oregon University System Fund or the Higher Education Do-
7 nation Fund. Gifts and donations may be split or transferred between the Oregon University System
8 Fund and the Higher Education Donation Fund.

9 (4) The interest, income, dividends or profits received on any property or funds of the State
10 Board of Higher Education or the Oregon University System derived from gifts and donations, in-
11 cluding legacies, devises, bequests or endowments, are continuously appropriated to the use, main-
12 tenance and support of the Oregon University System in the same manner as the principal or corpus
13 of each such gift or donation in accordance with the terms of the gift or donation.

14 (5) As used in this section, "gifts or donations" includes funds donated to the State Board of
15 Higher Education or the Oregon University System to which by agreement the donor receives con-
16 sideration in return for the gift or donation or retains a reversionary interest but does not include
17 grant or contract funds received from government sources.

18 **SECTION 38.** ORS 351.140 is amended to read:

19 351.140. (1) The State Board of Higher Education may purchase such real property as in its sole
20 discretion may be necessary for the present or future development of any of the [*schools or insti-*
21 *tutions under its jurisdiction*] **public universities and offices, departments and activities under**
22 **its control.** The board may enter into contracts of purchase or agreements [*which it*] **that the**
23 **board** deems necessary in carrying out this authorization.

24 (2) The board may apply any funds coming into its hands, and applicable thereto, toward the
25 purchase of property authorized under this section. The board may also mortgage or pledge any
26 property so purchased, or its contracts to purchase, or in relation thereto, together with the income
27 from such property, to secure the payment of the purchase price thereof.

28 (3) **The State Board of Higher Education is authorized, without seeking specific approval**
29 **from the Legislative Assembly, to purchase real property or undertake capital construction**
30 **projects that do not require the use of moneys appropriated from state funds or obtained**
31 **through general obligation bonds, for purposes consistent with the promotion and enhance-**
32 **ment of public higher education.**

33 **SECTION 39.** ORS 351.150 is amended to read:

34 351.150. (1) **As used in this section, "university lands" means lands granted to this state**
35 **under the Act of February 14, 1859 (11 Stat. 383), for the support and maintenance of the**
36 **University of Oregon.**

37 (2) Legal title to all real property acquired by any of the [*institutions*] **public universities** under
38 the control of the State Board of Higher Education shall be taken and held in the name of the State
39 of Oregon. Legal title to all real property heretofore or hereafter conveyed to any [*such institutions*
40 *shall be*] **of the public universities is** deemed to be conveyed to and vested in the State of Oregon.
41 Authorized conveyances of all real property, **other than university lands**, acquired by or vested
42 in the State of Oregon for the use or benefit of any [*such institutions, other than the university lands*
43 *referred to in ORS 273.251,*] **of the public universities** shall be executed in the name of the State
44 of Oregon by the president and secretary of the board [*of higher education*]. Nothing in this section
45 or in ORS 351.060 shall be considered as exempting such property from taxation.

1 **SECTION 40.** ORS 351.155 is amended to read:

2 351.155. Notwithstanding the applicable provisions of ORS 279.835 to 279.855, 279A.140 to
 3 279A.155, 279A.250 to 279A.290, 279A.990, 279B.200 to 279B.240, 279B.270, 279B.275, 279B.280,
 4 279C.360, 279C.365, 279C.370, 279C.375, 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545,
 5 279C.600 to 279C.625, 279C.650 to 279C.670 and 279C.800 to 279C.870, the State Board of Higher
 6 Education may, in the management of all forestlands under its control and supervision, sell the for-
 7 est products on such lands in the same manner as is provided in ORS 530.059, and for that purpose
 8 the [State] board [of Higher Education] shall have the same powers with respect to experimental or
 9 research projects in the field of forestland management or for forest product utilization on
 10 forestlands under its control as the State Forester has pursuant to the provisions of ORS 530.050
 11 and 530.059. [In the management of its forestlands, the State Board of Higher Education may lease
 12 mineral and geothermal resource rights as provided in ORS 351.060 (5)].

13 **SECTION 41.** ORS 351.160 is amended to read:

14 351.160. (1) The State Board of Higher Education may undertake the construction of any build-
 15 ing or structure for higher education when, in the judgment of the board, it appears that the build-
 16 ing or structure will be wholly self-liquidating and self-supporting from revenues to accrue from the
 17 operation thereof and from gifts, grants or building fees, and from unobligated revenues of buildings
 18 or projects of like character. The board may enter into contracts for the erection, improvement,
 19 repair, equipping and furnishing of buildings and structures for dormitories, housing, boarding, off-
 20 street motor vehicle parking facilities and other purposes for higher education pursuant to Article
 21 XI-F(1) of the Oregon Constitution, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505.

22 (2) The board may also undertake the construction of those buildings and structures that are
 23 designated by the Legislative Assembly for [higher education institutions] **public universities** and
 24 activities, and may enter into contracts with persons, firms or corporations for the erection, im-
 25 provement, repair, equipping and furnishing of such buildings and structures pursuant to Article
 26 XI-G of the Oregon Constitution and ORS 351.345.

27 **SECTION 42.** ORS 351.205 is amended to read:

28 351.205. The State Board of Higher Education may allow interchange of members of the faculties
 29 of [institutions of higher learning] **public universities listed in ORS 352.002** with faculty members
 30 of comparable institutions of other states or countries for a period of one year. Such exchange ser-
 31 vice shall, for all purposes, be deemed continued service with the Oregon [institution] **public uni-**
 32 **versity** covered, with salary paid to the absent faculty member accordingly. Salary for the visiting
 33 faculty member shall not be paid by the Oregon [institution] **public university** covered.

34 **SECTION 43.** ORS 351.210 is amended to read:

35 351.210. (1) The State Board of Higher Education may sell or otherwise dispose of any worn out,
 36 obsolete or otherwise unsuitable equipment, goods, supplies, material or information technology, the
 37 disposal of which would in the board's judgment be to the financial benefit of the [institutions] **public**
 38 **universities** under the board's control. This section does not apply to any equipment, goods, sup-
 39 plies, material or information technology encumbered by a certificate of participation.

40 [(2) The board may delegate any of its duties, functions or powers granted to the board under this
 41 section to the Chancellor of the Oregon University System or any state institution of higher education
 42 within the Oregon University System.]

43 [(3)] (2) The proceeds from any sales or disposals made pursuant to authority granted in this
 44 section shall be deposited in a designated account in the Oregon University System Fund established
 45 by ORS 351.506 and may be expended by the board for any purpose authorized by law in the same

1 manner as the board is authorized to make other expenditures.

2 **SECTION 44.** ORS 351.230 is amended to read:

3 351.230. The State Board of Higher Education may manage, develop or dispose of, by assignment,
4 sale, lease, license or other action deemed advisable by the board, property acquired under ORS
5 351.220, and may contract with any person or agency, board, commission or department of this or
6 any other state or with the federal government regarding the management, development or disposi-
7 tion thereof. The board may make gratuitous assignments of such property to any trust or fund, the
8 sole beneficiary of which is the [State] board [of Higher Education] or any of the [institutions] **public**
9 **universities or offices, departments** or activities under its control, subject to the share, if any,
10 agreed to be paid to the assignor. The board may reassign such property to the inventor, author or
11 discoverer.

12 **SECTION 45.** ORS 351.240 is amended to read:

13 351.240. [(1)] The State Board of Higher Education may determine the terms and conditions of
14 any transaction authorized by ORS 351.220 to 351.250 and need not require competitive bids in
15 connection therewith. No formal publicity or advertising is required regarding property for the de-
16 velopment of which the board wishes to contract, but the board shall make reasonable efforts to
17 disseminate such information in appropriate research and industrial circles.

18 [(2) *The board may delegate any of the duties, functions and powers granted to the board under*
19 *ORS 351.220 to 351.250 to any state institution of higher education within the Oregon University Sys-*
20 *tem.*]

21 **SECTION 46.** ORS 351.300 is amended to read:

22 351.300. The Legislative Assembly finds that in order to avoid unnecessary disruption at public
23 [institutions of higher education] **universities listed in ORS 352.002** and in order to provide assur-
24 ance that the [institutions] **public universities** share in the benefits of any major reform in the
25 Oregon tax system, it is necessary to stabilize funding for [such institutions] **the Oregon University**
26 **System** over a longer period than is customary with biennial budgeting.

27 **SECTION 47.** ORS 351.310 is amended to read:

28 351.310. (1) The State Board of Higher Education shall control the use, distribution and dis-
29 bursement of all funds, appropriations and taxes now or hereafter in possession, levied and collected,
30 received or appropriated for the use, benefit, support and maintenance of [institutions, departments
31 or activities of higher education] **the public universities listed in ORS 352.002 and offices, de-**
32 **partments and activities under the control of the board**, including the authorization of individ-
33 uals to sign vouchers for the disbursement of funds for the various [institutions,] **public universities,**
34 **offices, departments and activities.**

35 (2) All moneys, except moneys appropriated from the State Treasury for expenditure within a
36 specified period of time, heretofore or hereafter received by or on behalf of the [State] board [of
37 Higher Education], or any [institution, department or activity under its control, which] **public uni-**
38 **versity or office, department or activity under the control of the board, that** are not otherwise
39 appropriated by law, hereby are appropriated continuously to the State Board of Higher Education
40 for the purposes for which such moneys were donated, granted or received, in accordance with any
41 applicable law governing the use of such moneys.

42 **SECTION 48.** ORS 351.317 is amended to read:

43 351.317. An obligation incurred under ORS 351.140 [or 351.315] is not an indebtedness of the
44 State of Oregon and does not create a general indebtedness of the [State Board of Higher Education].
45 A bond issued by the State Treasurer at the request of the board may be paid only from the property,

1 *income or revenues pledged to secure its payment*] **Oregon University System.**

2 **SECTION 49.** ORS 351.320 is amended to read:

3 351.320. The State Board of Higher Education may prorate all expenses not otherwise provided
4 for, incurred under authority of ORS 351.040, 351.050, [351.090 to] **351.100**, 351.110, 351.130 and
5 351.310 to the [institutions] **public universities** under its control, and pay the same from the funds
6 available for the general expenses of those [institutions] **universities.**

7 **SECTION 50.** ORS 351.340 is amended to read:

8 351.340. All sums of money provided by law for the support and maintenance of [institutions and
9 activities of higher learning] **the public universities listed in ORS 352.002 and offices, depart-**
10 **ments and activities under the control of the State Board of Higher Education** may be used
11 for the payment of salaries of instructors and employees, current expenses, construction of addi-
12 tional buildings, purchase of lands, purchase of equipment, purchase of library books and periodicals,
13 purchase of laboratory supplies and apparatus[,] **and** making necessary repairs and, in general, for
14 the payment of all such expenses connected with the management of [such institutions and activities
15 of higher learning] **the public universities and offices, departments and activities,** as the board
16 may from time to time determine. However, such [money] **moneys** in the instruction budget of the
17 board shall not be used to support hobby or recreation courses.

18 **SECTION 51.** ORS 351.450 is amended to read:

19 351.450. (1) The [moneys] **net proceeds** realized from sales of bonds issued to construct, improve,
20 repair, equip and furnish buildings and other structures for higher education, and to purchase and
21 improve sites [therefor] **for buildings and other structures,** shall be credited to a designated ac-
22 count in the Oregon University System Fund established by ORS 351.506.

23 (2) The account designated by this section shall have:

24 (a) A separate subaccount for the credit of [moneys] **net proceeds** realized from sales of **general**
25 **obligation** bonds issued pursuant to Article XI-F(1) of the Oregon Constitution and ORS 351.350;
26 **and**

27 (b) A separate subaccount for the credit of [moneys] **net proceeds** realized from sales of **general**
28 **obligation** bonds issued pursuant to Article XI-G of the Oregon Constitution and ORS 351.345.];
29 *and]*

30 *[(c) A separate subaccount for the credit of moneys realized from the sales of revenue bonds issued*
31 *pursuant to ORS chapter 286A.]*

32 (3) The [moneys] **net proceeds** received from the issuance of temporary bonds under ORS
33 351.470 for the purpose of interim financing pending the sale of the bonds shall also be credited to
34 the appropriate subaccount of the account designated by this section.

35 (4) The moneys in the account designated by this section shall be used for the purpose of de-
36 fraying the costs of the projects to be financed through sale of the bonds and for the purpose of
37 retiring temporary bonds issued under ORS 351.470 and may not be used for any other purpose un-
38 less designated for investment by the Chancellor of the Oregon University System. If a surplus re-
39 mains after application to the purposes described in this subsection, the surplus and earnings from
40 temporary investments shall be credited to the account maintained in the Oregon University System
41 Fund under ORS 351.460.

42 **SECTION 52.** ORS 351.455 is amended to read:

43 351.455. [Notwithstanding any other provisions of law,] The Oregon University System may ex-
44 pend moneys from the appropriate subaccount of the account in the Oregon University System Fund
45 designated by ORS 351.450, including [moneys] **net proceeds** realized from the sale of bonds issued

1 pursuant to Article XI-F(1) of the Oregon Constitution and ORS 351.350, [*and from the sale of revenue*
 2 *bonds authorized by ORS 351.315,*] for the planning, constructing, altering, repairing, furnishing and
 3 equipping of buildings and facilities of the kind and character prescribed by Article XI-F(1) of the
 4 Oregon Constitution and for the acquisition of land.

5 **SECTION 53.** ORS 351.460 is amended to read:

6 351.460. (1) The State Board of Higher Education shall maintain an account within the Oregon
 7 University System Fund established by ORS 351.506 to provide for the payment of the principal of
 8 and the interest upon:

9 (a) The **general obligation** bonds issued under authority of Article XI-F(1) of the Oregon Con-
 10 stitution and ORS 351.350;

11 (b) The **general obligation** bonds issued under authority of Article XI-G of the Oregon Consti-
 12 tution and ORS 351.345; **and**

13 [*(c) Revenue bonds authorized by ORS 351.315; and*]

14 [*(d)*] (c) Amounts due under financial agreements entered into under ORS 351.356.

15 (2) The account maintained under this section comprises one subaccount for each of the pur-
 16 poses of the account identified in subsection (1) of this section.

17 (3) Income and interest derived from moneys in the subaccounts of the account maintained under
 18 this section are credited to the appropriate subaccount.

19 (4) The sources of moneys for the account maintained under this section are:

20 (a) All moneys received from ad valorem taxes levied pursuant to ORS 291.445;

21 (b) All moneys that the Legislative Assembly may provide in lieu of [*such*] **ad valorem** taxes;

22 (c) All of the net revenues received from the projects or undertakings for the financing of which
 23 the bonds were issued, including gifts, grants and building fees;

24 (d) Unpledged revenues of buildings and projects of like character that are allocated by the
 25 board;

26 (e) All moneys received as accrued interest upon bonds sold;

27 (f) All earnings from investments of the account;

28 (g) All proceeds of the sale of refunding bonds; and

29 (h) All moneys that the State of Oregon has agreed to hold in the account to pay amounts due
 30 under financial agreements entered into under ORS 351.356.

31 (5) The board may credit the account maintained under this section with moneys received from
 32 either a sale or interfund transfer of land, buildings and facilities. When the land, buildings or fa-
 33 cilities are sold or the use of the land, buildings or facilities is rededicated so that a transfer from
 34 one subaccount to another subaccount is appropriate, the moneys received shall be credited to the
 35 appropriate subaccount.

36 (6) The board shall apply student building fees, revenues, gifts and grants for the payment of the
 37 principal of and the interest upon the bonds issued under authority of Article XI-F(1) of the Oregon
 38 Constitution [*and upon revenue bonds authorized by ORS 351.315*] until [*such time as*] the proper
 39 subaccount and investments of the subaccount, as supplemented by expected future income will, in
 40 the judgment of the board, be sufficient to meet in full the principal of and the interest upon all such
 41 outstanding bonds. Except for student building fees, income not required for the account as de-
 42 scribed in this subsection shall be transferred to other accounts and subaccounts within the Oregon
 43 University System Fund that are designated by the board. Student building fees for buildings con-
 44 structed from the proceeds of **general obligation** bonds issued under Article XI-F(1) of the Oregon
 45 Constitution [*or ORS 351.315*] shall be applied only to [*those*] **general obligation** bonds authorized

1 under Article XI-F(1) of the Oregon Constitution [*or ORS 351.315*].

2 (7)(a) The board may not use the account maintained under this section for any purpose other
3 than the purposes for which the account was created.

4 (b) Notwithstanding paragraph (a) of this subsection, the board may transfer any surplus in the
5 account to other accounts in the Oregon University System Fund if a balance remains in the ac-
6 count from sources other than student building fees for buildings constructed from the proceeds of
7 bonds issued under Article XI-F(1) of the Oregon Constitution and:

8 (A) The purposes for which the account was created have been fulfilled; or

9 (B) A reserve sufficient to meet all existing and future obligations and liabilities of the account
10 has been set aside.

11 **SECTION 54.** ORS 351.506 is amended to read:

12 351.506. (1) The Oregon University System Fund is established in the State Treasury, separate
13 and distinct from the General Fund. Any interest or other investment income derived from moneys
14 in the Oregon University System Fund is credited to the fund. [*Except when otherwise specified by*
15 *a statute establishing an account, the interest or other investment income credited to the Oregon Uni-*
16 *versity System Fund that was derived from tuition and fees, facility and administrative cost recoveries,*
17 *sales and services revenues, housing fees, food service fees, parking fees and General Fund appropri-*
18 *ations shall be transferred to the General Fund by the State Board of Higher Education.*]

19 (2) Except for moneys otherwise designated by statute or federal law, all moneys received by the
20 State Board of Higher Education or the Oregon University System shall be paid into the State
21 Treasury and credited to the Oregon University System Fund. All moneys in the fund are contin-
22 uously appropriated to the State Board of Higher Education for purposes authorized by law.

23 (3) The moneys in the Oregon University System Fund may be invested as provided in ORS
24 293.701 to 293.820.

25 (4) The board may establish accounts and subaccounts within the Oregon University System
26 Fund when the board determines that accounts or subaccounts are necessary or desirable. Except
27 when otherwise specified by a statute establishing an account, the board may credit any interest
28 or income derived from moneys in the fund to any account or subaccount within the fund.

29 (5) The board shall keep a record of all moneys deposited into the **Oregon University System**
30 **Fund**. The record shall indicate by separate cumulative accounts and subaccounts the sources from
31 which the moneys are derived and the individual activity or program against which each withdrawal
32 is charged.

33 **SECTION 55.** ORS 351.590 is amended to read:

34 351.590. (1) An account in the Oregon University System Fund established by ORS 351.506 is
35 designated for the purpose of receiving all revenue from incidental fees, optional fees, health ser-
36 vices fees and all operating revenue from intercollegiate athletics, student unions and educational
37 activities.

38 (2) Disbursements from the account designated by this section, including any interest credited
39 to the account, may be made for necessary expenses for supplies, services and equipment associated
40 with student activities including but not limited to recruiting, training and grant-in-aid to
41 intercollegiate athletes.

42 (3) Income and interest derived from moneys in the account designated by this section are
43 credited to the account. The State Board of Higher Education shall distribute annually the total
44 interest earnings proportionately to each [*institution*] **public university listed in ORS 352.002** based
45 on each [*institution's*] **university's** average cash balance in the account.

SECTION 56. ORS 351.628 is amended to read:

351.628. (1) There is established in the General Fund an account to be known as the Higher Education Academic Modernization Account. Funds in the account shall be used at *[state institutions of higher education within the Oregon University System]* **public universities listed in ORS 352.002** for academic modernization, capital repair, deferred maintenance and making facilities compliant with building and safety codes.

(2) The account shall consist of funds donated to the Oregon University System for the purposes described in subsection (1) of this section. The account may also consist of other funds available to the Oregon University System for the purposes described in subsection (1) of this section. The Oregon University System may not deposit any moneys into the account that were appropriated to the Department of Higher Education under chapter 725, Oregon Laws 2003. Interest earned on moneys in the account shall be credited to the account.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, and are continuously appropriated to the Oregon University System for the purposes described in subsection (1) of this section. The account may not be credited with more than \$1,000,000 in interest, donations and other funds.

SECTION 57. ORS 351.638 is amended to read:

351.638. (1) An account in the Oregon University System Fund established by ORS 351.506 is designated for the purpose of attracting new, outstanding faculty members to the *[institutions in the Oregon University System]* **public universities listed in ORS 352.002**. This purpose includes payment of costs incurred in relocating new faculty, retraining necessary teaching assistants for new faculty, acquisition of equipment such as laboratory equipment and facilities to support research by new faculty, payment of other costs incurred in recruiting new faculty and payment of costs associated with committing salary supplements to newly recruited faculty over a period of more than one year.

(2) The State Board of **Higher Education** shall seek funds from private sources for deposit to the credit of the account designated by this section. *[Funds from other sources may not be transferred or credited to the account without prior authorization of the appropriate legislative review agency as described in ORS 291.375 (1)].*

SECTION 58. ORS 351.642 is amended to read:

351.642. (1) As used in this section:

(a) “Active member of the Armed Forces of the United States” includes officers and enlisted personnel of the Armed Forces of the United States who:

(A) Reside in this state while assigned to duty at any base, station, shore establishment or other facility in this state;

(B) Reside in this state while serving as members of the crew of a ship that has an Oregon port or shore establishment as its home port or permanent station; or

(C) Reside in another state or a foreign country and establish Oregon residency by filing Oregon state income taxes no later than 12 months before leaving active duty.

(b) “Armed Forces of the United States” includes:

(A) The Army, Navy, Air Force, Marine Corps and Coast Guard of the United States;

(B) Reserve components of the Army, Navy, Air Force, Marine Corps and Coast Guard of the United States; and

(C) The National Guard of the United States and the Oregon National Guard.

(c) “Dependent children” includes any children of an active member of the Armed Forces of the

1 United States who:

2 (A) Are under 18 years of age and not married, otherwise emancipated or self-supporting; or

3 (B) Are under 23 years of age, unmarried, enrolled in a full-time course of study in an institution
4 of higher learning and dependent on the member for over one-half of their support.

5 (2) Active members of the Armed Forces of the United States and their spouses and dependent
6 children shall be considered residents of this state for the purpose of admission and for the purpose
7 of determining fees and tuition to be paid by such individuals while attending any [*educational in-*
8 *stitution in this state*] **public university** that is under the control of the State Board of Higher Ed-
9 ucation.

10 (3) The State Board of Higher Education may contract with the Armed Forces of the United
11 States to furnish educational service in [*Oregon institutions*] **the public universities** to active
12 members of the Armed Forces of the United States.

13 (4) The State Board of Higher Education shall determine the number of such students that
14 should be accepted and shall make final decisions on admission of individual applicants.

15 (5) Students attending [*Oregon institutions*] **the public universities** under contracts with the
16 Armed Forces of the United States under this section shall pay fees and tuition customarily charged
17 Oregon students.

18 (6) Payments made by the Armed Forces of the United States under such contracts shall be de-
19 posited in a designated account in the Oregon University System Fund established by ORS 351.506
20 in the same manner that fees and tuition payments for resident students are deposited and credited.

21 **SECTION 59.** ORS 351.643 is amended to read:

22 351.643. (1) A student [*at a state institution of higher education*] **at a public university listed**
23 **in ORS 352.002** who is a member of the military and who is ordered to federal or state active duty
24 for more than 30 consecutive days has the following rights:

25 (a) With regard to a course in which the student is enrolled and for which the student has paid
26 tuition and fees, the right to:

27 (A) Withdraw from the course, subject to the provisions of subsection (2) of this section;

28 (B) Receive a grade of incomplete and, upon release from active duty, complete the course in
29 accordance with the practice of the [*state institution of higher education*] **public university** for
30 completion of incomplete courses; or

31 (C) Continue and complete the course for full credit, subject to the provisions of subsection (3)
32 of this section;

33 (b) The right to a credit described in ORS 351.644 for all amounts paid for room, board, tuition
34 and fees;

35 (c) If the student elects to withdraw from the [*state institution of higher education*] **public uni-**
36 **versity**, the right to be readmitted and reenrolled at the [*state institution of higher education*] **public**
37 **university** within one year after release from active duty without a requirement of redetermination
38 of admission eligibility; and

39 (d) The right to continuation of scholarships and grants awarded to the student that were funded
40 by the [*state institution of higher education*] **public university** or the Oregon Student Assistance
41 Commission before the student was ordered to active duty.

42 (2) If the student elects to withdraw from a course under subsection (1)(a)(A) of this section, the
43 [*state institution of higher education*] **public university** may not:

44 (a) Give the student academic credit for the course from which the student withdraws;

45 (b) Give the student a failing grade or a grade of incomplete or make any other negative anno-

1 tation on the student's record; or

2 (c) Alter the student's grade point average due to the student's withdrawal from the course.

3 (3) A student who elects to continue and complete a course for full credit under subsection
4 (1)(a)(C) of this section is subject to the following conditions:

5 (a) Course sessions the student misses due to active duty shall be counted as excused absences
6 and may not adversely impact the student's grade for the course or rank in the student's class.

7 (b) The student may not be automatically excused from completing course assignments due
8 during the period the student serves on active duty.

9 (c) A letter grade or a grade of pass may be awarded only if, in the opinion of the teacher of
10 the course, the student completes sufficient work and demonstrates sufficient progress toward
11 meeting course requirements to justify the grade.

12 (4) The State Board of Higher Education shall adopt rules for the administration of this section.

13 (5) As used in this section, "member of the military" means a person who is a member of:

14 (a) The Oregon National Guard or the National Guard of any other state or territory; or

15 (b) The reserves of the Army, Navy, Air Force, Marine Corps or Coast Guard of the United
16 States.

17 **SECTION 60.** ORS 351.644 is amended to read:

18 351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b) shall be based on:

19 (A) The amount of room and board paid by the student for a term that the student does not
20 complete because the student is ordered to active duty; and

21 (B) The amount of tuition and fees paid by the student for a course from which the student
22 withdraws.

23 (b) The amount of the credit shall be prorated based on the number of weeks remaining in the
24 term or course when the student withdraws.

25 (c) At the time a student withdraws from a course at a [*state institution of higher education*]
26 **public university listed in ORS 352.002** or from the [*state institution of higher education*] **public**
27 **university**, the student must elect to claim the credit:

28 (A) As a credit toward tuition and fees or room and board if the student reenrolls at the [*state*
29 *institution of higher education*] **public university** under ORS 351.643 (1)(c); or

30 (B) As a monetary payment.

31 (2) A student who elects to claim the credit by the method described in subsection (1)(c)(A) of
32 this section may change the method of claiming the credit to the method described in subsection
33 (1)(c)(B) of this section by giving notice to the [*state institution of higher education*] **public univer-**
34 **sity** from which the student withdraws.

35 (3) A student who elects to claim the credit by the method described in subsection (1)(c)(A) of
36 this section must use the credit or change the method of claiming the credit under subsection (2)
37 of this section within one year after release from active duty.

38 (4) A personal representative of a student who elected to claim the credit by the method de-
39 scribed in subsection (1)(c)(A) of this section may claim a monetary payment upon presenting evi-
40 dence to the [*state institution of higher education*] **public university** that the student died while
41 serving on active duty.

42 (5) The State Board of Higher Education shall adopt rules for the administration of this section,
43 including rules that determine the amount of credit and the method by which the credit is prorated.

44 **SECTION 61.** ORS 351.646 is amended to read:

45 351.646. A [*state institution of higher education*] **public university** listed in ORS 352.002 shall

1 give credit for education and training obtained by a person while serving in the Armed Forces of
 2 the United States, as defined in ORS 351.642. The education and training for which credit may be
 3 given must meet the standards adopted by the State Board of Higher Education by rule.

4 **SECTION 62.** ORS 351.649 is amended to read:

5 351.649. (1) For the purposes of this section:

6 (a) “Public institution of higher education” means:

7 (A) A community college;

8 (B) A [*state institution of higher education*] **public university** listed in ORS 352.002; and

9 (C) The Oregon Health and Science University.

10 (b) “School-sponsored media” means materials that are prepared, substantially written, published
 11 or broadcast by student journalists, that are distributed or generally made available, either free of
 12 charge or for a fee, to members of the student body and that are prepared under the direction of a
 13 student media adviser. “School-sponsored media” does not include media intended for distribution
 14 or transmission solely in the classrooms in which they are produced.

15 (c) “Student journalist” means a student who gathers, compiles, writes, edits, photographs, re-
 16 cords or prepares information for dissemination in school-sponsored media.

17 (d) “Student media adviser” means a person who is employed, appointed or designated by a
 18 public institution of higher education to supervise, or provide instruction relating to, school-
 19 sponsored media.

20 (2) Student journalists are responsible for determining the news, opinion, feature and advertising
 21 content of school-sponsored media. This subsection does not prevent a student media adviser from
 22 teaching professional standards of English and journalism to the student journalists.

23 (3) Nothing in this section may be interpreted to authorize expression by students that:

24 (a) Is libelous or slanderous;

25 (b) Constitutes an unwarranted invasion of privacy;

26 (c) Violates federal or state statutes, rules or regulations or state common law; or

27 (d) So incites students as to create a clear and present danger of:

28 (A) The commission of unlawful acts on or off school premises;

29 (B) The violation of school policies; or

30 (C) The material and substantial disruption of the orderly operation of the school. A school of-
 31 ficial must base a forecast of material and substantial disruption on specific facts, including past
 32 experience in the school and current events influencing student behavior, and not on undifferen-
 33 tiated fear or apprehension.

34 (4) Any student enrolled in a public institution of higher education may commence a civil action
 35 to obtain damages under this subsection and appropriate injunctive or declaratory relief as deter-
 36 mined by a court for a violation of subsection (2) of this section, the First Amendment to the United
 37 States Constitution or section 8, Article I of the Oregon Constitution. Upon a motion, a court may
 38 award \$100 in damages and injunctive and declaratory relief to a prevailing plaintiff in a civil action
 39 brought under this subsection.

40 **SECTION 63.** ORS 351.656 is amended to read:

41 351.656. (1) As used in this section:

42 (a) “Child” means a child, adopted child or stepchild of a service member.

43 (b) “Eligible post-secondary institution” means:

44 (A) A [*state institution of higher education*] **public university** listed in ORS 352.002; and

45 (B) The Oregon Health and Science University.

1 (c) "Qualified student" means a child, a spouse or an unremarried surviving spouse of a service
2 member.

3 (d) "Service member" means a person who:

4 (A) As a member of the Armed Forces of the United States, died on active duty;

5 (B) As a member of the Armed Forces of the United States, died as a result of a military service
6 connected disability; or

7 (C) Is 100 percent disabled as the result of a military service connected disability, as certified
8 by the United States Department of Veterans Affairs or any branch of the Armed Forces of the
9 United States.

10 (2) Subject to subsections (3) to (6) of this section, an eligible post-secondary institution shall
11 waive tuition for a qualified student for courses that may lead to a baccalaureate degree or a
12 master's degree. A qualified student who received a tuition waiver for a baccalaureate degree may
13 also qualify for a tuition waiver for a master's degree.

14 (3)(a) The maximum waiver granted under this section shall be as follows:

15 (A) For a baccalaureate degree, the total number of credit hours that equals four years of full-
16 time attendance at an eligible post-secondary institution.

17 (B) For a master's degree, the total number of credit hours that equals two years of full-time
18 attendance at an eligible post-secondary institution.

19 (b) Notwithstanding paragraph (a) of this subsection, a waiver may not exceed the total number
20 of credit hours the qualified student needs to graduate with a baccalaureate degree or a master's
21 degree.

22 (4) A waiver may be granted under this section only for credit hours for courses that are offered
23 by an eligible post-secondary institution and are available for enrollment regardless of whether the
24 qualified student attends the course and pays tuition.

25 (5) A qualified student may receive a waiver under this section if the student:

26 (a) At the time of application for a waiver, is considered a resident of this state for the purpose
27 of determining tuition to be paid at an eligible post-secondary institution; and

28 (b) Has been admitted to an eligible post-secondary institution for a baccalaureate degree pro-
29 gram or has been admitted to a master's degree program at an eligible post-secondary institution.

30 (6)(a) A child who applies for a waiver under this section must be 23 years of age or younger
31 at the time the child applies for a waiver.

32 (b) Notwithstanding paragraph (a) of this subsection, a child who is older than 23 years of age
33 is eligible for a waiver for a master's degree if the child:

34 (A) Applied for and received a waiver for a baccalaureate degree when the child was 23 years
35 of age or younger; and

36 (B) Applied for a waiver for a master's degree within 12 months of receiving a baccalaureate
37 degree.

38 **SECTION 64.** ORS 351.658 is amended to read:

39 351.658. (1) The State Board of Higher Education shall direct each [*state institution of higher*
40 *education*] **public university listed in ORS 352.002** to waive tuition for any course audited by an
41 Oregon resident 65 years of age or older if:

42 (a) Space is available in the course for additional students to register after degree-seeking stu-
43 dents have registered;

44 (b) The department in which the course is being taught approves; and

45 (c) The auditing student is registered for eight credits or fewer per term.

1 (2) [A *state institution of higher education*] **The public university** may charge the student at-
2 tending under subsection (1) of this section fees associated with the course being audited.

3 (3) A [*state institution of higher education*] **public university** may develop rules for implementa-
4 tion of this section, including rules relating to registration, admission and fees.

5 **SECTION 65.** ORS 351.700 is amended to read:

6 351.700. As used in ORS 351.704 and 351.708, “public institution of higher education” means:

7 (1) A community college; or

8 (2) A [*state institution of higher education*] **public university** listed in ORS 352.002.

9 **SECTION 66.** ORS 351.704 is amended to read:

10 351.704. (1) **Subject to ORS 351.094 and any group health and welfare insurance benefit**
11 **plan developed under ORS 351.094**, a part-time faculty member at a public institution of higher
12 education is eligible for the same health care benefits as full-time faculty members if the part-time
13 faculty member is eligible for membership in the Public Employees Retirement System **or another**
14 **plan authorized under ORS chapter 238 or 238A** by teaching either at a single public institution
15 of higher education or in aggregate at multiple public institutions of higher education during the
16 prior year.

17 (2) A part-time faculty member at a public institution of higher education shall pay all insurance
18 premiums for health care benefits unless otherwise provided for by the policy of the institution or
19 by collective bargaining at the institution.

20 [(3) *The Oregon Educators Benefit Board and the Public Employees’ Benefit Board shall each*
21 *adopt rules to implement subsections (1) and (2) of this section.*]

22 **SECTION 67.** ORS 351.840 is amended to read:

23 351.840. (1) The State Board of Higher Education and the Oregon Health and Science University
24 Board of Directors may contract with the Western Interstate Commission for Higher Education to
25 furnish educational service in their respective Oregon [*institutions*] **public universities** to out-of-
26 state students.

27 (2) The State Board of Higher Education and the Oregon Health and Science University Board
28 of Directors shall determine the number of out-of-state students that should be accepted into their
29 respective [*institutions*] **universities**, and shall make final decisions on admission of individual ap-
30 plicants.

31 (3) Payments made by the commission under such contracts shall be deposited in and credited
32 to a designated account in the Oregon University System Fund established by ORS 351.506 for stu-
33 dents enrolled in [*institutions*] **public universities** under the jurisdiction of the State Board of
34 Higher Education in the same manner that fees and tuition payments for resident students are de-
35 posited and credited. The estimated amount of the payments must be considered by the board in
36 making its biennial budgetary requests. Payments made by the commission under such contracts
37 must be deposited with the Oregon Health and Science University for students who enroll in that
38 university under the terms of such contracts.

39 **SECTION 68.** ORS 351.870 is amended to read:

40 351.870. (1) The Legislative Assembly finds and declares that basic research is fundamental to
41 the continuation and expansion of applied research and is thus a necessary ingredient in economic
42 growth. The Legislative Assembly further finds that basic research is itself an important activity
43 which should be promoted.

44 (2) It is the policy of this state that basic research is an appropriate and necessary activity of
45 our public universities. Further, the State of Oregon has an obligation with other states and the

1 federal government to encourage and finance basic research if the state and nation are to be active
2 participants in a future which will require ever increasing levels of knowledge and understanding.

3 (3) The Legislative Assembly acknowledges that a characteristic of basic research is that no
4 defined result can be guaranteed and asserts that only through scholarly investigation can knowl-
5 edge be advanced to be later developed and applied.

6 (4) The Legislative Assembly believes that moneys for basic research should be regularly ap-
7 propriated and that such moneys should be used for support of qualified investigators and funding
8 of research projects.

9 (5) The Legislative Assembly intends that in implementing the policy on basic research or any
10 other research policy, the State Board of Higher Education, in keeping with the principle of aca-
11 demic freedom, shall [*insure*] **ensure** open and free inquiry and publication in all [*institutions*] **public**
12 **universities** under its jurisdiction.

13 **SECTION 69.** ORS 351.885 is amended to read:

14 351.885. (1) With the advice and recommendations of the Council for Research Policy Recom-
15 mendations established by ORS 351.880, the State Board of Higher Education shall adopt policies
16 and procedures for the administration of the account designated by ORS 351.875.

17 (2) The policies and procedures shall give consideration to:

18 (a) The promotion of basic research of the highest caliber at [*institutions of higher education*]
19 **public universities** within the Oregon University System;

20 (b) The identification of areas of inquiry that should be supported so as to recognize both the
21 intrinsic value and extrinsic economic value of basic research;

22 (c) The capacity of each [*institution of higher education*] **public university** to decide where basic
23 research moneys could best be spent within that [*institution*] **public university**;

24 (d) Administrative and accounting requirements that place upon the [*institution of higher edu-*
25 *cation*] **public university** receiving moneys from the account designated by ORS 351.875 a minimum
26 burden sufficient to guarantee an appropriate degree of public accountability; and

27 (e) Methods of [*assuring*] **ensuring** nondiscriminatory access to the account designated by ORS
28 351.875.

29 **SECTION 70.** ORS 352.002 is amended to read:

30 352.002. The Oregon University System **established in section 3 of this 2011 Act** consists of
31 the [*programs, activities and institutions of higher education*] **following public universities** under the
32 jurisdiction of the State Board of Higher Education [*including the following*]:

33 (1) University of Oregon.

34 (2) Oregon State University.

35 (3) Portland State University.

36 (4) Oregon Institute of Technology.

37 (5) Western Oregon University.

38 (6) Southern Oregon University.

39 (7) Eastern Oregon University.

40 **SECTION 71.** ORS 352.004 is amended to read:

41 352.004. The president of each [*state institution of higher education*] **public university** within the
42 Oregon University System is also president of the faculty. The president is also the executive and
43 governing officer of the [*institution*] **public university**, except as otherwise provided by statute **or**
44 **action of the State Board of Higher Education**. Subject to the supervision of the [*State*] board
45 [*of Higher Education*], the president of the [*institution*] **public university** has authority to control

1 and give general directions to the practical affairs of the *[institution]* **public university**.

2 **SECTION 72.** ORS 352.008 is amended to read:

3 352.008. In consultation with the Oregon Health Authority, each *[state institution of higher edu-*
 4 *cation]* **public university listed in ORS 352.002** shall adopt a comprehensive alcohol and drug abuse
 5 policy and implementation plan.

6 **SECTION 73.** ORS 352.010 is amended to read:

7 352.010. The president and professors constitute the faculty of each of the *[state institutions of*
 8 *higher education]* **public universities listed in ORS 352.002** and as such have the immediate gov-
 9 ernment and discipline of *[it]* **the public university** and the students therein, **except as otherwise**
 10 **provided by statute or action of the State Board of Higher Education**. The faculty may, subject
 11 to the supervision of the *[State]* board *[of Higher Education]* under ORS 351.070, prescribe the course
 12 of study to be pursued in the *[institution]* **public university** and the textbooks to be used.

13 **SECTION 74.** ORS 352.015 is amended to read:

14 352.015. (1) *[Every institution under the jurisdiction of the State Board of Higher Education]* **Each**
 15 **public university listed in ORS 352.002** shall convene a physical access committee to identify
 16 barriers to access by persons with disabilities on the campus of each *[institution]* **public**
 17 **university**. The committee shall include, but not be limited to:

18 (a) One or more students with disabilities or, if there are no students with disabilities willing
 19 to participate, a person with a disability who uses the *[institution's]* **public university's** facilities;

20 (b) One or more members of the faculty or staff who have disabilities;

21 (c) The coordinator of services for students with disabilities for the *[institution]* **public univer-**
 22 **sity**;

23 (d) One or more administrators of the *[institution]* **public university**; and

24 (e) One or more members of the physical plant staff of the *[institution]* **public university**.

25 (2) The physical access committee shall present its findings and recommendations to the ad-
 26 ministration of the *[institution]* **public university** listing access needs and priorities for meeting
 27 those needs. These findings and recommendations shall identify the barriers to access that prevent
 28 persons with disabilities from meaningfully utilizing campus facilities related to instruction, aca-
 29 demic support, assembly and residence life.

30 (3) In preparing *[budget]* **funding** requests for each biennium, each *[institution under the juris-*
 31 *isdiction of the State Board of Higher Education]* **public university** shall include amounts for capital
 32 improvement that will be applied to the substantial reduction and eventual elimination of barriers
 33 to access by persons with disabilities as identified by the physical access committee.

34 (4) Nothing in this section and ORS 185.155 and 341.937 requires *[an institution]* **a public uni-**
 35 **versity** to undertake projects for accessibility that are not otherwise required unless such projects
 36 are funded specifically by the Legislative Assembly.

37 **SECTION 75.** ORS 352.017 is amended to read:

38 352.017. (1) As used in this section, "personally identifiable information" means a student's So-
 39 cial Security number and gender or a student's Social Security number and date of birth.

40 (2) A *[state institution of higher education]* **public university listed in ORS 352.002** may enter
 41 into a contract with a private contractor to provide the service of facilitating the disbursement of
 42 funds to students. If a student's personally identifiable information is necessary to administer the
 43 disbursement of funds under the contract, the *[institution must]* **public university**:

44 (a) **Shall** obtain from a student a written election to receive the contracted services;

45 (b) **Shall** provide any alternative method of disbursement of funds at no additional cost to a

1 student who does not elect to receive those services from a private contractor;

2 (c) **May** not release to a private contractor personally identifiable information about a student
 3 who elects to receive disbursement services from the private contractor without first obtaining from
 4 the student a written consent to release the personally identifiable information; and

5 (d) **Shall** provide to a student a written description of the purposes for which a private con-
 6 tractor may use the student’s personally identifiable information.

7 **SECTION 76.** ORS 352.021 is amended to read:

8 352.021. (1) As used in this section, “internment camp” means a relocation center to which
 9 persons were ordered evacuated by Presidential Executive Order 9066, signed on February 19, 1942.

10 (2) A person who meets the requirements of subsection (4) of this section may request a [*state*
 11 *institution of higher education*] **public university** listed in ORS 352.002 to award the person an
 12 honorary post-secondary degree.

13 (3) A representative of a deceased person who meets the requirements of subsection (4) of this
 14 section may request a [*state institution of higher education listed in ORS 352.002*] **public university**
 15 to award an honorary post-secondary degree on behalf of the deceased person.

16 (4) Notwithstanding the requirements for a post-secondary degree established by a [*state insti-*
 17 *tution of higher education*] **public university** or by the State Board of Higher Education, a [*state*
 18 *institution of higher education*] **public university** that receives a request under subsection (2) or (3)
 19 of this section may award an honorary post-secondary degree to a person, or on behalf of a deceased
 20 person, who:

21 (a) Was a student at the [*state institution of higher education*] **public university** in 1942; and

22 (b) Did not graduate from the [*institution*] **public university** because the person was ordered to
 23 an internment camp.

24 **SECTION 77.** ORS 352.223 is amended to read:

25 352.223. (1) As used in this section:

26 (a) “Allied health education programs” includes, but is not limited to:

27 (A) Radiologic science;

28 (B) Nuclear medicine;

29 (C) Sonography;

30 (D) Vascular technology;

31 (E) Dental hygiene;

32 (F) Respiratory care;

33 (G) Clinical laboratory sciences; and

34 (H) Emergency medical technician education.

35 (b) “Allied health education programs” does not include any undergraduate or graduate nursing
 36 program administered by Oregon Health and Science University.

37 (2) There is created within the Oregon University System the Oregon Center for Health Pro-
 38 fessions. The Oregon Center for Health Professions shall be administered by the Oregon Institute
 39 of Technology.

40 (3) The purposes of the Oregon Center for Health Professions are to:

41 (a) Provide continued development of bachelor’s degree level education programs in areas of
 42 allied health;

43 (b) Facilitate the creation of new partnerships between the health care industry and community
 44 colleges, private institutions of higher education and [*state institutions of higher education*] **public**
 45 **universities listed in ORS 352.002** in order to increase the number of students and graduates in

1 allied health education programs;

2 (c) Provide continuing education, professional development and certificate programs for allied
3 health care professionals; and

4 (d) Align with and complement educational partnerships between the Oregon Institute of Tech-
5 nology and Oregon Health and Science University focusing on allied health education programs.

6 (4) The Oregon University System may receive moneys from any public or private source to
7 support the Oregon Center for Health Professions. Gifts and grants received to support the Oregon
8 Center for Health Professions shall be credited to the appropriate fund at the Oregon Institute of
9 Technology by the Oregon University System.

10 **SECTION 78.** ORS 352.360 is amended to read:

11 352.360. (1) The State Board of Higher Education may enact such regulations as the board deems
12 convenient or necessary to provide for the policing, control and regulation of traffic and parking
13 of vehicles on the property of any [*institution of higher education under the jurisdiction of the*
14 *board*] **public university listed in ORS 352.002**. The regulations may provide for the registration
15 of vehicles, the designation of parking areas[,] and the assessment and collection of reasonable fees
16 and charges for parking[, *and shall be filed in accordance with the provisions of ORS chapter 183*].
17 The board may require that before a quarterly or yearly parking privilege for any vehicle is granted
18 to any full-time or part-time student to use board property, the student must show that the vehicle
19 is operated by a student holding a valid [*driver's*] **driver** license, that the vehicle is currently reg-
20 istered and that the student driving the vehicle is insured under a motor vehicle liability insurance
21 policy that meets the requirements described under ORS 806.080 or that the student or owner of the
22 vehicle has provided the Department of Transportation with other satisfactory proof of compliance
23 with the financial responsibility requirements of this state.

24 (2) The regulations enacted pursuant to subsection (1) of this section shall be enforced admin-
25 istratively under procedures adopted by the board for each [*institution of higher education under the*
26 *jurisdiction of the board*] **public university**. Administrative and disciplinary sanctions may be im-
27 posed upon students, faculty and staff for violation of the regulations, including but not limited to,
28 a reasonable monetary penalty which may be deducted from student deposits, and faculty or staff
29 salaries or other funds in the possession of the [*institution*] **public university**. The board shall pro-
30 vide opportunity for hearing for the determination of controversies in connection with imposition
31 of fines or penalties. The board may prescribe procedures for such hearings despite the provisions
32 of ORS 183.413 to 183.470. Persons other than students, faculty or staff may voluntarily submit to
33 the hearing procedures prescribed by the board, and shall be bound by the results of the hearing.
34 The powers granted to the board by this section are supplemental to the existing powers of the
35 board with respect to the government of activities of students, faculty and staff and the control and
36 management of property under its jurisdiction.

37 (3) The regulations enacted pursuant to subsection (1) of this section may also be enforced by
38 the impoundment of vehicles, and a reasonable fee may be enacted for the cost of impoundment and
39 storage, if any, prior to the release of the vehicles to their owners.

40 (4) All fees and charges for parking privileges and violations are deposited in a designated ac-
41 count in the Oregon University System Fund established by ORS 351.506 for the purpose of defraying
42 the costs of constructing bicycle racks and bicycle lanes and of traffic control, enforcement of traffic
43 and parking regulations[,] and maintenance and operation of parking facilities and for the purpose
44 of acquiring and constructing additional parking facilities for vehicles at the various [*institutions,*
45 *departments or*] **public universities and offices, departments and** activities under the control of

1 the board. Fees and charges may also be credited to the account in the Oregon University System
 2 Fund designated by ORS 351.460. Parking fees shall be established at levels no greater than those
 3 required to finance the construction, operation and maintenance of parking facilities on the same
 4 campus of the *[state institution of higher education on]* **public university for** which the parking is
 5 provided. Notwithstanding ORS 351.072, parking fees or changes in fees shall be adopted by rule
 6 of the *[state]* board subject to the procedure for rules adopted in ORS chapter 183.

7 (5) Every peace officer may enforce the regulations made by the board under subsection (1) of
 8 this section. The board, for the purpose of enforcing its rules and regulations governing traffic
 9 control, may appoint peace officers who have the same authority as other peace officers as defined
 10 in ORS 133.005.

11 (6) The board and any municipal corporation or any department, agency or political subdivision
 12 of this state may enter into agreements or contracts with each other for the purpose of providing
 13 a uniform system of enforcement of the rules and regulations of the board enacted pursuant to
 14 subsection (1) of this section.

15 (7) In proceedings brought to enforce regulations enacted pursuant to subsection (1) of this
 16 section, it shall be sufficient to charge the defendant by an unsworn written notice in accordance
 17 with the provisions of ORS 221.333. In any case in which the defendant is not subject to and does
 18 not voluntarily submit to the hearing procedures prescribed under subsection (2) of this section,
 19 proceedings to enforce regulations enacted pursuant to subsection (1) of this section shall be
 20 brought in the name of the board in a circuit court, a justice court or a city court for offenses
 21 committed within the territorial jurisdiction of such court. Such courts shall have concurrent juris-
 22 diction over offenses committed within their respective jurisdictions. All fines, penalties and court
 23 costs recovered shall be paid to the clerk of the court involved and shall be disposed of as provided
 24 in ORS 153.630.

25 **SECTION 79.** ORS 352.370 is amended to read:

26 352.370. (1) As used in this section, "school of higher education" means:

27 (a) Any *[school, institution or department under the jurisdiction of the State Board of Higher Ed-*
 28 *ucation]* **public university listed in ORS 352.002.**

29 (b) Any community college as defined in ORS 341.005.

30 (2) No student shall be refused admission to a school of higher education or be expelled from
 31 such a school for the sole reason that, because of religious beliefs, the student is unable to attend
 32 classes on a particular day.

33 (3) Any student in a school of higher education who, because of religious beliefs, is unable to
 34 attend classes on a particular day shall be excused on that day from any examination, study re-
 35 quirement or work requirement. However, at the student's own expense the student shall make up
 36 the examination, study requirement or work requirement missed because of the absence.

37 **SECTION 80.** ORS 352.375 is amended to read:

38 352.375. (1) A *[state institution of higher education]* **public university** listed in ORS 352.002 or
 39 a community college shall charge an enrolled student who is not a resident of this state and who
 40 is attending classes as an undergraduate on a public university or community college campus in this
 41 state tuition and fees no greater than the resident rate plus 50 percent of the difference between the
 42 resident rate and the nonresident rate if the student served in the Armed Forces of the United
 43 States and was relieved or discharged from that service under honorable conditions.

44 (2) Every *[state institution of higher education]* **public university** listed in ORS 352.002 and
 45 community college in this state shall participate to the fullest extent allowed in the federal educa-

1 tional assistance programs under the Supplemental Appropriations Act of 2008 (P.L. 110-252) so as
 2 to reduce the overall tuition rate for students eligible for tuition rate reduction under subsection (1)
 3 of this section to the resident tuition rate.

4 (3) A person who served in the Armed Forces of the United States and who receives federal
 5 tuition benefits in excess of the tuition and fees the person is charged under subsection (1) of this
 6 section at a [*state institution of higher education*] **public university** listed in ORS 352.002 or a com-
 7 munity college where the person is enrolled shall pay tuition and fees equal to the federal tuition
 8 benefits received.

9 (4) Distance education and self-support courses as identified by each [*state institution of higher*
 10 *education*] **public university** listed in ORS 352.002 and community college are exempt from the tui-
 11 tion reduction provisions of this section.

12 (5) If a nonresident student otherwise eligible for tuition benefits under this section is receiving
 13 federal vocational rehabilitation education benefits, that student shall pay full nonresident tuition
 14 and fees charged by a [*state institution of higher education*] **public university** listed in ORS 352.002
 15 or a community college.

16 **SECTION 81.** ORS 352.380 is amended to read:

17 352.380. (1) As used in this section, “minority” means:

18 (a) A person having origins in any of the black racial groups of Africa but who is not Hispanic;

19 (b) A person of Hispanic culture or origin;

20 (c) A person having origins in any of the original peoples of the Far East, Southeast Asia, the
 21 Indian subcontinent or the Pacific Islands; or

22 (d) An American Indian or Alaskan Native having origins in any of the original peoples of North
 23 America.

24 (2) Each [*institution under the jurisdiction of the State Board of Higher Education*] **public uni-**
 25 **versity listed in ORS 352.002** shall:

26 (a) Consider and maintain affirmative action plans and goals when reductions in faculty and staff
 27 are required as a result of:

28 (A) Reductions in revenue that necessitate discontinuance of its educational program at its an-
 29 ticipated level;

30 (B) Elimination of classes due to decreased student enrollment; or

31 (C) Reduction in courses due to administrative decisions.

32 (b) Interview one or more qualified minority applicants when hiring a head coach or athletic
 33 director, unless the [*institution*] **public university** was unable to identify a qualified minority appli-
 34 cant who was willing to interview for the position. It is an affirmative defense to a claim of a vio-
 35 lation of this paragraph that the [*institution*] **public university**, in good faith, was unable to identify
 36 a qualified minority applicant who was willing to interview for the position.

37 **SECTION 82.** ORS 352.380, as amended by section 3, chapter 780, Oregon Laws 2009, is
 38 amended to read:

39 352.380. Each [*institution under the jurisdiction of the State Board of Higher Education*] **public**
 40 **university listed in ORS 352.002** shall consider and maintain affirmative action plans and goals
 41 when reductions in faculty and staff are required as a result of:

42 (1) Reductions in revenue that necessitate discontinuance of its educational program at its an-
 43 ticipated level;

44 (2) Elimination of classes due to decreased student enrollment; or

45 (3) Reduction in courses due to administrative decisions.

SECTION 83. ORS 352.385 is amended to read:

352.385. (1) The State Board of Higher Education may, at the request of *[any institution]* a **public university** under its control, authorize *[that institution]* **the university** to commission one or more of its employees as special campus security officers. *[However,]* The total number of special campus security officers commissioned at the *[institutions]* **public universities** in the Oregon University System *[shall]* **may** not exceed 50. Special campus security officers shall have stop and frisk authority as set forth in ORS 131.605 to 131.625 and probable cause arrest authority and the accompanying immunities as set forth in ORS 133.310 and 133.315 when acting in the scope of their employment as defined by the State Board of Higher Education. Special campus security officers shall not be authorized to carry firearms as police officers and, except as provided in subsection (3) of this section, shall not be considered police officers for purposes of ORS 181.610, 238.005, 243.005 or 243.736.

(2) The Department of Public Safety Standards and Training shall train special campus security officers at the expense of the State Board of Higher Education.

(3) The State Board of Higher Education, acting by and through its special campus security officers, is a criminal justice agency for purposes of rules adopted pursuant to ORS 181.730 (3).

SECTION 84. ORS 352.390 is amended to read:

352.390. (1) The State Board of Higher Education shall cause to have prepared and submitted to the Legislative Assembly a program and time schedule for the establishment of regional services institutes at appropriate *[state institutions of higher education]* **public universities**. The program shall include academic curriculum and practical training appropriate to train students in various aspects of economic and community services planning, with particular emphasis on economic services planning for areas of the state that have common geographic, economic and social characteristics but that do not have sufficient population to qualify as metropolitan statistical areas.

(2) In carrying out its duties under subsection (1) of this section, the board shall consult with the Oregon Business Development Department and shall rely on the department for technical advice and, as necessary, technical services. The board shall also consult with community colleges, the Oregon State University Extension Service, economic development districts and special districts providing community and economic development services in the region in order to prepare curriculum and programs with particular emphasis on streamlining existing programs, avoiding duplication and overlap of programs, better utilizing students and resources and identifying needs in the region that are currently unaddressed.

(3) In preparing programs for establishing regional services institutes, the board shall give priority to establishing institutes at Eastern Oregon University and Southern Oregon University. The board may also direct the hiring of an institute director and other staff as may be from time to time required.

SECTION 85. ORS 352.510 is amended to read:

352.510. The interest that may accrue on an account arising from the sale of lands for *[institutions of higher education]* **public universities** that were donated to the state by Act of Congress of February 14, 1859, may be deposited in and credited to an account in the Oregon University System Fund established by ORS 351.506 for the purpose of the maintenance, use and support of the University of Oregon. No part of the interest may be expended otherwise than in the payment of the salaries of the president, professors and teachers of the University of Oregon and other current expenses of the University of Oregon. If at the close of any fiscal year an amount equal to or greater than \$500 of the interest remains unexpended after the full payment of the salaries and expenses for

1 the fiscal year, the amount shall be added to and become a part of the principal of the account. The
 2 State Board of Higher Education or the faculty or other officers of the University of Oregon may
 3 not pledge the faith or credit of the University of Oregon in excess of the interest annually accruing
 4 on the account, together with the receipts from tuitions and other sources during the current year.

5 **SECTION 86.** ORS 352.669 is amended to read:

6 352.669. The Legislative Assembly declares that all state agencies[, *in particular state institutions*
 7 *of higher education,*] **and the Oregon University System** should pursue policies and engage in
 8 practices that enhance the vitality of independent higher education in Oregon and should cooperate
 9 with the state’s independent institutions.

10 **SECTION 87.** ORS 30.264 is amended to read:

11 30.264. (1) The State Board of Higher Education may authorize [*higher education institutions*
 12 *under the control of the board*] **public universities listed in ORS 352.002** to provide liability insur-
 13 ance coverage for students involved in off-campus experiential activities, including, but not limited
 14 to, student teaching, internships, clinical experiences, capstone projects and related activities.

15 (2) If commercial liability insurance coverage is not available to [*higher education institutions*]
 16 **the public universities**, students participating in the activities described in subsection (1) of this
 17 section shall be considered to be acting within the course and scope of state employment duties for
 18 purposes of ORS 30.260 to 30.300.

19 **SECTION 88.** ORS 131.594 is amended to read:

20 131.594. (1) After the seizing agency distributes property under ORS 131.588, and when the
 21 seizing agency is not the state, the seizing agency shall dispose of and distribute property as follows:

22 (a) The seizing agency shall pay costs first from the property or its proceeds. As used in this
 23 subsection, “costs” includes the expenses of publication, service of notices, towing, storage and
 24 servicing or maintaining the seized property under ORS 131.564.

25 (b) After costs have been paid, the seizing agency shall distribute to the victim any amount the
 26 seizing agency was ordered to distribute under ORS 131.588 (4).

27 (c) After costs have been paid and distributions under paragraph (b) of this subsection have been
 28 made, the seizing agency shall distribute the rest of the property to the general fund of the political
 29 subdivision that operates the seizing agency.

30 (2) Of the property distributed under subsection (1)(c) of this section, the political subdivision
 31 shall distribute:

32 (a) Three percent to the Asset Forfeiture Oversight Account established in ORS 131A.460;

33 (b) Seven percent to the Illegal Drug Cleanup Fund established in ORS 475.495 for the purposes
 34 specified in ORS 475.495 (5) and (6); and

35 (c) Ten percent to the state General Fund.

36 (3) Of the property distributed under subsection (1)(c) of this section that remains in the general
 37 fund of the political subdivision after the distributions required by subsection (2) of this section have
 38 been made:

39 (a) Fifty percent must be for official law enforcement use; and

40 (b) Fifty percent must be used for substance abuse treatment pursuant to a plan developed under
 41 ORS 430.420.

42 (4) Except as otherwise provided by intergovernmental agreement, the seizing agency may:

43 (a) Sell, lease, lend or transfer the property or proceeds to any federal, state or local law
 44 enforcement agency or district attorney.

45 (b) Sell the forfeited property by public or other commercially reasonable sale and pay from the

1 proceeds the expenses of keeping and selling the property.

2 (c) Retain the property.

3 (d) With written authorization from the district attorney for the seizing agency's jurisdiction,
4 destroy any firearms or controlled substances.

5 (5) A political subdivision may sell as much property as may be needed to make the distributions
6 required by subsections (1) and (2) of this section. A political subdivision shall make distributions
7 to the Asset Forfeiture Oversight Account, the Illegal Drug Cleanup Fund and the state General
8 Fund that are required by subsection (2) of this section once every three months. The distributions
9 are due within 20 days of the end of each quarter. Interest does not accrue on amounts that are paid
10 within the period specified by this subsection.

11 (6) A seizing agency may donate growing equipment and laboratory equipment that was used,
12 or intended for use, in manufacturing of controlled substances to a public school, community college
13 or *[state institution of higher education]* **public university listed in ORS 352.002.**

14 (7) This section applies only to criminal forfeiture proceeds arising out of prohibited conduct.

15 **SECTION 89.** ORS 182.122 is amended to read:

16 182.122. (1) As used in this section:

17 (a) "Executive department" has the meaning given that term in ORS 174.112.

18 (b) "Information systems" means computers, hardware, software, storage media, networks, oper-
19 ational procedures and processes used in the collection, processing, storage, sharing or distribution
20 of information within, or with any access beyond ordinary public access to, the state's shared com-
21 puting and network infrastructure.

22 (2) The Oregon Department of Administrative Services has responsibility for and authority over
23 information systems security in the executive department, including taking all measures reasonably
24 necessary to protect the availability, integrity or confidentiality of information systems or the in-
25 formation stored in information systems. The Oregon Department of Administrative Services shall,
26 after consultation and collaborative development with agencies, establish a state information sys-
27 tems security plan and associated standards, policies and procedures.

28 (3) The Oregon Department of Administrative Services, in its sole discretion, shall:

29 (a) Review and verify the security of information systems operated by or on behalf of agencies;

30 (b) Monitor state network traffic to identify and react to security threats; and

31 (c) Conduct vulnerability assessments of agency information systems for the purpose of evalu-
32 ating and responding to the susceptibility of information systems to attack, disruption or any other
33 event that threatens the availability, integrity or confidentiality of information systems or the in-
34 formation stored in information systems.

35 (4) The Oregon Department of Administrative Services shall contract with qualified, independent
36 consultants for the purpose of conducting vulnerability assessments under subsection (3) of this
37 section.

38 (5) In collaboration with agencies, the Oregon Department of Administrative Services shall de-
39 velop and implement policies for responding to events that damage or threaten the availability, in-
40 tegrity or confidentiality of information systems or the information stored in information systems,
41 whether those systems are within, interoperable with or outside the state's shared computing and
42 network infrastructure. In the policies, the department shall prescribe actions reasonably necessary
43 to:

44 (a) Promptly assemble and deploy in a coordinated manner the expertise, tools and methodol-
45 ogies required to prevent or mitigate the damage caused or threatened by an event;

1 (b) Promptly alert other persons of the event and of the actions reasonably necessary to prevent
2 or mitigate the damage caused or threatened by the event;

3 (c) Implement forensic techniques and controls developed under subsection (6) of this section;

4 (d) Evaluate the event for the purpose of possible improvements to the security of information
5 systems; and

6 (e) Communicate and share information with agencies, using preexisting incident response ca-
7 pabilities.

8 (6) After consultation and collaborative development with agencies, the Oregon Department of
9 Administrative Services shall implement forensic techniques and controls for the security of infor-
10 mation systems, whether those systems are within, interoperable with or outside the state's shared
11 computing and network infrastructure. The techniques and controls must include the use of spe-
12 cialized expertise, tools and methodologies, to investigate events that damage or threaten the
13 availability, integrity or confidentiality of information systems or the information stored in infor-
14 mation systems. The department shall consult with the Oregon State Police, the Office of Emergency
15 Management, the Governor and others as necessary in developing forensic techniques and controls
16 under this section.

17 (7) The Oregon Department of Administrative Services shall ensure that reasonably appropriate
18 remedial actions are undertaken when the department finds that such actions are reasonably nec-
19 essary by reason of vulnerability assessments of information systems under subsection (3) of this
20 section, evaluation of events under subsection (5) of this section and other evaluations and audits.

21 (8)(a) Agencies are responsible for the security of computers, hardware, software, storage media,
22 networks, operational procedures and processes used in the collection, processing, storage, sharing
23 or distribution of information outside the state's shared computing and network infrastructure fol-
24 lowing information security standards, policies and procedures established by the Oregon Depart-
25 ment of Administrative Services and developed collaboratively with agencies. Agencies may
26 establish plans, standards and measures that are more stringent than the standards established by
27 the department to address specific agency needs if those plans, standards and measures do not
28 contradict or contravene the state information systems security plan. Independent agency security
29 plans shall be developed within the framework of the state information systems security plan.

30 (b) An agency shall report the results of any vulnerability assessment, evaluation or audit con-
31 ducted by the agency to the department for the purposes of consolidating statewide security re-
32 porting and, when appropriate, to prompt a state incident response.

33 (9) This section does not apply to:

34 (a) Research and student computer systems used by or in conjunction with the State Board of
35 Higher Education or any [*state institution of higher education within the Oregon University System*]
36 **public university listed in ORS 352.002**; and

37 (b)(A) Gaming systems and networks operated by the Oregon State Lottery or its contractors;
38 or

39 (B) The results of Oregon State Lottery reviews, evaluations and vulnerability assessments of
40 computer systems outside the state's shared computing and network infrastructure.

41 (10) The Oregon Department of Administrative Services shall adopt rules to carry out its re-
42 sponsibilities under this section.

43 **SECTION 90.** ORS 182.415 is amended to read:

44 182.415. As used in ORS 182.415 to 182.435 unless the context requires otherwise:

45 (1) "Furnishings" includes furniture usually used in connection with occupancy of a household

1 but does not include rugs, draperies, ranges, refrigerators, washers, dryers or any item of furnishings
 2 received by the state or one of its agencies as a gift, nor does it include any furniture purchased
 3 for the state-owned residence required in relation to the official duties of an institutional executive
 4 or the Chancellor of the Oregon University System prior to September 9, 1971.

5 (2) "Housing" includes single and multiple family dwellings, apartments, and manufactured
 6 dwellings and manufactured dwelling pads, available on a monthly tenancy but does not include
 7 guard stations maintained by the State Forestry Department or dormitory facilities at any state in-
 8 stitution or at any [*state institution of higher education*] **public university listed in ORS 352.002**.

9 (3) "Dormitory" includes any facility that houses students and those facilities used primarily for
 10 sleeping purposes by the employees of the Department of Human Services or the Oregon Health
 11 Authority.

12 (4) "State agency" has the meaning given that term in ORS 291.002.

13 **SECTION 91.** ORS 183.635 is amended to read:

14 183.635. (1) Except as provided in this section, all agencies must use administrative law judges
 15 assigned from the Office of Administrative Hearings established under ORS 183.605 to conduct con-
 16 tested case hearings, without regard to whether those hearings are subject to the procedural re-
 17 quirements for contested case hearings.

18 (2) The following agencies need not use administrative law judges assigned from the office:

19 (a) Attorney General.

20 (b) Boards of stewards appointed by the Oregon Racing Commission.

21 (c) Bureau of Labor and Industries and the Commissioner of the Bureau of Labor and Industries.

22 (d) Department of Corrections.

23 (e) Department of Education, State Board of Education and Superintendent of Public Instruction.

24 (f) Department of Human Services for vocational rehabilitation services cases under 29 U.S.C.
 25 722(c) and disability determination cases under 42 U.S.C. 405.

26 (g) Department of Revenue.

27 (h) Department of State Police.

28 (i) Employment Appeals Board.

29 (j) Employment Relations Board.

30 (k) Energy Facility Siting Council.

31 (L) Fair Dismissal Appeals Board.

32 (m) Governor.

33 (n) Land Conservation and Development Commission.

34 (o) Land Use Board of Appeals.

35 (p) Local government boundary commissions created pursuant to ORS 199.430.

36 (q) Oregon University System and [*institutions of higher education*] **public universities** listed in
 37 ORS 352.002.

38 (r) Oregon Youth Authority.

39 (s) Psychiatric Security Review Board.

40 (t) Public Utility Commission.

41 (u) State Accident Insurance Fund Corporation.

42 (v) State Apprenticeship and Training Council.

43 (w) State Board of Parole and Post-Prison Supervision.

44 (x) State Land Board.

45 (y) State Treasurer.

1 (z) Wage and Hour Commission.

2 (3) The Workers' Compensation Board is exempt from using administrative law judges assigned
 3 from the office for any hearing conducted by the board under ORS chapters 147, 654 and 656. Except
 4 as specifically provided in this subsection, the Department of Consumer and Business Services must
 5 use administrative law judges assigned from the office only for contested cases arising out of the
 6 department's powers and duties under:

7 (a) ORS 86A.095 to 86A.198, 86A.990 and 86A.992 and ORS chapter 59;

8 (b) ORS chapter 455;

9 (c) ORS chapter 674;

10 (d) ORS chapters 706 to 716;

11 (e) ORS chapter 717;

12 (f) ORS chapters 723, 725 and 726; and

13 (g) ORS chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750.

14 (4) Notwithstanding any other provision of law, in any proceeding in which an agency is re-
 15 quired to use an administrative law judge assigned from the office, an officer or employee of the
 16 agency may not conduct the hearing on behalf of the agency.

17 (5) Notwithstanding any other provision of ORS 183.605 to 183.690, an agency is not required to
 18 use an administrative law judge assigned from the office if:

19 (a) Federal law requires that a different administrative law judge or hearing officer be used; or

20 (b) Use of an administrative law judge from the office could result in a loss of federal funds.

21 (6) Notwithstanding any other provision of this section, the Department of Environmental
 22 Quality must use administrative law judges assigned from the office only for contested case hearings
 23 conducted under the provisions of ORS 183.413 to 183.470.

24 **SECTION 92.** ORS 184.475 is amended to read:

25 184.475. (1) The purposes of information technology portfolio-based management are to:

26 (a) Ensure that state agencies link their information technology investments with business plans;

27 (b) Facilitate risk assessment of information technology projects and investments;

28 (c) Ensure that state agencies justify information technology investments on the basis of sound
 29 business cases;

30 (d) Ensure that state agencies facilitate development and review of information technology per-
 31 formance related to business operations;

32 (e) Identify projects that can cross agency and program lines to leverage resources; and

33 (f) Assist in state government-wide planning for common, shared information technology
 34 infrastructure.

35 (2) The Oregon Department of Administrative Services shall integrate state agency strategic and
 36 business planning, technology planning and budgeting and project expenditure processes into the
 37 department's information technology portfolio-based management.

38 (3) In cooperation with state agencies, the department shall conduct and maintain a continuous
 39 inventory of each state agency's current and planned investments in information technology, a
 40 compilation of information about those assets and the total life cycle cost of those assets. The de-
 41 partment shall develop and implement state government-wide standards, processes and procedures
 42 for the required inventory and for the management of the state government-wide information tech-
 43 nology portfolio. State agencies shall participate in the information technology portfolio-based man-
 44 agement and shall comply with the standards, processes and procedures established by the
 45 department under this subsection. The provisions of this subsection do not relieve any state agency

1 from accountability for equipment, materials, supplies and tangible and intangible personal property
2 under its control.

3 (4) The department shall ensure that state agencies implement portfolio-based management of
4 information technology resources in accordance with this section and with rules adopted by the
5 Director of the Oregon Department of Administrative Services.

6 (5) This section does not apply to competitive research grants and contracts at [*institutions of*
7 *higher education*] **public universities** listed in ORS 352.002.

8 (6) In implementing the provisions of this section, the department shall submit state
9 government-wide policies for review to the Joint Legislative Committee on Information Management
10 and Technology.

11 **SECTION 93.** ORS 184.477 is amended to read:

12 184.477. (1) The purpose of enterprise management is to create a plan and implement a state
13 government-wide approach for managing distributed information technology assets to minimize total
14 ownership costs from acquisition through retirement, while realizing maximum benefits for trans-
15 acting the state's business and delivering services to its citizens.

16 (2) With input and recommendations from state agencies, the Oregon Department of Adminis-
17 trative Services shall develop a plan for the state government-wide management of distributed in-
18 formation technology assets. The plan shall prescribe the state government-wide infrastructure and
19 services for managing these assets. The plan shall be submitted to the Joint Legislative Committee
20 on Information Management and Technology for review.

21 (3) Following review by the Joint Legislative Committee on Information Management and
22 Technology, the department shall ensure state agency implementation of the plan, including the de-
23 velopment of appropriate standards, processes and procedures.

24 (4) State agencies shall participate in the enterprise management of information technology as-
25 sets and shall comply with the standards, processes and procedures of the department.

26 (5) This section does not apply to competitive research grants and contracts at [*institutions of*
27 *higher education*] **public universities** listed in ORS 352.002.

28 **SECTION 94.** ORS 190.610 is amended to read:

29 190.610. The State Board of Higher Education shall establish a program at one or more of the
30 [*institutions*] **public universities** under its control, designed to perform the duties imposed upon it
31 by ORS 190.510 to 190.610.

32 **SECTION 95.** ORS 192.501 is amended to read:

33 192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505
34 unless the public interest requires disclosure in the particular instance:

35 (1) Records of a public body pertaining to litigation to which the public body is a party if the
36 complaint has been filed, or if the complaint has not been filed, if the public body shows that such
37 litigation is reasonably likely to occur. This exemption does not apply to litigation which has been
38 concluded, and nothing in this subsection shall limit any right or opportunity granted by discovery
39 or deposition statutes to a party to litigation or potential litigation.

40 (2) Trade secrets. "Trade secrets," as used in this section, may include, but are not limited to,
41 any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or
42 compilation of information which is not patented, which is known only to certain individuals within
43 an organization and which is used in a business it conducts, having actual or potential commercial
44 value, and which gives its user an opportunity to obtain a business advantage over competitors who
45 do not know or use it.

1 (3) Investigatory information compiled for criminal law purposes. The record of an arrest or the
2 report of a crime shall be disclosed unless and only for so long as there is a clear need to delay
3 disclosure in the course of a specific investigation, including the need to protect the complaining
4 party or the victim. Nothing in this subsection shall limit any right constitutionally guaranteed, or
5 granted by statute, to disclosure or discovery in criminal cases. For purposes of this subsection, the
6 record of an arrest or the report of a crime includes, but is not limited to:

7 (a) The arrested person's name, age, residence, employment, marital status and similar bi-
8 ographical information;

9 (b) The offense with which the arrested person is charged;

10 (c) The conditions of release pursuant to ORS 135.230 to 135.290;

11 (d) The identity of and biographical information concerning both complaining party and victim;

12 (e) The identity of the investigating and arresting agency and the length of the investigation;

13 (f) The circumstances of arrest, including time, place, resistance, pursuit and weapons used; and

14 (g) Such information as may be necessary to enlist public assistance in apprehending fugitives
15 from justice.

16 (4) Test questions, scoring keys, and other data used to administer a licensing examination,
17 employment, academic or other examination or testing procedure before the examination is given
18 and if the examination is to be used again. Records establishing procedures for and instructing
19 persons administering, grading or evaluating an examination or testing procedure are included in
20 this exemption, to the extent that disclosure would create a risk that the result might be affected.

21 (5) Information consisting of production records, sale or purchase records or catch records, or
22 similar business records of a private concern or enterprise, required by law to be submitted to or
23 inspected by a governmental body to allow it to determine fees or assessments payable or to estab-
24 lish production quotas, and the amounts of such fees or assessments payable or paid, to the extent
25 that such information is in a form which would permit identification of the individual concern or
26 enterprise. This exemption does not include records submitted by long term care facilities as defined
27 in ORS 442.015 to the state for purposes of reimbursement of expenses or determining fees for pa-
28 tient care. Nothing in this subsection shall limit the use which can be made of such information for
29 regulatory purposes or its admissibility in any enforcement proceeding.

30 (6) Information relating to the appraisal of real estate prior to its acquisition.

31 (7) The names and signatures of employees who sign authorization cards or petitions for the
32 purpose of requesting representation or decertification elections.

33 (8) Investigatory information relating to any complaint filed under ORS 659A.820 or 659A.825,
34 until such time as the complaint is resolved under ORS 659A.835, or a final order is issued under
35 ORS 659A.850.

36 (9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and
37 663.180.

38 (10) Records, reports and other information received or compiled by the Director of the De-
39 partment of Consumer and Business Services under ORS 697.732.

40 (11) Information concerning the location of archaeological sites or objects as those terms are
41 defined in ORS 358.905, except if the governing body of an Indian tribe requests the information and
42 the need for the information is related to that Indian tribe's cultural or religious activities. This
43 exemption does not include information relating to a site that is all or part of an existing, commonly
44 known and publicized tourist facility or attraction.

45 (12) A personnel discipline action, or materials or documents supporting that action.

1 (13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and
2 564.100, regarding the habitat, location or population of any threatened species or endangered spe-
3 cies.

4 (14) Writings prepared by or under the direction of faculty of public educational institutions, in
5 connection with research, until publicly released, copyrighted or patented.

6 (15) Computer programs developed or purchased by or for any public body for its own use. As
7 used in this subsection, "computer program" means a series of instructions or statements which
8 permit the functioning of a computer system in a manner designed to provide storage, retrieval and
9 manipulation of data from such computer system, and any associated documentation and source
10 material that explain how to operate the computer program. "Computer program" does not include:

11 (a) The original data, including but not limited to numbers, text, voice, graphics and images;

12 (b) Analyses, compilations and other manipulated forms of the original data produced by use of
13 the program; or

14 (c) The mathematical and statistical formulas which would be used if the manipulated forms of
15 the original data were to be produced manually.

16 (16) Data and information provided by participants to mediation under ORS 36.256.

17 (17) Investigatory information relating to any complaint or charge filed under ORS chapter 654,
18 until a final administrative determination is made or, if a citation is issued, until an employer re-
19 ceives notice of any citation.

20 (18) Specific operational plans in connection with an anticipated threat to individual or public
21 safety for deployment and use of personnel and equipment, prepared or used by a public body, if
22 public disclosure of the plans would endanger an individual's life or physical safety or jeopardize a
23 law enforcement activity.

24 (19)(a) Audits or audit reports required of a telecommunications carrier. As used in this para-
25 graph, "audit or audit report" means any external or internal audit or audit report pertaining to a
26 telecommunications carrier, as defined in ORS 133.721, or pertaining to a corporation having an af-
27 filiated interest, as defined in ORS 759.390, with a telecommunications carrier that is intended to
28 make the operations of the entity more efficient, accurate or compliant with applicable rules, pro-
29 cedures or standards, that may include self-criticism and that has been filed by the telecommuni-
30 cations carrier or affiliate under compulsion of state law. "Audit or audit report" does not mean an
31 audit of a cost study that would be discoverable in a contested case proceeding and that is not
32 subject to a protective order; and

33 (b) Financial statements. As used in this paragraph, "financial statement" means a financial
34 statement of a nonregulated corporation having an affiliated interest, as defined in ORS 759.390,
35 with a telecommunications carrier, as defined in ORS 133.721.

36 (20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS
37 247.967.

38 (21) The following records, communications and information submitted to a housing authority
39 as defined in ORS 456.005, or to an urban renewal agency as defined in ORS 457.010, by applicants
40 for and recipients of loans, grants and tax credits:

41 (a) Personal and corporate financial statements and information, including tax returns;

42 (b) Credit reports;

43 (c) Project appraisals;

44 (d) Market studies and analyses;

45 (e) Articles of incorporation, partnership agreements and operating agreements;

- 1 (f) Commitment letters;
- 2 (g) Project pro forma statements;
- 3 (h) Project cost certifications and cost data;
- 4 (i) Audits;
- 5 (j) Project tenant correspondence requested to be confidential;
- 6 (k) Tenant files relating to certification; and
- 7 (L) Housing assistance payment requests.
- 8 (22) Records or information that, if disclosed, would allow a person to:
 - 9 (a) Gain unauthorized access to buildings or other property;
 - 10 (b) Identify those areas of structural or operational vulnerability that would permit unlawful
 - 11 disruption to, or interference with, services; or
 - 12 (c) Disrupt, interfere with or gain unauthorized access to public funds or to information pro-
 - 13 cessing, communication or telecommunication systems, including the information contained in the
 - 14 systems, that are used or operated by a public body.
- 15 (23) Records or information that would reveal or otherwise identify security measures, or
- 16 weaknesses or potential weaknesses in security measures, taken or recommended to be taken to
- 17 protect:
 - 18 (a) An individual;
 - 19 (b) Buildings or other property;
 - 20 (c) Information processing, communication or telecommunication systems, including the infor-
 - 21 mation contained in the systems; or
 - 22 (d) Those operations of the Oregon State Lottery the security of which are subject to study and
 - 23 evaluation under ORS 461.180 (6).
- 24 (24) Personal information held by or under the direction of officials of the Oregon Health and
- 25 Science University or the Oregon University System about a person who has or who is interested
- 26 in donating money or property to the university, the system or a [*state institution of higher*
- 27 *education*] **public university listed in ORS 352.002**, if the information is related to the family of the
- 28 person, personal assets of the person or is incidental information not related to the donation.
- 29 (25) The home address, professional address and telephone number of a person who has or who
- 30 is interested in donating money or property to the Oregon University System.
- 31 (26) Records of the name and address of a person who files a report with or pays an assessment
- 32 to a commodity commission established under ORS 576.051 to 576.455, the Oregon Beef Council
- 33 created under ORS 577.210 or the Oregon Wheat Commission created under ORS 578.030.
- 34 (27) Information provided to, obtained by or used by a public body to authorize, originate, re-
- 35 ceive or authenticate a transfer of funds, including but not limited to a credit card number, payment
- 36 card expiration date, password, financial institution account number and financial institution routing
- 37 number.
- 38 (28) Social Security numbers as provided in ORS 107.840.
- 39 (29) The electronic mail address of a student who attends a [*state institution of higher*
- 40 *education*] **public university** listed in ORS 352.002 or Oregon Health and Science University.
- 41 (30) The name, home address, professional address or location of a person that is engaged in,
- 42 or that provides goods or services for, medical research at Oregon Health and Science University
- 43 that is conducted using animals other than rodents. This subsection does not apply to Oregon Health
- 44 and Science University press releases, websites or other publications circulated to the general pub-
- 45 lic.

1 (31) If requested by a public safety officer, as defined in ORS 181.610:

2 (a) The home address and home telephone number of the public safety officer contained in the
3 voter registration records for the public safety officer.

4 (b) The home address and home telephone number of the public safety officer contained in re-
5 cords of the Department of Public Safety Standards and Training.

6 (c) The name of the public safety officer contained in county real property assessment or taxa-
7 tion records. This exemption:

8 (A) Applies only to the name of the public safety officer and any other owner of the property
9 in connection with a specific property identified by the officer in a request for exemption from dis-
10 closure;

11 (B) Applies only to records that may be made immediately available to the public upon request
12 in person, by telephone or using the Internet;

13 (C) Applies until the public safety officer requests termination of the exemption;

14 (D) Does not apply to disclosure of records among public bodies as defined in ORS 174.109 for
15 governmental purposes; and

16 (E) May not result in liability for the county if the name of the public safety officer is disclosed
17 after a request for exemption from disclosure is made under this subsection.

18 (32) Unless the public records request is made by a financial institution, as defined in ORS
19 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage
20 broker licensed under ORS 86A.095 to 86A.198, 86A.990 and 86A.992 and ORS chapter 59, or title
21 company for business purposes, records described in paragraph (a) of this subsection, if the ex-
22 emption from disclosure of the records is sought by an individual described in paragraph (b) of this
23 subsection using the procedure described in paragraph (c) of this subsection:

24 (a) The home address, home or cellular telephone number or personal electronic mail address
25 contained in the records of any public body that has received the request that is set forth in:

26 (A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance, release, satisfaction,
27 substitution of trustee, easement, dog license, marriage license or military discharge record that is
28 in the possession of the county clerk; or

29 (B) Any public record of a public body other than the county clerk.

30 (b) The individual claiming the exemption from disclosure must be a district attorney, a deputy
31 district attorney, the Attorney General or an assistant attorney general, the United States Attorney
32 for the District of Oregon or an assistant United States attorney for the District of Oregon, a city
33 attorney who engages in the prosecution of criminal matters or a deputy city attorney who engages
34 in the prosecution of criminal matters.

35 (c) The individual claiming the exemption from disclosure must do so by filing the claim in
36 writing with the public body for which the exemption from disclosure is being claimed on a form
37 prescribed by the public body. Unless the claim is filed with the county clerk, the claim form shall
38 list the public records in the possession of the public body to which the exemption applies. The ex-
39 emption applies until the individual claiming the exemption requests termination of the exemption
40 or ceases to qualify for the exemption.

41 (33) Land management plans required for voluntary stewardship agreements entered into under
42 ORS 541.423.

43 (34) Sensitive business records or financial or commercial information of the State Accident In-
44 surance Fund Corporation that is not customarily provided to business competitors. This exemption
45 does not:

1 (a) Apply to the formulas for determining dividends to be paid to employers insured by the State
2 Accident Insurance Fund Corporation;

3 (b) Apply to contracts for advertising, public relations or lobbying services or to documents re-
4 lated to the formation of such contracts;

5 (c) Apply to group insurance contracts or to documents relating to the formation of such con-
6 tracts, except that employer account records shall remain exempt from disclosure as provided in
7 ORS 192.502 (35); or

8 (d) Provide the basis for opposing the discovery of documents in litigation pursuant to the ap-
9 plicable rules of civil procedure.

10 (35) Records of the Department of Public Safety Standards and Training relating to investi-
11 gations conducted under ORS 181.662 or 181.878 (6), until the department issues the report described
12 in ORS 181.662 or 181.878.

13 (36) A medical examiner's report, autopsy report or laboratory test report ordered by a medical
14 examiner under ORS 146.117.

15 **SECTION 96.** ORS 192.501, as amended by section 3, chapter 455, Oregon Laws 2005, section
16 7, chapter 608, Oregon Laws 2007, section 2, chapter 687, Oregon Laws 2007, section 2, chapter 48,
17 Oregon Laws 2008, section 3, chapter 57, Oregon Laws 2009, section 2, chapter 135, Oregon Laws
18 2009, section 4, chapter 222, Oregon Laws 2009, and section 2, chapter 769, Oregon Laws 2009, is
19 amended to read:

20 192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505
21 unless the public interest requires disclosure in the particular instance:

22 (1) Records of a public body pertaining to litigation to which the public body is a party if the
23 complaint has been filed, or if the complaint has not been filed, if the public body shows that such
24 litigation is reasonably likely to occur. This exemption does not apply to litigation which has been
25 concluded, and nothing in this subsection shall limit any right or opportunity granted by discovery
26 or deposition statutes to a party to litigation or potential litigation.

27 (2) Trade secrets. "Trade secrets," as used in this section, may include, but are not limited to,
28 any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or
29 compilation of information which is not patented, which is known only to certain individuals within
30 an organization and which is used in a business it conducts, having actual or potential commercial
31 value, and which gives its user an opportunity to obtain a business advantage over competitors who
32 do not know or use it.

33 (3) Investigatory information compiled for criminal law purposes. The record of an arrest or the
34 report of a crime shall be disclosed unless and only for so long as there is a clear need to delay
35 disclosure in the course of a specific investigation, including the need to protect the complaining
36 party or the victim. Nothing in this subsection shall limit any right constitutionally guaranteed, or
37 granted by statute, to disclosure or discovery in criminal cases. For purposes of this subsection, the
38 record of an arrest or the report of a crime includes, but is not limited to:

39 (a) The arrested person's name, age, residence, employment, marital status and similar bi-
40 ographical information;

41 (b) The offense with which the arrested person is charged;

42 (c) The conditions of release pursuant to ORS 135.230 to 135.290;

43 (d) The identity of and biographical information concerning both complaining party and victim;

44 (e) The identity of the investigating and arresting agency and the length of the investigation;

45 (f) The circumstances of arrest, including time, place, resistance, pursuit and weapons used; and

1 (g) Such information as may be necessary to enlist public assistance in apprehending fugitives
 2 from justice.

3 (4) Test questions, scoring keys, and other data used to administer a licensing examination,
 4 employment, academic or other examination or testing procedure before the examination is given
 5 and if the examination is to be used again. Records establishing procedures for and instructing
 6 persons administering, grading or evaluating an examination or testing procedure are included in
 7 this exemption, to the extent that disclosure would create a risk that the result might be affected.

8 (5) Information consisting of production records, sale or purchase records or catch records, or
 9 similar business records of a private concern or enterprise, required by law to be submitted to or
 10 inspected by a governmental body to allow it to determine fees or assessments payable or to estab-
 11 lish production quotas, and the amounts of such fees or assessments payable or paid, to the extent
 12 that such information is in a form which would permit identification of the individual concern or
 13 enterprise. This exemption does not include records submitted by long term care facilities as defined
 14 in ORS 442.015 to the state for purposes of reimbursement of expenses or determining fees for pa-
 15 tient care. Nothing in this subsection shall limit the use which can be made of such information for
 16 regulatory purposes or its admissibility in any enforcement proceeding.

17 (6) Information relating to the appraisal of real estate prior to its acquisition.

18 (7) The names and signatures of employees who sign authorization cards or petitions for the
 19 purpose of requesting representation or decertification elections.

20 (8) Investigatory information relating to any complaint filed under ORS 659A.820 or 659A.825,
 21 until such time as the complaint is resolved under ORS 659A.835, or a final order is issued under
 22 ORS 659A.850.

23 (9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and
 24 663.180.

25 (10) Records, reports and other information received or compiled by the Director of the De-
 26 partment of Consumer and Business Services under ORS 697.732.

27 (11) Information concerning the location of archaeological sites or objects as those terms are
 28 defined in ORS 358.905, except if the governing body of an Indian tribe requests the information and
 29 the need for the information is related to that Indian tribe's cultural or religious activities. This
 30 exemption does not include information relating to a site that is all or part of an existing, commonly
 31 known and publicized tourist facility or attraction.

32 (12) A personnel discipline action, or materials or documents supporting that action.

33 (13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and
 34 564.100, regarding the habitat, location or population of any threatened species or endangered spe-
 35 cies.

36 (14) Writings prepared by or under the direction of faculty of public educational institutions, in
 37 connection with research, until publicly released, copyrighted or patented.

38 (15) Computer programs developed or purchased by or for any public body for its own use. As
 39 used in this subsection, "computer program" means a series of instructions or statements which
 40 permit the functioning of a computer system in a manner designed to provide storage, retrieval and
 41 manipulation of data from such computer system, and any associated documentation and source
 42 material that explain how to operate the computer program. "Computer program" does not include:

43 (a) The original data, including but not limited to numbers, text, voice, graphics and images;

44 (b) Analyses, compilations and other manipulated forms of the original data produced by use of
 45 the program; or

1 (c) The mathematical and statistical formulas which would be used if the manipulated forms of
 2 the original data were to be produced manually.

3 (16) Data and information provided by participants to mediation under ORS 36.256.

4 (17) Investigatory information relating to any complaint or charge filed under ORS chapter 654,
 5 until a final administrative determination is made or, if a citation is issued, until an employer re-
 6 ceives notice of any citation.

7 (18) Specific operational plans in connection with an anticipated threat to individual or public
 8 safety for deployment and use of personnel and equipment, prepared or used by a public body, if
 9 public disclosure of the plans would endanger an individual's life or physical safety or jeopardize a
 10 law enforcement activity.

11 (19)(a) Audits or audit reports required of a telecommunications carrier. As used in this para-
 12 graph, "audit or audit report" means any external or internal audit or audit report pertaining to a
 13 telecommunications carrier, as defined in ORS 133.721, or pertaining to a corporation having an af-
 14 filiated interest, as defined in ORS 759.390, with a telecommunications carrier that is intended to
 15 make the operations of the entity more efficient, accurate or compliant with applicable rules, pro-
 16 cedures or standards, that may include self-criticism and that has been filed by the telecommuni-
 17 cations carrier or affiliate under compulsion of state law. "Audit or audit report" does not mean an
 18 audit of a cost study that would be discoverable in a contested case proceeding and that is not
 19 subject to a protective order; and

20 (b) Financial statements. As used in this paragraph, "financial statement" means a financial
 21 statement of a nonregulated corporation having an affiliated interest, as defined in ORS 759.390,
 22 with a telecommunications carrier, as defined in ORS 133.721.

23 (20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS
 24 247.967.

25 (21) The following records, communications and information submitted to a housing authority
 26 as defined in ORS 456.005, or to an urban renewal agency as defined in ORS 457.010, by applicants
 27 for and recipients of loans, grants and tax credits:

28 (a) Personal and corporate financial statements and information, including tax returns;

29 (b) Credit reports;

30 (c) Project appraisals;

31 (d) Market studies and analyses;

32 (e) Articles of incorporation, partnership agreements and operating agreements;

33 (f) Commitment letters;

34 (g) Project pro forma statements;

35 (h) Project cost certifications and cost data;

36 (i) Audits;

37 (j) Project tenant correspondence requested to be confidential;

38 (k) Tenant files relating to certification; and

39 (L) Housing assistance payment requests.

40 (22) Records or information that, if disclosed, would allow a person to:

41 (a) Gain unauthorized access to buildings or other property;

42 (b) Identify those areas of structural or operational vulnerability that would permit unlawful
 43 disruption to, or interference with, services; or

44 (c) Disrupt, interfere with or gain unauthorized access to public funds or to information pro-
 45 cessing, communication or telecommunication systems, including the information contained in the

1 systems, that are used or operated by a public body.

2 (23) Records or information that would reveal or otherwise identify security measures, or
 3 weaknesses or potential weaknesses in security measures, taken or recommended to be taken to
 4 protect:

5 (a) An individual;

6 (b) Buildings or other property;

7 (c) Information processing, communication or telecommunication systems, including the infor-
 8 mation contained in the systems; or

9 (d) Those operations of the Oregon State Lottery the security of which are subject to study and
 10 evaluation under ORS 461.180 (6).

11 (24) Personal information held by or under the direction of officials of the Oregon Health and
 12 Science University or the Oregon University System about a person who has or who is interested
 13 in donating money or property to the university, the system or a *[state institution of higher*
 14 *education]* **public university listed in ORS 352.002**, if the information is related to the family of the
 15 person, personal assets of the person or is incidental information not related to the donation.

16 (25) The home address, professional address and telephone number of a person who has or who
 17 is interested in donating money or property to the Oregon University System.

18 (26) Records of the name and address of a person who files a report with or pays an assessment
 19 to a commodity commission established under ORS 576.051 to 576.455, the Oregon Beef Council
 20 created under ORS 577.210 or the Oregon Wheat Commission created under ORS 578.030.

21 (27) Information provided to, obtained by or used by a public body to authorize, originate, re-
 22 ceive or authenticate a transfer of funds, including but not limited to a credit card number, payment
 23 card expiration date, password, financial institution account number and financial institution routing
 24 number.

25 (28) Social Security numbers as provided in ORS 107.840.

26 (29) The electronic mail address of a student who attends a *[state institution of higher*
 27 *education]* **public university** listed in ORS 352.002 or Oregon Health and Science University.

28 (30) If requested by a public safety officer, as defined in ORS 181.610:

29 (a) The home address and home telephone number of the public safety officer contained in the
 30 voter registration records for the public safety officer.

31 (b) The home address and home telephone number of the public safety officer contained in re-
 32 cords of the Department of Public Safety Standards and Training.

33 (c) The name of the public safety officer contained in county real property assessment or taxa-
 34 tion records. This exemption:

35 (A) Applies only to the name of the public safety officer and any other owner of the property
 36 in connection with a specific property identified by the officer in a request for exemption from dis-
 37 closure;

38 (B) Applies only to records that may be made immediately available to the public upon request
 39 in person, by telephone or using the Internet;

40 (C) Applies until the public safety officer requests termination of the exemption;

41 (D) Does not apply to disclosure of records among public bodies as defined in ORS 174.109 for
 42 governmental purposes; and

43 (E) May not result in liability for the county if the name of the public safety officer is disclosed
 44 after a request for exemption from disclosure is made under this subsection.

45 (31) Unless the public records request is made by a financial institution, as defined in ORS

1 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage
 2 broker licensed under ORS 86A.095 to 86A.198, 86A.990 and 86A.992 and ORS chapter 59, or title
 3 company for business purposes, records described in paragraph (a) of this subsection, if the ex-
 4 emption from disclosure of the records is sought by an individual described in paragraph (b) of this
 5 subsection using the procedure described in paragraph (c) of this subsection:

6 (a) The home address, home or cellular telephone number or personal electronic mail address
 7 contained in the records of any public body that has received the request that is set forth in:

8 (A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance, release, satisfaction,
 9 substitution of trustee, easement, dog license, marriage license or military discharge record that is
 10 in the possession of the county clerk; or

11 (B) Any public record of a public body other than the county clerk.

12 (b) The individual claiming the exemption from disclosure must be a district attorney, a deputy
 13 district attorney, the Attorney General or an assistant attorney general, the United States Attorney
 14 for the District of Oregon or an assistant United States attorney for the District of Oregon, a city
 15 attorney who engages in the prosecution of criminal matters or a deputy city attorney who engages
 16 in the prosecution of criminal matters.

17 (c) The individual claiming the exemption from disclosure must do so by filing the claim in
 18 writing with the public body for which the exemption from disclosure is being claimed on a form
 19 prescribed by the public body. Unless the claim is filed with the county clerk, the claim form shall
 20 list the public records in the possession of the public body to which the exemption applies. The ex-
 21 emption applies until the individual claiming the exemption requests termination of the exemption
 22 or ceases to qualify for the exemption.

23 (32) Land management plans required for voluntary stewardship agreements entered into under
 24 ORS 541.423.

25 (33) Sensitive business records or financial or commercial information of the State Accident In-
 26 surance Fund Corporation that is not customarily provided to business competitors. This exemption
 27 does not:

28 (a) Apply to the formulas for determining dividends to be paid to employers insured by the State
 29 Accident Insurance Fund Corporation;

30 (b) Apply to contracts for advertising, public relations or lobbying services or to documents re-
 31 lated to the formation of such contracts;

32 (c) Apply to group insurance contracts or to documents relating to the formation of such con-
 33 tracts, except that employer account records shall remain exempt from disclosure as provided in
 34 ORS 192.502 (35); or

35 (d) Provide the basis for opposing the discovery of documents in litigation pursuant to the ap-
 36 plicable rules of civil procedure.

37 (34) Records of the Department of Public Safety Standards and Training relating to investi-
 38 gations conducted under ORS 181.662 or 181.878 (6), until the department issues the report described
 39 in ORS 181.662 or 181.878.

40 (35) A medical examiner's report, autopsy report or laboratory test report ordered by a medical
 41 examiner under ORS 146.117.

42 **SECTION 97.** ORS 205.450 is amended to read:

43 205.450. As used in ORS 205.450 to 205.470:

44 (1) "Encumbrance" means a claim, lien, charge or liability attached to and binding property.

45 (2) "Encumbrance claimant" means a person who purportedly benefits from the filing of an

1 encumbrance.

2 (3) "Federal official or employee" has the meaning given the term "employee of the
3 government" in the Federal Tort Claims Act (28 U.S.C. 2671).

4 (4) "Filing" includes filing or recording.

5 (5) "Invalid claim of encumbrance" means a claim of encumbrance that is not a valid claim of
6 encumbrance.

7 (6) "Property" includes, but is not limited to, real and personal property.

8 (7) "State or local official or employee" means an appointed or elected official, employee or
9 agent of:

10 (a) A branch of government of this state or a state agency, board, commission or department
11 of a branch of government of this state;

12 (b) A *[state institution of higher education]* **public university listed in ORS 352.002**;

13 (c) A community college or local school district in this state;

14 (d) A city, county or other political subdivision in this state; or

15 (e) A public corporation in this state.

16 (8) "Valid claim of encumbrance" is an encumbrance that:

17 (a) Is an encumbrance authorized by statute;

18 (b) Is a consensual encumbrance recognized under the laws of this state; or

19 (c) Is an equitable, constructive or other encumbrance imposed by a court of competent juris-
20 diction.

21 **SECTION 98.** ORS 205.455 is amended to read:

22 205.455. (1) No person or county shall accept for filing an invalid claim of encumbrance.

23 (2) No person or county shall accept for filing a claim of encumbrance against the property of
24 a federal official or employee or a state or local official or employee based on the performance or
25 nonperformance of the official duties of the official or employee unless accompanied by an order
26 from a court of competent jurisdiction authorizing the filing of the encumbrance.

27 (3) A claim of encumbrance against the property of a federal official or employee or a state or
28 local official or employee based on the performance or nonperformance of the official duties of the
29 official or employee that is not accompanied by an order from a court of competent jurisdiction is
30 an invalid claim of encumbrance and has no legal effect.

31 (4) If an invalid claim of encumbrance against the property of a federal official or employee or
32 against the property of a state or local official or employee is accepted for filing, the filing officer
33 shall accept for filing a notice of invalid encumbrance signed and submitted by:

34 (a) The assistant United States attorney representing the federal agency of which the individual
35 is an official or employee;

36 (b) The assistant attorney general representing the state official, employee or agent, or the state
37 agency, board, commission, department or *[state institution of higher education]* **public university**
38 **listed in ORS 352.002** of which the individual is an official, employee or agent; or

39 (c) The attorney representing the community college or local school district, political subdivi-
40 sion or public corporation of which the individual is an official, employee or agent.

41 (5) A notice of invalid encumbrance shall be in substantially the following form:
42

43
44 NOTICE OF INVALID ENCUMBRANCE
45 FILED AGAINST

1 _____ (Insert name)
2 (ORS 205.455)
3 _____ IS A _____
4 (Name) (Title)

5 NOTICE is hereby given that the document entitled _____, purporting to create an
6 obligation against or an interest in the real or personal property of the person named above, filed
7 and/or signed by _____ (insert name), and filed or recorded in book/reel/volume No.
8 _____ on page _____ or document/fee/file/ instrument/microfilm No. _____ in the
9 _____ (insert name of office where document was filed or recorded), is an invalid claim
10 of encumbrance under ORS 205.450 and 205.455.

11 No order from a court of competent jurisdiction authorizing the filing of such encumbrance ac-
12 companied the filing and, pursuant to ORS 205.455, the encumbrance has no legal effect and is in-
13 valid.

14 A copy of this Notice of Invalid Encumbrance has been mailed this day by depositing a true
15 copy of the notice in the United States mail, addressed to _____ (name and address of
16 encumbrance claimant), the last-known address of _____ (insert name of encumbrance
17 claimant).

18 DATED this _____ day of _____, _____.

19 _____
20 Attorney for _____
21

22 SUBSCRIBED AND SWORN to before me this _____ day of _____, _____.

23 _____
24 NOTARY PUBLIC FOR OREGON
25 My commission expires: _____
26 _____
27

28 (6) A copy of the notice of invalid encumbrance filed under this section shall be posted at the
29 county courthouse and mailed by the attorney to the encumbrance claimant at the encumbrance
30 claimant's last-known address, if available.

31 (7) No person or county shall be liable under this section for accepting for filing an invalid claim
32 of encumbrance or for accepting for filing a notice of invalid encumbrance.

33 (8) Filing a notice of invalid encumbrance under this section shall clear title to all property that
34 is affected by the claim of encumbrance that is the subject of the notice of invalid encumbrance from
35 all claims, liens, charges or liabilities attached to the property under the claim of encumbrance.

36 **SECTION 99.** ORS 238.005, as amended by section 8, chapter 1, Oregon Laws 2010, is amended
37 to read:

38 238.005. For purposes of this chapter:

39 (1) "Annuity" means payments for life derived from contributions made by a member as provided
40 in this chapter.

41 (2) "Board" means the Public Employees Retirement Board.

42 (3) "Calendar year" means 12 calendar months commencing on January 1 and ending on De-
43 cember 31 following.

44 (4) "Continuous service" means service not interrupted for more than five years, except that
45 such continuous service shall be computed without regard to interruptions in the case of:

1 (a) An employee who had returned to the service of the employer as of January 1, 1945, and
2 who remained in that employment until having established membership in the Public Employees
3 Retirement System.

4 (b) An employee who was in the armed services on January 1, 1945, and returned to the service
5 of the employer within one year of the date of being otherwise than dishonorably discharged and
6 remained in that employment until having established membership in the Public Employees Retirement
7 System.

8 (5) "Creditable service" means any period of time during which an active member is being paid
9 a salary by a participating public employer and for which benefits under this chapter are funded by
10 employer contributions and earnings on the fund. For purposes of computing years of "creditable
11 service," full months and major fractions of a month shall be considered to be one-twelfth of a year
12 and shall be added to all full years. "Creditable service" includes all retirement credit received by
13 a member.

14 (6) "Earliest service retirement age" means the age attained by a member when the member
15 could first make application for retirement under the provisions of ORS 238.280.

16 (7) "Employee" includes, in addition to employees, public officers, but does not include:

17 (a) Persons engaged as independent contractors.

18 (b) Seasonal, emergency or casual workers whose periods of employment with any public em-
19 ployer or public employers do not total 600 hours in any calendar year.

20 (c) Persons, other than workers in the Oregon Industries for the Blind under ORS 346.190, pro-
21 vided sheltered employment or made-work by a public employer in an employment or industries
22 program maintained for the benefit of such persons.

23 (d) Persons employed and paid from federal funds received under the Emergency Job and Un-
24 employment Assistance Act of 1974 (Public Law 93-567) or any other federal program intended pri-
25 marily to alleviate unemployment. However, any such person shall be considered an "employee" if
26 not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects to
27 have the person so considered by an irrevocable written notice to the board.

28 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-
29 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph
30 shall be deemed to have been in effect since the inception of the system.

31 (8) "Final average salary" means whichever of the following is greater:

32 (a) The average salary per calendar year paid by one or more participating public employers to
33 an employee who is an active member of the system in three of the calendar years of membership
34 before the effective date of retirement of the employee, in which three years the employee was paid
35 the highest salary. The three calendar years in which the employee was paid the largest total salary
36 may include calendar years in which the employee was employed for less than a full calendar year.
37 If the number of calendar years of active membership before the effective date of retirement of the
38 employee is three or fewer, the final average salary for the employee is the average salary per cal-
39 endar year paid by one or more participating public employers to the employee in all of those years,
40 without regard to whether the employee was employed for the full calendar year.

41 (b) One-third of the total salary paid by a participating public employer to an employee who is
42 an active member of the system in the last 36 calendar months of active membership before the ef-
43 fective date of retirement of the employee.

44 (9) "Firefighter" does not include a volunteer firefighter, but does include:

45 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and

1 (b) An employee of the State Forestry Department who is certified by the State Forester as a
 2 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
 3 fires as described in ORS 477.064.

4 (10) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-
 5 lowing.

6 (11) "Fund" means the Public Employees Retirement Fund.

7 (12)(a) "Member" means a person who has established membership in the system and whose
 8 membership has not been terminated as described in ORS 238.095. "Member" includes active, inac-
 9 tive and retired members.

10 (b) "Active member" means a member who is presently employed by a participating public em-
 11 ployer in a qualifying position and who has completed the six-month period of service required by
 12 ORS 238.015.

13 (c) "Inactive member" means a member who is not employed in a qualifying position, whose
 14 membership has not been terminated in the manner described by ORS 238.095, and who is not retired
 15 for service or disability.

16 (d) "Retired member" means a member who is retired for service or disability.

17 (13)(a) "Member account" means the regular account and the variable account.

18 (b) "Regular account" means the account established for each active and inactive member under
 19 ORS 238.250.

20 (c) "Variable account" means the account established for a member who participates in the
 21 Variable Annuity Account under ORS 238.260.

22 (14) "Normal retirement age" means:

23 (a) For a person who establishes membership in the system before January 1, 1996, as described
 24 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
 25 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

26 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
 27 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
 28 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
 29 firefighter.

30 (15) "Pension" means annual payments for life derived from contributions by one or more public
 31 employers.

32 (16) "Police officer" includes:

33 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
 34 whose duties, as assigned by the Director of the Department of Corrections, include the custody of
 35 persons committed to the custody of or transferred to the Department of Corrections and employees
 36 of the Department of Corrections who were classified as police officers on or before July 27, 1989,
 37 whether or not such classification was authorized by law.

38 (b) Employees of the Department of State Police who are classified as police officers by the
 39 Superintendent of State Police.

40 (c) Employees of the Oregon Liquor Control Commission who are classified as enforcement of-
 41 ficers by the administrator of the commission.

42 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified
 43 by the sheriff, are the regular duties of police officers or corrections officers.

44 (e) Police chiefs and police personnel of a city who are classified as police officers by the
 45 council or other governing body of the city.

1 (f) Parole and probation officers employed by the Department of Corrections, parole and pro-
 2 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
 3 probation officers, as defined in ORS 181.610, who are classified as police officers for the purposes
 4 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
 5 cers as police officers for the purposes of this chapter, and the employees so classified are repres-
 6 ented by a labor organization, any proposal by the county to change that classification or to cease
 7 to classify adult parole and probation officers as police officers for the purposes of this chapter is
 8 a mandatory subject of bargaining.

9 (g) Police officers appointed under ORS 276.021 or 276.023.

10 (h) Employees of the Port of Portland who are classified as airport police by the Board of
 11 Commissioners of the Port of Portland.

12 (i) Employees of the State Department of Agriculture who are classified as livestock police of-
 13 ficers by the Director of Agriculture.

14 (j) Employees of the Department of Public Safety Standards and Training who are classified by
 15 the department as other than secretarial or clerical personnel.

16 (k) Investigators of the Criminal Justice Division of the Department of Justice.

17 (L) Corrections officers as defined in ORS 181.610.

18 (m) Employees of the Oregon State Lottery Commission who are classified by the Director of the
 19 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

20 (n) The Director of the Department of Corrections.

21 (o) An employee who for seven consecutive years has been classified as a police officer as de-
 22 fined by this section, and who is employed or transferred by the Department of Corrections to fill
 23 a position designated by the Director of the Department of Corrections as being eligible for police
 24 officer status.

25 (p) An employee of the Department of Corrections classified as a police officer on or prior to
 26 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
 27 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
 28 tem implemented pursuant to ORS 240.190 does not affect police officer status.

29 (q) Employees of a school district who are appointed and duly sworn members of a law
 30 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
 31 police officers commissioned by the district.

32 (r) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,
 33 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
 34 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the
 35 Department of Corrections or the Oregon Youth Authority.

36 (s) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
 37 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
 38 in such facilities.

39 (t) Employees of the Oregon Youth Authority who are classified as juvenile parole and probation
 40 officers.

41 (17) "Public employer" means the state, one of its agencies, any city, county, or municipal or
 42 public corporation, any political subdivision of the state or any instrumentality thereof, or an agency
 43 created by one or more such governmental organizations to provide governmental services. For
 44 purposes of this chapter, such agency created by one or more governmental organizations is a gov-
 45 ernmental instrumentality and a legal entity with power to enter into contracts, hold property and

1 sue and be sued.

2 (18) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)
3 to (6) (1999 Edition).

4 (19) "Qualifying position" means one or more jobs with one or more participating public em-
5 ployers in which an employee performs 600 or more hours of service in a calendar year, excluding
6 any service in a job for which a participating public employer does not provide benefits under this
7 chapter pursuant to an application made under ORS 238.035.

8 (20) "Retirement credit" means a period of time that is treated as creditable service for the
9 purposes of this chapter.

10 (21)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public
11 employer in return for services to the employer, plus the monetary value, as determined by the
12 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and
13 other advantages the employer furnishes the employee in return for services.

14 (b) "Salary" includes but is not limited to:

15 (A) Payments of employee and employer money into a deferred compensation plan, which are
16 deemed salary paid in each month of deferral;

17 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
18 paid in each month of participation;

19 (C) Retroactive payments described in section 7, chapter 1, Oregon Laws 2010; and

20 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
21 652.190.

22 (c) "Salary" or "other advantages" does not include:

23 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
24 employer;

25 (B) Payments for insurance coverage by an employer on behalf of employee or employee and
26 dependents, for which the employee has no cash option;

27 (C) Payments made on account of an employee's death;

28 (D) Any lump sum payment for accumulated unused sick leave;

29 (E) Any accelerated payment of an employment contract for a future period or an advance
30 against future wages;

31 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement
32 gratuitous payment;

33 (G) Payments for periods of leave of absence after the date the employer and employee have
34 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for
35 sick leave and vacation;

36 (H) Payments for instructional services rendered to [*institutions*] **public universities** of the
37 Oregon University System or the Oregon Health and Science University when such services are in
38 excess of full-time employment subject to this chapter. A person employed under a contract for less
39 than 12 months is subject to this subparagraph only for the months to which the contract pertains;
40 or

41 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an
42 employee.

43 (22) "School year" means the period beginning July 1 and ending June 30 next following.

44 (23) "System" means the Public Employees Retirement System.

45 (24) "Vested" means being an active member of the system in each of five calendar years.

1 (25) "Volunteer firefighter" means a firefighter whose position normally requires less than 600
 2 hours of service per year.

3 **SECTION 100.** ORS 238.300 is amended to read:

4 238.300. Upon retiring from service at normal retirement age or thereafter, a member of the
 5 system shall receive a service retirement allowance which shall consist of the following annuity and
 6 pensions:

7 (1) A refund annuity which shall be the actuarial equivalent of accumulated contributions, if
 8 any, by the member and interest thereon credited at the time of retirement, which annuity shall
 9 provide an allowance payable during the life of the member and at death a lump sum equal in
 10 amount to the difference between accumulated contributions at the time of retirement and the sum
 11 of the annuity payments actually made to the member during life shall be paid to such person, if any,
 12 as the member nominates by written designation duly acknowledged and filed with the board or shall
 13 otherwise be paid according to the provisions of this chapter for disposal of an amount credited to
 14 the member account of a member at the time of death in the event the member designates no ben-
 15 eficiary to receive the amount or no such beneficiary is able to receive the amount. If death of the
 16 member occurs before the first payment is due, the member account of the member shall be treated
 17 as though death had occurred before retirement.

18 (2)(a) A life pension (nonrefund) for current service provided by the contributions of employers,
 19 which pension, subject to paragraph (b) of this subsection, shall be an amount which, when added
 20 to the sum of the annuity, if any, under subsection (1) of this section and the annuity, if any, pro-
 21 vided on the same basis and payable from the Variable Annuity Account, both annuities considered
 22 on a refund basis, results in a total of:

23 (A) For service as a police officer or firefighter, two percent of final average salary multiplied
 24 by the number of years of membership in the system as a police officer or firefighter before the ef-
 25 fective date of retirement.

26 (B) For service as other than a police officer or firefighter, including service as a member of the
 27 Legislative Assembly, 1.67 percent of final average salary multiplied by the number of years of
 28 membership in the system as other than a police officer or firefighter before the effective date of
 29 retirement.

30 (b) A pension under this subsection shall be at least:

31 (A) For a member who first establishes membership in the system before July 1, 2003, the
 32 actuarial equivalent of the annuity provided by the accumulated contributions of the member. A
 33 person establishes membership in the system before July 1, 2003, for the purposes of this subpara-
 34 graph if:

35 (i) The person is a member of the system, or a judge member of the system, on the day imme-
 36 diately before July 1, 2003; or

37 (ii) The person performed any period of service for a participating public employer before July
 38 1, 2003, that is credited to the six-month period of employment required of an employee under ORS
 39 238.015 before an employee may become a member of the system.

40 (B) For a member who made contributions before August 21, 1981, the equivalent of a pension
 41 computed pursuant to this subsection as it existed immediately before that date.

42 (c) As used in this subsection, "number of years of membership" means the number of full years
 43 of creditable service plus any remaining fraction of a year of creditable service. Except as other-
 44 wise provided in this paragraph, in determining a remaining fraction a full month shall be consid-
 45 ered as one-twelfth of a year and a major fraction of a month shall be considered as a full month.

1 Membership of a school district employee, an employee of the State Board of Higher Education en-
 2 gaged in teaching or other school activity at [*an institution of higher education*] **a public university**
 3 **listed in ORS 352.002** or an employee of the Department of Human Services, the Oregon Youth
 4 Authority, the Department of Corrections or the State Board of Education engaged in teaching or
 5 other school activity at an institution supervised by the authority, board or department, for all
 6 portions of a school year in a calendar year in which the district school, institution of higher edu-
 7 cation or school activity at an institution so supervised in which the member is employed is
 8 normally in session shall be considered as a full one-half year of membership. The number of years
 9 of membership of a member who received a refund of contributions as provided in ORS 237.976 (2)
 10 is limited to the number of years after the day before the date on which the refund was received.
 11 The number of years of membership of a member who is separated, for any reason other than death
 12 or disability, from all service entitling the member to membership in the system, who withdraws the
 13 amount credited to the member account of the member in the fund during absence from such service
 14 and who thereafter reenters the service of an employer participating in the system but does not
 15 repay the amount so withdrawn as provided in this chapter, is limited to the number of years after
 16 the day before the date of so reentering.

17 (3) An additional life pension (nonrefund) for prior service credit, including military service,
 18 credited to the member at the time of first becoming a member of the system, as elsewhere provided
 19 in this chapter, which pension shall be provided by the contributions of the employer.

20 **SECTION 101.** ORS 238.350 is amended to read:

21 238.350. (1)(a) Upon the request by a public employer that its employees be compensated for
 22 accumulated unused sick leave with pay in the form of increased retirement benefits upon service
 23 or disability retirement, the board shall establish a procedure for adding to the gross amount of
 24 salary used in determining final average salary the monetary value of one-half of the accumulated
 25 unused sick leave with pay of each retiring employee of the requesting public employer and shall
 26 establish benefits of the retiring employee on the basis of a final average salary reflecting that ad-
 27 dition.

28 (b) For employees of a common school district, a union high school district, an education service
 29 district or a community college, or employees of the State Board of Higher Education engaged in
 30 teaching or other school activity at [*an institution of higher education*] **a public university listed**
 31 **in ORS 352.002**, or employees of the school operated under ORS 346.010 engaged in teaching or
 32 other school activity, who are employed under contract for a period of less than 12 consecutive
 33 months and who are entitled to sick leave with pay of less than 96 hours for a year, each hour of
 34 accumulated unused sick leave with pay shall be valued on the basis of the actual number of con-
 35 tract hours of employment during the last year of contributing membership of an employee before
 36 retiring and the salary of the employee during the same period. This paragraph does not apply to
 37 any employee who is employed under contract for 12 consecutive months in any of the three or less
 38 years used in determining the final average salary of the employee.

39 (c) For the purpose of this subsection, accumulated unused sick leave with pay includes unused
 40 sick leave with pay accumulated by an active member of the system while in the service of any
 41 public employer participating in the system that has the request described in paragraph (a) of this
 42 subsection in effect at the time of the member's separation from the service of the employer, whether
 43 that employer is or is not the employer of the member at the time of the member's retirement.

44 (d) The board shall establish rules requiring all public employers participating in the system to
 45 transmit to the board reports of unused sick leave with pay accumulated by their employees who

1 are members of the system and to provide timely notification to each of those employees of unused
2 sick leave with pay accumulated by the employee and reported to the board.

3 (2) Accumulated unused sick leave with pay may be considered for the purpose of subsection (1)
4 of this section only in accordance with the following requirements:

5 (a) Sick leave not credited at the rate actually provided by the public employer may not be
6 considered. The amount of sick leave exceeding an amount credited at the lowest rate in effect for
7 any employee of the public employer who is normally entitled to sick leave, and in any event ex-
8 ceeding an amount credited at a rate of eight hours for each full month worked, may not be con-
9 sidered.

10 (b) Sick leave credited for periods when an employee was absent from employment on sabbatical
11 leave, educational leave or any leave without pay may not be considered.

12 (c) Any period during which an employee was absent from employment for illness or injury that
13 was charged against sick leave not qualified for consideration shall be deducted from sick leave
14 qualified for consideration.

15 (d) Sick leave for any period for which the public employer provides no sick leave with pay for
16 its employees may not be considered.

17 (e) Sick leave accumulated on and after July 1, 1973, may be considered only to the extent it is
18 supported by records of accumulation and use pursuant to a plan adopted formally by the public
19 employer.

20 (f) Accumulated unused sick leave for periods before July 1, 1973, may be considered as follows:

21 (A) If any department, bureau or other organizational unit of a public employer maintained
22 formal records of accumulation and use even though the public employer did not require that those
23 records be maintained, the accumulated unused sick leave shall be considered according to those
24 records.

25 (B) Where the public employer provided sick leave before July 1, 1973, but formal records of
26 accumulation and use were not required or if required, are unavailable or incomplete, or the sick
27 leave was subject to administrative limitations on total accumulation or transfer between public
28 employers, accumulated unused sick leave for periods before July 1, 1973, may be considered as
29 equal to 2.675 hours for each full month worked or an amount per month equal to the average
30 monthly accumulation by an employee during the period beginning July 1, 1973, and ending at the
31 time of retirement, whichever amount is greater, but reduced by the amount of any accumulated
32 unused sick leave credited to the employee on July 1, 1973.

33 (g) The written certification of a member or former member of the Legislative Assembly shall
34 constitute a formal record of accumulation and use in determining the amount of accumulated un-
35 used sick leave of an employee of the Legislative Assembly, either of its houses or any of its com-
36 mittees or officers for periods of employment before July 1, 1981. Sick leave accumulated on and
37 after July 1, 1981, by employees of the Legislative Assembly, either of its houses or any of its com-
38 mittees or officers may be considered only to the extent it is supported by records of accumulation
39 and use maintained by the Legislative Administration Committee, or any statutory, standing, special
40 or interim committee of the Legislative Assembly or either house thereof, or any constitutional or
41 statutory office of the Legislative Assembly or either house thereof, pursuant to a plan adopted
42 formally by the committee or officer.

43 (3)(a) As used in this subsection, "legislative employee" means any person employed by the
44 Legislative Assembly, either of its houses or any of its committees or officers, but does not include
45 a regular employee of a statutory committee or statutory office of the Legislative Assembly de-

1 scribed in ORS 173.005 (1).

2 (b) Upon the request of a retiring legislative employee who is a member of the system, and the
 3 request of the public employer of the legislative employee, that the legislative employee be com-
 4 pensated for accumulated unused vacation with pay for periods of legislative employment in the form
 5 of increased retirement benefits upon service or disability retirement, the board shall add to the
 6 gross amount of salary used in determining final average salary of the legislative employee the
 7 monetary value of one-half of the accumulated unused vacation with pay of the legislative employee
 8 and shall establish the benefits of the legislative employee on the basis of a final average salary
 9 reflecting that addition.

10 (c) Accumulated unused vacation with pay may be considered for the purposes of paragraph (b)
 11 of this subsection only in accordance with the following requirements:

12 (A) Vacation not credited at the rate actually provided by the public employer may not be
 13 considered.

14 (B) Amounts of vacation exceeding amounts creditable to employees in the classified service of
 15 the state service pursuant to ORS 240.515 (1), and rules adopted pursuant thereto, in effect on June
 16 30, 1981, shall not be considered.

17 (C) Vacation accumulated before, on and after July 1, 1981, may be considered only to the extent
 18 it is supported by records of accumulation and use pursuant to a plan adopted formally by the public
 19 employer. However, the written certification of a member or former member of the Legislative As-
 20 sembly shall constitute a formal record of accumulation and use in determining the amount of ac-
 21 cumulated unused vacation of a legislative employee for periods of legislative employment before
 22 July 1, 1981.

23 (4) Employers with plans providing payments on account of sickness in lieu of sick leave with
 24 pay may request the board to consider the monetary value of accumulated unused payments on ac-
 25 count of sickness as if such payments were an equivalent amount of accumulated unused sick leave
 26 with pay under the same terms and conditions specified in subsections (1) and (2) of this section.

27 **SECTION 102.** ORS 238A.005, as amended by section 9, chapter 1, Oregon Laws 2010, and sec-
 28 tion 1, chapter 82, Oregon Laws 2010, is amended to read:

29 238A.005. For the purposes of this chapter:

30 (1) "Active member" means a member of the pension program or the individual account program
 31 of the Oregon Public Service Retirement Plan who is actively employed in a qualifying position.

32 (2) "Actuarial equivalent" means a payment or series of payments having the same value as the
 33 payment or series of payments replaced, computed on the basis of interest rate and mortality as-
 34 sumptions adopted by the board.

35 (3) "Board" means the Public Employees Retirement Board.

36 (4) "Eligible employee" means a person who performs services for a participating public em-
 37 ployer, including elected officials other than judges. "Eligible employee" does not include:

38 (a) Persons engaged as independent contractors;

39 (b) Aliens working under a training or educational visa;

40 (c) Persons, other than workers in the Industries for the Blind Program under ORS 346.190,
 41 provided sheltered employment or make-work by a public employer;

42 (d) Persons categorized by a participating public employer as student employees;

43 (e) Any person who is an inmate of a state institution;

44 (f) Employees of foreign trade offices of the Oregon Business Development Department who live
 45 and perform services in foreign countries under the provisions of ORS 285A.075 (1)(g);

1 (g) An employee actively participating in an alternative retirement program established under
 2 ORS 353.250 or an optional retirement plan established under ORS 341.551;

3 (h) Employees of the Oregon University System who are actively participating in an optional
 4 retirement plan offered under ORS 243.800;

5 (i) Any employee who belongs to a class of employees that was not eligible on August 28, 2003,
 6 for membership in the system under the provisions of ORS chapter 238 or other law;

7 (j) Any person who belongs to a class of employees who are not eligible to become members of
 8 the Oregon Public Service Retirement Plan under the provisions of ORS 238A.070 (2);

9 (k) Any person who is retired under ORS 238A.100 to 238A.245 or ORS chapter 238 and who
 10 continues to receive retirement benefits while employed; and

11 (L) Judges.

12 (5) "Firefighter" means:

13 (a) A person employed by a local government, as defined in ORS 174.116, whose primary job
 14 duties include the fighting of fires;

15 (b) The State Fire Marshal, the chief deputy state fire marshal and deputy state fire marshals;
 16 and

17 (c) An employee of the State Forestry Department who is certified by the State Forester as a
 18 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
 19 fires as described in ORS 477.064.

20 (6) "Fund" means the Public Employees Retirement Fund.

21 (7)(a) "Hour of service" means:

22 (A) An hour for which an eligible employee is directly or indirectly paid or entitled to payment
 23 by a participating public employer for performance of duties in a qualifying position; and

24 (B) An hour of vacation, holiday, illness, incapacity, jury duty, military duty or authorized leave
 25 during which an employee does not perform duties but for which the employee is directly or indi-
 26 rectly paid or entitled to payment by a participating public employer for services in a qualifying
 27 position, as long as the hour is within the number of hours regularly scheduled for the performance
 28 of duties during the period of vacation, holiday, illness, incapacity, jury duty, military duty or au-
 29 thorized leave.

30 (b) "Hour of service" does not include any hour for which payment is made or due under a plan
 31 maintained solely for the purpose of complying with applicable workers' compensation laws or un-
 32 employment compensation laws.

33 (8) "Inactive member" means a member of the pension program or the individual account pro-
 34 gram of the Oregon Public Service Retirement Plan whose membership has not been terminated, who
 35 is not a retired member and who is not employed in a qualifying position.

36 (9) "Individual account program" means the defined contribution individual account program of
 37 the Oregon Public Service Retirement Plan established under ORS 238A.025.

38 (10) "Member" means an eligible employee who has established membership in the pension pro-
 39 gram or the individual account program of the Oregon Public Service Retirement Plan and whose
 40 membership has not been terminated under ORS 238A.110 or 238A.310.

41 (11) "Participating public employer" means a public employer as defined in ORS 238.005 that
 42 provides retirement benefits for employees of the public employer under the system.

43 (12) "Pension program" means the defined benefit pension program of the Oregon Public Service
 44 Retirement Plan established under ORS 238A.025.

45 (13) "Police officer" means a police officer as described in ORS 238.005.

1 (14) “Qualifying position” means one or more jobs with one or more participating public em-
 2 ployers in which an eligible employee performs 600 or more hours of service in a calendar year,
 3 excluding any service in a job for which benefits are not provided under the Oregon Public Service
 4 Retirement Plan pursuant to ORS 238A.070 (2).

5 (15) “Retired member” means a pension program member who is receiving a pension as provided
 6 in ORS 238A.180 to 238A.195.

7 (16)(a) “Salary” means the remuneration paid to an active member in return for services to the
 8 participating public employer, including remuneration in the form of living quarters, board or other
 9 items of value, to the extent the remuneration is includable in the employee’s taxable income under
 10 Oregon law. Salary includes the additional amounts specified in paragraph (b) of this subsection,
 11 but does not include the amounts specified in paragraph (c) of this subsection, regardless of whether
 12 those amounts are includable in taxable income.

13 (b) “Salary” includes the following amounts:

14 (A) Payments of employee and employer money into a deferred compensation plan that are made
 15 at the election of the employee.

16 (B) Contributions to a tax-sheltered or deferred annuity that are made at the election of the
 17 employee.

18 (C) Any amount that is contributed to a cafeteria plan or qualified transportation fringe benefit
 19 plan by the employer at the election of the employee and that is not includable in the taxable in-
 20 come of the employee by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2009.

21 (D) Any amount that is contributed to a cash or deferred arrangement by the employer at the
 22 election of the employee and that is not included in the taxable income of the employee by reason
 23 of 26 U.S.C. 402(e)(3), as in effect on December 31, 2009.

24 (E) Retroactive payments described in section 7, chapter 1, Oregon Laws 2010.

25 (F) The amount of an employee contribution to the individual account program that is paid by
 26 the employer and deducted from the compensation of the employee, as provided under ORS 238A.335
 27 (1) and (2)(a).

28 (G) The amount of an employee contribution to the individual account program that is not paid
 29 by the employer under ORS 238A.335.

30 (H) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
 31 652.190.

32 (c) “Salary” does not include the following amounts:

33 (A) Travel or any other expenses incidental to employer’s business which is reimbursed by the
 34 employer.

35 (B) Payments made on account of an employee’s death.

36 (C) Any lump sum payment for accumulated unused sick leave, vacation leave or other paid
 37 leave.

38 (D) Any severance payment, accelerated payment of an employment contract for a future period
 39 or advance against future wages.

40 (E) Any retirement incentive, retirement bonus or retirement gratuitous payment.

41 (F) Payment for a leave of absence after the date the employer and employee have agreed that
 42 no future services in a qualifying position will be performed.

43 (G) Payments for instructional services rendered to [institutions] **public universities** of the
 44 Oregon University System or the Oregon Health and Science University when those services are in
 45 excess of full-time employment subject to this chapter. A person employed under a contract for less

1 than 12 months is subject to this subparagraph only for the months covered by the contract.

2 (H) The amount of an employee contribution to the individual account program that is paid by
 3 the employer and is not deducted from the compensation of the employee, as provided under ORS
 4 238A.335 (1) and (2)(b).

5 (I) Any amount in excess of \$200,000 for a calendar year. If any period over which salary is
 6 determined is less than 12 months, the \$200,000 limitation for that period shall be multiplied by a
 7 fraction, the numerator of which is the number of months in the determination period and the de-
 8 nominator of which is 12. The board shall adopt rules adjusting this dollar limit to incorporate
 9 cost-of-living adjustments authorized by the Internal Revenue Service.

10 (17) "System" means the Public Employees Retirement System.

11 **SECTION 103.** ORS 243.105 is amended to read:

12 243.105. As used in ORS 243.105 to 243.285, unless the context requires otherwise:

13 (1) "Benefit plan" includes, but is not limited to:

14 (a) Contracts for insurance or other benefits, including medical, dental, vision, life, disability and
 15 other health care recognized by state law, and related services and supplies;

16 (b) Comparable benefits for employees who rely on spiritual means of healing; and

17 (c) Self-insurance programs managed by the Public Employees' Benefit Board.

18 (2) "Board" means the Public Employees' Benefit Board.

19 (3) "Carrier" means an insurance company or health care service contractor holding a valid
 20 certificate of authority from the Director of the Department of Consumer and Business Services, or
 21 two or more companies or contractors acting together pursuant to a joint venture, partnership or
 22 other joint means of operation, or a board-approved guarantor of benefit plan coverage and com-
 23 pensation.

24 (4)(a) "Eligible employee" means an officer or employee of a state agency who elects to partic-
 25 ipate in one of the group benefit plans described in ORS 243.135. The term includes state officers
 26 and employees in the exempt, unclassified and classified service, and state officers and employees,
 27 whether or not retired, who:

28 (A) Are receiving a service retirement allowance, a disability retirement allowance or a pension
 29 under the Public Employees Retirement System or are receiving a service retirement allowance, a
 30 disability retirement allowance or a pension under any other retirement or disability benefit plan
 31 or system offered by the State of Oregon for its officers and employees;

32 (B) Are eligible to receive a service retirement allowance under the Public Employees Retire-
 33 ment System and have reached earliest retirement age under ORS chapter 238;

34 (C) Are eligible to receive a pension under ORS 238A.100 to 238A.245, and have reached earliest
 35 retirement age as described in ORS 238A.165; or

36 (D) Are eligible to receive a service retirement allowance or pension under another retirement
 37 benefit plan or system offered by the State of Oregon and have attained earliest retirement age
 38 under the plan or system.

39 (b) "Eligible employee" does not include individuals:

40 (A) Engaged as independent contractors;

41 (B) Whose periods of employment in emergency work are on an intermittent or irregular basis;

42 (C) Who are employed on less than half-time basis unless the individuals are employed in posi-
 43 tions classified as job-sharing positions, unless the individuals are defined as eligible under rules of
 44 the board;

45 (D) Appointed under ORS 240.309;

1 (E) Provided sheltered employment or make-work by the state in an employment or industries
 2 program maintained for the benefit of such individuals; or

3 (F) Provided student health care services in conjunction with their enrollment as students at
 4 [the state institutions of higher education] **a public university listed in ORS 352.002.**

5 (5) “Family member” means an eligible employee’s spouse and any unmarried child or stepchild
 6 within age limits and other conditions imposed by the board with regard to unmarried children or
 7 stepchildren.

8 (6) “Payroll disbursing officer” means the officer or official authorized to disburse moneys in
 9 payment of salaries and wages of employees of a state agency.

10 (7) “Premium” means the monthly or other periodic charge for a benefit plan.

11 (8) “State agency” means every state officer, board, commission, department or other activity
 12 of state government.

13 **SECTION 104.** ORS 243.107 is amended to read:

14 243.107. A person employed by a [state institution of higher education] **public university listed**
 15 **in ORS 352.002** or the Oregon Health and Science University may be considered an eligible em-
 16 ployee for participation in one of the group benefit plans described in ORS 243.135 if the State Board
 17 of Higher Education, or the Oregon Health and Science University Board of Directors for Oregon
 18 Health and Science University employees, determines that funds are available therefor and if:

19 (1) Notwithstanding ORS 243.105 (4)(b)(F), the person is a student enrolled in an institution of
 20 higher education and is employed as a graduate teaching assistant, graduate research assistant or
 21 a fellow at the institution and elects to participate; or

22 (2) Notwithstanding ORS 243.105 (4)(b)(B) or (C), the person is employed on a less than half-time
 23 basis in an unclassified instructional or research support capacity and elects to participate.

24 **SECTION 105.** ORS 243.778 is amended to read:

25 243.778. (1) When an appropriate bargaining unit includes members of the faculty of [an institu-
 26 tion of higher education] **a public university listed in ORS 352.002**, the duly organized and recog-
 27 nized entity of student government at that [institution] **university** may designate three
 28 representatives to meet and confer with the public employer of those members of the faculty and the
 29 exclusive representative of that appropriate bargaining unit prior to collective bargaining.

30 (2) During the course of collective bargaining between the public employer and the exclusive
 31 representative described in subsection (1) of this section, the representatives of student government
 32 designated under subsection (1) of this section shall:

33 (a) Be allowed to attend and observe all meetings between the public employer and the exclusive
 34 representative at which collective bargaining occurs;

35 (b) Have access to all written documents pertaining to the collective bargaining negotiations
 36 exchanged by the public employer and the exclusive representative, including copies of any prepared
 37 written transcripts of the bargaining session;

38 (c) Be allowed to comment in good faith during the bargaining sessions upon matters under
 39 consideration; and

40 (d) Be allowed to meet and confer with the exclusive representative and the public employer
 41 regarding the terms of an agreement between them prior to the execution of a written contract in-
 42 corporating that agreement.

43 (3) Rules regarding confidentiality and release of information shall apply to student represen-
 44 tatives in the same manner as employer and employee bargaining unit representatives.

45 (4) As used in this section,[:]

1 [(a) “Institution of higher education” means an institution under the control of the State Board of
2 Higher Education.]

3 [(b)] “meet and confer” means the performance of the mutual obligation of the representatives
4 of student government designated under subsection (1) of this section, the exclusive representative
5 and the public employer, or any two of them, to meet at the request of one of them at reasonable
6 times at a place convenient to all to conduct in good faith an interchange of views concerning the
7 duties of each under this section, employment relations of the faculty, the negotiation of an agree-
8 ment and the execution of a written agreement.

9 **SECTION 106.** ORS 243.910 is amended to read:

10 243.910. As used in ORS 243.910 to 243.945:

11 (1) “Board” means the State Board of Higher Education for all [*institutions under the jurisdiction*
12 *of that board as set forth*] **public universities listed** in ORS 352.002, and for the Oregon Health and
13 Science University means the Oregon Health and Science University Board of Directors.

14 (2) “Employees” means the persons appointed or employed by or under the authority of the
15 board who hold academic rank as determined by the board.

16 (3) “System” means the Public Employees Retirement System established by ORS 238.600.

17 **SECTION 107.** ORS 243.956 is amended to read:

18 243.956. (1) A person is eligible for an award of benefits from the Public Safety Memorial Fund
19 if the person:

20 (a)(A) Is a family member, parent or designee of a public safety officer who has suffered a
21 qualifying death or disability; or

22 (B) Is a public safety officer who has suffered a qualifying disability; and

23 (b) Has submitted an initial application for an award of benefits under ORS 243.958.

24 (2) Notwithstanding subsection (1) of this section, a person is not eligible for an award of ben-
25 efits if:

26 (a) The person’s actions were a substantial contributing factor to the qualifying death or disa-
27 bility of the public safety officer;

28 (b) The public safety officer’s intentional misconduct caused the qualifying death or disability;

29 (c) The public safety officer intended to bring about the officer’s qualifying death or disability;

30 (d) The public safety officer was voluntarily intoxicated at the time of the injury that caused the
31 qualifying death or disability; or

32 (e) The public safety officer was performing the officer’s duties in a grossly negligent manner
33 at the time of the injury that caused the qualifying death or disability.

34 (3) If a person who is eligible for an award of benefits under subsection (1) of this section is
35 younger than 18 years of age or is incompetent, another person may file the application for an
36 award of benefits on behalf of the eligible person.

37 (4) Within 14 days after receipt of a notice under ORS 243.974 or entry of an order under ORS
38 243.964 awarding benefits based on an initial application, whichever occurs later, the Public Safety
39 Memorial Fund Board shall pay a lump sum amount of \$25,000:

40 (a) If a designation of beneficiary form has been completed under ORS 243.974 (1), to the
41 designee of a public safety officer who suffered a qualifying death;

42 (b) If a designation of beneficiary form has not been completed, in the manner described under
43 ORS 243.969, to a family member or parent of a public safety officer who suffered a qualifying death;
44 or

45 (c) To the public safety officer who suffered a qualifying disability.

1 (5) If alternative coverage is not provided, the board may award benefits to the family members
 2 of a public safety officer or, if a designation of beneficiary form has been completed under ORS
 3 243.974 (1), to the designee, children and dependents of a public safety officer who has suffered a
 4 qualifying death or disability in an amount sufficient to allow the recipients to purchase health and
 5 dental insurance comparable to that provided by the public safety officer:

6 (a) For five years or until the spouse remarries, whichever occurs first;

7 (b) Until a child or a dependent attains 18 years of age or, if the child or the dependent is at-
 8 tending school, 23 years of age; and

9 (c) For five years for a designee who is not a person described in paragraph (a) or (b) of this
 10 subsection, or until the designee marries, whichever occurs first.

11 (6) If alternative coverage is not provided, the board may award benefits for five years to a
 12 public safety officer who has suffered a qualifying disability in an amount sufficient to allow the
 13 public safety officer to purchase health and dental insurance comparable to the health and dental
 14 insurance coverage that the public safety officer had immediately prior to the qualifying disability.

15 (7) The board may award benefits to an eligible spouse or designee of a public safety officer who
 16 has suffered a qualifying death or to a public safety officer who has suffered a qualifying disability
 17 in an amount up to the equivalent of 12 monthly mortgage payments on the residence of the public
 18 safety officer or the spouse or designee of the public safety officer if there is no mortgage insurance
 19 to cover the cost.

20 (8)(a) The board may award scholarships for a graduate program of higher education to:

21 (A) A family member of a public safety officer who has suffered a qualifying death or disability;

22 (B) If a designation of beneficiary form has been completed under ORS 243.974 (1), to the
 23 designee, children and dependents of a public safety officer who suffered a qualifying death or dis-
 24 ability; or

25 (C) To a public safety officer who has suffered a qualifying disability.

26 (b) In determining the amount of a scholarship, the board shall consider the person's financial
 27 need, the funds available in the Public Safety Memorial Fund and the anticipated demands on the
 28 fund. The board may not grant a scholarship in an amount exceeding the highest tuition charged
 29 by a [*state institution of higher education*] **public university listed in ORS 352.002** for a graduate
 30 program.

31 (9) A family member, a designee or a public safety officer is eligible to apply for a scholarship
 32 under subsection (8) of this section only if the family member, designee or public safety officer:

33 (a) Has exhausted the education benefits available under 28 C.F.R., Part 32, subpart B;

34 (b) Applies for the scholarship within one year from the date of exhaustion of the education
 35 benefits under paragraph (a) of this subsection; and

36 (c) Has applied for other available public education benefits.

37 (10) If a person described in subsection (8) of this section is ineligible to receive education
 38 benefits under 28 C.F.R., Part 32, subpart B, if funds for education benefits are unavailable under
 39 those provisions or if the education benefit program under those provisions no longer exists, the
 40 person may apply to the board for a scholarship for an undergraduate program. Scholarships for only
 41 undergraduate degrees may be awarded to a person under this subsection. The board may not grant
 42 a scholarship under this subsection in an amount exceeding the highest tuition charged by a [*state*
 43 *institution of higher education*] **public university listed in ORS 352.002** for an undergraduate pro-
 44 gram.

45 (11)(a) A person may apply for a scholarship under subsection (10) of this section at any time

1 up to:

2 (A) Five years after the date on which the applicant graduated from high school if:

3 (i) The applicant was a minor at the time the public safety officer suffered a qualifying death
4 or disability; and

5 (ii) An application for an award of some type of benefits was filed by a person described in
6 subsection (8) of this section;

7 (B) The date the applicant remarries, if the applicant is the surviving spouse of a public safety
8 officer who suffered a qualifying death, or the date the applicant divorces the public safety officer,
9 if the applicant is the spouse of a public safety officer who suffered a qualifying disability; or

10 (C) Five years after the date of the injury that caused the disability, if the applicant is a public
11 safety officer who suffered a qualifying disability or is a designee who is not a family member.

12 (b) The board may extend the time period for applying for a scholarship under subsection (10)
13 of this section.

14 (12) If the family member, designee or public safety officer who is awarded a scholarship under
15 this section is receiving other public education benefits, the amount of the scholarship awarded to
16 the family member, designee or public safety officer shall be reduced by the amount of the other
17 public education benefits.

18 **SECTION 108.** ORS 244.050 is amended to read:

19 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
20 Government Ethics Commission a verified statement of economic interest as required under this
21 chapter:

22 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the
23 Bureau of Labor and Industries, Superintendent of Public Instruction, district attorneys and mem-
24 bers of the Legislative Assembly.

25 (b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem
26 judicial officer who does not otherwise serve as a judicial officer.

27 (c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

28 (d) The Deputy Attorney General.

29 (e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the
30 Secretary of the Senate and the Chief Clerk of the House of Representatives.

31 (f) The Chancellor and Vice Chancellors of the Oregon University System and the president and
32 vice presidents, or their administrative equivalents, in each [*institution under the jurisdiction of the*
33 *State Board of Higher Education*] **public university listed in ORS 352.002.**

34 (g) The following state officers:

35 (A) Adjutant General.

36 (B) Director of Agriculture.

37 (C) Manager of State Accident Insurance Fund Corporation.

38 (D) Water Resources Director.

39 (E) Director of Department of Environmental Quality.

40 (F) Director of Oregon Department of Administrative Services.

41 (G) State Fish and Wildlife Director.

42 (H) State Forester.

43 (I) State Geologist.

44 (J) Director of Human Services.

45 (K) Director of the Department of Consumer and Business Services.

- 1 (L) Director of the Department of State Lands.
- 2 (M) State Librarian.
- 3 (N) Administrator of Oregon Liquor Control Commission.
- 4 (O) Superintendent of State Police.
- 5 (P) Director of the Public Employees Retirement System.
- 6 (Q) Director of Department of Revenue.
- 7 (R) Director of Transportation.
- 8 (S) Public Utility Commissioner.
- 9 (T) Director of Veterans' Affairs.
- 10 (U) Executive director of Oregon Government Ethics Commission.
- 11 (V) Director of the State Department of Energy.
- 12 (W) Director and each assistant director of the Oregon State Lottery.
- 13 (X) Director of the Department of Corrections.
- 14 (Y) Director of the Oregon Department of Aviation.
- 15 (Z) Executive director of the Oregon Criminal Justice Commission.
- 16 (AA) Director of the Oregon Business Development Department.
- 17 (BB) Director of the Office of Emergency Management.
- 18 (CC) Director of the Employment Department.
- 19 (DD) Chief of staff for the Governor.
- 20 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 21 (FF) Director of the Housing and Community Services Department.
- 22 (GG) State Court Administrator.
- 23 (HH) Director of the Department of Land Conservation and Development.
- 24 (II) Board chairperson of the Land Use Board of Appeals.
- 25 (JJ) State Marine Director.
- 26 (KK) Executive director of the Oregon Racing Commission.
- 27 (LL) State Parks and Recreation Director.
- 28 (MM) Public defense services executive director.
- 29 (NN) Chairperson of the Public Employees' Benefit Board.
- 30 (OO) Director of the Department of Public Safety Standards and Training.
- 31 (PP) Chairperson of the Oregon Student Assistance Commission.
- 32 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 33 (RR) Director of the Oregon Youth Authority.
- 34 (SS) Director of the Oregon Health Authority.
- 35 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 36 (i) Every elected city or county official.
- 37 (j) Every member of a city or county planning, zoning or development commission.
- 38 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
- 39 cipal administrator of the city or county.
- 40 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 41 (m) Every member of a governing body of a metropolitan service district and the executive of-
- 42 ficer thereof.
- 43 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 44 (o) The chief administrative officer and the financial officer of each common and union high
- 45 school district, education service district and community college district.

- 1 (p) Every member of the following state boards and commissions:
2 (A) Board of Geologic and Mineral Industries.
3 (B) Oregon Business Development Commission.
4 (C) State Board of Education.
5 (D) Environmental Quality Commission.
6 (E) Fish and Wildlife Commission of the State of Oregon.
7 (F) State Board of Forestry.
8 (G) Oregon Government Ethics Commission.
9 (H) Oregon Health Policy Board.
10 (I) State Board of Higher Education.
11 (J) Oregon Investment Council.
12 (K) Land Conservation and Development Commission.
13 (L) Oregon Liquor Control Commission.
14 (M) Oregon Short Term Fund Board.
15 (N) State Marine Board.
16 (O) Mass transit district boards.
17 (P) Energy Facility Siting Council.
18 (Q) Board of Commissioners of the Port of Portland.
19 (R) Employment Relations Board.
20 (S) Public Employees Retirement Board.
21 (T) Oregon Racing Commission.
22 (U) Oregon Transportation Commission.
23 (V) Wage and Hour Commission.
24 (W) Water Resources Commission.
25 (X) Workers' Compensation Board.
26 (Y) Oregon Facilities Authority.
27 (Z) Oregon State Lottery Commission.
28 (AA) Pacific Northwest Electric Power and Conservation Planning Council.
29 (BB) Columbia River Gorge Commission.
30 (CC) Oregon Health and Science University Board of Directors.
31 (DD) Capitol Planning Commission.
32 (q) The following officers of the State Treasurer:
33 (A) Chief Deputy State Treasurer.
34 (B) Chief of staff for the office of the State Treasurer.
35 (C) Director of the Investment Division.
36 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
37 or 777.915 to 777.953.
38 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
39 (2) By April 15 next after the date an appointment takes effect, every appointed public official
40 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
41 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
42 and 244.090.
43 (3) By April 15 next after the filing deadline for the primary election, each candidate described
44 in subsection (1) of this section shall file with the commission a statement of economic interest as
45 required under ORS 244.060, 244.070 and 244.090.

1 (4) Within 30 days after the filing deadline for the general election, each candidate described in
2 subsection (1) of this section who was not a candidate in the preceding primary election, or who
3 was nominated for public office described in subsection (1) of this section at the preceding primary
4 election by write-in votes, shall file with the commission a statement of economic interest as re-
5 quired under ORS 244.060, 244.070 and 244.090.

6 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or
7 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections
8 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the
9 filing deadline for the statewide general election.

10 (6) If a statement required to be filed under this section has not been received by the commis-
11 sion within five days after the date the statement is due, the commission shall notify the public of-
12 ficial or candidate and give the public official or candidate not less than 15 days to comply with the
13 requirements of this section. If the public official or candidate fails to comply by the date set by the
14 commission, the commission may impose a civil penalty as provided in ORS 244.350.

15 **SECTION 109.** ORS 270.100 is amended to read:

16 270.100. (1)(a) Before offering for sale any real property or equitable interest therein owned by
17 the state, the state agency acting for the state in such transaction shall report its intent of sale or
18 transfer to the Oregon Department of Administrative Services. The department, or the agency spe-
19 cifically designated by the department, shall notify other state agencies authorized to own real
20 property of the intended sale or transfer to determine whether acquisition of the real property or
21 interest therein would be advantageous to another state agency.

22 (b) The department shall give political subdivisions, as defined in ORS 271.005, the first oppor-
23 tunity after other state agencies to acquire, purchase, exchange or lease real property to be sold
24 or disposed of by the State of Oregon. The state agency responsible for selling or transferring the
25 property may require at the time of the sale or transfer that any state real property sold or trans-
26 ferred to a political subdivision, as defined in ORS 271.005, shall be for use for a public purpose or
27 benefit, and not be for resale to a private purchaser.

28 (c) If property is not disposed of under paragraph (a) or (b) of this subsection, in accordance
29 with rules adopted by the department, the state agency desiring to sell or transfer the property shall
30 cause it to be appraised by one or more competent and experienced appraisers. Except as provided
31 in ORS 273.825, if such property has an appraised value exceeding \$5,000 it shall not be sold to any
32 private person except after notice calling for such proposals as set forth in ORS 270.130.

33 (d) The department shall adopt rules to carry out the provisions of this section.

34 (2) Before acquisition of any real property or interest therein by any state agency, except for
35 highway right of way acquired by the Department of Transportation and park properties acquired
36 by the State Parks and Recreation Department and property within the approved projected campus
37 boundaries for *[institutions]* **public universities** of the Oregon University System, the state agency
38 shall report its intent of acquisition to the Oregon Department of Administrative Services. The de-
39 partment shall notify other state agencies owning land of the intended acquisition to determine
40 whether another state agency desires to sell or transfer property which would meet the needs of the
41 purchasing agency. In accordance with rules adopted by the Oregon Department of Administrative
42 Services, if no other state agency desires to sell or transfer property which would meet the needs
43 of the agency, the agency may acquire the real property or interest therein, consistent with appli-
44 cable provisions of law.

45 (3) Before any terminal disposition of real property or an interest in real property, the state

1 agency acting for the state in the transaction must secure approval of the transaction from the
 2 Oregon Department of Administrative Services.

3 (4) Subsection (3) of this section does not apply to terminal disposition of the following real
 4 property:

- 5 (a) Property controlled by the State Department of Fish and Wildlife;
- 6 (b) State forestlands controlled by the State Forestry Department;
- 7 (c) Property controlled by the Department of Transportation;
- 8 (d) Property controlled by the Department of State Lands;
- 9 (e) Property controlled by the Oregon University System;
- 10 (f) Property controlled by the legislative or judicial branches of state government; and
- 11 (g) Property controlled by the State Parks and Recreation Department.

12 (5) Notwithstanding the provisions of subsection (4) of this section, prior approval by the Oregon
 13 Department of Administrative Services is required for the terminal disposition of public land for less
 14 than the fair market value of that land.

15 (6) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190, 273.416, 273.426 to
 16 273.436, 273.551 and 308A.709 (1) to (4) do not apply to a home or farm acquired, sold, or both, by
 17 the Department of Veterans' Affairs under ORS 88.720, 273.388, 406.050, 407.135, 407.145, 407.375 and
 18 407.377.

19 **SECTION 110.** ORS 273.155 is amended to read:

20 273.155. The Department of State Lands, in carrying out its duties, may call upon all related
 21 state and county agencies, including [*Oregon State University*] **the Oregon University System** and
 22 any state or county officers **or Oregon University System employees** through whom necessary
 23 information and aid may be received. Such agencies, [*institution and*] officers **and employees** shall
 24 cooperate with the department without additional compensation.

25 **SECTION 111.** ORS 273.785 is amended to read:

26 273.785. ORS 273.551 and 273.775 to 273.790 do not apply to:

- 27 (1) Soil, clay, stone, sand and gravel acquired or used by state agencies for the purpose of con-
 28 structing or repairing roads or other state facilities, or the proceeds from those materials.
- 29 (2) Mineral or geothermal resource rights or proceeds from those rights acquired by the State
 30 Fish and Wildlife Commission pursuant to an agreement with the federal government under 16 U.S.C.
 31 669 to 669i (P.L. 75-415).
- 32 (3) Mineral or geothermal resource rights or proceeds from those rights if other disposition is
 33 required by federal rules or regulations or any agreement entered into at the time of acquisition of
 34 the mineral or geothermal resource rights by the state.

35 (4) Proceeds of mineral and geothermal resource rights acquired by the state pursuant to ORS
 36 530.010 and 530.030, other than those distributed under ORS 530.110 (1)(c).

37 (5) Mineral or geothermal resource rights or proceeds from those rights acquired after January
 38 1, 1974, for the state by the Department of Veterans' Affairs pursuant to ORS 88.720, 406.050 (2),
 39 407.135 or 407.145. After consultation, the Department of State Lands and the Department of
 40 Veterans' Affairs shall enter into an interagency agreement governing consultation between them
 41 concerning mineral and geothermal resource values on properties acquired for the state by the De-
 42 partment of Veterans' Affairs. The Department of Veterans' Affairs shall adopt rules relating to the
 43 release of mineral and geothermal rights on such properties.

44 (6) Mineral or geothermal resource rights or proceeds from those rights given by a donor to any
 45 [*institution,*] **public university or office**, department or activity under the control of the State

1 Board of Higher Education that are acquired or held for the state by the State Board of Higher
 2 Education pursuant to ORS chapters 351 and 567. In managing mineral or geothermal resource
 3 leases, the State Board of Higher Education shall consult with the Department of State Lands in
 4 accordance with an interagency agreement established by the department and the State Board of
 5 Higher Education governing consultation between the department and the State Board of Higher
 6 Education and governing management of the mineral or geothermal resources.

7 (7) Mineral or geothermal resource rights or proceeds from those rights acquired and held by
 8 the Department of Transportation. In managing mineral or geothermal resource leases, the Depart-
 9 ment of Transportation shall enter into an intergovernmental agreement with the Department of
 10 State Lands governing consultation between the departments and governing management of the
 11 mineral or geothermal resources.

12 **SECTION 112.** ORS 276.227 is amended to read:

13 276.227. (1) The State of Oregon recognizes that providing and operating state government fa-
 14 cilities is a significant capital investment in public infrastructure. Accordingly, it is the policy of the
 15 State of Oregon to plan, finance, acquire, construct, manage and maintain state government facilities
 16 in a manner that maximizes and protects this investment.

17 (2) The Oregon Department of Administrative Services shall establish a statewide planning
 18 process that evaluates the needs of the state's facilities, provides comparative information on the
 19 condition of the state's facilities, establishes guidelines and standards for acquiring, managing and
 20 maintaining state facilities and provides financing and budgeting strategies to allocate resources to
 21 facilities' needs.

22 (3)(a) The Director of the Oregon Department of Administrative Services shall establish a public
 23 review process for the proposed capital projects of all state agencies. To assist in this review, the
 24 director shall establish a Capital Projects Advisory Board consisting of seven members. Five mem-
 25 bers shall be public members knowledgeable about construction, facilities management and mainte-
 26 nance issues. Two members may be state employees. The director shall appoint the chairperson of
 27 the board.

28 (b) The director, in consultation with the board, may request that agencies submit updated
 29 long-range facility plans and funding strategies that reflect changes in technology and priorities. The
 30 director may ask the board to report on and make recommendations related to long-range plans, the
 31 condition of facilities, maintenance schedules, funding strategies and options for new facilities. The
 32 director may seek recommendations from the board regarding the needs of existing facilities, funding
 33 strategies and long-term facility goals.

34 (c) The review process may be applicable to capital projects meeting the definition of major
 35 construction/acquisition in the Governor's budget and to significant leases.

36 (d) For each state agency proposing a capital project, the review process may include an ex-
 37 amination of the following:

38 (A) The effectiveness of asset protection, including maintenance, repair and other activities;

39 (B) The effectiveness of space utilization, including an inventory of existing occupied and unoc-
 40 cupied building space;

41 (C) The advisability of lease, purchase or other funding strategies;

42 (D) The condition of existing occupied and unoccupied building space;

43 (E) Appropriate technology;

44 (F) The agency's mission and long-range facilities plans; and

45 (G) For new facilities, expansions and additions, the ability of the agency to maintain and op-

1 erate all of the agency's facilities in a cost-effective manner.

2 (e) The review process shall ensure that capital project decisions are approached in a cost-
3 effective manner after considering all reasonable alternatives.

4 (f) With assistance from the board, the department shall provide recommendations and informa-
5 tion to the Governor and the Legislative Assembly on the construction, leasing and facilities man-
6 agement issues of state government.

7 (4) The department shall establish and maintain a central database of information on state-
8 owned property of all state agencies, including land, buildings, infrastructure, improvements and
9 leases. This database shall include an inventory of state-owned facilities as well as descriptive and
10 technical information.

11 (5) State agencies shall establish and implement long-range maintenance and management plans
12 for facilities for which this state is responsible to ensure that facilities are maintained in good re-
13 pair and that the useful lives of facilities are maximized. For each new facility, a maintenance and
14 management plan appropriate to the use and useful life of the facility shall be developed and im-
15 plemented.

16 (6) The department may engage in cooperative projects with local government.

17 (7) The provisions of this section [*shall*] **do** not apply to [*institutions of higher education as de-*
18 *scribed*] **public universities listed** in ORS 352.002, the Oregon Health and Science University or a
19 community college as defined in ORS 341.005.

20 **SECTION 113.** ORS 276.229 is amended to read:

21 276.229. (1) State agencies shall develop four-year major construction budgets. Projects included
22 in these budgets may be accelerated or deferred upon approval of the Emergency Board.

23 (2) State agencies shall include the biennial costs associated with maintenance, major repairs
24 or building alterations in their regular budget presentation to the Legislative Assembly. Agencies
25 shall include in their budget presentations short-term and long-term plans to reduce or eliminate any
26 existing backlog of deferred maintenance.

27 (3) The provisions of this section [*shall*] **do** not apply to [*an institution of higher education as*
28 *described*] **public universities listed** in ORS 352.002, the Oregon Health and Science University, or
29 a community college as defined in ORS 341.005.

30 **SECTION 114.** ORS 276.612 is amended to read:

31 276.612. The Department of Corrections, the Department of Human Services, the Oregon Health
32 Authority and the State Board of Education each shall determine the buildings to be constructed,
33 altered, repaired, furnished and equipped for the use of institutions and activities under their re-
34 spective jurisdictions. The State Board of Higher Education shall determine the buildings to be
35 constructed, altered, repaired, furnished and equipped for the use of [*institutions*] **public universi-**
36 **ties or offices, departments** or activities under its jurisdiction.

37 **SECTION 115.** ORS 279A.025 is amended to read:

38 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting
39 Code applies to all public contracting.

40 (2) The Public Contracting Code does not apply to:

41 (a) Contracts between a contracting agency and:

42 (A) Another contracting agency;

43 (B) The Oregon Health and Science University;

44 (C) The Oregon State Bar;

45 (D) A governmental body of another state;

- 1 (E) The federal government;
- 2 (F) An American Indian tribe or an agency of an American Indian tribe;
- 3 (G) A nation, or a governmental body in a nation, other than the United States; or
- 4 (H) An intergovernmental entity formed between or among:
 - 5 (i) Governmental bodies of this or another state;
 - 6 (ii) The federal government;
 - 7 (iii) An American Indian tribe or an agency of an American Indian tribe;
 - 8 (iv) A nation other than the United States; or
 - 9 (v) A governmental body in a nation other than the United States;
- 10 (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or
- 11 other authority for establishing agreements between or among governmental bodies or agencies or
- 12 tribal governing bodies or agencies;
- 13 (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and
- 14 414.145 for purposes of source selection;
- 15 (d) Grants;
- 16 (e) Contracts for professional or expert witnesses or consultants to provide services or testimony
- 17 relating to existing or potential litigation or legal matters in which a public body is or may become
- 18 interested;
- 19 (f) Acquisitions or disposals of real property or interest in real property;
- 20 (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-
- 21 lection;
- 22 (h) Contracts for the procurement or distribution of textbooks;
- 23 (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;
- 24 (j) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,
- 25 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;
- 26 (k) Contracts entered into under ORS chapter 180 between the Attorney General and private
- 27 counsel or special legal assistants;
- 28 (L) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry
- 29 and the State Forestry Department;
- 30 (m) Contracts for forest protection or forest related activities, as described in ORS 477.406, by
- 31 the State Forester or the State Board of Forestry;
- 32 (n) Sponsorship agreements entered into by the State Parks and Recreation Director in accord-
- 33 ance with ORS 565.080 (4);
- 34 (o) Contracts entered into by the Housing and Community Services Department in exercising the
- 35 department's duties prescribed in ORS chapters 456 and 458, except that the department's public
- 36 contracting for goods and services is subject to ORS chapter 279B;
- 37 (p) Contracts entered into by the State Treasurer in exercising the powers of that office pre-
- 38 scribed in ORS chapters 178, 286A, 287A, 289, 293, 294 and 295, including but not limited to invest-
- 39 ment contracts and agreements, banking services, clearing house services and collateralization
- 40 agreements, bond documents, certificates of participation and other debt repayment agreements, and
- 41 any associated contracts, agreements and documents, regardless of whether the obligations that the
- 42 contracts, agreements or documents establish are general, special or limited, except that the State
- 43 Treasurer's public contracting for goods and services is subject to ORS chapter 279B;
- 44 (q) Contracts, agreements or other documents entered into, issued or established in connection
- 45 with:

- 1 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;
- 2 (B) The making of program loans and similar extensions or advances of funds, aid or assistance
- 3 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining
- 4 activities or programs authorized by law; or
- 5 (C) The investment of funds by a public body as authorized by law, and other financial trans-
- 6 actions of a public body that by their character cannot practically be established under the com-
- 7 petitive contractor selection procedures of ORS 279B.050 to 279B.085;
- 8 (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,
- 9 243.275, 243.291, 243.303 and 243.565;
- 10 (s) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or
- 11 (t) Any other public contracting of a public body specifically exempted from the code by another
- 12 provision of law.
- 13 (3) The Public Contracting Code does not apply to the contracting activities of:
- 14 (a) The Oregon State Lottery Commission;
- 15 (b) The Oregon University System and member [*institutions*] **public universities**, except as pro-
- 16 vided in ORS 351.086;
- 17 (c) The legislative department;
- 18 (d) The judicial department;
- 19 (e) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS 279.835 to
- 20 279.855 and 279A.250 to 279A.290;
- 21 (f) Oregon Corrections Enterprises;
- 22 (g) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to
- 23 279A.290;
- 24 (h) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;
- 25 (i) The Oregon 529 College Savings Network and the Oregon 529 College Savings Board;
- 26 (j) The Oregon Innovation Council;
- 27 (k) The Oregon Utility Notification Center; or
- 28 (L) Any other public body specifically exempted from the code by another provision of law.
- 29 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with
- 30 qualified nonprofit agencies providing employment opportunities for individuals with disabilities un-
- 31 der ORS 279.835 to 279.855.
- 32 **SECTION 116.** ORS 283.305 is amended to read:
- 33 283.305. As used in ORS 283.305 to 283.350:
- 34 (1) "Alternative fuel" means natural gas, liquefied petroleum gas, methanol, ethanol, any fuel
- 35 mixture containing at least 85 percent methanol or ethanol and electricity.
- 36 (2) "Authorized driver" means any of the following who has a valid driver license and an ac-
- 37 ceptable driving record:
- 38 (a) A salaried state employee, including an agent of the state;
- 39 (b) A volunteer, appointed in writing, whose written description of duties includes driving motor
- 40 vehicles;
- 41 (c) An agency client required to drive motor vehicles as part of a rehabilitation or treatment
- 42 program authorized by law;
- 43 (d) Any personnel of any unit of government whose use of motor vehicles is permitted by an
- 44 authorized intergovernmental agreement; **and**
- 45 [*e*] Any student enrolled at any state institution of higher education and whose use of motor ve-

1 *hicles meets the requirements of ORS 283.310; and]*

2 [(f)] (e) An inmate of a correctional institution with specific Department of Corrections approval
3 who is accompanied by a supervising correctional institution employee or who is performing a spe-
4 cific work assignment driving a special purpose vehicle required for that assignment and within the
5 visual range of a supervising correctional institution employee who is at the work assignment site
6 or who is part of the transport caravan.

7 (3) "Motor vehicles" includes state-owned, leased or otherwise controlled motor vehicles and the
8 supplies, parts and equipment for the operation, maintenance or repair of such motor vehicles.

9 (4) "Official state business" means activity conducted by a state agency that advances the lawful
10 policies of the agency as specified by the Oregon Department of Administrative Services by rule.

11 (5) "Standard passenger vehicle" means a motor vehicle that is commonly known as a sedan or
12 a station wagon and that is not equipped with special or unusual equipment.

13 (6) "State agency" or "agency" includes the Legislative Assembly, at its option, or any of its
14 statutory, standing, special or interim committees, at the option of such committee.

15 **SECTION 117.** ORS 283.310 is amended to read:

16 283.310. (1) The Oregon Department of Administrative Services shall control and regulate the
17 acquisition, operation, use, maintenance and disposal of and access to motor vehicles used for:

18 (a) State business by state agencies of this state; or

19 (b) Official public business by a unit of local government or a state agency of another state, by
20 an agency created by an interstate compact between this state and another state or states, by a
21 United States governmental agency, or by an American Indian tribe or an agency of an American
22 Indian tribe, pursuant to an intergovernmental agreement between the agency or agencies and the
23 department, entered into in accordance with ORS chapter 190, for the provision of motor pool ve-
24 hicles, supplies and services, or any of them.

25 (2) The state agency on whose behalf a motor vehicle is used must state in writing in advance
26 of such use that the particular activity for which the vehicle is to be used advances the lawful
27 policies of the agency.

28 (3) The State Board of Higher Education [*shall*] **may** not authorize or allow the use of any motor
29 vehicle to transport students to an event or activity not directly related to an officially sanctioned
30 program, as established under ORS 351.277 [*of an institution in the Oregon University System*], **of a**
31 **public university listed in ORS 352.002.**

32 (4) The State Board of Higher Education, in conjunction with the Oregon Department of Ad-
33 ministrative Services, shall establish by rule vehicle operation standards and training to promote
34 safe vehicular travel practices in the conduct of all travel by employees, students and official vol-
35 unteers at all [*institutions*] **public universities** in the Oregon University System.

36 **SECTION 118.** ORS 284.633 is amended to read:

37 284.633. (1) The Oregon Progress Board may enter into an agreement with:

38 (a) Any state agency for the provision of clerical, technical and management personnel to the
39 board to serve as the board's staff and for the provision of other administrative, operational or
40 overhead expenses necessary to accomplish the public purposes of the board.

41 (b) A nongovernmental entity for the provision of administrative, operational or overhead ex-
42 penses necessary to accomplish the public purposes of the board.

43 (2) As used in this section:

44 (a) "Public institution of higher education" means a community college or a [*state institution of*
45 *higher education*] **public university** listed in ORS 352.002.

1 (b) "State agency" means any officer, board, commission, department, division or institution in
 2 the executive or administrative branch of state government or a public institution of higher educa-
 3 tion.

4 **SECTION 119.** ORS 284.701 is amended to read:

5 284.701. As used in ORS 284.701 to 284.740:

6 (1) "Oregon emerging business" means an emerging growth business as defined in ORS 348.701
 7 that has:

8 (a) Fewer than 100 employees; and

9 (b) At least 51 percent of its employees employed in Oregon.

10 (2) "Research institution" means:

11 (a) A community college as defined in ORS 341.005;

12 (b) A [*state institution of higher education*] **public university** listed in ORS 352.002;

13 (c) The Oregon Health and Science University public corporation created under ORS 353.020;

14 (d) An Oregon-based, generally accredited, not-for-profit private institution of higher education;

15 (e) A federal research laboratory conducting research in Oregon; or

16 (f) A private not-for-profit research institution located in Oregon.

17 (3) "Traded sector" has the meaning given that term in ORS 285A.010.

18 **SECTION 120.** ORS 285B.168 is amended to read:

19 285B.168. (1) The Oregon Business Development Department may make grants available to a
 20 community college district, a community college service district or, with the concurrence of the
 21 Commissioner for Community College Services and the Chancellor of the Oregon University System,
 22 a [*state university*] **public university listed in ORS 352.002** to assist in the formation, improvement
 23 and operation of small business development centers. If a community college district, a community
 24 college service district or a [*state university*] **public university** is unable to adequately provide
 25 services in a specific geographic area, the department may make grants available to other service
 26 providers as determined by the department. The grant application shall include:

27 (a) Plans for providing small business owners and managers individual counseling, to the great-
 28 est extent practicable, in subject areas critical to small business success;

29 (b) A budget for the year for which a grant is requested, including cost apportionment among
 30 the department, small business clients, the community college, [*state university*] **the public univer-**
 31 **sity** or other service providers and other sources;

32 (c) A plan for evaluating the effect of the program on small business clients served; and

33 (d) A plan for providing collaboration with other state agencies, state-supported organizations
 34 and private sector entities that provide services to small businesses.

35 (2) The grants made under subsection (1) of this section are to be used by the grant recipient
 36 to provide:

37 (a) Small business development center staff and support staff;

38 (b) Expert resource persons from the business community;

39 (c) Other training and business resources as approved by the department in skill areas for
 40 which, or areas of the state where, the grant recipient can demonstrate it does not otherwise have
 41 the capacity or expertise to provide the resources; and

42 (d) Other costs related to providing training, counseling and business resources to small busi-
 43 ness clients.

44 (3) To be eligible for a grant under subsection (1) of this section, the recipient shall be required
 45 to provide funds, in-kind contributions or some combination of funds and contributions, in accord-

1 ance with rules adopted by the department.

2 (4) Subject to the approval of the department, a grant recipient may subcontract funds received
3 under this section to any other entity that is eligible to receive funding under this section.

4 (5) The grant recipient shall submit a final report to the department after the distribution of
5 grant funds and the delivery of services to the proposed business clients. The report shall state
6 whether the plan and related budget have met the applicable criteria as described in the recipient's
7 application for the grant period.

8 [(6) *As used in this section, "state university" means a state institution of higher education listed*
9 *in ORS 352.002.*]

10 **SECTION 121.** ORS 285B.174 is amended to read:

11 285B.174. In cooperation with other state agencies and private organizations, [*state universities*
12 *as defined in ORS 285B.168*] **public universities listed in ORS 352.002** and community colleges may
13 develop programs to assist Oregon businesses with the procurement of government contracts and
14 grants. Small business development centers established under ORS 285B.165 to 285B.171 may assist
15 with these programs.

16 **SECTION 122.** ORS 286A.615 is amended to read:

17 286A.615. (1) The Private Activity Bond Committee is established. It shall consist of the State
18 Treasurer or the designee of the State Treasurer, one representative from the Oregon Department
19 of Administrative Services and one public representative appointed to serve at the pleasure of the
20 Governor.

21 (2) The State Treasurer, or the State Treasurer's designee, shall serve as chair of the committee.

22 (3) The purpose of private activity bonding in this state is to maximize the economic benefits
23 of private activity bonding to the citizens of this state. The committee shall adopt by rule standards
24 for amounts allocated to the committee for further allocation for economic development, housing,
25 education, redevelopment, public works, energy, waste management, waste and recycling collection,
26 transportation and other activities that the committee determines will benefit the citizens of this
27 state. In developing standards, the committee shall:

28 (a) Survey the expected need for private activity bond allocations at least once each year;

29 (b) Develop strategies for reserving and allocating the limit that are designed to maximize the
30 availability of tax exempt financing among competing sectors of the Oregon economy; and

31 (c) Ensure that the standards include but are not limited to standards that:

32 (A) Support projects that increase the number of family wage jobs in this state.

33 (B) Promote economic recovery in small cities heavily dependent on a single industry.

34 (C) Emphasize development in underdeveloped rural areas of this state.

35 (D) Utilize educational resources available at [*institutions of higher education*] **public universi-**
36 **ties listed in ORS 352.002.**

37 (E) Support development of the state's small businesses, especially businesses owned by women
38 and members of minority groups.

39 (F) Encourage use of Oregon's human and natural resources in endeavors that harness Oregon's
40 economic comparative advantages.

41 (4) The state private activity bond volume cap allocated to the Private Activity Bond Committee
42 as provided in ORS 286A.620 shall be allocated and reallocated among issuers by the Private Ac-
43 tivity Bond Committee as follows:

44 (a) Any amounts not reserved to an issuer or a class of issuers under the authorization adopted
45 by the Legislative Assembly under ORS 286A.035 shall be allocated or reallocated by the committee

1 under rules adopted under subsection (3) of this section.

2 (b) Any amounts provided for in the authorization adopted by the Legislative Assembly under
3 ORS 286A.035 that are unused shall be carried forward for use as provided by rules adopted under
4 subsection (3) of this section.

5 (c) The rules adopted by the committee shall limit the period of time for which an allocation of
6 private activity bonding authority is effective. The rules shall ensure that allocations made during
7 a calendar year are used during that calendar year or that the unused amount of the allocation is
8 reallocated or carried forward.

9 (5) Unused allocations are not transferable among issuers but are available for reallocation.

10 **SECTION 123.** ORS 286A.700 is amended to read:

11 286A.700. (1) As used in this section:

12 (a) "Oregon Baccalaureate Bonds" means bonds of the State of Oregon issued by the State
13 Treasurer at the request of the Oregon University System that are designated as baccalaureate
14 bonds.

15 (b) "Post-secondary education" means training and instruction provided by fully accredited
16 public **universities** or private institutions of higher learning, community colleges and post-high-
17 school career schools.

18 (2) The Legislative Assembly encourages citizens of the State of Oregon to avail themselves of
19 post-secondary education opportunities.

20 (3) The Legislative Assembly finds:

21 (a) For the benefit of its citizens, the state supports a system of common schools, [*institutions*
22 *of higher education*] **public universities** and community colleges.

23 (b) A post-secondary education advances a citizen's ability to pursue life, liberty and happiness
24 through a wide range of employment opportunities.

25 (c) A well-educated citizenry contributes to the economic well-being of the state and nation.

26 (d) A well-trained and skilled citizenry enhances economic development of the state.

27 (e) While students have just begun their education upon completion of a formal education, a
28 lifetime pursuit of learning contributes to a well-informed citizenry and to Oregon's cherished qual-
29 ity of life.

30 (f) Citizens educated in Oregon are more likely to pursue careers in Oregon.

31 (g) It is in the interest of this state to encourage its citizens to plan and save for a post-
32 secondary education.

33 (h) An Oregon Baccalaureate Bond program that provides citizens an opportunity to save for a
34 post-secondary education for their children, themselves or any citizen is in the social and economic
35 interest of the State of Oregon.

36 (i) A systematic way to save for post-secondary education can assist all of Oregon's higher ed-
37 ucation, community college and career schools to better project enrollments, thereby permitting the
38 prudent allocation of scarce resources.

39 (4) At the request of the Oregon University System, the State Treasurer may:

40 (a) Issue bonds as Oregon Baccalaureate Bonds, to encourage investors to save for post-
41 secondary education opportunities.

42 (b) Investigate and implement the means and procedures to facilitate the participation by the
43 broadest practical range of investors in the Oregon Baccalaureate Bond program. The means and
44 procedures may include, but are not limited to, adjustments in the denominations in which the bonds
45 are issued and the frequency with which the bonds are issued.

1 (5) The purchase of an Oregon Baccalaureate Bond does not guarantee the purchaser, owner
2 or beneficiary of the bond admittance to a public **university** or private post-secondary institution.

3 **SECTION 124.** ORS 291.038 is amended to read:

4 291.038. (1) The planning, acquisition, installation and use of all information and telecommuni-
5 cations technology by state government and agencies of state government shall be coordinated so
6 that statewide plans and activities, as well as those of individual agencies, are addressed in the most
7 integrated, economic and efficient manner. To provide policy direction for and coordination of in-
8 formation technology for state government, the Director of the Oregon Department of Administra-
9 tive Services shall chair and appoint not fewer than five agency executives to an Information
10 Resources Management Council. The council membership shall include at least two members who
11 represent the private sector and political subdivisions of the state.

12 (2) To facilitate accomplishment of the purpose set forth in subsection (1) of this section, the
13 Oregon Department of Administrative Services shall adopt rules, policies and standards to plan for,
14 acquire, implement and manage the state's information resources. In developing rules, policies and
15 standards, the department shall consult with state agencies that have needs that information re-
16 sources may satisfy. State agencies shall cooperate with the department in preparing and complying
17 with rules, policies and standards. The rules, policies and standards must be formulated to promote
18 electronic communication and information sharing among state agencies and programs, between
19 state and local governments and with the public where appropriate.

20 (3) Rules, policies, plans, standards and specifications must be formulated to ensure that infor-
21 mation resources fit together in a statewide system capable of providing ready access to information,
22 computing or telecommunication resources. Plans and specifications the department adopts must be
23 based on industry standards for open systems to the greatest extent possible. Before adopting rules
24 described in subsection (2) of this section, the department shall present the proposed rules to the
25 appropriate legislative committee. The department has the responsibility to review, oversee and en-
26 sure that state agencies' planning, acquisition and implementation activities align with and support
27 the statewide information resources management plan. The department is responsible for procuring
28 information technology fairly, competitively and in a manner that is consistent with the
29 department's rules.

30 (4)(a) The policy of the State of Oregon is that state government telecommunications networks
31 should be designed to provide state-of-the-art services where economically and technically feasible,
32 using shared, rather than dedicated, lines and facilities.

33 (b) The department shall, when procuring telecommunications network services, consider
34 achieving the economic development and quality of life outcomes set forth in the Oregon
35 benchmarks.

36 (5)(a) The department, upon request, may furnish and deliver statewide integrated
37 videoconferencing and statewide online access service to a public or private entity that primarily
38 conducts activities for the direct good or benefit of the public or community at large in providing
39 educational, economic development, health care, human services, public safety, library or other
40 public services. The department shall adopt rules with respect to furnishing the service.

41 (b) The department shall establish the statewide integrated videoconferencing and statewide
42 online access user fees, services, delivery, rates and long range plans in consultation with the
43 Stakeholders Advisory Committee created pursuant to this section. The rates shall reflect the
44 department's cost in providing the service.

45 (c) The department by rule shall restrict the department's furnishing or delivery of Internet ac-

1 cess service to private entities when the service would directly compete with two or more local
2 established providers of Internet access services within the local exchange telecommunications ser-
3 vice area.

4 (d) The rates and services established and provided under this section are not subject to the
5 Public Utility Commission's regulation or authority.

6 (6)(a) There is created the Stakeholders Advisory Committee, consisting of a minimum of nine
7 members appointed by the Director of the Oregon Department of Administrative Services. In making
8 appointments, the director shall give consideration to geographic balance and adequate represen-
9 tation of the department's users and providers and the general public.

10 (b) The committee must consist of members who represent elementary or secondary education,
11 higher education, community colleges, economic development, health care, human services and pub-
12 lic safety. At least four members must reside in areas east of the Cascade Mountains.

13 (c) The term of office of each member is three years, but a member serves at the sole discretion
14 of the director. The director shall appoint a successor to a member before the member's term ex-
15 pires. A member is eligible for reappointment. If a position on the committee is vacant for any cause,
16 the director shall make an appointment to the position that is immediately effective for the unex-
17 pired term.

18 (d) A member of the committee is entitled to travel expenses pursuant to ORS 292.495. Members
19 of the committee are not entitled to compensation.

20 (e) The director may establish additional advisory and technical committees as the director
21 considers necessary to aid and advise the Stakeholders Advisory Committee in the performance of
22 the committee's functions.

23 (f) The director may delegate to the State Chief Information Officer a duty, function or power
24 that this subsection imposes upon the director.

25 (7) An organization or organizations recognized as tax exempt under section 501(c)(3) of the
26 Internal Revenue Code that primarily conduct activities for the direct good or benefit of the public
27 or community at large in providing educational, economic development, health care, human services,
28 public safety, library or other public services and have formed an affiliation with one or more fed-
29 eral, state or local governmental units within this state may apply to the department for designation
30 as a community of interest. The application must be in the form prescribed by the department and
31 contain information regarding the governmental affiliation relationship, the tax exempt status of
32 each organization and the public benefit services to be provided. The department shall establish an
33 application review and appeal process to ensure that designating the organizations as a community
34 of interest for the purposes of including the organization in telecommunications contracts under
35 ORS 283.520 will result in providing educational, medical, library or other services for public benefit.

36 (8) This section does not apply to the State Board of Higher Education or any [*state institution*
37 *of higher education within the Oregon University System*] **public university listed in ORS 352.002.**

38 (9) As used in this section:

39 (a) "Information resources" means media, instruments and methods for planning, collecting,
40 processing, transmitting and storing data and information, including telecommunications.

41 (b) "Information technology" includes, but is not limited to, present and future forms of hard-
42 ware, software and services for data processing, office automation and telecommunications.

43 (c) "Internet access service" means electronic connectivity to the Internet and the services of
44 the Internet.

45 (d) "Open systems" means systems that allow state agencies freedom of choice by providing a

1 vendor-neutral operating environment where different computers, applications, system software and
 2 networks operate together easily and reliably.

3 (e) "State-of-the-art services" includes equipment, facilities and the capability to distribute dig-
 4 ital communication signals that transmit voice, data, video and images over a distance.

5 (f) "Telecommunications" means hardware, software and services for transmitting voice, data,
 6 video and images over a distance.

7 (g) "Statewide integrated videoconferencing" means a statewide electronic system capable of
 8 transmitting video, voice and data communications.

9 (h) "Statewide online access" means electronic connectivity to information resources such as
 10 computer conferencing, electronic mail, databases and Internet access.

11 **SECTION 125.** ORS 291.055 is amended to read:

12 291.055. (1) Notwithstanding any other law that grants to a state agency the authority to es-
 13 tablish fees, all new state agency fees or fee increases adopted after July 1 of any odd-numbered
 14 year:

15 (a) Are not effective for agencies in the executive department of government unless approved
 16 in writing by the Director of the Oregon Department of Administrative Services;

17 (b) Are not effective for agencies in the judicial department of government unless approved in
 18 writing by the Chief Justice of the Supreme Court;

19 (c) Are not effective for agencies in the legislative department of government unless approved
 20 in writing by the President of the Senate and the Speaker of the House of Representatives;

21 (d) Shall be reported by the state agency to the Oregon Department of Administrative Services
 22 within 10 days of their adoption; and

23 (e) Are rescinded on July 1 of the next following odd-numbered year, or on adjournment sine
 24 die of the regular session of the Legislative Assembly meeting in that year, whichever is later, un-
 25 less otherwise authorized by enabling legislation setting forth the approved fees.

26 (2) This section does not apply to:

27 (a) Any tuition or fees charged by the State Board of Higher Education and [*state institutions*
 28 *of higher education*] **the public universities listed in ORS 352.002.**

29 (b) Taxes or other payments made or collected from employers for unemployment insurance re-
 30 quired by ORS chapter 657 or premium assessments required by ORS 656.612 and 656.614 or contri-
 31 butions and assessments calculated by cents per hour for workers' compensation coverage required
 32 by ORS 656.506.

33 (c) Fees or payments required for:

34 (A) Health care services provided by the Oregon Health and Science University, by the Oregon
 35 Veterans' Homes and by other state agencies and institutions pursuant to ORS 179.610 to 179.770.

36 (B) Assessments and premiums paid to the Oregon Medical Insurance Pool established by ORS
 37 735.614 and 735.625.

38 (C) Copayments and premiums paid to the Oregon medical assistance program.

39 (D) Assessments paid to the Department of Consumer and Business Services under ORS 743.951
 40 and 743.961.

41 (d) Fees created or authorized by statute that have no established rate or amount but are cal-
 42 culated for each separate instance for each fee payer and are based on actual cost of services pro-
 43 vided.

44 (e) State agency charges on employees for benefits and services.

45 (f) Any intergovernmental charges.

1 (g) Forest protection district assessment rates established by ORS 477.210 to 477.265 and the
 2 Oregon Forest Land Protection Fund fees established by ORS 477.760.

3 (h) State Department of Energy assessments required by ORS 469.421 (8) and 469.681.

4 (i) Any charges established by the State Parks and Recreation Director in accordance with ORS
 5 565.080 (3).

6 (j) Assessments on premiums charged by the Insurance Division of the Department of Consumer
 7 and Business Services pursuant to ORS 731.804 or fees charged by the Division of Finance and
 8 Corporate Securities of the Department of Consumer and Business Services to banks, trusts and
 9 credit unions pursuant to ORS 706.530 and 723.114.

10 (k) Public Utility Commission operating assessments required by ORS 756.310 or charges paid
 11 to the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987.

12 (L) Fees charged by the Housing and Community Services Department for intellectual property
 13 pursuant to ORS 456.562.

14 (m) New or increased fees that are anticipated in the legislative budgeting process for an
 15 agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted
 16 budget for the agency.

17 (n) Tolls approved by the Oregon Transportation Commission pursuant to ORS 383.004.

18 (o) Convenience fees as defined in ORS 182.126 and established by the Oregon Department of
 19 Administrative Services under ORS 182.132 (3) and recommended by the Electronic Government
 20 Portal Advisory Board.

21 (3)(a) Fees temporarily decreased for competitive or promotional reasons or because of unex-
 22 pected and temporary revenue surpluses may be increased to not more than their prior level without
 23 compliance with subsection (1) of this section if, at the time the fee is decreased, the state agency
 24 specifies the following:

25 (A) The reason for the fee decrease; and

26 (B) The conditions under which the fee will be increased to not more than its prior level.

27 (b) Fees that are decreased for reasons other than those described in paragraph (a) of this sub-
 28 section may not be subsequently increased except as allowed by ORS 291.050 to 291.060 and 294.160.

29 **SECTION 126.** ORS 292.043 is amended to read:

30 292.043. (1) As used in this section:

31 (a) "Foundation" means:

32 (A) A tax exempt organization designated by a rule adopted by a state agency; or

33 (B) A tax exempt organization designated by the State Board of Higher Education to solicit
 34 contributions for the support of [*an institution of higher education under the jurisdiction of the*
 35 *board*] **a public university listed in ORS 352.002.**

36 (b) "Salary and wages" has the meaning given that term in ORS 292.014.

37 (2) Any state official authorized to disburse funds in payment of salaries or wages of the officers
 38 and employees of a state agency, or of the officers, teachers, instructors and other employees of the
 39 Oregon University System, is authorized, upon written request of the individual, to deduct each
 40 month from the salary or wages of the individual the amount of money designated by the individual
 41 for payment to a foundation.

42 (3) The individual may withdraw the authorization at any time if the individual so notifies such
 43 officer in writing.

44 (4) The moneys so deducted shall be paid over promptly to the foundation designated by the
 45 individual. Subject to any rules prescribed by a state agency or the State Board of Higher Educa-

1 tion, the state official authorized to disburse the funds in payment of salaries and wages may pre-
2 scribe any procedures necessary to carry out this section.

3 **SECTION 127.** ORS 292.044 is amended to read:

4 292.044. (1) As used in this section:

5 (a) "Employee" means officers, faculty, teachers, instructors and other employees of the Oregon
6 University System as described in ORS 352.002.

7 (b) "Nonprofit organization" means an organization described in section 501(c)(3) of the Internal
8 Revenue Code that is exempt from income tax under section 501(a) of the Internal Revenue Code.

9 (2) The Chancellor of the Oregon University System or a designee of the chancellor may approve
10 a written request made by a [*state institution of higher education listed in ORS 352.002, or by another*
11 *program*] **public university or office, department** or activity under the jurisdiction of the State
12 Board of Higher Education, in which an employee of the [*institution*] **public university** or [*another*
13 *program*] **office, department** or activity may designate an amount from the salary or wages of the
14 employee for payment to a qualifying nonprofit organization. A request made to the chancellor under
15 this section must identify the nonprofit organization to whom payments would be made.

16 (3) Upon written approval of the chancellor or of a designee of the chancellor and a written
17 request of an employee of the [*institution, program*] **public university or office, department** or
18 activity to which the approval applies, the state official within the Oregon University System au-
19 thorized to disburse funds in payment of salaries or wages shall deduct from the salary or wages
20 of the employee the amount of money designated by the employee for payment to the nonprofit or-
21 ganization.

22 (4) The moneys deducted from the salaries or wages under subsection (3) of this section shall
23 be paid over promptly to the nonprofit organization.

24 (5) The Chancellor of the Oregon University System or a designee of the chancellor shall pre-
25 scribe procedures for determining whether an organization qualifies as a nonprofit organization un-
26 der this section.

27 **SECTION 128.** ORS 310.155 is amended to read:

28 310.155. (1) For purposes of ORS 310.150, taxes are levied or imposed to fund the public school
29 system if the taxes will be used exclusively for educational services, including support services,
30 provided by any unit of government, at any level from prekindergarten through post-graduate
31 training.

32 (2) Taxes on property levied or imposed by a unit of government whose principal function is to
33 provide educational services shall be considered to be dedicated to fund the public school system
34 unless the sole purpose of a particular, voter approved levy is for other than educational services
35 or support services as defined in this section.

36 (3) Taxes on property levied or imposed by a unit of government whose principal function is to
37 perform government operations other than educational services shall be considered to be dedicated
38 to fund the public school system only if the sole purpose of a particular, voter approved levy is for
39 educational services or support services as defined in this section.

40 (4) As used in this section, "educational services" includes:

41 (a) Establishment and maintenance of preschools, kindergartens, elementary schools, high
42 schools, community colleges and [*institutions of higher education*] **the public universities listed in**
43 **ORS 352.002.**

44 (b) Establishment and maintenance of career schools, adult education programs, evening school
45 programs and schools or facilities for persons with physical, mental or emotional disabilities.

1 (5) As used in this section, “support services” includes clerical, administrative, professional and
 2 managerial services, property maintenance, transportation, counseling, training and other services
 3 customarily performed in connection with the delivery of educational services.

4 (6) “Educational services” does not include community recreation programs, civic activities,
 5 public libraries, programs for custody or care of children or community welfare activities if those
 6 programs or activities are provided to the general public and not for the benefit of students or other
 7 participants in the programs and activities described in subsection (4) of this section.

8 **SECTION 129.** ORS 326.543 is amended to read:

9 326.543. (1) As used in this section:

10 (a) “Education service district” has the meaning given that term in ORS 334.003.

11 (b) “Facility” means the school operated under ORS 346.010.

12 (c) “Post-secondary institution” means:

13 (A) A community college as defined in ORS 341.005;

14 (B) A [*state institution of higher education*] **public university** listed in ORS 352.002; and

15 (C) The Oregon Health and Science University.

16 (d) “School district” has the meaning given that term in ORS 330.005.

17 (2) The interest or estate of an education service district, a facility, a post-secondary institution
 18 or a school district in any real property may not be extinguished or diminished by adverse pos-
 19 session.

20 **SECTION 130.** ORS 326.587 is amended to read:

21 326.587. (1) A [*state institution of higher education*] **public university listed in ORS 352.002** may
 22 not disclose the Social Security number of a student who is attending the [*institution*] **public uni-**
 23 **versity**.

24 (2) Subsection (1) of this section does not apply if the [*institution*] **public university** discloses
 25 the Social Security number:

26 (a) At the request of a law enforcement agency or an agency providing support enforcement
 27 services under ORS 25.080;

28 (b) After obtaining written permission for the disclosure from the student to whom the number
 29 refers;

30 (c) In the payment of wages or benefits;

31 (d) In the payment or collection of taxes or of a debt owed by the student to whom the number
 32 refers; or

33 (e) For purposes of statistical analysis.

34 **SECTION 131.** ORS 329.822 is amended to read:

35 329.822. (1) The Oregon Educator Professional Development Commission is established within
 36 the Department of Education for the purpose of providing statewide collaborative leadership for
 37 prekindergarten through post-secondary education in the areas of school improvement.

38 (2) The commission consists of 16 members appointed as follows:

39 (a) The President of the Senate shall appoint one member of the Senate.

40 (b) The Speaker of the House of Representatives shall appoint one member of the House of
 41 Representatives.

42 (c) The Governor shall appoint 14 members as follows:

43 (A) Two members who represent education service districts.

44 (B) One member who represents the Department of Education.

45 (C) One member who represents a community college.

1 (D) One member who represents a public [*institution of higher education*] **university listed in**
 2 **ORS 352.002.**

3 (E) One member who represents a not-for-profit private institution of higher education.

4 (F) One member who represents the Teacher Standards and Practices Commission.

5 (G) One member who represents the Governor's office.

6 (H) Six members who represent public schools for kindergarten through grade 12, including:

7 (i) One superintendent of a school district.

8 (ii) Two principals of schools.

9 (iii) Two teachers licensed or certified by the Teacher Standards and Practices Commission.

10 (iv) One classified employee of a school.

11 (3) Members of the Legislative Assembly appointed to the commission are nonvoting members
 12 of the commission and may act in an advisory capacity only.

13 (4)(a) The term of office of each member of the commission is three years, but a member serves
 14 at the pleasure of the appointing authority.

15 (b) Before the expiration of the term of a member, the appointing authority shall appoint a
 16 successor.

17 (c) A member is eligible for reappointment.

18 (d) If there is a vacancy for any cause, the appointing authority shall make an appointment to
 19 become immediately effective for the unexpired term.

20 (5) Members of the commission who are members of the Legislative Assembly are entitled to
 21 mileage expenses and a per diem as provided by ORS 171.072. Other members of the commission are
 22 not entitled to compensation but a member may be reimbursed for actual and necessary travel and
 23 other expenses incurred by the member in the performance of the member's official duties in the
 24 manner and amount provided in ORS 292.495.

25 (6) The commission shall select from among its members a chairperson, vice chairperson and
 26 secretary, for such terms and with such duties and powers necessary for the performance of the
 27 functions of the offices.

28 (7) A majority of the voting members of the commission constitutes a quorum for the transaction
 29 of business.

30 (8) Official action by the commission requires the approval of a majority of the voting members
 31 of the commission.

32 (9) The commission shall meet at least once each calendar quarter at a place, day and hour
 33 determined by the commission. The commission may also meet at other times and places specified
 34 by the call of the chairperson.

35 (10) The Department of Education may accept, on behalf of the commission, contributions of
 36 moneys and assistance from the United States Government or its agencies or from any other source,
 37 public or private, and agree to conditions placed on the moneys not inconsistent with the duties of
 38 the commission.

39 (11) All moneys received by the department under subsection (10) of this section shall be paid
 40 into the Department of Education Account established in ORS 326.115 to the credit of the commis-
 41 sion. The moneys are continuously appropriated to the commission for the purposes of carrying out
 42 the duties of the commission.

43 (12) The Department of Education shall solicit and award a public contract for services provided
 44 by the commission, including the maintenance of the public website and the provision of assistance
 45 to local school districts. A contract may be procured only as provided by ORS 279B.060 and may

1 not be procured as a sole-source procurement under ORS 279B.075, an emergency procurement under
2 ORS 279B.080 or a special procurement under ORS 279B.085.

3 **SECTION 132.** ORS 329.840 is amended to read:

4 329.840. (1) There is created the Oregon Virtual School District within the Department of Edu-
5 cation. The purpose of the Oregon Virtual School District is to provide online courses to
6 kindergarten through grade 12 public school students.

7 (2) The Oregon Virtual School District shall provide online courses that meet academic content
8 standards as defined in ORS 329.007 and meet other criteria adopted by the State Board of Educa-
9 tion. Any person who teaches an online course must be properly licensed or registered as required
10 by ORS 338.135 and 342.173 for a person employed by a school district or public charter school. All
11 school districts and public charter schools may allow students to access the online courses offered
12 by the Oregon Virtual School District.

13 (3) The Superintendent of Public Instruction may contract with education service districts,
14 school districts, public charter schools, community colleges, [*state institutions of higher education*]
15 **public universities listed in ORS 352.002** or any other public entity to provide online courses
16 through the Oregon Virtual School District.

17 (4) Statutes and rules that apply to other school districts do not apply to the Oregon Virtual
18 School District except as provided under this section or by rule of the State Board of Education.
19 The Oregon Virtual School District is not considered a school district for purposes of apportionment
20 of the State School Fund and the department may not receive a direct apportionment under ORS
21 327.008 from the State School Fund for the Oregon Virtual School District.

22 (5) The board may adopt the rules necessary for the administration of the Oregon Virtual School
23 District and shall adopt rules to establish:

24 (a) The procedure and criteria to be used for the selection of online courses to be offered
25 through the Oregon Virtual School District;

26 (b) The qualifications of students who may access online courses through the Oregon Virtual
27 School District;

28 (c) The number of credits for which students may access online courses through the Oregon
29 Virtual School District; and

30 (d) The student-to-teacher ratio for online courses offered through the Oregon Virtual School
31 District.

32 **SECTION 133.** ORS 332.114 is amended to read:

33 332.114. (1) A person who meets the requirements under subsection (3) of this section may re-
34 quest a school district to issue the person a high school diploma if the person resides within the
35 boundaries of the school district or is a resident of this state and attended a high school of the
36 school district.

37 (2) A representative of a deceased person who meets the requirements under subsection (3) of
38 this section may request a school district to issue a high school diploma on behalf of the deceased
39 person if the deceased person resided within the boundaries of the school district at the time of
40 death or was a resident of this state at the time of death and attended a high school of the school
41 district.

42 (3) Notwithstanding the requirements for a high school diploma established under ORS 329.451
43 and by the State Board of Education and school districts, a school district that receives a request
44 under subsection (1) or (2) of this section shall issue a high school diploma to a person if the person:

45 (a) Attended a high school before serving in the Armed Forces of the United States;

1 (b) Did not graduate from a high school because the person was serving in the Armed Forces
2 of the United States;

3 (c) Was discharged or released under honorable conditions from the Armed Forces of the United
4 States;

5 (d) Served in the Armed Forces of the United States as described in subsection (4) of this sec-
6 tion; and

7 (e)(A) Has received a General Educational Development (GED) certificate;

8 (B) Has received a post-secondary degree from a community college, [*state institution of higher*
9 *education*] **public university listed in ORS 352.002** or other generally accredited institution of
10 higher education; or

11 (C) Has received a minimum score on the Armed Services Vocational Aptitude Battery (ASVAB),
12 as established by the Oregon Military Department.

13 (4) The provisions of subsection (3) of this section apply to a person who:

14 (a) Served in the Armed Forces of the United States at any time during:

15 (A) World War I;

16 (B) World War II;

17 (C) The Korean Conflict; or

18 (D) The Vietnam War;

19 (b) Served in the Armed Forces of the United States and was physically present in:

20 (A) Operation Urgent Fury (Grenada);

21 (B) Operation Just Cause (Panama);

22 (C) Operation Desert Shield/Desert Storm (the Persian Gulf War);

23 (D) Operation Restore Hope (Somalia);

24 (E) Operation Enduring Freedom (Afghanistan); or

25 (F) Operation Iraqi Freedom (Iraq); or

26 (c) Served in the Armed Forces of the United States in an area designated as a combat zone by
27 the President of the United States.

28 **SECTION 134.** ORS 332.155 is amended to read:

29 332.155. A district school board:

30 (1) May furnish, equip, repair, lease, purchase and build schoolhouses, including high schools,
31 junior high schools, career and technical education schools, gymnasiums, houses for teachers and
32 other employees, and like buildings; and locate, buy and lease lands for all school purposes. Leases
33 authorized by this section include lease-purchase agreements whereunder the district may acquire
34 ownership of the leased property at a nominal price. Such leases and lease-purchase agreements may
35 be for a term of up to 30 years.

36 (2) May contract for the removal or containment of asbestos substances in school buildings and
37 for repairs made necessary by such removal or containment. Contracts authorized by this section
38 may be for a term exceeding one year.

39 (3) May construct or cooperate in the construction of schools for training of student teachers
40 on state or district owned lands, for any [*state institution of higher education*] **public university**
41 **listed in ORS 352.002 that is** in or contiguous to the district, and to expend district funds in so
42 doing.

43 (4) May acquire personal property by a lease-purchase agreement or contract of purchase for a
44 term exceeding one year. A lease-purchase agreement is one in which the rent payable by the dis-
45 trict is expressly agreed to have been established to reflect the savings resulting from the exemption

1 from taxation, and the district is entitled to ownership of the property at a nominal or other price
 2 that is stated or determinable by the terms of the agreement and was not intended to reflect the true
 3 value of the property.

4 (5) May lease, sell and convey all property of the district as may not in the judgment of the
 5 district school board be required for school purposes.

6 (6) May sell property of the district in transactions whereby the district has the right to lease,
 7 occupy or reacquire the property following the sale or have facilities constructed thereon or fur-
 8 nished to the specifications of the district. The construction or furnishing of such facilities shall be
 9 subject to:

10 (a) ORS chapter 279A, except ORS 279A.125 and 279A.250 to 279A.290;

11 (b) ORS chapter 279B, except ORS 279B.235, 279B.240, 279B.270, 279B.275 and 279B.280; and

12 (c) ORS chapter 279C.005, 279C.100 to 279C.125 and 279C.300 to 279C.470.

13 (7) Shall furnish the schools with supplies, equipment, apparatus and services essential to
 14 meeting the requirements of a standard school and may furnish such other supplies, equipment, ap-
 15 paratus and services as the board considers advisable.

16 (8) May construct, purchase or lease in cooperation with other school districts or community
 17 college districts facilities for secondary career and technical education programs for pupils of more
 18 than one district and may furnish or cooperate in furnishing supplies and equipment for such facil-
 19 ities, to be financed in the same manner as other school buildings and supplies are financed.

20 (9) May purchase real property upon a contractual basis when the period of time allowed for
 21 payment under the contract does not exceed 30 years.

22 (10) May purchase relocatable classrooms and other relocatable structures in installment
 23 transactions in which deferred installments of the purchase price are payable over not more than
 24 10 years from the date such property is delivered to the district for occupancy and are secured by
 25 a security interest in such property. Such transactions may take the form of, but are not limited to,
 26 lease-purchase agreements.

27 (11) May enter into rental or lease-purchase agreements covering motor vehicles operated by the
 28 district.

29 **SECTION 135.** ORS 336.057 is amended to read:

30 336.057. In all public schools courses of instruction shall be given in the Constitution of the
 31 United States and in the history of the United States. These courses shall:

32 (1) Begin not later than the opening of the eighth grade and shall continue in grades 9 through
 33 12.

34 (2) Be required in all [*state institutions of higher education*] **public universities listed in ORS**
 35 **352.002**, except the Oregon Health and Science University, and in all state and local institutions that
 36 provide education for patients or inmates to an extent to be determined by the Superintendent of
 37 Public Instruction.

38 **SECTION 136.** ORS 337.500 is amended to read:

39 337.500. As used in ORS 337.500 to 337.506:

40 (1) "Adopter" means any faculty member or academic department or other adopting entity at a
 41 higher education institution responsible for considering and choosing course materials to be utilized
 42 in connection with accredited courses taught at the institution.

43 (2) "Higher education institution" means:

44 (a) A community college, as defined in ORS 341.005;

45 (b) A [*state institution of higher education*] **public university** listed in ORS 352.002;

1 (c) The Oregon Health and Science University;

2 (d) A private institution of higher education located in Oregon; and

3 (e) A bookstore that serves as the primary bookstore for an entity listed in paragraphs (a) to (d)
4 of this subsection.

5 (3) "Special edition" means a bound book that does not constitute a traditional textbook and
6 that may or may not be used for instructional purposes.

7 (4)(a) "Textbook bundle" means a textbook packaged together with other supplemental course
8 materials, including but not limited to workbooks, study guides, online technologies, online course
9 resources, CD-ROMs or other books, to be sold as course material for one price.

10 (b) "Textbook bundle" does not include a textbook that is unusable without the supplemental
11 course materials, materials that cannot be sold separately due to third-party contractual agreements,
12 custom editions or special editions.

13 **SECTION 137.** ORS 337.511 is amended to read:

14 337.511. As used in ORS 337.511 to 337.524:

15 (1) "Alternative format" means any medium or format for the presentation of instructional ma-
16 terials other than standard print that is needed by a post-secondary student with a print disability
17 for a reading accommodation, including but not limited to Braille, large print texts, audio re-
18 cordings, digital texts and digital talking books.

19 (2) "Electronic format" means a medium or format containing digital text.

20 (3) "Instructional material" means a textbook or other material if:

21 (a) The textbook or other material, including additional prints or new editions of previously
22 published instructional material, is published on or after January 1, 2004, and is published primarily
23 for use by students in a course of study in which a post-secondary student with a print disability is
24 enrolled;

25 (b) The textbook or other material is required for a student's success in the course, as deter-
26 mined by the course instructor in consultation with the representative making the request for an
27 electronic format under ORS 337.517 (2);

28 (c) The textbook or other material is required for the course as stated in the course syllabus
29 or other curriculum documents, or the use of the materials by the student is necessary for the
30 completion of course assignments that are used to evaluate the student, such as to determine the
31 student's proficiency level or assign a grade; and

32 (d) Software is commercially available to permit the conversion of an electronic file of the
33 textbook or other material into a format that is compatible with assistive technologies such as
34 speech synthesis software or Braille translation software.

35 (4) "Post-secondary education institution" means:

36 (a) A [*state institution of higher education*] **public university** listed in ORS 352.002;

37 (b) A community college operated under ORS chapter 341;

38 (c) The Oregon Health and Science University; or

39 (d) An Oregon-based, generally accredited institution of higher education.

40 (5) "Print disability" means a disability that prevents a student from effectively utilizing print
41 material and may include blindness, other serious visual impairments, specific learning disabilities
42 or the inability to hold a book.

43 (6) "Printed instructional material" means instructional material in book or other printed form.

44 (7) "Publisher" means any person that publishes or manufactures instructional material used by
45 students attending a post-secondary education institution.

1 (8) “Structural integrity” means the inclusion of all of the information provided in printed in-
 2 structural material, including but not limited to the text of the material sidebars, the tables of
 3 contents, the chapter headings and subheadings, the footnotes, the page numbers, the indexes and
 4 the glossaries.

5 (9) “Working day” means a day that is not a Saturday, Sunday or legal holiday.

6 **SECTION 138.** ORS 338.115, as amended by section 2, chapter 53, Oregon Laws 2010, is
 7 amended to read:

8 338.115. (1) Statutes and rules that apply to school district boards, school districts or other
 9 public schools do not apply to public charter schools. However, the following laws do apply to public
 10 charter schools:

11 (a) Federal law;

12 (b) ORS 192.410 to 192.505 (public records law);

13 (c) ORS 192.610 to 192.690 (public meetings law);

14 (d) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);

15 (e) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);

16 (f) ORS 337.150 (textbooks);

17 (g) ORS 339.141, 339.147 and 339.155 (tuition and fees);

18 (h) ORS 659.850, 659.855 and 659.860 (discrimination);

19 (i) ORS 30.260 to 30.300 (tort claims);

20 (j) Health and safety statutes and rules;

21 (k) Any statute or rule that is listed in the charter;

22 (L) The statewide assessment system developed by the Department of Education for mathemat-
 23 ics, science and English under ORS 329.485 (2);

24 (m) ORS 329.045 (academic content standards and instruction);

25 (n) Any statute or rule that establishes requirements for instructional time provided by a school
 26 during each day or during a year;

27 (o) ORS 339.250 (12) (prohibition on infliction of corporal punishment);

28 (p) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of child abuse and training on pre-
 29 vention and identification of child abuse);

30 (q) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-
 31 tificate);

32 (r) ORS chapter 657 (Employment Department Law);

33 (s) ORS 339.326;

34 (t) Section 1, chapter 53, Oregon Laws 2010 (consideration for educational services); and

35 (u) This chapter.

36 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules
 37 that apply to school district boards, school districts and other public schools may apply to a public
 38 charter school.

39 (3) If a statute or rule applies to a public charter school, then the terms “school district” and
 40 “public school” include public charter school as those terms are used in that statute or rule.

41 (4) A public charter school may not violate the Establishment Clause of the First Amendment
 42 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion
 43 based.

44 (5) A public charter school shall maintain an active enrollment of at least 25 students.

45 (6) A public charter school may sue or be sued as a separate legal entity.

1 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities
 2 and employees of a sponsor acting in their official capacities are immune from civil liability with
 3 respect to all activities related to a public charter school within the scope of their duties or em-
 4 ployment.

5 (8) A public charter school may enter into contracts and may lease facilities and services from
 6 a school district, education service district, [*state institution of higher education*] **public university**
 7 **listed in ORS 352.002**, other governmental unit or any person or legal entity.

8 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-
 9 ability.

10 (10) A public charter school may receive and accept gifts, grants and donations from any source
 11 for expenditure to carry out the lawful functions of the school.

12 (11) The school district in which the public charter school is located shall offer a high school
 13 diploma, a modified diploma, an extended diploma or an alternative certificate to any public charter
 14 school student who meets the district's and state's standards for a high school diploma, a modified
 15 diploma, an extended diploma or an alternative certificate.

16 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate
 17 issued by a public charter school grants to the holder the same rights and privileges as a high
 18 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a
 19 nonchartered public school.

20 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the
 21 sponsor as specified in the charter.

22 (14) A public charter school may receive services from an education service district in the same
 23 manner as a nonchartered public school in the school district in which the public charter school is
 24 located.

25 **SECTION 139.** ORS 338.115, as amended by section 7, chapter 839, Oregon Laws 2007, section
 26 12, chapter 50, Oregon Laws 2008, section 4, chapter 618, Oregon Laws 2009, and section 3, chapter
 27 53, Oregon Laws 2010, is amended to read:

28 338.115. (1) Statutes and rules that apply to school district boards, school districts or other
 29 public schools do not apply to public charter schools. However, the following laws do apply to public
 30 charter schools:

- 31 (a) Federal law;
- 32 (b) ORS 192.410 to 192.505 (public records law);
- 33 (c) ORS 192.610 to 192.690 (public meetings law);
- 34 (d) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- 35 (e) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);
- 36 (f) ORS 337.150 (textbooks);
- 37 (g) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- 38 (h) ORS 659.850, 659.855 and 659.860 (discrimination);
- 39 (i) ORS 30.260 to 30.300 (tort claims);
- 40 (j) Health and safety statutes and rules;
- 41 (k) Any statute or rule that is listed in the charter;
- 42 (L) The statewide assessment system developed by the Department of Education for mathemat-
 43 ics, science and English under ORS 329.485 (2);
- 44 (m) ORS 329.045 (academic content standards and instruction);
- 45 (n) ORS 329.496 (physical education);

1 (o) Any statute or rule that establishes requirements for instructional time provided by a school
2 during each day or during a year;

3 (p) ORS 339.250 (12) (prohibition on infliction of corporal punishment);

4 (q) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of child abuse and training on pre-
5 vention and identification of child abuse);

6 (r) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-
7 tificate);

8 (s) ORS chapter 657 (Employment Department Law);

9 (t) ORS 339.326;

10 (u) Section 1, chapter 53, Oregon Laws 2010 (consideration for educational services); and

11 (v) This chapter.

12 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules
13 that apply to school district boards, school districts and other public schools may apply to a public
14 charter school.

15 (3) If a statute or rule applies to a public charter school, then the terms “school district” and
16 “public school” include public charter school as those terms are used in that statute or rule.

17 (4) A public charter school may not violate the Establishment Clause of the First Amendment
18 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion
19 based.

20 (5) A public charter school shall maintain an active enrollment of at least 25 students.

21 (6) A public charter school may sue or be sued as a separate legal entity.

22 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities
23 and employees of a sponsor acting in their official capacities are immune from civil liability with
24 respect to all activities related to a public charter school within the scope of their duties or em-
25 ployment.

26 (8) A public charter school may enter into contracts and may lease facilities and services from
27 a school district, education service district, [*state institution of higher education*] **public university**
28 **listed in ORS 352.002**, other governmental unit or any person or legal entity.

29 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-
30 ability.

31 (10) A public charter school may receive and accept gifts, grants and donations from any source
32 for expenditure to carry out the lawful functions of the school.

33 (11) The school district in which the public charter school is located shall offer a high school
34 diploma, a modified diploma, an extended diploma or an alternative certificate to any public charter
35 school student who meets the district’s and state’s standards for a high school diploma, a modified
36 diploma, an extended diploma or an alternative certificate.

37 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate
38 issued by a public charter school grants to the holder the same rights and privileges as a high
39 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a
40 nonchartered public school.

41 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the
42 sponsor as specified in the charter.

43 (14) A public charter school may receive services from an education service district in the same
44 manner as a nonchartered public school in the school district in which the public charter school is
45 located.

1 **SECTION 140.** ORS 339.885 is amended to read:

2 339.885. (1) No secret society of any kind, including a fraternity or sorority, shall be permitted
3 in any public school.

4 (2) The district school board may order the suspension or expulsion of any pupil who belongs
5 to a secret society.

6 (3) This section does not apply to any [*institution of higher education under the jurisdiction of the*
7 *State Board of Higher Education*] **public university listed in ORS 352.002.**

8 **SECTION 141.** ORS 340.005 is amended to read:

9 340.005. For purposes of this chapter:

10 (1) “Accelerated college credit program” has the meaning given that term by rules adopted by
11 the State Board of Education.

12 (2) “At-risk student” means:

13 (a) A student who qualifies for a free or reduced lunch program; or

14 (b) An at-risk student as defined by rules adopted by the board if the board has adopted rules
15 to define an at-risk student.

16 (3) “Duplicate course” means a course with a scope that is identical to the scope of another
17 course.

18 (4)(a) “Eligible post-secondary course” means any nonsectarian course or program offered
19 through an eligible post-secondary institution if the course or program may lead to high school
20 completion, a certificate, professional certification, associate degree or baccalaureate degree.

21 (b) “Eligible post-secondary course” does not include a duplicate course offered at the student’s
22 resident school.

23 (c) “Eligible post-secondary course” includes:

24 (A) Academic courses;

25 (B) Career and technical education courses; and

26 (C) Distance education courses.

27 (5) “Eligible post-secondary institution” means:

28 (a) A community college;

29 (b) A [*state institution of higher education*] **public university** listed in ORS 352.002; and

30 (c) The Oregon Health and Science University.

31 (6)(a) “Eligible student” means a student who is enrolled in an Oregon public school and who:

32 (A) Is 16 years of age or older at the time of enrollment in a course under the Expanded Options
33 Program;

34 (B)(i) Is in grade 11 or 12 at the time of enrollment in a course under the Expanded Options
35 Program; or

36 (ii) Is not in grade 11 or 12, because the student has not completed the required number of
37 credits, but who has been allowed by the school district to participate in the program;

38 (C) Has developed an educational learning plan as described in ORS 340.025; and

39 (D) Has not successfully completed the requirements for a high school diploma as established
40 by ORS 329.451, the State Board of Education and the school district board.

41 (b) “Eligible student” does not include a foreign exchange student enrolled in a school under a
42 cultural exchange program.

43 (7) “Expanded Options Program” means the program created under this chapter.

44 (8) “Scope” means depth and breadth of course content as evidenced through a planned course
45 statement including content outline, applicable state content standards where appropriate, course

1 goals and student outcomes.

2 **SECTION 142.** ORS 342.144 is amended to read:

3 342.144. (1) As used in this section, “American Indian tribe” means an Indian tribe as that term
4 is defined in ORS 97.740.

5 (2) The Legislative Assembly declares that teaching American Indian languages is essential to
6 the proper education of American Indian children.

7 (3) The Teacher Standards and Practices Commission shall establish an American Indian lan-
8 guages teaching license.

9 (4) Each American Indian tribe may develop a written and oral test that must be successfully
10 completed by an applicant for an American Indian languages teaching license in order to determine
11 whether the applicant is qualified to teach the tribe’s native language. When developing the test, the
12 tribe shall determine:

13 (a) Which dialects will be used on the test;

14 (b) Whether the tribe will standardize the tribe’s writing system; and

15 (c) How the teaching methods will be evaluated in the classroom.

16 (5) The test shall be administered at an appropriate location that does not create hardship for
17 the tribal members administering the test.

18 (6) The commission may not require an applicant to hold a specific academic degree, to complete
19 a specific amount of education or to complete a teacher education program to receive an American
20 Indian languages teaching license.

21 (7)(a) An American Indian languages teaching license qualifies the holder to accept a teaching
22 position in a school district, public charter school, education service district, community college or
23 [*state institution of higher education*] **public university listed in ORS 352.002.**

24 (b) A holder of an American Indian languages teaching license who does not also have a
25 teaching license issued under ORS 342.125 may not teach in a school district or education service
26 district any subject other than the American Indian language the holder of the license is approved
27 to teach by the tribe.

28 (c) A holder of an American Indian languages teaching license who does not also have a
29 teaching license or registration issued under ORS 342.125 may not teach in a public charter school
30 any subject other than the American Indian language the holder of the license is approved to teach
31 by the tribe.

32 (8)(a) As used in this subsection, “technical assistance program” means a program provided to
33 an American Indian languages teacher by a licensed teacher with three or more years of teaching
34 experience. A technical assistance program may include direct classroom observation and consulta-
35 tion, assistance in instructional planning and preparation, support in implementation and delivery
36 of classroom instruction, and other assistance intended to enhance the professional performance and
37 development of the American Indian languages teacher.

38 (b) The holder of an American Indian languages teaching license who does not also have an
39 administrative license, teaching license or registration issued under ORS 342.125 and who is em-
40 ployed by a school district, public charter school or education service district shall participate in
41 a technical assistance program with a person holding a teaching license issued by the commission
42 under ORS 342.125. The technical assistance program shall meet the guidelines specified in ORS
43 329.815 (2) to (4).

44 (9) An American Indian languages teaching license shall be valid for three years and may be
45 renewed upon application from the holder of the license.

SECTION 143. ORS 342.147 is amended to read:

342.147. (1) After considering recommendations of the State Board of Education, the Teacher Standards and Practices Commission shall establish by rule standards for approval of teacher education institutions and teacher education programs. Public teacher education institutions shall be approved for programs of more than four years' duration only if teacher education programs which are reasonably attainable in a four-year period are also available in the system of higher education and are designed to culminate in a baccalaureate degree that qualifies its graduates for entry-level teaching licenses.

(2) The commission shall establish rules that allow teacher education programs leading to graduate degrees to commence prior to the student's completion of baccalaureate degree requirements and that allow the combined use of undergraduate and graduate level course work in achieving program completion.

(3) Whenever any teacher education institution or program is denied approved status or has such status withdrawn, such denial or withdrawal must be treated as a contested case within the meaning of ORS chapter 183.

(4) Nothing in this section is intended to grant any authority to the commission relating to granting [of] degrees or establishing degree requirements that are within the authority of the State Board of Higher Education or any [institutions under its jurisdiction] **of the public universities listed in ORS 352.002**, or that are within the authority of the governing board of any private institution of higher education.

SECTION 144. ORS 342.360 is amended to read:

342.360. (1) The membership of the Teacher Standards and Practices Commission shall consist of:

- (a) Four elementary teachers;
- (b) Four junior or senior high school teachers;
- (c) One elementary school administrator;
- (d) One junior or senior high school administrator;
- (e) One superintendent of city schools;
- (f) One county superintendent or a superintendent employed by an education service district board;
- (g) One member from the faculty of an approved private teacher education institution in Oregon;
- (h) One member from the faculty of a [state institution of higher education] **public university listed in ORS 352.002**;
- (i) One member who is also a member of a district school board; and
- (j) Two members of the general public.

(2) Except for those members appointed under subsection (1)(i) and (j) of this section, members must have been actively engaged in teaching, supervising or administering in the public schools or in approved teacher education institutions in Oregon for the period of five years immediately preceding appointment. Acting as an elected representative of teachers, supervisors or administrators shall be considered teaching, supervising or administering for the purposes of the five-year experience requirement. In addition, members appointed under subsection (1)(a) to (f) of this section must hold valid Oregon teaching or administrative licenses other than restricted teaching or administrative licenses.

(3)(a) Throughout the term for which appointed, one of the members appointed under subsection (1)(a) to (j) of this section must hold a teaching license with an endorsement in some aspect of spe-

1 cial education or have demonstrated knowledge or experience in special education.

2 (b) As used in this subsection, “special education” means specially designed education to meet
 3 the goals of the individual education program of a child with a disability including regular classroom
 4 instruction, instruction in physical education, home instruction, related services and instruction in
 5 hospitals, institutions and special schools.

6 **SECTION 145.** ORS 342.390 is amended to read:

7 342.390. (1) The Teacher Standards and Practices Commission shall meet at least once every six
 8 months at a place, day and hour determined by the commission. The commission shall also meet at
 9 such other times and places as are specified by the call of the chairperson or of a majority of the
 10 members of the commission.

11 (2) A member of the commission who is employed at a public school or by a private teacher
 12 education institution or by a *[state institution of higher education]* **public university listed in ORS**
 13 **352.002** shall receive no compensation for services as a member; but subject to any other applicable
 14 law regulating travel and other expenses for state officers, the member shall receive actual and
 15 necessary travel and other expenses incurred in the performance of official duties as provided by
 16 ORS 292.495 (2).

17 (3) A member of the commission who serves on the commission in the capacity of a district
 18 school board member or as a member of the general public shall be entitled to compensation and
 19 expenses as provided in ORS 292.495 (1) and (2).

20 **SECTION 146.** ORS 342.443 is amended to read:

21 342.443. (1) The Education and Workforce Policy Advisor shall report biennially to the Legisla-
 22 tive Assembly longitudinal data on the number and percentage of:

23 (a) Minority students enrolled in community colleges;

24 (b) Minority students applying for admission to public *[four-year institutions of higher*
 25 *education]* **universities listed in ORS 352.002;**

26 (c) Minority students accepted in public *[four-year institutions of higher education]* **universities;**

27 (d) Minority students graduated from public *[four-year institutions of higher education]* **univer-**
 28 **sities;**

29 (e) Minority candidates seeking to enter public teacher education programs in this state;

30 (f) Minority candidates admitted to public teacher education programs;

31 (g) Minority candidates who have completed approved public teacher education programs;

32 (h) Minority candidates receiving Oregon teaching licenses based on preparation in this state
 33 and preparation in other states;

34 (i) Minority teachers who are newly employed in the public schools in this state; and

35 (j) Minority teachers already employed in the public schools.

36 (2) The advisor also shall report comparisons of minorities’ and nonminorities’ scores on basic
 37 skills, pedagogy and subject matter tests.

38 (3) The Oregon University System, the Department of Education, the Teacher Standards and
 39 Practices Commission, community colleges and school districts shall cooperate with the advisor in
 40 collecting data and preparing the report.

41 **SECTION 147.** ORS 344.259 is amended to read:

42 344.259. (1) The State Board of Education shall coordinate continuing education in lower divi-
 43 sion, developmental, adult self-improvement, professional and technical education for agencies under
 44 its regulatory authority. The State Board of Higher Education shall coordinate continuing education
 45 in upper division and graduate education for *[institutions]* **public universities** under its jurisdiction.

1 (2) When significantly adverse impact is alleged by one or more of the agencies listed in this
 2 subsection, the affected parties jointly shall provide for written agreements. These agreements shall
 3 allocate responsibility for planning and providing continuing education or off-campus instruction in
 4 specific areas or by specific types. The agencies are:

- 5 (a) The State Board of Education.
- 6 (b) The State Board of Higher Education.
- 7 (c) Community college districts.
- 8 (d) Independent colleges.
- 9 (e) Proprietary schools.

10 (3) In the event the affected parties fail to reach a written agreement within 120 days following
 11 receipt of written notice of the allegation, either party may request the Education and Workforce
 12 Policy Advisor to review and to recommend resolution.

13 (4) Nothing in this section prohibits the offering of upper division or graduate programs within
 14 30 miles of the campus of the Oregon University System [*institution*] **university** offering the pro-
 15 gram, or the offering of lower division programs within 30 miles of the campus offering the program
 16 in areas outside a community college district. Such programs are entitled to the same college credit
 17 and financial support as programs offered on the campus of the [*institution*] **university**.

18 **SECTION 148.** ORS 344.557 is amended to read:

19 344.557. (1) The Department of Human Services may refer a person for vocational training only
 20 to the following schools or programs:

- 21 (a) A school that has accreditation recognized by the United States Department of Education.
- 22 (b) A school that has been approved by the Oregon Student Assistance Commission through the
 23 Office of Degree Authorization to offer and confer degrees in Oregon.
- 24 (c) A community college.
- 25 (d) A [*state institution of higher education within the Oregon University System*] **public university**
 26 **listed in ORS 352.002.**
- 27 (e) The Oregon Health and Science University.
- 28 (f) A career school licensed under ORS 345.010 to 345.450.
- 29 (g) An apprenticeship program that is registered with the State Apprenticeship and Training
 30 Council.

31 (2) This section does not apply to vocational rehabilitation training.

32 **SECTION 149.** ORS 348.005 is amended to read:

33 348.005. (1) The Legislative Assembly finds that:

34 (a) The State of Oregon can achieve its full economic and social potential only if all Oregonians
 35 have the opportunity to contribute to the full extent of their capabilities and only when financial
 36 barriers to their educational goals are removed;

37 (b) All Oregonians who meet the appropriate admissions requirements should be able to attend
 38 any community college, [*state institution of higher education*] **public university listed in ORS**
 39 **352.002** or independent not-for-profit institution of post-secondary education regardless of individual
 40 economic or social circumstances;

41 (c) The interests of this state are best served when public subsidies supporting college students
 42 are distributed fairly, equitably and consciously to ensure maximum access and choice for all
 43 Oregonians at the least cost to the taxpayers;

44 (d) Need-based student financial aid is an effective, efficient and essential means of assisting
 45 Oregonians who are unable to afford the full cost of higher education;

1 (e) Student financial aid allows Oregonians with limited resources to select academic programs
 2 based on their interests, aptitudes and career goals;

3 (f) Student financial aid encourages and permits capable and promising Oregonians to persist in
 4 their education and training within this state; and

5 (g) By assisting Oregonians in this manner, student financial aid contributes to the quality of
 6 life of each Oregonian and to the social, cultural and economic well-being of all Oregonians.

7 (2) It is the intention of the Legislative Assembly to establish financial assistance programs to
 8 enable qualified Oregonians who need student aid to obtain post-secondary education in Oregon's
 9 community colleges, [*state institutions of higher education*] **public universities** or independent not-
 10 for-profit institutions of post-secondary education.

11 **SECTION 150.** ORS 348.180 is amended to read:

12 348.180. As used in this section and ORS 348.183, 348.186, 348.205, 348.230, 348.250 and 348.260:

13 (1) "Cost of education" includes but is not limited to, tuition, fees and living expenses.

14 (2) "Eligible post-secondary institution" means:

15 (a) A [*state institution under the direction of the State Board of Higher Education*] **public uni-**
 16 **versity listed in ORS 352.002;**

17 (b) A community college operated under ORS chapter 341;

18 (c) The Oregon Health and Science University; or

19 (d) An Oregon-based, generally accredited, not-for-profit institution of higher education.

20 (3) "Qualified student" means any resident student who plans to attend an eligible post-
 21 secondary institution and who:

22 (a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;

23 (b) Is enrolled in an eligible program as defined by rule of the Oregon Student Assistance
 24 Commission; and

25 (c) Is making satisfactory academic progress as defined by rule of the commission.

26 **SECTION 151.** ORS 348.183 is amended to read:

27 348.183. The Legislative Assembly recognizes:

28 (1) That an investment in educational opportunities for all Oregonians is an investment in a
 29 strong and stable economy and greater personal opportunities;

30 (2) That the single largest barrier to attending an institution of higher education is lack of fi-
 31 nances;

32 (3) That keeping higher education affordable requires a shared effort and partnership by stu-
 33 dents, family, the federal government, state government and private philanthropy;

34 (4) The broad and diverse range of quality post-secondary educational services provided by
 35 Oregon's institutions of higher education, including Oregon's community colleges, [*state institutions*]
 36 **public universities** and independent not-for-profit institutions of higher education; and

37 (5) The positive effects on Oregon's citizens, families and economy of encouraging talented and
 38 hardworking students to stay in Oregon to pursue a post-secondary education.

39 **SECTION 152.** ORS 348.205 is amended to read:

40 348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student
 41 Assistance Commission.

42 (2) Under the program, the cost of education of a qualified student shall be shared by the stu-
 43 dent, the family of the student, the federal government and the state.

44 (3) The commission shall determine the cost of education of a qualified student based on the type
 45 of eligible post-secondary institution the student is attending. The cost of education equals:

1 (a) For a student attending a community college, the average cost of education of attending a
2 community college in this state;

3 (b) For a student attending [*an institution*] **a public university** under the direction of the State
4 Board of Higher Education, the average cost of education of attending [*an institution*] **a public**
5 **university** under the direction of the board;

6 (c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institu-
7 tion of higher education, the average cost of education of attending a community college in this
8 state; and

9 (d) For a student attending the Oregon Health and Science University or a four-year Oregon-
10 based, generally accredited, not-for-profit institution of higher education, the average cost of edu-
11 cation of attending [*an institution*] **a public university** under the direction of the [*board*] **State**
12 **Board of Higher Education.**

13 (4)(a) The commission shall determine the amount of the student share. The student share shall
14 be based on:

15 (A) The type of eligible post-secondary institution the student is attending;

16 (B) The number of hours of work that the commission determines may be reasonably expected
17 from the student; and

18 (C) The amount of loans that the commission determines would constitute a manageable debt
19 burden for the student.

20 (b) The student shall determine how to cover the student share through income from work,
21 loans, savings and scholarships.

22 (c) The student share for a student who attends a community college may not exceed the amount
23 that the commission determines a student may earn based on the number of hours of work reason-
24 ably expected from the student under paragraph (a) of this subsection.

25 (d) The student share for a student who attends an eligible post-secondary institution that is not
26 a community college may not exceed the sum of the amount that the commission determines a stu-
27 dent may receive as loans plus the amount a student may earn based on the number of hours of
28 work reasonably expected from the student under paragraph (a) of this subsection.

29 (5) The commission shall determine the amount of the family share. The family share shall be
30 based on the resources of the family.

31 (6) The commission shall determine the amount of the federal share based on how much the
32 student or the student's family is expected to receive from the federal government as grants, loans,
33 tax credits or other student assistance.

34 (7)(a) The commission shall determine the amount of the state share. The state share shall be
35 equal to the cost of education reduced by the student share, family share and amount received by
36 the student from the federal government.

37 (b) The commission shall establish a minimum amount that a student may receive as a state
38 share. If the commission determines that the amount of the state share of a student is below the
39 minimum amount, the student may not receive the state share.

40 (c) In determining the amount of the state share, the commission shall consider the total amount
41 available to award as grants to all qualified students. If the commission must reduce the amount of
42 the state share under this paragraph, the commission may not reduce the amount of the state share
43 awarded to students in the low income range in a greater proportion than the amount that the state
44 share for students in other income ranges is reduced.

45 **SECTION 153.** ORS 348.210 is amended to read:

1 348.210. (1) In addition to any other scholarships provided by law, the Oregon Student Assist-
 2 ance Commission may award scholarships at Eastern Oregon University to resident undergraduate
 3 students applying for enrollment in the university or who are pursuing courses therein. The number
 4 of students who receive scholarships under this subsection may not exceed two and one-half percent
 5 of the number of students who are enrolled at the university. The scholarships shall be awarded
 6 upon the basis of a record of high intellectual standing and deportment in the school or institution
 7 where the applicant has received or is receiving preparatory training, the necessity for financial
 8 assistance and other qualifications of such nature that the awarding of scholarships will operate not
 9 only to the advantage of the applicant but to the people of Oregon. A scholarship awarded under
 10 this subsection may not exceed in value the amount of the tuition and other fees, including the fees
 11 that are levied against the recipient of the scholarship by the State Board of Higher Education at
 12 the university.

13 (2) The commission may award tuition and fee-exempting scholarships to students from foreign
 14 nations who are enrolled in [*state institutions of higher education*] **public universities listed in ORS**
 15 **352.002**. A student may not receive a scholarship under this subsection that exceeds the amount of
 16 tuition and fees owed by the student.

17 (3) The value of scholarships awarded each year under subsection (2) of this section may not
 18 exceed in aggregate an amount equal to 10 percent of the amount of tuition and fees paid in the
 19 preceding year to the Oregon University System by students enrolled in [*state institutions of higher*
 20 *education*] **public universities listed in ORS 352.002** who were not Oregon residents.

21 **SECTION 154.** ORS 348.270 is amended to read:

22 348.270. (1) In addition to any other scholarships provided by law, the Oregon Student Assist-
 23 ance Commission shall award scholarships in any [*state institution under the State Board of Higher*
 24 *Education*] **public university listed in ORS 352.002**, in the Oregon Health and Science University,
 25 in any community college operated under ORS chapter 341, or in any Oregon-based regionally ac-
 26 credited independent institution, to any student applying for enrollment or who is enrolled therein,
 27 who is:

28 (a) The natural child, adopted child or stepchild of any public safety officer who, in the line of
 29 duty, was killed or so disabled, as determined by the Oregon Student Assistance Commission, that
 30 the income of the public safety officer is less than that earned by public safety officers performing
 31 duties comparable to those performed at the highest rank or grade attained by the public safety of-
 32 ficer; or

33 (b) A former foster child who enrolls in an institution of higher education as an undergraduate
 34 student not later than three years from the date the student was removed from the care of the De-
 35 partment of Human Services, the date the student graduated from high school or the date the stu-
 36 dent received the equivalent of a high school diploma, whichever date is earliest.

37 (2) Scholarships awarded under this section to students who are dependents of public safety of-
 38 ficers or who are former foster children shall equal the amount of tuition and all fees levied by the
 39 institution against the recipient of the scholarship. However, scholarships awarded to students who
 40 attend independent institutions shall not exceed the amount of tuition and all fees levied by the
 41 University of Oregon.

42 (3) If the student who is the dependent of a deceased public safety officer continues to remain
 43 enrolled in a [*state institution of higher education*] **public university listed in ORS 352.002** or a
 44 community college or an independent institution within the State of Oregon, the student shall be
 45 entitled to renewal of the scholarship until the student has received the equivalent of four years of

1 undergraduate education and four years of post-graduate education.

2 (4) If the student who is a former foster child or who is the dependent of a public safety officer
 3 with a disability continues to remain enrolled in a [*state institution of higher education*] **public uni-**
 4 **versity listed in ORS 352.002** or a community college or an independent institution within the State
 5 of Oregon, the student shall be entitled to renewal of the scholarship until the student has received
 6 the equivalent of four years of undergraduate education.

7 (5) The Oregon Student Assistance Commission may require proof of the student's relationship
 8 to a public safety officer described in subsection (1) of this section or proof that the student is a
 9 former foster child.

10 (6) As used in this section:

11 (a) "Former foster child" means an individual who, for a total of 12 or more months while be-
 12 tween the ages of 16 and 21, was a ward of the court pursuant to ORS 419B.100 (1)(b) to (e) and in
 13 the legal custody of the Department of Human Services for out-of-home placement.

14 (b) "Public safety officer" means:

15 (A) A firefighter or police officer as those terms are defined in ORS 237.610.

16 (B) A member of the Oregon State Police.

17 **SECTION 155.** ORS 348.282 is amended to read:

18 348.282. As used in this section and ORS 348.283:

19 (1) "Armed Forces of the United States" means:

20 (a) The Army, Navy, Air Force, Marine Corps and Coast Guard of the United States;

21 (b) The reserves of the Army, Navy, Air Force, Marine Corps and Coast Guard of the United
 22 States; and

23 (c) The Oregon National Guard and a National Guard of any other state or territory.

24 (2) "Public post-secondary institution" means:

25 (a) A [*state institution*] **public university** under the direction of the State Board of Higher Ed-
 26 ucation; and

27 (b) A community college operated under ORS chapter 341.

28 (3) "Veteran" has the meaning given that term in ORS 408.225.

29 **SECTION 156.** ORS 348.394 is amended to read:

30 348.394. As used in ORS 348.394 to 348.406:

31 (1) "Eligible post-secondary institution" means:

32 (a) A [*state institution under the direction of the State Board of Higher Education*] **public uni-**
 33 **versity** listed in ORS 352.002;

34 (b) A community college as defined in ORS 341.005; or

35 (c) A generally accredited, not-for-profit institution of higher education.

36 (2) "Participant" means a student who receives a grant under ORS 348.401.

37 **SECTION 157.** ORS 348.429 is amended to read:

38 348.429. (1) In addition to any other student assistance provided by the law, the Oregon Student
 39 Assistance Commission shall award vouchers to eligible students participating in the program.

40 (2) The total of all vouchers earned by a student under this section in one term shall not exceed
 41 an amount equal to the average tuition and associated fees charged annually to full-time resident
 42 undergraduate students by [*institutions under the jurisdiction of the State Board of Higher*
 43 *Education*] **public universities listed in ORS 352.002.**

44 (3) Vouchers shall be provided in \$35 denominations for each eight hours of eligible community
 45 service.

1 (4) The commission shall:

2 (a) Determine and approve which community service organizations and services within the pro-
3 grams of such organizations are eligible for participation in the program.

4 (b) Accept the students that the institutions consider eligible for vouchers under ORS 348.427
5 to 348.436.

6 (c) Provide payment for vouchers presented by the program students at eligible institutions.

7 (d) Establish procedures necessary to carry out the provisions of ORS 348.427 to 348.436, in-
8 cluding adopting necessary rules.

9 (5) Funds received in redemption of the vouchers granted pursuant to ORS 348.427 to 348.436
10 shall not be considered personal income for the purposes of ORS 316.037.

11 (6) The vouchers authorized by ORS 348.427 to 348.436 shall first become available when funds
12 are available therefor from sources other than the General Fund, as determined by the commission.

13 **SECTION 158.** ORS 348.597 is amended to read:

14 348.597. (1) Except as provided in subsection (2) of this section, ORS 348.594 to 348.615 apply to
15 all schools that operate in this state.

16 (2) ORS 348.594 to 348.615 do not apply to:

17 (a) An Oregon community college;

18 (b) A [*state institution of higher education within the Oregon University System*] **public university**
19 **listed in ORS 352.002;**

20 (c) The Oregon Health and Science University;

21 (d) A school, or a separately accredited campus of a school, if the school:

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

24 (B) Conferred degrees in this state under the same control for at least five consecutive years;
25 and

26 (C) Is accredited by a regional accrediting association or its national successor;

27 (e) A school that, on the date preceding July 15, 2005, was a school described in ORS 348.594
28 (2)(d); or

29 (f) A school that is exempt from ORS 348.594 to 348.615 under ORS 348.604.

30 **SECTION 159.** ORS 348.890 is amended to read:

31 348.890. (1) The State Board of Higher Education and the State Board of Education shall hold
32 at least one meeting annually as the Joint Boards of Education for the purpose of coordinating their
33 activities and reaching joint agreement on matters of education policy and opportunities of mutual
34 interest to the two boards and to the populations served by the boards.

35 (2) Bylaws to be adopted by the members shall determine procedures for setting meeting dates,
36 locations, chairperson rotation, agendas and staff support.

37 (3) The Joint Boards of Education shall provide policy direction to implement regional partner-
38 ship proposals and any other joint program or activity approved by both boards.

39 (4) Notwithstanding [*ORS 351.070 (3)(c)*] **section 6 (3) of this 2011 Act**, the Department of
40 Community Colleges and Workforce Development and the Oregon University System may use ap-
41 propriations from the General Fund to implement agreements approved by the Joint Boards of Ed-
42 ucation that provide direct aid to a student, or other incentives that encourage shared use of
43 facilities, programs and other resources of [*state institutions of higher education*] **public universities**
44 **listed in ORS 352.002** and community colleges.

45 **SECTION 160.** ORS 348.900 is amended to read:

1 348.900. (1) The Employment Department, in consultation with health care industry employers,
2 shall perform a statewide and regional needs assessment for health care occupations to identify
3 emerging occupations and occupations for which there is high demand or a shortage of workers. The
4 assessment shall be performed as necessary on a periodic basis, as determined by the department,
5 in consultation with industry employers. To perform the needs assessment, the department may
6 consider any reliable data sources available to the department.

7 (2) Based on the needs assessment, the Joint Boards of Education shall inform **the** community
8 colleges, [*state institutions of higher education within the Oregon University System*] **public univer-**
9 **sities listed in ORS 352.002**, Oregon Health and Science University and health care industry em-
10 ployers of the identified statewide needs and invite the development of health care education
11 programs that are responsive to those needs.

12 (3) When approving health care education programs, the State Board of Education, the State
13 Board of Higher Education and the Oregon Health and Science University Board of Directors shall
14 use the statewide needs assessment to evaluate whether a program fulfills statewide needs. If a
15 board determines there is a statewide need, the board shall facilitate the:

16 (a) Coordination of new health care education programs and existing health care education
17 programs that are similar to the new health care education programs to address the statewide need;
18 and

19 (b) Alignment of health care education programs relating to statewide access, student
20 transferability between programs, course articulation and common student learning outcomes for
21 health care education programs.

22 (4) In the development and approval of health care education programs, community colleges,
23 [*state institutions of higher education*] **public universities**, Oregon Health and Science University,
24 the State Board of Education, the State Board of Higher Education and the Oregon Health and
25 Science University Board of Directors shall consider issues related to statewide access, student
26 transferability between programs, course articulation and common student learning outcomes for
27 health care education programs. The colleges, [*institutions*] **public universities**, university and
28 boards shall continue to provide and improve upon an effective articulation and transfer framework
29 for students in Oregon's post-secondary sectors.

30 **SECTION 161.** ORS 348.910 is amended to read:

31 348.910. (1) As used in this section, "applied baccalaureate degree" means a bachelor's degree
32 designed to incorporate applied associate courses and degrees with additional coursework empha-
33 sizing higher-order thinking skills and advanced technical knowledge and skills.

34 (2) The Joint Boards of Education shall develop a plan for offering applied baccalaureate degree
35 programs at community colleges and [*state institutions of higher education*] **the public universities**
36 **listed in ORS 352.002**. The boards shall consider the following types of programs for the purpose
37 of offering some of these types and the possibility of combinations of these types:

38 (a) A career ladder program that requires a substantial number of upper level courses in the
39 same technical area of study as the student's applied associate degree;

40 (b) An inverse program that reverses the traditional curriculum sequence by adding general
41 education courses in the student's third and fourth years to the associate degree courses taken in
42 the student's first and second years;

43 (c) A management ladder program that combines associate degree requirements with applied
44 management skills coursework; and

45 (d) A work experience program that combines general education and technical coursework with

1 direct, supervised work experience in a relevant field.

2 (3) The Joint Boards of Education plan must include the following elements:

3 (a) The method by which the applied baccalaureate degree programs will be created, including
4 any necessary accreditation by the relevant accrediting agency;

5 (b) The criteria for approving the degree and course options offered by [*state institutions of*
6 *higher education*] **the public universities listed in ORS 352.002** and community colleges;

7 (c) The articulation agreements between community colleges and [*state institutions of higher ed-*
8 *ucation*] **the public universities listed in ORS 352.002** necessary to ensure that the applied
9 baccalaureate degree programs are as widely available as possible;

10 (d) The resources required to implement the applied baccalaureate degree program;

11 (e) The timeline necessary to implement the applied baccalaureate degree program; and

12 (f) A recommendation as to whether community colleges should be allowed to offer applied
13 baccalaureate degrees.

14 (4) The Joint Boards of Education shall submit a report, along with proposed legislation, to the
15 interim committee of the Legislative Assembly related to higher education prior to November 1,
16 2010. The boards shall provide progress reports on the plan to the interim committee.

17 (5) The Oregon University System, the Department of Education and the Department of Com-
18 munity Colleges and Workforce Development shall provide staff support to the Joint Boards of Ed-
19 ucation in the preparation of the reports required by this section.

20 **SECTION 162.** ORS 353.260 is amended to read:

21 353.260. (1) Oregon Health and Science University may adopt policies governing access to uni-
22 versity personnel records that are less than 25 years old.

23 (2) Policies adopted under subsection (1) of this section shall require that personnel records be
24 subjected to restrictions on access unless the president of the university finds that the public in-
25 terest in maintaining individual rights to privacy in an adequate educational environment would not
26 suffer by disclosure of such records. Access to such records may be limited to designated classes
27 of information or persons, or to stated times and conditions, or to both, but cannot be limited for
28 records more than 25 years old.

29 (3) No rule or order adopted pursuant to this section shall deny to a faculty member full access
30 to the member's personnel file or records kept by the university, except as provided in subsection
31 (4)(d) and (e) of this section.

32 (4)(a) The files relating to the evaluation of a faculty member shall be kept in designated,
33 available locations.

34 (b) Any evaluation received by telephone shall be documented in each of the faculty member's
35 files by means of a written summary of the conversation with the names of the conversants identi-
36 fied.

37 (c) A faculty member shall be entitled to submit, for placement in the files, evidence rebutting,
38 correcting, amplifying or explaining any document contained therein and other material that the
39 member believes might be of assistance in the evaluation process.

40 (d) Letters and other information for a faculty member of the university submitted in confidence
41 to the State Board of Higher Education or its [*institutions*] **public universities or offices**, schools
42 or departments prior to July 1, 1975, shall be maintained in the files designated by paragraph (a)
43 of this subsection. However, if a faculty member requests access to those files, the anonymity of
44 the contributor of letters and other information obtained prior to July 1, 1975, shall be protected.
45 The full text shall be made available, except that portions of the text that would serve to identify

1 the contributor shall be excised by a faculty committee. Only the names of the contributors and the
 2 excised portions of the documents may be kept in a file other than the files designated by paragraph
 3 (a) of this subsection.

4 (e) Confidential letters and other information submitted to or solicited by the university after
 5 July 1, 1995, and prior to the employment of a prospective faculty member are exempt from the
 6 provisions of this paragraph. However, if the member is employed by the university, the confidential
 7 preemployment materials shall be placed in the files designated by paragraph (a) of this subsection.
 8 If a faculty member requests access to the member's files, the anonymity of the contributor of con-
 9 fidential preemployment letters and other preemployment information shall be protected. The full
 10 text shall be made available, except that portions of the text that would serve to identify the con-
 11 tributor shall be excised and retained in a file other than the files designated by paragraph (a) of
 12 this subsection.

13 (f) Classroom survey evaluations by students of a faculty member's classroom or laboratory
 14 performance shall be anonymous. The record of tabulated reports shall be placed in at least one
 15 of the files designated by paragraph (a) of this subsection. All survey instruments used to obtain
 16 evaluation data shall be returned to the faculty member.

17 (g) The university, when evaluating its employed faculty members, shall not solicit or accept
 18 letters, documents or other materials, given orally or in written form, from individuals or groups
 19 who wish their identity kept anonymous or the information they provide kept confidential.

20 (5) No policy or order adopted pursuant to this section limits the authority of the university to
 21 prepare, without identification of individual persons who have not consented thereto, statistical or
 22 demographic reports from personnel records.

23 (6) Any category of personnel records specifically designated as confidential pursuant to valid
 24 policies or orders as provided in this section shall not be deemed a public record for the purposes
 25 of ORS 192.420.

26 (7) As used in this section, "personnel records" means records containing information kept by
 27 the university concerning a faculty member and furnished by the faculty member or by others about
 28 the faculty member at the member's or at the university's request, including but not limited to in-
 29 formation concerning discipline, membership activity, employment performance or other personal
 30 records of individual persons.

31 **SECTION 163.** ORS 353.440 is amended to read:

32 353.440. The Legislative Assembly finds that:

33 (1) [*Institutions*] **Public universities** in the Oregon University System and other educational
 34 sectors have academic programs that are related to or integrated with the programs of Oregon
 35 Health and Science University.

36 (2) It is in the best interest of the state that a coordinated approach be taken to these related
 37 and integrated academic programs.

38 (3) In order to best ensure the continued harmony of such academic programs, the **Oregon**
 39 **Health and Science** University and the Oregon University System shall coordinate such programs
 40 and shall advise each other of the following proposed changes to such academic programs:

- 41 (a) Creation or significant revision, such as a merger or closure, of degree programs;
- 42 (b) Creation or significant revision, such as a merger or closure, of schools; and
- 43 (c) Creation or significant revision of major academic policies.

44 (4) In order to further the coordination described by this section, **Oregon Health and Science**
 45 University officers shall maintain a role in the appropriate committees of the State Board of Higher

1 Education and the Oregon University System.

2 **SECTION 164.** ORS 353.600 is amended to read:

3 353.600. As used in ORS 353.600 to 353.612:

4 (1) "Committee" means the Oregon Nursing Shortage Coalition Committee created in ORS
5 353.606.

6 (2) "Post-secondary education institution" means:

7 (a) A [*state institution under the direction of the State Board of Higher Education*] **public uni-**
8 **versity listed in ORS 352.002;**

9 (b) A community college operated under ORS chapter 341;

10 (c) A school or division of Oregon Health and Science University; or

11 (d) An Oregon-based, generally accredited, not-for-profit private institution of higher education.

12 **SECTION 165.** ORS 353.603 is amended to read:

13 353.603. (1) Oregon Health and Science University shall distribute grants to post-secondary ed-
14 ucation institutions to support nursing education programs based on the selections of the Oregon
15 Nursing Shortage Coalition Committee and in accordance with appropriate university policies and
16 procedures. If the university is not able to distribute a grant to a post-secondary education institu-
17 tion selected by the committee, the university shall report to the committee the reason for not dis-
18 tributing the grant.

19 (2) Grants distributed under this section to a community college or [*state institution of higher*
20 *education*] **a public university listed in ORS 352.002** may be based on an intergovernmental
21 agreement entered into by Oregon Health and Science University and the college or [*institution*]
22 **public university.**

23 (3) Oregon Health and Science University may not use more than five percent of the amount
24 received from the Nursing Education Grant Fund established in ORS 353.612 for the grant program
25 in any biennium for administrative expenses incurred in administering ORS 353.600 to 353.612.

26 (4) Oregon Health and Science University may accept contributions of funds and assistance from
27 the United States Government or its agencies, or from any other source, public or private, and agree
28 to conditions placed on the funds not inconsistent with the purposes of ORS 353.600 to 353.612. The
29 university shall use funds and assistance received under this subsection for grants distributed under
30 this section or for administering ORS 353.600 to 353.612.

31 (5) Oregon Health and Science University shall deposit moneys received by the university for
32 purposes of ORS 353.600 to 353.612 in the Nursing Education Grant Fund. The total amount of
33 grants distributed under this section may not exceed the amount of moneys available for distribution
34 in the fund.

35 **SECTION 166.** ORS 357.004 is amended to read:

36 357.004. As used in ORS 357.001 to 357.200, unless the context requires otherwise:

37 (1) "Depository library" means a library that is designated as such under ORS 357.095.

38 (2)(a) "Issuing agency" means state government, as that term is defined in ORS 174.111.

39 (b) "Issuing agency" does not include the State Board of Higher Education or any [*institution,*
40 *division or department*] **public university or office, department or activity** under the control of
41 the board.

42 (3)(a) "Public document" means informational matter produced for public distribution or access
43 regardless of format, medium, source or copyright, originating in or produced with the imprint of,
44 by the authority of or at the total or partial expense of any state agency. "Public document" in-
45 cludes informational matter produced on computer diskettes, CD-ROMs, computer tapes, the Internet

1 or in other electronic formats.

2 (b) "Public document" does not include:

3 (A) Correspondence, forms, interoffice or intraoffice memoranda;

4 (B) Legislative bills;

5 (C) Oregon Revised Statutes or any edition thereof; or

6 (D) Reports and publications of the Oregon Supreme Court, the Oregon Court of Appeals and
7 the Oregon Tax Court.

8 **SECTION 167.** ORS 408.095 is amended to read:

9 408.095. (1) As used in this section, "community college" has the meaning given that term in
10 ORS 341.005.

11 (2) There is created in the Department of Veterans' Affairs the Campus Veterans' Service Offi-
12 cers Program.

13 (3) The purpose of the program is to provide educational outreach to veterans to help ensure
14 that they obtain maximum state and federal benefits.

15 (4) The department shall appoint a sufficient number of campus veterans' service officers to en-
16 sure that each Oregon community college and each [*institution*] **public university** in the Oregon
17 University System, as described in ORS 352.002, is provided veterans' services.

18 (5) Each community college and [*institution*] **public university** in the Oregon University System
19 shall provide office space that may be used for the provision of veterans' services.

20 (6) The department may adopt rules to implement the Campus Veterans' Service Officers Pro-
21 gram.

22 **SECTION 168.** ORS 431.690, as amended by section 1, chapter 27, Oregon Laws 2010, and sec-
23 tion 6, chapter 62, Oregon Laws 2010, is amended to read:

24 431.690. (1) As used in this section, "place of public assembly" means a single building that has
25 50,000 square feet or more of indoor floor space and where:

26 (a)(A) The public congregates for purposes such as deliberation, shopping, entertainment,
27 amusement or awaiting transportation; or

28 (B) Business activities are conducted; and

29 (b) At least 50 individuals congregate on a normal business day.

30 (2) Notwithstanding ORS 431.680 (3), the owner of a place of public assembly shall have on the
31 premises at least one automated external defibrillator.

32 (3) Notwithstanding subsection (2) of this section:

33 (a) A community college or a [*state institution of higher education*] **public university** listed in
34 ORS 352.002 shall have at least one automated external defibrillator on the campus of the commu-
35 nity college or [*institution*] **public university**; and

36 (b) If the campus of the community college or [*institution of higher education*] **public university**
37 contains more than one place of public assembly, the community college or [*institution*] **public uni-**
38 **versity** shall ensure that at least one automated external defibrillator is readily available to each
39 place of public assembly.

40 (4) Subsection (2) of this section does not apply to a building primarily used for worship or ed-
41 ucation associated with worship.

42 **SECTION 169.** ORS 433.090 is amended to read:

43 433.090. As used in ORS 433.090 to 433.102:

44 (1) "Authorized user" means a person or entity authorized to provide information to or to re-
45 ceive information from an immunization registry or immunization tracking and recall system under

1 ORS 433.090 to 433.102. “Authorized user” includes, but is not limited to, licensed health care pro-
 2 viders, health care institutions, insurance carriers, the Oregon medical assistance program, parents
 3 or guardians of children under 18 years of age, clients 18 years of age or older, post-secondary ed-
 4 ucation institutions, schools, children’s facilities, local health departments, the Oregon Health Au-
 5 thority and agents of the authority.

6 (2) “Children’s facility” has the meaning given that term in ORS 433.235.

7 (3) “Client” means any person registered with any Oregon immunization tracking and recall
 8 system.

9 (4) “Immunization record” includes but is not limited to the following:

- 10 (a) Any immunization received;
- 11 (b) Date immunization was received;
- 12 (c) Complication or side effect associated with immunization;
- 13 (d) Date and place of birth of a client;
- 14 (e) Hospital where a client was born;
- 15 (f) Client’s name; and
- 16 (g) Mother’s name.

17 (5) “Immunization registry” means any listing of clients and information relating to their im-
 18 munization status, without regard to whether the registry is maintained in this state or elsewhere.

19 (6) “Immunization tracking and recall record” includes but is not limited to the client’s name,
 20 address of the parent or guardian of the client, telephone number, insurance carrier, health care
 21 provider and other information needed to send reminder cards to, place telephone calls to or per-
 22 sonally contact the client or the parent or the guardian of a client for the purposes of informing the
 23 client, parent or guardian that the client is late in receiving the recommended immunizations.

24 (7) “Local health department” has the meaning given that term in ORS 433.235.

25 (8) “Parent or guardian” has the meaning given the term “parent” in ORS 433.235.

26 (9) “Post-secondary education institution” means:

- 27 (a) A [*state institution of higher education under the jurisdiction of the State Board of Higher*
 28 *Education*] **public university listed in ORS 352.002**;
- 29 (b) A community college operated under ORS chapter 341;
- 30 (c) A school or division of Oregon Health and Science University; or
- 31 (d) An Oregon-based, generally accredited, private institution of higher education.

32 (10) “Provider” means a physician or a health care professional who is acting within the scope
 33 of his or her licensure and responsible for providing immunization services or for coordinating im-
 34 munization services within a clinic, public health site, school or other immunization site.

35 (11) “School” has the meaning given that term in ORS 433.235.

36 (12) “Tracking and recall system” means a system attached to an immunization registry designed
 37 to contact clients listed in the immunization registry for the purposes of assisting in the completion
 38 of the immunization series in a timely manner.

39 **SECTION 170.** ORS 461.543 is amended to read:

40 461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery
 41 Account is continuously appropriated to and shall be used by the State Board of Higher Education
 42 to fund sports programs at [*state institutions of higher education*] **public universities listed in ORS**
 43 **352.002**. Seventy percent of the revenues in the fund shall be used to fund nonrevenue producing
 44 sports and 30 percent shall be used for revenue producing sports. Of the total amount available in
 45 the fund, at least 50 percent shall be made available for women’s athletics.

1 (2) The [State] board [of Higher Education] shall allocate moneys in the Sports Lottery Account
2 among the [institutions of higher education under its jurisdiction] **public universities**, giving due
3 consideration to:

4 (a) The athletic conference to which the [institution] **public university** belongs and the relative
5 costs of competing in that conference.

6 (b) The level of effort being made by the [institution] **public university** to generate funds and
7 support from private sources.

8 (3) As used in subsections (1) to (3) of this section, “revenue producing sport” is a sport that
9 produces net revenue over expenditures during a calendar year or if its season extends into two
10 calendar years, produces net revenue over expenditures during the season.

11 (4) An amount equal to one percent of the moneys transferred to the Administrative Services
12 Economic Development Fund from the State Lottery Fund shall be allocated from the Administrative
13 Services Economic Development Fund to the Sports Lottery Account.

14 (5) The amounts received by the Sports Lottery Account shall be allocated as follows:

15 (a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but
16 not to exceed \$8 million annually, adjusted annually pursuant to the Consumer Price Index, as de-
17 fined in ORS 327.006.

18 (b) Twelve percent for the purpose of scholarships, to be distributed equally between scholar-
19 ships based on academic merit and scholarships based on need, as determined by rule of the [State]
20 board [of Higher Education], but not to exceed \$1,090,909 annually.

21 (c) All additional money to the Oregon Student Assistance Commission for the Oregon Oppor-
22 tunity Grant program under ORS 348.260.

23 **SECTION 171.** ORS 541.375 is amended to read:

24 541.375. (1) Any person, tribe, watershed council, soil and water conservation district, commu-
25 nity college, [state institution of higher education] **public university listed in ORS 352.002**, inde-
26 pendent not-for-profit institution of higher education or political subdivision of this state that is not
27 a state agency may submit a request for funding for or for advice and assistance in developing a
28 project under ORS 541.351 to 541.415. A state agency or federal agency may apply for funding under
29 this section only as a coapplicant with one of the other eligible entities.

30 (2) The request under subsection (1) of this section shall be filed in the manner, be in the form
31 and contain the information required by the Oregon Watershed Enhancement Board.

32 (3) The board may establish a grant program through soil and water conservation districts or-
33 ganized under ORS 568.210 to 568.808 and 568.900 to 568.933 that provides funds for local imple-
34 mentation of watershed enhancement, education and monitoring efforts.

35 (4) The board may fund implementation of action plans based on a watershed assessment that
36 addresses water quality and aquatic resources of the watershed.

37 (5) A project may use mechanical, vegetative or structural methods including, but not limited
38 to, management techniques, erosion control, streambank stabilization, forest, range or crop land
39 treatment, site specific in-stream structures, acquisitions or leases of land or water rights from a
40 willing owner, watershed assessments, landowner incentives and action plan development, imple-
41 mentation and monitoring.

42 (6) The actions of a soil and water conservation district carried out pursuant to a grant program
43 established by the board under subsection (3) of this section shall not be subject to review and ap-
44 proval by the Natural Resources Division under ORS 561.400.

45 (7) The Oregon Watershed Enhancement Board shall approve for funding only those projects

1 that:

- 2 (a) Are based on sound principles of watershed management;
- 3 (b) Use methods most adapted to the project locale;
- 4 (c) Meet the criteria established by the board under ORS 541.396; and
- 5 (d) Contribute to either:

6 (A) The improved health of a stream, lake or reservoir and toward the achievement of standards
 7 that satisfy the requirements of the Federal Water Pollution Control Act (P.L. 92-500), as amended;
 8 or

9 (B) The restoration of wildlife, habitat or native fish.

10 (8) The Oregon Watershed Enhancement Board may fund a project for the restoration of a
 11 riparian area or associated upland that is carried out in conjunction with a storage structure.
 12 However, the board shall not approve funding for any proposed project that consists solely of con-
 13 struction of a storage structure for out-of-stream use.

14 (9) The Oregon Watershed Enhancement Board may fund projects involving the acquisition of
 15 lands and waters, or interests therein from willing sellers, for the purpose of maintaining or re-
 16 storing watersheds, habitat and native salmonids. Interests in these lands and waters may be held
 17 by local, state and federal agencies, tribes, not-for-profit land conservation organizations and trusts,
 18 [*state institutions of higher education*] **public universities listed in ORS 352.002**, independent not-
 19 for-profit institutions of higher education or political subdivisions of this state, as long as the entity
 20 continues to use the land or water for the purposes specified under section 4b, Article XV of the
 21 Oregon Constitution.

22 (10) If the Oregon Watershed Enhancement Board approves funding for a project under this
 23 section that requires the applicant to obtain a permit or license from a local, state or federal agency
 24 or governing body, the board shall not disburse any funds to the applicant until the applicant pre-
 25 sents evidence that the agency has granted the permit or license.

26 **SECTION 172.** ORS 634.660 is amended to read:

27 634.660. Each of the following state agencies [*or services*] shall implement integrated pest man-
 28 agement practices when carrying out the agency's duties related to pest control:

- 29 (1) State Department of Agriculture, including the control of noxious weeds.
- 30 (2) State Department of Fish and Wildlife.
- 31 (3) Department of Transportation.
- 32 (4) State Parks and Recreation Department.
- 33 (5) State Forestry Department.
- 34 (6) Department of Corrections.
- 35 (7) Oregon Department of Administrative Services.
- 36 (8) The Department of State Lands.

37 (9) Each [*Oregon institution of higher education*] **public university listed in ORS 352.002**, for
 38 the [*institution's*] **public university's** own building and grounds maintenance.

39 **SECTION 173.** ORS 659.855 is amended to read:

40 659.855. (1) Any public elementary or secondary school determined by the Superintendent of
 41 Public Instruction or any community college determined by the Commissioner for Community Col-
 42 lege Services to be in noncompliance with provisions of ORS 659.850 and this section shall be sub-
 43 ject to appropriate sanctions, which may include withholding of all or part of state funding, as
 44 established by rule of the State Board of Education.

45 (2) Any public [*institution of higher education*] **university listed in ORS 352.002** determined by

1 the Chancellor of the Oregon University System to be in noncompliance with provisions of ORS
2 659.850 and this section shall be subject to appropriate sanctions, which may include withholding
3 of all or part of state funding, as established by rule of the [State] board [of Higher Education].

4 (3) Any public charter school determined by the sponsor of the school or the superintendent
5 [of Public Instruction] to be in noncompliance with the provisions of ORS 659.850 and this section
6 shall be subject to appropriate sanctions, which may include the withholding of all or part of state
7 funding by the sponsor or superintendent, as established by rule of the [State] board [of Education].

8 **SECTION 174.** ORS 660.315 is amended to read:

9 660.315. (1) The Governor shall designate regional workforce committees to advise the Governor,
10 local workforce investment boards that represent federally recognized workforce areas containing
11 multiple regions, and county elected officials on regional and local needs for workforce development.
12 The committees shall also prepare plans for achieving regional goals and coordinate the provision
13 of services within regions. The committees shall have private and public sector members. However,
14 a majority of the members of each committee shall represent the private sector and include business
15 and labor representatives. The chairperson of each committee shall be a private sector member and
16 be elected by the committee.

17 (2) The private sector committee members shall play a critical role in workforce development,
18 including but not limited to:

19 (a) Identifying current and future workforce needs;

20 (b) Providing feedback on public sector programs;

21 (c) Assisting public agencies in changing programs to be more effective in meeting private sector
22 needs; and

23 (d) Being a partner in addressing workforce needs.

24 (3) Private sector members of a committee created under this section shall be appointed by
25 county commissioners and, in the region that includes the City of Portland, the Mayor of Portland.
26 The members of the committee shall reflect the broadest feasible representation from the groups
27 described in ORS 660.312 (4)(a) to (h).

28 (4) The public sector representatives on the committee are representatives who receive re-
29 sources and deliver education and workforce programs within the labor market area. Public sector
30 members shall include the broadest feasible representation from, but not be limited to, the following:

31 (a) The Department of Human Services;

32 (b) School districts, education service districts, community colleges, [state institutions of higher
33 education] **public universities listed in ORS 352.002** and Oregon Health and Science University;

34 (c) The Oregon Business Development Department and local economic development entities;

35 (d) The Employment Department;

36 (e) The federal Act programs; and

37 (f) Other public sector partners.

38 (5) A region may recommend to the Governor an alternate structure for its regional committee,
39 based on regional determination and mutually agreed to by the current public and private sector
40 members of the regional workforce committee and the chief elected officials. The alternate structure
41 must retain a private sector chairperson, appointments of the private sector members as provided
42 in subsection (3) of this section, and substantive public and private sector and other stakeholder
43 participation through formalized methods, such as standing committees.

44 (6) A regional workforce committee shall develop and implement a strategic regional workforce
45 plan that responds to the current and future workforce needs of the regional labor market.

1 (7) The strategic regional workforce plan shall:

2 (a) Consider the supply and demand outlook for the region;

3 (b) Identify and prioritize initiatives and resources, both public and private, to meet the regional
4 workforce needs;

5 (c) Articulate and include the coordination of both public and private resources in addressing
6 the workforce needs and goals; and

7 (d) Ensure the most appropriate use of resource investments.

8 (8) The regional workforce committee shall create or enhance the workforce program delivery
9 system to meet the strategic priorities of the region and any strategic priorities of a federally re-
10 cognized workforce area that includes that region.

11 (9) Within each region, or within overlapping regions, regional workforce committees, local
12 workforce investment boards and regional investment boards shall coordinate their planning efforts
13 to ensure that the strategic efforts and resource allocation of economic and workforce development
14 of an area are consistent. Regional workforce committees and regional investment boards will ex-
15 tend opportunities to other entities engaged in economic and workforce development programs and
16 services to participate in their joint or integrated strategic planning.

17 (10)(a) A local workforce investment board that represents a multiregional workforce area shall
18 hold regional workforce committees in the area accountable for any policy and operational respon-
19 sibilities under 2832(d) of the federal Act that is delegated to the committees in accordance with
20 state policy and local workforce investment board policy.

21 (b) A regional workforce committee within a multiregional workforce area is accountable to the
22 local workforce investment board for any policy and operational responsibilities carried out under
23 the federal Act on behalf of the board.

24 (c) As it relates to regional responsibilities under this section, a regional workforce committee
25 may, through a vote of the committee, determine the methodology for delegating the responsibilities
26 of the regional workforce committee to a local workforce investment board representing the multi-
27 regional workforce area.

28 **SECTION 175.** ORS 660.358 is amended to read:

29 660.358. (1) The State Workforce Investment Board, in consultation with the Governor, the Ed-
30 ucation and Workforce Policy Advisor and other parties deemed appropriate by the board and after
31 consideration of the clean energy and energy efficiency policies of this state, shall develop a plan
32 for a green jobs growth initiative to promote the development of emerging technologies and inno-
33 vations that lead to, create or sustain family wage green jobs.

34 (2) The plan for the initiative developed by the board shall:

35 (a) Identify industries that are high demand green industries based on current and projected
36 creation of family wage green jobs and the potential for career pathways created for such jobs.

37 (b) Use the needs of identified high demand green industries as the basis for the planning of
38 workforce development activities that promote the development of emerging green technologies and
39 innovations. These activities include, but are not limited to, such efforts undertaken by community
40 colleges, the *[institutions]* **public universities** of the Oregon University System, designated signature
41 research centers, registered apprenticeship programs and other private sector training programs.

42 (c) Leverage and align existing public workforce development programs and other public and
43 private resources to the goal of recruiting, supporting, educating and training of targeted popu-
44 lations of workers.

45 (d) Require the board to work collaboratively with stakeholders from business, labor and low

1 income advocacy groups in the regional economy to develop and implement the initiative.

2 (e) Link adult basic and remedial education programs with job training for skills necessary for
3 green jobs.

4 (f) Require the board to collaborate with employers and labor organizations to identify skills and
5 competencies necessary for green job career pathways.

6 (g) Ensure that support services are integrated with education and training for green jobs and
7 that such services are provided by organizations with direct access to and experience with targeted
8 populations.

9 **SECTION 176.** ORS 679.020 is amended to read:

10 679.020. (1) A person may not practice dentistry without a license.

11 (2) Only a person licensed as a dentist by the Oregon Board of Dentistry may own, operate,
12 conduct or maintain a dental practice, office or clinic in this state.

13 (3) The restrictions of subsection (2) of this section, as they relate to owning and operating a
14 dental office or clinic, do not apply to a dental office or clinic owned or operated by any of the
15 following:

16 (a) A labor organization as defined in ORS 243.650 and 663.005 (6), or to any nonprofit organ-
17 ization formed by or on behalf of such labor organization for the purpose of providing dental ser-
18 vices. Such labor organization must have had an active existence for at least three years, have a
19 constitution and bylaws, and be maintained in good faith for purposes other than providing dental
20 services.

21 (b) The School of Dentistry of the Oregon Health and Science University.

22 (c) [*Institutions of higher education*] **Public universities** listed in ORS 352.002.

23 (d) Local governments.

24 (e) Institutions or programs accredited by the Commission on Dental Accreditation of the
25 American Dental Association to provide education and training.

26 (f) Nonprofit corporations organized under Oregon law to provide dental services to rural areas
27 and medically underserved populations of migrant, rural community or homeless individuals under
28 42 U.S.C. 254b or 254c or health centers qualified under 42 U.S.C. 1396d(l)(2)(B) operating in com-
29 pliance with other applicable state and federal law.

30 (g) Nonprofit charitable corporations as described in section 501(c)(3) of the Internal Revenue
31 Code and determined by the Oregon Board of Dentistry as providing dental services by volunteer
32 licensed dentists to populations with limited access to dental care at no charge or a substantially
33 reduced charge.

34 (4) For the purpose of owning or operating a dental office or clinic, an entity described in sub-
35 section (3) of this section must:

36 (a) Name an actively licensed dentist as its dental director, who shall be subject to the pro-
37 visions of ORS 679.140 in the capacity as dental director. The dental director, or an actively licensed
38 dentist designated by the director, shall have responsibility for the clinical practice of dentistry,
39 which includes, but is not limited to:

40 (A) Diagnosis of conditions within the human oral cavity and its adjacent tissues and structures.

41 (B) Prescribing drugs that are administered to patients in the practice of dentistry.

42 (C) The treatment plan of any dental patient.

43 (D) Overall quality of patient care that is rendered or performed in the practice of dentistry.

44 (E) Supervision of dental hygienists, dental assistants or other personnel involved in direct pa-
45 tient care and the authorization for procedures performed by them in accordance with the standards

1 of supervision established by statute or by the rules of the board.

2 (F) Other specific services within the scope of clinical dental practice.

3 (G) Retention of patient dental records as required by statute or by rule of the board.

4 (H) Ensuring that each patient receiving services from the dental office or clinic has a dentist
5 of record.

6 (b) Maintain current records of the names of licensed dentists who supervise the clinical activ-
7 ities of dental hygienists, dental assistants or other personnel involved in direct patient care utilized
8 by the entity. The records must be available to the board upon written request.

9 (5) Subsections (1) and (2) of this section do not apply to a limited access permit dental hygienist
10 who renders services authorized by a limited access permit issued by the board pursuant to ORS
11 680.200.

12 (6) Nothing in this chapter precludes a person or entity not licensed by the board from:

13 (a) Ownership or leasehold of any tangible or intangible assets used in a dental office or clinic.
14 These assets include real property, furnishings, equipment and inventory but do not include dental
15 records of patients related to clinical care.

16 (b) Employing or contracting for the services of personnel other than licensed dentists.

17 (c) Management of the business aspects of a dental office or clinic that do not include the clin-
18 ical practice of dentistry.

19 (7) If all of the ownership interests of a dentist or dentists in a dental office or clinic are held
20 by an administrator, executor, personal representative, guardian, conservator or receiver of the es-
21 tate of a former shareholder, member or partner, the administrator, executor, personal represen-
22 tative, guardian, conservator or receiver may retain the ownership interest for a period of 12 months
23 following the creation of the ownership interest. The board shall extend the ownership period for
24 an additional 12 months upon 30 days' notice and may grant additional extensions upon reasonable
25 request.

26 **SECTION 177.** ORS 696.182 is amended to read:

27 696.182. (1) The Real Estate Agency, with advice from real estate professionals and educators,
28 shall prescribe rules for certifying real estate continuing education providers.

29 (2) The agency shall include in the rules that an applicant for certification under this section
30 must be:

31 (a) A main or branch office of a real estate broker or principal real estate broker registered
32 with the agency under ORS 696.026;

33 (b) A title or escrow company conducting business in this state;

34 (c) A real estate trade association or a trade association in a related field;

35 (d) A real estate multiple listing service;

36 (e) A private career school approved by the agency to teach continuing education courses;

37 (f) An accredited community college or an accredited [*state institution of higher education*] **public**
38 **university listed in ORS 352.002;**

39 (g) A distance learning provider approved by the agency; or

40 (h) Another provider approved by the Real Estate Board.

41 (3) The agency, in consultation with real estate professionals and educators, shall provide by
42 rule:

43 (a) A broad list of course topics that are eligible for continuing education credit required by
44 ORS 696.174; and

45 (b) Learning objectives for each course topic.

1 (4) The list of course topics developed by the agency under subsection (3) of this section must
2 allow for changes in the real estate profession.

3 (5) The minimum length of each course is one hour. A continuing education provider or course
4 instructor may allow a break of no more than 10 minutes for each hour of instruction.

5 **SECTION 178.** ORS 743.550 is amended to read:

6 743.550. (1) Student health insurance is subject to ORS 743.537, 743.540, 743.543, 743.546 and
7 743.549, except as provided in this section.

8 (2) Coverage under a student health insurance policy may be mandatory for all students at the
9 institution, voluntary for all students at the institution, or mandatory for defined classes of students
10 and voluntary for other classes of students. As used in this subsection, "classes" refers to under-
11 graduates, graduate students, domestic students, international students or other like classifications.
12 Any differences based on a student's nationality may be established only for the purpose of com-
13 plying with federal law in effect when the policy is issued.

14 (3) When coverage under a student health insurance policy is mandatory, the policyholder may
15 allow any student subject to the policy to decline coverage if the student provides evidence ac-
16 ceptable to the policyholder that the student has similar health coverage.

17 (4) A student health insurance policy may provide for any student to purchase optional supple-
18 mental coverage.

19 (5) Student health insurance coverage for athletic injuries may:

20 (a) Exclude coverage for injuries of students who have not obtained medical release for a similar
21 injury; and

22 (b) Be provided in excess of or in addition to any other coverage under any other health insur-
23 ance policy, including a student health insurance policy.

24 (6) A student health insurance policy may provide that coverage under the policy is secondary
25 to any other health insurance for purposes of guidelines established under ORS 743.552.

26 (7) A student health insurance policy may provide, on request by the policyholder, that all or
27 any portion of any indemnities provided by such policy on account of hospital, nursing, medical or
28 surgical services may, at the insurer's option, be paid directly to the hospital or person rendering
29 such services. However, the amount of any such payment shall not exceed the amount of benefit
30 provided by the policy with respect to the service or billing of the provider of aid. The amount of
31 such payments pursuant to one or more assignments shall not exceed the amount of expenses in-
32 curred on account of such hospitalization or medical or surgical aid.

33 (8) An insurer providing student health insurance as primary coverage may negotiate and enter
34 into contracts for alternative rates of payment with providers and offer the benefit of such alterna-
35 tive rates to insureds who select such providers. An insurer may utilize such contracts by offering
36 a choice of plans at the time an insured enrolls, one of which provides benefits only for services by
37 members of a particular provider organization with whom the insurer has an agreement. If an in-
38 sured chooses such a plan, benefits are payable only for services rendered by a member of that
39 provider organization, unless such services were requested by a member of such organization or are
40 rendered as the result of an emergency.

41 (9) Payments made under subsection (8) of this section shall discharge the insurer's obligation
42 with respect to the amount of insurance paid.

43 (10) An insurer shall provide each student health insurance policyholder with a current roster
44 of institutional and professional providers under contract to provide services at alternative rates
45 under the group policy and shall also make such lists available for public inspection during regular

1 business hours at the insurer's principal office within this state.

2 (11) As used in this section, "student health insurance" means that form of health insurance
3 under a policy issued to a college, school or other institution of learning, a school district or dis-
4 tricts, or school jurisdictional unit, or recognized student government at [*an institution of higher*
5 *education within the Oregon University System*] **a public university listed in ORS 352.002**, or to the
6 head, principal or governing board of any such educational unit, who or which shall be deemed the
7 policyholder, that is available exclusively to students at the college, school or other institution.

8 **SECTION 179.** ORS 759.445 is amended to read:

9 759.445. (1) There is established in the State Treasury, separate and distinct from the General
10 Fund, the Connecting Oregon Communities Fund. Moneys in the fund shall consist of amounts de-
11 posited in the fund under ORS 759.405 and any other moneys deposited by a telecommunications
12 carrier that elects to be subject to ORS 759.405 and 759.410, including amounts deposited pursuant
13 to a performance assurance plan implemented by a telecommunications carrier in connection with
14 an application under 47 U.S.C. 271, as in effect on January 1, 2002. Interest earned on moneys in the
15 fund shall accrue to the fund. Moneys in the fund may be invested as provided in ORS 293.701 to
16 293.820. Moneys in the fund shall be used to provide access to advanced telecommunications tech-
17 nology in elementary schools and high schools, colleges and universities, community colleges, public
18 television corporations, rural health care providers, public libraries and other eligible persons.

19 (2) Two dedicated accounts shall be established within the Connecting Oregon Communities
20 Fund for purposes of supporting education and public access to advanced telecommunications ser-
21 vices. The first \$25 million of the moneys deposited in the Connecting Oregon Communities Fund in
22 both 2000 and 2001 shall be appropriated to the School Technology Account established under sub-
23 section (3) of this section. Except as provided in subsection (8) of this section, any additional moneys
24 available in the fund shall be appropriated to the Public Access Account established under sub-
25 section (4) of this section.

26 (3) There is established the School Technology Account within the Connecting Oregon Commu-
27 nities Fund. The purpose of the School Technology Account is to improve access to advanced tele-
28 communications services for students attending public school in kindergarten through grade 12.
29 Moneys in the account shall be expended as provided in section 34, chapter 1093, Oregon Laws 1999.

30 (4)(a) There is established the Public Access Account within the Connecting Oregon Communi-
31 ties Fund. The purpose of the Public Access Account is to improve access to advanced telecommu-
32 nications services for community colleges, universities, public libraries and rural health care
33 providers.

34 (b) If funding has not been provided from other sources, the first \$3 million available in the
35 Public Access Account shall be transferred to the Oregon University System for the purpose of
36 funding the Oregon Wide Area Network project to provide and expand Internet access for the
37 Oregon University System. The Oregon University System shall complete an audit of bandwidth
38 utilization and report to the Joint Legislative Committee on Information Management and Technol-
39 ogy during the Seventy-first Legislative Assembly in the manner provided in ORS 192.245.

40 (c) Following the transfer of funds described in paragraph (b) of this subsection, the next \$1
41 million available in the Public Access Account shall be transferred to the Oregon University System
42 for Oregon State University for the purpose of providing virtual access to persons with disabilities.

43 (d) Following the transfer of funds as described in paragraphs (b) and (c) of this subsection, the
44 next \$2 million available in the Public Access Account shall be transferred to the Department of
45 Community Colleges and Workforce Development for distribution to community colleges for the

1 purpose of developing connectivity and distance education programs.

2 (e) Following the transfer of funds described in paragraphs (b) to (d) of this subsection, the next
3 \$4 million available in the Public Access Account shall be transferred to the Oregon University
4 System for video transport and network management services for the Oregon University System.

5 (f) Following the transfer of funds described in paragraphs (b) to (e) of this subsection, the next
6 \$5.5 million available in the Public Access Account shall be transferred to the Oregon Public
7 Broadcasting Corporation for the purpose of digitizing the state television network, using the
8 Oregon Enterprise Network when possible.

9 (g) Following the transfer of funds described in paragraphs (b) to (f) of this subsection, the next
10 \$500,000 available in the Public Access Account shall be transferred to the Southern Oregon Public
11 Television Corporation for the purpose of digitizing the state television network, using the Oregon
12 Enterprise Network when possible.

13 (h) Following the transfer of funds described in paragraphs (b) to (g) of this subsection, a [*state*
14 *institution of higher education, including*] **public university listed in ORS 352.002** or the Oregon
15 Health and Science University[,] may apply for one-time matching funds up to \$1 million from the
16 Public Access Account to endow a telecommunications chair for the purpose of increasing research
17 and development of advanced telecommunications services applications. Only one chair may be en-
18 dowed under this paragraph.

19 (5)(a) The Oregon Business Development Commission shall approve expenditure of any remaining
20 moneys in the Public Access Account consistent with this section and ORS 759.430.

21 (b) Community colleges, [*state institutions of higher education*] **public universities listed in ORS**
22 **352.002**, public libraries, public television corporations and rural health care providers may apply
23 to the Oregon Business Development Commission for funding from the Public Access Account under
24 this subsection.

25 (c) Funds received from the account shall be used for the purchase of advanced telecommuni-
26 cations services, equipment or recurring costs of telecommunications connectivity. Priority shall be
27 given to collaborative projects that improve access to advanced telecommunications services.

28 (d) Funds available in the Public Access Account under this subsection are continuously ap-
29 propriated to the Oregon Business Development Department for the purposes described in this sub-
30 section.

31 (6) Public libraries and rural health care providers must apply for federal universal service
32 support in order to be eligible for a grant from the Public Access Account.

33 (7) The video transport and network management services purchased with funds made available
34 under this section shall be purchased through the Oregon Department of Administrative Services.

35 (8) Any moneys deposited in the Connecting Oregon Communities Fund under subsection (1) of
36 this section pursuant to a performance assurance plan implemented by a telecommunications carrier
37 in connection with an application under 47 U.S.C. 271, as in effect on January 1, 2002, shall be
38 placed in the School Technology Account to be expended as provided in section 34, chapter 1093,
39 Oregon Laws 1999.

40 **SECTION 180. ORS 351.003, 351.009, 351.090, 351.200 and 351.315 are repealed.**

41 **SECTION 181. Sections 2 to 14 of this 2011 Act, the amendments to statutes by sections**
42 **15 to 18 and 20 to 179 of this 2011 Act and the repeal of statutes by section 180 of this 2011**
43 **Act become operative on January 1, 2012.**

44 **SECTION 182. The State Board of Higher Education and the Chancellor of the Oregon**
45 **University System may take any action before the operative date specified in section 181 of**

1 **this 2011 Act that is necessary for the board and the chancellor to exercise, on and after the**
2 **operative date specified in section 181 of this 2011 Act, all of the duties, functions and powers**
3 **conferred on the board and the chancellor by sections 2 to 14 and 19 of this 2011 Act, the**
4 **amendments to statutes by sections 15 to 18 and 20 to 179 of this 2011 Act and the repeal of**
5 **statutes by section 180 of this 2011 Act.**

6 **SECTION 183. This 2011 Act being necessary for the immediate preservation of the public**
7 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
8 **on its passage.**

9
