

Senate Bill 170

Sponsored by Senator KRUSE (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that State Board of Education shall consist of six appointed members and five elected members and shall represent kindergarten through grade 12, community colleges and institutions of higher education.

Directs State Board of Education to appoint Superintendent of Public Instruction.

Abolishes State Board of Higher Education. Transfers duties and powers of board to State Board of Education. Eliminates Joint Boards of Education.

Takes effect only if Senate Joint Resolution 4 (2011) is approved by people at next regular general election.

Becomes operative July 1, 2014.

A BILL FOR AN ACT

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Relating to education; creating new provisions; amending ORS 30.264, 30.864, 36.155, 62.720, 171.130, 171.133, 173.130, 182.122, 184.631, 190.510, 190.520, 190.530, 190.540, 190.580, 190.590, 190.610, 196.438, 200.025, 200.055, 238.200, 238.215, 238.300, 238.350, 238A.140, 243.107, 243.778, 243.800, 243.820, 243.850, 243.910, 244.050, 249.002, 249.056, 249.215, 254.005, 258.036, 258.055, 260.005, 260.076, 273.571, 273.586, 273.785, 276.610, 276.612, 282.076, 283.310, 284.540, 284.706, 284.711, 291.002, 291.038, 291.055, 291.445, 292.043, 292.044, 292.311, 292.430, 292.930, 293.790, 293.812, 294.311, 320.100, 321.185, 326.011, 326.031, 326.041, 326.051, 329.085, 329.489, 337.521, 339.885, 340.085, 342.147, 342.447, 343.961, 344.259, 348.010, 348.180, 348.205, 348.210, 348.270, 348.282, 348.394, 348.429, 348.603, 348.849, 348.900, 348.910, 351.060, 351.065, 351.067, 351.070, 351.072, 351.075, 351.077, 351.085, 351.086, 351.087, 351.088, 351.090, 351.092, 351.094, 351.097, 351.105, 351.110, 351.117, 351.130, 351.140, 351.150, 351.155, 351.160, 351.165, 351.170, 351.180, 351.190, 351.200, 351.203, 351.205, 351.210, 351.220, 351.230, 351.240, 351.250, 351.260, 351.267, 351.277, 351.310, 351.315, 351.317, 351.320, 351.345, 351.350, 351.353, 351.356, 351.460, 351.470, 351.505, 351.506, 351.590, 351.615, 351.627, 351.633, 351.642, 351.643, 351.644, 351.646, 351.647, 351.658, 351.663, 351.666, 351.668, 351.692, 351.697, 351.708, 351.810, 351.820, 351.830, 351.840, 351.870, 351.875, 351.880, 351.885, 352.002, 352.004, 352.010, 352.015, 352.021, 352.035, 352.051, 352.230, 352.360, 352.370, 352.380, 352.385, 352.390, 352.510, 352.530, 352.580, 352.610, 353.040, 353.050, 353.108, 353.330, 353.370, 353.440, 353.600, 354.090, 357.004, 358.575, 366.785, 390.235, 433.090, 461.543, 468A.245, 471.810, 526.215, 526.225, 542.710, 542.720, 561.364, 566.210, 567.025, 567.030, 567.035, 567.205, 567.210, 567.220, 567.230, 567.235, 567.255, 567.260, 567.270, 567.275, 567.325, 567.330, 567.405, 567.410, 567.430, 567.455, 567.475, 567.480, 567.505, 567.510, 567.515, 567.520, 567.575, 567.580, 576.035, 659.850, 659.855, 659.860, 678.425, 815.080, 820.100, 820.110, 820.120, 820.130, 820.150 and 825.017 and section 3, chapter 797, Oregon Laws 2001, and sections 5, 10, 11, 12 and 13, chapter 904, Oregon Laws 2009; repealing ORS 326.021, 326.305, 348.890, 351.010, 351.020, 351.040, 351.050 and 351.062; and prescribing an effective date.

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

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.

STATE BOARD OF EDUCATION

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3 **SECTION 1.** (1) The State Board of Education shall consist of 11 members. Five members
4 shall be elected as provided in subsection (2) of this section, and six members shall be ap-
5 pointed by the Governor as provided in subsection (3) of this section.

6 (2)(a) The elected members of the board shall be elected from each of the five congres-
7 sional districts and shall represent kindergarten through grade 12.

8 (b) Elected members shall be elected at the regular general election held on the first
9 Tuesday after the first Monday in November of each even-numbered year. The term of an
10 elected member begins on the first Monday in January next following the regular general
11 election, except for a vacancy described in ORS 326.031.

12 (c) An elected member shall serve for a term of four years and may not serve more than
13 two consecutive full terms.

14 (3)(a) The appointed members shall be appointed by the Governor from among the resi-
15 dents of this state as follows:

16 (A) Three members representing institutions of higher education from a list of persons
17 submitted to the Governor by an organization representing institutions of higher education;
18 and

19 (B) Three members representing community colleges from a list of persons submitted to
20 the Governor by an organization representing community colleges.

21 (b) An appointed member shall serve for a term of four years and may not serve more
22 than two consecutive full terms. Appointments are subject to confirmation by the Senate
23 in the manner provided in ORS 171.562 and 171.565.

24 (c) The Governor may remove an appointed member for cause at any time after notice
25 and public hearing. A vacancy occurring in an appointed position shall be filled as provided
26 in ORS 326.031.

27 (4) The members of the board shall be nonpartisan.

28 (5) A member of the board may not engage in teaching or participate in the adminis-
29 tration or operation of any school, community college or institution of higher education
30 listed in ORS 352.002 while serving on the board.

31 **SECTION 2.** (1) The first elected members of the State Board of Education shall be
32 elected at a special election held throughout this state on May 20, 2014.

33 (2)(a) Notwithstanding section 1 of this 2011 Act, the members first elected to the board
34 shall begin their terms on July 1, 2014, and shall determine by lot the length of their terms
35 such that:

36 (A) Two shall serve a term expiring on the day before the first Monday in January 2017;
37 and

38 (B) Three shall serve a term expiring on the day before the first Monday in January 2019.

39 (b) Notwithstanding section 1 of this 2011 Act, the members first appointed to the board
40 shall determine by lot the length of their terms such that:

41 (A) Three shall serve a term expiring on the day before the first Monday in January 2017;
42 and

43 (B) Three shall serve a term expiring on the day before the first Monday in January 2019.

44 **SECTION 3.** (1) On June 30, 2014, the terms of office of the current members of the State
45 Board of Education expire.

1 **(2) Notwithstanding the prohibition under section 1 of this 2011 Act against a person**
 2 **servicing more than two consecutive full terms as a board member, a member is eligible for**
 3 **reelection or reappointment to the board if the member’s term of office is terminated pur-**
 4 **suant to this section.**

5 **SECTION 4.** ORS 249.002, as amended by section 2, chapter 18, Oregon Laws 2010, is amended
 6 to read:

7 249.002. As used in this chapter:

8 (1) “Candidate” means an individual whose name is or is expected to be printed on the official
 9 ballot.

10 (2) “County clerk” means the county clerk or the county official in charge of elections.

11 (3) “Elector” means an individual qualified to vote under section 2, Article II, Oregon Consti-
 12 tution.

13 (4) “Judge” means judge of the Supreme Court, Court of Appeals, circuit court or the Oregon
 14 Tax Court, or any county judge who exercises judicial functions.

15 (5) “Member” means an individual who is registered as being affiliated with the political party.

16 (6) “Minor political party” means a political party that has qualified as a minor political party
 17 under ORS 248.008.

18 (7) “Nonpartisan office” means the office of judge, [*Superintendent of Public Instruction,*] **State**
 19 **Board of Education**, Commissioner of the Bureau of Labor and Industries, any elected office of a
 20 metropolitan service district under ORS chapter 268, justice of the peace, county clerk, county
 21 assessor, county surveyor, county treasurer, sheriff, district attorney or any office designated non-
 22 partisan by a home rule charter.

23 (8) “Prospective petition” means the information, except signatures and other identification of
 24 petition signers, required to be contained in a completed petition.

25 (9) “Public office” means any national, state, county, city or district office or position, except
 26 a political party office, filled by the electors.

27 (10) “State office” means Governor, Secretary of State, State Treasurer, Attorney General,
 28 Commissioner of the Bureau of Labor and Industries, [*Superintendent of Public Instruction,*] judge,
 29 state Senator, state Representative or district attorney.

30 **SECTION 5.** ORS 254.005, as amended by section 3, chapter 18, Oregon Laws 2010, is amended
 31 to read:

32 254.005. As used in this chapter:

33 (1) “Ballot” means any material on which votes may be cast for candidates or measures. In the
 34 case of a recall election, “ballot” includes material posted in a voting compartment or delivered to
 35 an elector by mail.

36 (2) “Chief elections officer” means the:

37 (a) Secretary of State, regarding a candidate for a state office or an office to be voted on in the
 38 state at large or in a congressional district, or a measure to be voted on in the state at large.

39 (b) County clerk, regarding a candidate for a county office, or a measure to be voted on in a
 40 county only.

41 (c) City clerk, auditor or recorder, regarding a candidate for a city office, or a measure to be
 42 voted on in a city only.

43 (3) “County clerk” means the county clerk or the county official in charge of elections.

44 (4) “Elector” means an individual qualified to vote under section 2, Article II, Oregon Consti-
 45 tution.

1 (5) "Major political party" means a political party that has qualified as a major political party
2 under ORS 248.006.

3 (6) "Measure" includes any of the following submitted to the people for their approval or re-
4 jection at an election:

5 (a) A proposed law.

6 (b) An Act or part of an Act of the Legislative Assembly.

7 (c) A revision of or amendment to the Oregon Constitution.

8 (d) Local, special or municipal legislation.

9 (e) A proposition or question.

10 (7) "Minor political party" means a political party that has qualified as a minor political party
11 under ORS 248.008.

12 (8) "Nonpartisan office" means the office of judge of the Supreme Court, Court of Appeals, cir-
13 cuit court or the Oregon Tax Court, [*Superintendent of Public Instruction,*] **State Board of Educa-**
14 **tion**, Commissioner of the Bureau of Labor and Industries, any elected office of a metropolitan
15 service district under ORS chapter 268, justice of the peace, county clerk, county assessor, county
16 surveyor, county treasurer, county judge who exercises judicial functions, sheriff, district attorney
17 or any office designated nonpartisan by a home rule charter.

18 (9) "Prospective petition" means the information, except signatures and other identification of
19 petition signers, required to be contained in a completed petition.

20 (10) "Regular district election" means the election held each year for the purpose of electing
21 members of a district board as defined in ORS 255.005 (2).

22 (11) "Vote tally system" means one or more pieces of equipment necessary to examine and tally
23 automatically the marked ballots.

24 (12) "Voting machine" means any device that will record every vote cast on candidates and
25 measures and that will either internally or externally total all votes cast on that device.

26 **SECTION 6.** ORS 326.011 is amended to read:

27 326.011. In establishing policy for the administration and operation of the public elementary and
28 secondary schools, [*and*] public community colleges **and public institutions of higher education**
29 in the State of Oregon and in carrying out its duties as prescribed by law **and the Constitution**
30 **of the State of Oregon**, the State Board of Education shall consider the goals of modern education,
31 the requirements of a sound, comprehensive curriculum best suited to the needs of the students and
32 the public and any other factors consistent with the maintenance of a modern and efficient elemen-
33 tary and secondary school system, [*and*] community college program **and university system**.

34 **SECTION 7.** ORS 326.031 is amended to read:

35 326.031. [*Appointments made to fill vacancies of the State Board of Education occurring prior to*
36 *expiration of a term of an appointed member shall be for the remainder of the unexpired term. When*
37 *a vacancy occurs in an appointment made from a congressional district, the successor shall be ap-*
38 *pointed from the congressional district for which the vacancy exists.*]

39 (1) **A vacancy occurring in an elected position on the State Board of Education before the**
40 **expiration of the term of the position shall be filled by appointment by the Governor, subject**
41 **to confirmation by the Senate in the manner provided in ORS 171.562 and 171.565. The ap-**
42 **pointee must reside in the congressional district for which the vacancy exists at the time**
43 **of appointment. The term of an appointee for a vacancy under this subsection expires on the**
44 **day before the first Monday in January next following the regular general election.**

45 (2) **A vacancy occurring in an appointed position on the board before the expiration of**

1 **the term of the position shall be filled by appointment by the Governor, subject to confir-**
 2 **mation by the Senate in the manner provided in ORS 171.562 and 171.565. The term of an**
 3 **appointee for a vacancy under this subsection expires at the end of the unexpired term.**

4 **SECTION 8.** ORS 326.041 is amended to read:

5 326.041. (1) The State Board of Education shall meet at least six times each year on dates de-
 6 termined by the board, and at such other times as may be designated by the chairperson [*agreeable*
 7 *to*] **that are agreed to by** a majority of the board, or at the call of a majority of the board members.

8 (2) The board shall elect one of its members to serve as chairperson of the board for **a term**
 9 **of one year** [*commencing July 1*]. In case the office of chairperson of the board is permanently va-
 10 cated for any reason, the board may elect a new chairperson to serve [*until the June 30 next fol-*
 11 *lowing*] **for the remainder of the term.**

12 (3) A member is entitled to compensation and expenses as provided in ORS 292.495.

13 **SECTION 9.** ORS 326.051 is amended to read:

14 326.051. Subject to ORS 417.300 and 417.305:

15 (1) In addition to such other duties as are prescribed by law and pursuant to the requirement
 16 of ORS chapter 183, the State Board of Education shall:

17 **(a) Establish policies that allow for a seamless educational system between public**
 18 **kindergartens, public elementary and secondary schools, public community colleges and**
 19 **public institutions of higher education.**

20 [(a)] **(b)** Establish state standards for public kindergartens and public elementary and secondary
 21 schools consistent with the policies stated in ORS 326.011.

22 [(b)] **(c)** Adopt rules for the general governance of public kindergartens, [*and*] public elementary
 23 and secondary schools, [*and*] public community colleges **and public institutions of higher educa-**
 24 **tion.**

25 [(c)] **(d)** Prescribe required or minimum courses of study.

26 [(d)] **(e)** Adopt rules regarding school and interscholastic activities in accordance with standards
 27 established pursuant to paragraph [(f)] **(g)** of this subsection.

28 [(e)] **(f)** Adopt rules that provide that [*no*] **a** public elementary or secondary school [*shall dis-*
 29 *criminate*] **may not engage in an act of discrimination** in determining participation in interscho-
 30 lastic activities. As used in this paragraph, “discrimination” has the meaning given that term in ORS
 31 659.850.

32 [(f)] **(g)** Adopt standards applicable to voluntary organizations that administer interscholastic
 33 activities as provided in ORS 339.430.

34 [(g)] **(h)** Adopt rules that will eliminate the use and purchase of elemental mercury, mercury
 35 compounds and mercury-added instructional materials by public elementary and secondary schools.

36 (2) The State Board of Education may:

37 (a) Consistent with the laws of this state[,]:

38 **(A)** Accept money or property not otherwise provided for under [*paragraph (b) of this subsection,*
 39 *which*] **subparagraph (B) of this paragraph that** is donated for the use or benefit of the public
 40 kindergartens, [*and*] public elementary and secondary schools, [*and*] public community colleges and
 41 **public institutions of higher education; and**

42 **(B)** Use such money or property for the purpose for which [*it*] **the money or property** was
 43 donated[. *Until it is used, the board shall*] **and** deposit any money received [*under this paragraph*] in
 44 a special fund with the State Treasurer, as provided in ORS 293.265 to 293.275, **until the money**
 45 **is used.**

1 (b) Apply for federal funds and accept and enter into any contracts or agreements on behalf of
2 the state for the receipt of such funds from the federal government or its agencies for:

3 (A) Educational purposes, including but not limited to any funds available for the school lunch
4 program;

5 (B) Career and technical education programs;

6 (C) Adult education programs;

7 (D) Workforce training programs; and

8 (E) Any grants available to the state or its political subdivisions for general federal aid for
9 public kindergartens, public elementary schools[, *public*] **and** secondary schools, [*and*] public com-
10 munity colleges **and public institutions of higher education** and their auxiliary services, im-
11 provement of teacher preparation, teacher salaries, construction of school buildings, administration
12 of the Department of Education and any other educational activities under the jurisdiction of the
13 State Board of Education.

14 (c) Adopt rules to administer the United States Department of Agriculture's National School
15 Lunch Program and School Breakfast Program for public and private prekindergarten through grade
16 12 schools and residential child care facilities.

17 (3) The State Board of Education shall provide a separate, identifiable place on its agenda six
18 times a year for [*community college*] issues **related to community colleges and institutions of**
19 **higher education**. The state board may also consider matters affecting community colleges **and**
20 **institutions of higher education** at any regular or special meeting.

21 **SECTION 10.** ORS 326.051, as amended by section 9 of this 2011 Act, is amended to read:

22 326.051. Subject to ORS 417.300 and 417.305:

23 (1) In addition to such other duties as are prescribed by law and pursuant to the requirement
24 of ORS chapter 183, the State Board of Education shall:

25 **(a) Appoint the Superintendent of Public Instruction.**

26 [(a)] **(b)** Establish policies that allow for a seamless educational system between public
27 kindergartens, public elementary and secondary schools, public community colleges and public in-
28 stitutions of higher education.

29 [(b)] **(c)** Establish state standards for public kindergartens and public elementary and secondary
30 schools consistent with the policies stated in ORS 326.011.

31 [(c)] **(d)** Adopt rules for the general governance of public kindergartens, public elementary and
32 secondary schools, public community colleges and public institutions of higher education.

33 [(d)] **(e)** Prescribe required or minimum courses of study.

34 [(e)] **(f)** Adopt rules regarding school and interscholastic activities in accordance with standards
35 established pursuant to paragraph [(g)] **(h)** of this subsection.

36 [(f)] **(g)** Adopt rules that provide that a public elementary or secondary school may not engage
37 in an act of discrimination in determining participation in interscholastic activities. As used in this
38 paragraph, "discrimination" has the meaning given that term in ORS 659.850.

39 [(g)] **(h)** Adopt standards applicable to voluntary organizations that administer interscholastic
40 activities as provided in ORS 339.430.

41 [(h)] **(i)** Adopt rules that will eliminate the use and purchase of elemental mercury, mercury
42 compounds and mercury-added instructional materials by public elementary and secondary schools.

43 (2) The State Board of Education may:

44 (a) Consistent with the laws of this state:

45 (A) Accept money or property not otherwise provided for under subparagraph (B) of this para-

1 graph that is donated for the use or benefit of the public kindergartens, public elementary and sec-
2 ondary schools, public community colleges and public institutions of higher education; and

3 (B) Use such money or property for the purpose for which the money or property was donated
4 and deposit any money received in a special fund with the State Treasurer, as provided in ORS
5 293.265 to 293.275, until the money is used.

6 (b) Apply for federal funds and accept and enter into any contracts or agreements on behalf of
7 the state for the receipt of such funds from the federal government or its agencies for:

8 (A) Educational purposes, including but not limited to any funds available for the school lunch
9 program;

10 (B) Career and technical education programs;

11 (C) Adult education programs;

12 (D) Workforce training programs; and

13 (E) Any grants available to the state or its political subdivisions for general federal aid for
14 public kindergartens, public elementary schools and secondary schools, public community colleges
15 and public institutions of higher education and their auxiliary services, improvement of teacher
16 preparation, teacher salaries, construction of school buildings, administration of the Department of
17 Education and any other educational activities under the jurisdiction of the State Board of Educa-
18 tion.

19 (c) Adopt rules to administer the United States Department of Agriculture's National School
20 Lunch Program and School Breakfast Program for public and private prekindergarten through grade
21 12 schools and residential child care facilities.

22 (3) The State Board of Education shall provide a separate, identifiable place on its agenda six
23 times a year for issues related to community colleges and institutions of higher education. The state
24 board may also consider matters affecting community colleges and institutions of higher education
25 at any regular or special meeting.

26 **SECTION 11.** ORS 329.085 is amended to read:

27 329.085. (1) To facilitate the attainment and successful implementation of educational standards
28 under ORS 326.051 [(1)(a)] (1)(b) and 329.025, the State Board of Education or its designee shall as-
29 sess the effectiveness of each public school, public charter school and school district. The findings
30 of the assessment shall be reported to the school or school district within six months.

31 (2) The board shall establish the standards, including standards of accessibility to educational
32 opportunities, upon which the assessment is based.

33 (3) On a periodic basis, the board shall review school and school district standards and credit
34 and performance requirements. The board shall seek public input in this process.

35 **SECTION 12.** ORS 329.085, as amended by section 11 of this 2011 Act, is amended to read:

36 329.085. (1) To facilitate the attainment and successful implementation of educational standards
37 under ORS 326.051 [(1)(b)] (1)(c) and 329.025, the State Board of Education or its designee shall as-
38 sess the effectiveness of each public school, public charter school and school district. The findings
39 of the assessment shall be reported to the school or school district within six months.

40 (2) The board shall establish the standards, including standards of accessibility to educational
41 opportunities, upon which the assessment is based.

42 (3) On a periodic basis, the board shall review school and school district standards and credit
43 and performance requirements. The board shall seek public input in this process.

44 **SECTION 13.** (1) **The amendments to ORS 326.051 and 329.085 by sections 10 and 12 of this**
45 **2011 Act become operative January 5, 2015.**

1 **SECTION 15.** ORS 171.133 is amended to read:

2 171.133. (1) A state agency shall not cause a bill or measure to be introduced before the Legis-
3 lative Assembly if the bill or measure has not been approved by the Governor.

4 (2) As used in ORS 171.130 and this section, “state agency” means every state agency whose
5 costs are paid wholly or in part from funds held in the State Treasury, except:

6 (a) The Legislative Assembly, the courts and their officers and committees;

7 (b) The Public Defense Services Commission; and

8 (c) The Secretary of State, the State Treasurer, the Attorney General[,] **and** the Commissioner
9 of the Bureau of Labor and Industries [*and the Superintendent of Public Instruction*].

10 **SECTION 16.** ORS 173.130 is amended to read:

11 173.130. (1) The Legislative Counsel shall prepare or assist in the preparation of legislative
12 measures when requested to do so by a member or committee of the Legislative Assembly.

13 (2) Upon the written request of a state agency, the Legislative Counsel may prepare or assist
14 in the preparation of legislative measures that have been approved for preparation in writing by the
15 Governor or the Governor’s designated representative. The Legislative Counsel may also prepare
16 or assist in the preparation of legislative measures that are requested in writing by the Judicial
17 Department, the Governor, the Secretary of State, the State Treasurer, the Attorney General[,] **or**
18 the Commissioner of the Bureau of Labor and Industries [*or the Superintendent of Public*
19 *Instruction*]. In accordance with ORS 283.110, the Legislative Counsel may charge the agency or
20 officer for the services performed.

21 (3) The Legislative Counsel shall give such consideration to and service concerning any measure
22 or other legislative matter before the Legislative Assembly as is requested by the House of Repre-
23 sentatives, the Senate or any committee of the Legislative Assembly that has the measure or other
24 matter under consideration.

25 (4) The Legislative Counsel, pursuant to the policies and directions of the Legislative Counsel
26 Committee and in conformity with any applicable rules of the House of Representatives or Senate,
27 shall perform or cause to be performed research service requested by any member or committee of
28 the Legislative Assembly in connection with the performance of legislative functions. Research as-
29 signments made by joint or concurrent resolution of the Legislative Assembly shall be given priority
30 over other research requests received by the Legislative Counsel. The research service to be per-
31 formed includes the administrative services incident to the accomplishment of the research requests
32 or assignments.

33 (5) The Legislative Counsel shall give an opinion in writing upon any question of law in which
34 the Legislative Assembly or any member or committee of the Legislative Assembly may have an
35 interest when the Legislative Assembly or any member or committee of the Legislative Assembly
36 requests the opinion. Except as provided in subsection (2) of this section and ORS 173.135, the
37 Legislative Counsel shall not give opinions or provide other legal services to persons or agencies
38 other than the Legislative Assembly and members and committees of the Legislative Assembly.

39 (6) The Legislative Counsel may enter into contracts to carry out the functions of the Legisla-
40 tive Counsel.

41 **SECTION 17.** ORS 244.050 is amended to read:

42 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
43 Government Ethics Commission a verified statement of economic interest as required under this
44 chapter:

45 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the

1 Bureau of Labor and Industries, [*Superintendent of Public Instruction,*] district attorneys and mem-
 2 bers of the Legislative Assembly.

3 (b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem
 4 judicial officer who does not otherwise serve as a judicial officer.

5 (c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

6 (d) The Deputy Attorney General.

7 (e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the
 8 Secretary of the Senate and the Chief Clerk of the House of Representatives.

9 (f) The Chancellor and Vice Chancellors of the Oregon University System and the president and
 10 vice presidents, or their administrative equivalents, in each institution under the jurisdiction of the
 11 State Board of [*Higher*] Education.

12 (g) The following state officers:

13 (A) Adjutant General.

14 (B) Director of Agriculture.

15 (C) Manager of State Accident Insurance Fund Corporation.

16 (D) Water Resources Director.

17 (E) Director of Department of Environmental Quality.

18 (F) Director of Oregon Department of Administrative Services.

19 (G) State Fish and Wildlife Director.

20 (H) State Forester.

21 (I) State Geologist.

22 (J) Director of Human Services.

23 (K) Director of the Department of Consumer and Business Services.

24 (L) Director of the Department of State Lands.

25 (M) State Librarian.

26 (N) Administrator of Oregon Liquor Control Commission.

27 (O) Superintendent of State Police.

28 (P) Director of the Public Employees Retirement System.

29 (Q) Director of Department of Revenue.

30 (R) Director of Transportation.

31 (S) Public Utility Commissioner.

32 (T) Director of Veterans' Affairs.

33 (U) Executive director of Oregon Government Ethics Commission.

34 (V) Director of the State Department of Energy.

35 (W) Director and each assistant director of the Oregon State Lottery.

36 (X) Director of the Department of Corrections.

37 (Y) Director of the Oregon Department of Aviation.

38 (Z) Executive director of the Oregon Criminal Justice Commission.

39 (AA) Director of the Oregon Business Development Department.

40 (BB) Director of the Office of Emergency Management.

41 (CC) Director of the Employment Department.

42 (DD) Chief of staff for the Governor.

43 (EE) Administrator of the Office for Oregon Health Policy and Research.

44 (FF) Director of the Housing and Community Services Department.

45 (GG) State Court Administrator.

- 1 (HH) Director of the Department of Land Conservation and Development.
- 2 (II) Board chairperson of the Land Use Board of Appeals.
- 3 (JJ) State Marine Director.
- 4 (KK) Executive director of the Oregon Racing Commission.
- 5 (LL) State Parks and Recreation Director.
- 6 (MM) Public defense services executive director.
- 7 (NN) Chairperson of the Public Employees' Benefit Board.
- 8 (OO) Director of the Department of Public Safety Standards and Training.
- 9 (PP) Chairperson of the Oregon Student Assistance Commission.
- 10 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 11 (RR) Director of the Oregon Youth Authority.
- 12 (SS) Director of the Oregon Health Authority.
- 13 **(TT) Superintendent of Public Instruction.**
- 14 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 15 (i) Every elected city or county official.
- 16 (j) Every member of a city or county planning, zoning or development commission.
- 17 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
- 18 cipal administrator of the city or county.
- 19 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 20 (m) Every member of a governing body of a metropolitan service district and the executive of-
- 21 ficer thereof.
- 22 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 23 (o) The chief administrative officer and the financial officer of each common and union high
- 24 school district, education service district and community college district.
- 25 (p) Every member of the following state boards and commissions:
- 26 (A) Board of Geologic and Mineral Industries.
- 27 (B) Oregon Business Development Commission.
- 28 (C) State Board of Education.
- 29 (D) Environmental Quality Commission.
- 30 (E) Fish and Wildlife Commission of the State of Oregon.
- 31 (F) State Board of Forestry.
- 32 (G) Oregon Government Ethics Commission.
- 33 (H) Oregon Health Policy Board.
- 34 *[(I) State Board of Higher Education.]*
- 35 *[(J)] (I) Oregon Investment Council.*
- 36 *[(K)] (J) Land Conservation and Development Commission.*
- 37 *[(L)] (K) Oregon Liquor Control Commission.*
- 38 *[(M)] (L) Oregon Short Term Fund Board.*
- 39 *[(N)] (M) State Marine Board.*
- 40 *[(O)] (N) Mass transit district boards.*
- 41 *[(P)] (O) Energy Facility Siting Council.*
- 42 *[(Q)] (P) Board of Commissioners of the Port of Portland.*
- 43 *[(R)] (Q) Employment Relations Board.*
- 44 *[(S)] (R) Public Employees Retirement Board.*
- 45 *[(T)] (S) Oregon Racing Commission.*

- 1 [(U)] (T) Oregon Transportation Commission.
- 2 [(V)] (U) Wage and Hour Commission.
- 3 [(W)] (V) Water Resources Commission.
- 4 [(X)] (W) Workers' Compensation Board.
- 5 [(Y)] (X) Oregon Facilities Authority.
- 6 [(Z)] (Y) Oregon State Lottery Commission.
- 7 [(AA)] (Z) Pacific Northwest Electric Power and Conservation Planning Council.

- 8 [(BB)] (AA) Columbia River Gorge Commission.
- 9 [(CC)] (BB) Oregon Health and Science University Board of Directors.
- 10 [(DD)] (CC) Capitol Planning Commission.

11 (q) The following officers of the State Treasurer:

- 12 (A) Chief Deputy State Treasurer.
- 13 (B) Chief of staff for the office of the State Treasurer.
- 14 (C) Director of the Investment Division.

15 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
 16 or 777.915 to 777.953.

17 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.

18 (2) By April 15 next after the date an appointment takes effect, every appointed public official
 19 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
 20 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
 21 and 244.090.

22 (3) By April 15 next after the filing deadline for the primary election, each candidate described
 23 in subsection (1) of this section shall file with the commission a statement of economic interest as
 24 required under ORS 244.060, 244.070 and 244.090.

25 (4) Within 30 days after the filing deadline for the general election, each candidate described in
 26 subsection (1) of this section who was not a candidate in the preceding primary election, or who
 27 was nominated for public office described in subsection (1) of this section at the preceding primary
 28 election by write-in votes, shall file with the commission a statement of economic interest as re-
 29 quired under ORS 244.060, 244.070 and 244.090.

30 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or
 31 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections
 32 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the
 33 filing deadline for the statewide general election.

34 (6) If a statement required to be filed under this section has not been received by the commis-
 35 sion within five days after the date the statement is due, the commission shall notify the public of-
 36 ficial or candidate and give the public official or candidate not less than 15 days to comply with the
 37 requirements of this section. If the public official or candidate fails to comply by the date set by the
 38 commission, the commission may impose a civil penalty as provided in ORS 244.350.

39 **SECTION 18.** ORS 249.056 is amended to read:

40 249.056. (1) At the time of filing a declaration of candidacy a candidate for the following offices
 41 shall pay to the officer with whom the declaration is filed the following fee:

- 42 (a) United States Senator, \$150.
- 43 (b) Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bu-
 44 reau of Labor and Industries, [*Superintendent of Public Instruction,*] Representative in Congress,
 45 judge of the Supreme Court, Court of Appeals or Oregon Tax Court, or executive officer or auditor

1 of a metropolitan service district, \$100.

2 (c) County officer, district attorney, county judge who exercises judicial functions or circuit
3 court judge, \$50.

4 (d) State Senator or Representative or councilor of a metropolitan service district under ORS
5 chapter 268, \$25.

6 (2) No filing fee shall be required of persons filing a declaration of candidacy for precinct com-
7 mitteeperson or justice of the peace.

8 **SECTION 19.** ORS 249.215 is amended to read:

9 249.215. (1) If a vacancy occurs in a state office before the 61st day before the first general
10 election to be held during that term of office, the remaining two years of the term of the state office
11 shall be filled by the electors at that general election.

12 (2) The remaining two years of the term of the state office shall commence on the second
13 Monday in January following the general election. Any appointment made to fill the vacancy shall
14 expire when a successor to the office is elected and qualified.

15 (3) Candidates for the remaining two years of the term of the state office under this section shall
16 be nominated as provided in this chapter except as follows:

17 (a) A major political party or a minor political party, by party rule, or an assembly of electors
18 or individual electors, may select a nominee; and

19 (b) The Secretary of State shall accept certificates of nomination and notifications of nominees
20 filed with the secretary pursuant to a schedule for filing set by the secretary, but in any case not
21 later than the 62nd day before the first general election.

22 (4) As used in this section, "state office" means the office of Governor, Secretary of State, State
23 Treasurer, Attorney General[,] **and** Commissioner of the Bureau of Labor and Industries [*and Su-
24 perintendent of Public Instruction*].

25 **SECTION 20.** ORS 258.036 is amended to read:

26 258.036. (1) Not later than the 40th day after the election or the seventh day after completion
27 of a recount of votes cast in connection with the election, any person authorized to contest a result
28 of the election may file a petition of contest. The petition shall be filed with:

29 (a) The Circuit Court for Marion County if the petition involves a state measure, a candidate
30 for election to the office of elector of President and Vice President of the United States or a candi-
31 dinate for nomination or election to the office of United States Senator, United States Represen-
32 tative in Congress, Governor, Secretary of State, State Treasurer, Attorney General, Commissioner
33 of the Bureau of Labor and Industries[, *Superintendent of Public Instruction*] or a position of judge
34 on the Oregon Supreme Court, the Oregon Court of Appeals or the Oregon Tax Court.

35 (b) The circuit court for the county where a majority of the electors in the electoral district
36 reside if the petition involves a candidate for nomination or election to the office of state Senator,
37 state Representative, circuit court judge or district attorney.

38 (c) The circuit court for the county in which the filing officer is located if the petition involves
39 a candidate for nomination or election to county, city or district office or a county, city or district
40 measure. If a district is located in more than one county, the petition shall be filed with the circuit
41 court for the county in which the administrative office of the district is located.

42 (d) The circuit court for the county in which the filing officer authorized to order the recall
43 election is located if the petition involves the recall of a public officer.

44 (2) The petition shall be verified in the manner required for verification of complaints in civil
45 cases and shall specify:

1 (a) The cause of the contest; and

2 (b) The names of all contestees.

3 **SECTION 21.** ORS 258.055 is amended to read:

4 258.055. (1) Except as provided in subsection (2) of this section, when a contestant files a peti-
 5 tion of contest with the circuit court described under ORS 258.036, the contestant shall, within three
 6 business days of filing the petition, publish a notice stating that the petition has been filed and
 7 identifying the date of the deadline described in this subsection for filing a motion to intervene. The
 8 notice must be published at least once in the next available issue of a newspaper of general circu-
 9 lation published in the county where the proceeding is pending. Jurisdiction over the election
 10 contest shall be complete within 10 days after the notice is published as provided in this subsection.
 11 Any person interested may at any time before the expiration of the 10 days appear and contest the
 12 validity of the proceeding, or of any of the acts or things enumerated in the proceeding.

13 (2) Subsection (1) of this section does not apply if the contest involves:

14 (a) A state measure.

15 (b) The election of a candidate to the office of elector of President and Vice President of the
 16 United States.

17 (c) The nomination or election of a candidate to the office of United States Senator, United
 18 States Representative in Congress, Governor, Secretary of State, State Treasurer, Attorney General,
 19 Commissioner of the Bureau of Labor and Industries[, *Superintendent of Public Instruction*] or a po-
 20 sition of judge on the Oregon Supreme Court, the Oregon Court of Appeals or the Oregon Tax
 21 Court.

22 (d) The recall of a person from the office of Governor, Secretary of State, State Treasurer, At-
 23 torney General, Commissioner of the Bureau of Labor and Industries[, *Superintendent of Public In-*
 24 *struction*] or a position of judge on the Oregon Supreme Court, the Oregon Court of Appeals or the
 25 Oregon Tax Court.

26 (3) Not later than two business days after the contestant files a petition of contest with the
 27 circuit court, the contestant shall serve a copy of the petition by certified mail on each contestee.
 28 If the Secretary of State or county clerk is not a contestee, not later than one business day after
 29 the contestant files a petition of contest with the circuit court, the contestant shall file a copy of
 30 the petition with:

31 (a) The Secretary of State if the petition involves a candidate for state office, the recall of a
 32 person from state office or a state measure; or

33 (b) The county clerk if the petition involves a candidate for county, city or district office, the
 34 recall of a person from county, city or district office or a county, city or district measure. As used
 35 in this paragraph, "county clerk" includes the county clerk of the county in which the administra-
 36 tive office of a city or district is located regarding a measure, a recall or a candidate for an office
 37 to be voted on in a city or district located in more than one county.

38 (4) The circuit court shall fix a time for the hearing by the circuit court of the contest pro-
 39 ceeding, and not later than the fifth day before the hearing shall give written notice of the hearing
 40 to each party to the proceeding. In fixing the time for the hearing, the court shall consider the dates
 41 set in any notice published under subsection (1) of this section and the dates of service on the
 42 contestees. The contest proceeding shall take precedence over all other business on the circuit court
 43 docket.

44 (5) The circuit court shall hear and determine the proceeding without a jury and shall issue
 45 written findings of law and fact. The practice and procedure otherwise applicable to civil cases

1 shall govern the proceeding, except that the contestant has the burden of proof by clear and con-
2 vincing evidence.

3 **SECTION 22.** ORS 260.005 is amended to read:

4 260.005. As used in this chapter:

5 (1)(a) "Candidate" means:

6 (A) An individual whose name is printed on a ballot, for whom a declaration of candidacy,
7 nominating petition or certificate of nomination to public office has been filed or whose name is
8 expected to be or has been presented, with the individual's consent, for nomination or election to
9 public office;

10 (B) An individual who has solicited or received and accepted a contribution, made an expendi-
11 ture, or given consent to an individual, organization, political party or political committee to solicit
12 or receive and accept a contribution or make an expenditure on the individual's behalf to secure
13 nomination or election to any public office at any time, whether or not the office for which the in-
14 dividual will seek nomination or election is known when the solicitation is made, the contribution
15 is received and retained or the expenditure is made, and whether or not the name of the individual
16 is printed on a ballot; or

17 (C) A public office holder against whom a recall petition has been completed and filed.

18 (b) For purposes of this section and ORS 260.035 to 260.156, "candidate" does not include a
19 candidate for the office of precinct committeeperson.

20 (2) "Committee director" means any person who directly and substantially participates in
21 decision-making on behalf of a political committee concerning the solicitation or expenditure of
22 funds and the support of or opposition to candidates or measures. The officers of a political party
23 shall be considered the directors of any political party committee of that party, unless otherwise
24 provided in the party's bylaws.

25 (3) Except as provided in ORS 260.007, "contribute" or "contribution" includes:

26 (a) The payment, loan, gift, forgiving of indebtedness, or furnishing without equivalent compen-
27 sation or consideration, of money, services other than personal services for which no compensation
28 is asked or given, supplies, equipment or any other thing of value:

29 (A) For the purpose of influencing an election for public office or an election on a measure, or
30 of reducing the debt of a candidate for nomination or election to public office or the debt of a pol-
31 itical committee; or

32 (B) To or on behalf of a candidate, political committee or measure;

33 (b) Any unfulfilled pledge, subscription, agreement or promise, whether or not legally enforcea-
34 ble, to make a contribution; and

35 (c) The excess value of a contribution made for compensation or consideration of less than
36 equivalent value.

37 (4) "Controlled committee" means a political committee that, in connection with the making of
38 contributions or expenditures:

39 (a) Is controlled directly or indirectly by a candidate or a controlled committee; or

40 (b) Acts jointly with a candidate or controlled committee.

41 (5) "Controlled directly or indirectly by a candidate" means:

42 (a) The candidate, the candidate's agent, a member of the candidate's immediate family or any
43 other political committee that the candidate controls has a significant influence on the actions or
44 decisions of the political committee; or

45 (b) The candidate's principal campaign committee and the political committee both have the

1 candidate or a member of the candidate’s immediate family as a treasurer or director.

2 (6) “County clerk” means the county clerk or the county official in charge of elections.

3 (7) “Elector” means an individual qualified to vote under section 2, Article II of the Oregon
4 Constitution.

5 (8) Except as provided in ORS 260.007, “expend” or “expenditure” includes the payment or fur-
6 nishing of money or anything of value or the incurring or repayment of indebtedness or obligation
7 by or on behalf of a candidate, political committee or person in consideration for any services,
8 supplies, equipment or other thing of value performed or furnished for any reason, including support
9 of or opposition to a candidate, political committee or measure, or for reducing the debt of a can-
10 didate for nomination or election to public office. “Expenditure” also includes contributions made
11 by a candidate or political committee to or on behalf of any other candidate or political committee.

12 (9) “Filing officer” means:

13 (a) The Secretary of State:

14 (A) Regarding a candidate for public office;

15 (B) Regarding a statement required to be filed under ORS 260.118;

16 (C) Regarding any measure; or

17 (D) Regarding any political committee.

18 (b) In the case of an irrigation district formed under ORS chapter 545, “filing officer” means:

19 (A) The county clerk, regarding any candidate for office or any measure at an irrigation district
20 formation election where the proposed district is situated wholly in one county;

21 (B) The county clerk of the county in which the office of the secretary of the proposed irrigation
22 district will be located, regarding any candidate for office or any measure at an irrigation district
23 formation election where the proposed district is situated in more than one county; or

24 (C) The secretary of the irrigation district for any election other than an irrigation district
25 formation election.

26 (10) “Independent expenditure” means an expenditure by a person for a communication in sup-
27 port of or in opposition to a clearly identified candidate or measure that is not made with the co-
28 operation or with the prior consent of, or in consultation with, or at the request or suggestion of,
29 a candidate or any agent or authorized committee of the candidate, or any political committee or
30 agent of a political committee supporting or opposing a measure. For purposes of this subsection:

31 (a) “Agent” means any person who has:

32 (A) Actual oral or written authority, either express or implied, to make or to authorize the
33 making of expenditures on behalf of a candidate or on behalf of a political committee supporting or
34 opposing a measure; or

35 (B) Been placed in a position within the campaign organization where it would reasonably ap-
36 pear that in the ordinary course of campaign-related activities the person may authorize expen-
37 ditures.

38 (b)(A) “Clearly identified” means, with respect to candidates:

39 (i) The name of the candidate involved appears;

40 (ii) A photograph or drawing of the candidate appears; or

41 (iii) The identity of the candidate is apparent by unambiguous reference.

42 (B) “Clearly identified” means, with respect to measures:

43 (i) The ballot number of the measure appears;

44 (ii) A description of the measure’s subject or effect appears; or

45 (iii) The identity of the measure is apparent by unambiguous reference.

1 (c) “Communication in support of or in opposition to a clearly identified candidate or measure”
 2 means:

3 (A) The communication, taken in its context, clearly and unambiguously urges the election or
 4 defeat of a clearly identified candidate for nomination or election to public office, or the passage
 5 or defeat of a clearly identified measure;

6 (B) The communication, as a whole, seeks action rather than simply conveying information; and

7 (C) It is clear what action the communication advocates.

8 (d) “Made with the cooperation or with the prior consent of, or in consultation with, or at the
 9 request or suggestion of, a candidate or any agent or authorized committee of the candidate, or any
 10 political committee or agent of a political committee supporting or opposing a measure”:

11 (A) Means any arrangement, coordination or direction by the candidate or the candidate’s agent,
 12 or by any political committee or agent of a political committee supporting or opposing a measure,
 13 prior to the publication, distribution, display or broadcast of the communication. An expenditure
 14 shall be presumed to be so made when it is:

15 (i) Based on information about the plans, projects or needs of the candidate, or of the political
 16 committee supporting or opposing a measure, and provided to the expending person by the candidate
 17 or by the candidate’s agent, or by any political committee or agent of a political committee sup-
 18 porting or opposing a measure, with a view toward having an expenditure made; or

19 (ii) Made by or through any person who is or has been authorized to raise or expend funds, who
 20 is or has been an officer of a political committee authorized by the candidate or by a political
 21 committee or agent of a political committee supporting or opposing a measure, or who is or has been
 22 receiving any form of compensation or reimbursement from the candidate, the candidate’s principal
 23 campaign committee or agent or from any political committee or agent of a political committee
 24 supporting or opposing a measure.

25 (B) Does not mean providing to the expending person upon request a copy of this chapter or any
 26 rules adopted by the Secretary of State relating to independent expenditures.

27 (11) “Initiative petition” means a petition to initiate a measure for which a prospective petition
 28 has been filed but that is not yet a measure.

29 (12) “Judge” means judge of the Supreme Court, Court of Appeals, circuit court or the Oregon
 30 Tax Court.

31 (13) “Mass mailing” means more than 200 substantially similar pieces of mail, but does not in-
 32 clude a form letter or other mail that is sent in response to an unsolicited request, letter or other
 33 inquiry.

34 (14) “Measure” includes any of the following submitted to the people for their approval or re-
 35 jection at an election:

36 (a) A proposed law.

37 (b) An Act or part of an Act of the Legislative Assembly.

38 (c) A revision of or amendment to the Oregon Constitution.

39 (d) Local, special or municipal legislation.

40 (e) A proposition or question.

41 (15) “Occupation” means:

42 (a) The nature of an individual’s principal business; and

43 (b) If the individual is employed by another person, the business name and address, by city and
 44 state, of the employer.

45 (16) “Person” means an individual, corporation, limited liability company, labor organization,

1 association, firm, partnership, joint stock company, club, organization or other combination of indi-
2 viduals having collective capacity.

3 (17) "Petition committee" means an initiative, referendum or recall petition committee organized
4 under ORS 260.118.

5 (18) "Political committee" means a combination of two or more individuals, or a person other
6 than an individual, that has:

7 (a) Received a contribution for the purpose of supporting or opposing a candidate, measure or
8 political party; or

9 (b) Made an expenditure for the purpose of supporting or opposing a candidate, measure or
10 political party. For purposes of this paragraph, an expenditure does not include:

11 (A) A contribution to a candidate or political committee that is required to report the contri-
12 bution on a statement filed under ORS 260.057, 260.076 or 260.102 or a certificate filed under ORS
13 260.112; or

14 (B) An independent expenditure for which a statement is required to be filed by a person under
15 ORS 260.044.

16 (19) "Public office" means any national, state, county, district, city office or position, except a
17 political party office, that is filled by the electors.

18 (20) "Recall petition" means a petition to recall a public officer for which a prospective petition
19 has been filed but that is not yet a measure.

20 (21) "Referendum petition" means a petition to refer a measure for which a prospective petition
21 has been filed but that is not yet a measure.

22 (22) "Regular district election" means the regular district election described in ORS 255.335.

23 (23) "Slate mailer" means a mass mailing that supports or opposes a total of three or more
24 candidates or measures.

25 (24)(a) "Slate mailer organization" means any person who directly or indirectly:

26 (A) Is involved in the production of one or more slate mailers and exercises control over the
27 selection of the candidates and measures to be supported or opposed in the slate mailers; and

28 (B) Receives or is promised payment for producing one or more slate mailers or for endorsing
29 or opposing, or refraining from endorsing or opposing, a candidate or measure in one or more slate
30 mailers.

31 (b) "Slate mailer organization" does not include:

32 (A) A political committee organized by a political party; or

33 (B) A political committee organized by the caucus of either the Senate or the House of Repre-
34 sentatives of the Legislative Assembly.

35 (25) "State office" means the office of Governor, Secretary of State, State Treasurer, Attorney
36 General, Commissioner of the Bureau of Labor and Industries, [*Superintendent of Public*
37 *Instruction,*] state Senator, state Representative, judge or district attorney.

38 **SECTION 23.** ORS 260.076 is amended to read:

39 260.076. (1) A legislative official, statewide official or candidate therefor, or the official's or
40 candidate's principal campaign committee, shall file statements showing contributions received by
41 or on behalf of the official, candidate or committee during the period beginning January 1 imme-
42 diately preceding a regular biennial session of the Legislative Assembly and ending upon
43 adjournment of the regular biennial session of the Legislative Assembly, or during any special ses-
44 sion of the Legislative Assembly.

45 (2) The Governor, Governor-elect or a candidate for Governor, or the principal campaign com-

1 mittee of the Governor, Governor-elect or candidate, shall file statements showing contributions re-
2 ceived by or on behalf of the Governor, Governor-elect, candidate or committee during the period
3 beginning January 1 immediately preceding a regular biennial session of the Legislative Assembly
4 and ending 30 business days following adjournment of the regular biennial session of the Legislative
5 Assembly, or during any special session of the Legislative Assembly.

6 (3) A person or political committee affiliated with a political party, caucus of either house of the
7 Legislative Assembly, legislative official, statewide official or the Governor, Governor-elect or can-
8 didate for Governor shall file statements showing contributions received by the person or committee
9 on behalf of a legislative official, statewide official or candidate therefor, during the period begin-
10 ning January 1 immediately preceding a regular biennial session of the Legislative Assembly and
11 ending upon adjournment of the regular biennial session of the Legislative Assembly, or during any
12 special session of the Legislative Assembly.

13 (4) A person or political committee affiliated with a political party, caucus of either house of the
14 Legislative Assembly, legislative official, statewide official or the Governor, Governor-elect or can-
15 didate for Governor shall file statements showing contributions received by the person or committee
16 on behalf of the Governor, Governor-elect or candidate for Governor, during the period beginning
17 January 1 immediately preceding a regular biennial session of the Legislative Assembly and ending
18 30 business days following adjournment of the regular biennial session of the Legislative Assembly,
19 or during any special session of the Legislative Assembly.

20 (5) A statement described in subsections (1) to (4) of this section shall be filed with the Secretary
21 of State on a form prescribed by the secretary. For contributions received during the period begin-
22 ning on January 1 immediately preceding a regular biennial session of the Legislative Assembly and
23 ending on the first day of the regular biennial session, a statement shall be filed not later than two
24 business days after the first day of the regular biennial session. For contributions received on or
25 after the first day of the regular biennial session, a statement shall be filed not later than two
26 business days after the date a contribution is received. For contributions received during any special
27 session of the Legislative Assembly, a statement shall be filed not later than two business days after
28 the date a contribution is received.

29 (6) If a statement has been filed under subsections (1) to (4) of this section, the next statement
30 filed by the Governor, Governor-elect, official, candidate, principal campaign committee or other
31 political committee under ORS 260.057 shall include the contributions reported in statements filed
32 under this section.

33 (7) This section applies notwithstanding the filing of a certificate under ORS 260.112.

34 (8) As used in this section:

35 (a) "Legislative official" means any member or member-elect of the Legislative Assembly.

36 (b) "Statewide official" means the Secretary of State or Secretary of State-elect, State Treasurer
37 or State Treasurer-elect, [*Superintendent of Public Instruction or Superintendent-elect of Public In-*
38 *struction,*] Attorney General or Attorney General-elect and the Commissioner of the Bureau of Labor
39 and Industries or the Commissioner-elect of the Bureau of Labor and Industries.

40 **SECTION 24.** ORS 292.311 is amended to read:

41 292.311. The incumbents of each of the following offices shall be paid an annual salary on a
42 monthly basis, as follows:

43 (1) Governor, \$93,600 for the year beginning July 1, 2009, and for each year thereafter. The
44 Governor shall also be paid \$1,000 per month regularly for expenses necessarily incurred but not
45 otherwise provided for.

1 (2) Secretary of State, \$72,000 for the year beginning July 1, 2009, and for each year thereafter.
 2 The Secretary of State shall also be paid \$250 per month regularly for expenses necessarily incurred
 3 but not otherwise provided for.

4 (3) State Treasurer, \$72,000 for the year beginning July 1, 2009, and for each year thereafter.
 5 The State Treasurer shall also be paid \$250 per month regularly for expenses necessarily incurred
 6 but not otherwise provided for.

7 (4) Attorney General, \$77,200 for the year beginning July 1, 2009, and for each year thereafter.
 8 The Attorney General shall also be paid \$250 per month regularly for expenses necessarily incurred
 9 but not otherwise provided for.

10 [(5) *Superintendent of Public Instruction, \$72,000 for the year beginning July 1, 2009, and for each*
 11 *year thereafter. The superintendent shall also be paid \$250 per month regularly for expenses neces-*
 12 *sarily incurred but not otherwise provided for.*]

13 [(6)] (5) Commissioner of the Bureau of Labor and Industries, \$72,000 for the year beginning July
 14 1, 2009, and for each year thereafter. The commissioner shall also be paid \$250 per month regularly
 15 for expenses necessarily incurred but not otherwise provided for.

16 **SECTION 25.** ORS 292.430 is amended to read:

17 292.430. (1) In addition to the annual salaries established as provided in ORS 292.907 to 292.930,
 18 the Oregon Department of Administrative Services may “pick-up,” assume and pay to the Public
 19 Employees Retirement Fund any employee contributions, otherwise required by ORS 238.200, for the
 20 Governor, Secretary of State, State Treasurer, Attorney General, [*Superintendent of Public Instruc-*
 21 *tion,*] Commissioner of the Bureau of Labor and Industries and members of the Legislative Assembly.

22 (2) The department may provide health, dental, life and long-term disability insurance without
 23 cost to the officers referred to in subsection (1) of this section and to judges of the Supreme Court,
 24 Court of Appeals, Oregon Tax Court and circuit courts in such amounts as are provided from time
 25 to time to employees in the unclassified service of the state.

26 **SECTION 26.** ORS 292.930 is amended to read:

27 292.930. Each of the following elective officers shall be paid an annual salary on a monthly basis
 28 as determined by the Legislative Assembly each biennium:

- 29 (1) Governor.
- 30 (2) Secretary of State.
- 31 (3) State Treasurer.
- 32 (4) Attorney General.
- 33 [(5) *Superintendent of Public Instruction.*]
- 34 [(6)] (5) Commissioner of the Bureau of Labor and Industries.
- 35 [(7)] (6) Chief Judge of the Court of Appeals.
- 36 [(8)] (7) Court of Appeals Judge.
- 37 [(9)] (8) Chief Justice of the Supreme Court.
- 38 [(10)] (9) Supreme Court Judge.
- 39 [(11)] (10) Circuit Court Judge.
- 40 [(12)] (11) Tax Court Judge.

41
 42 **STATE BOARD OF HIGHER EDUCATION**

43
 44 **SECTION 27.** (1) **The State Board of Higher Education is abolished. On June 30, 2014, the**
 45 **tenure of office of the members of the State Board of Higher Education ceases.**

1 (2) All the duties, functions and powers of the State Board of Higher Education are im-
2 posed upon, transferred to and vested in the State Board of Education.

3 **SECTION 28.** (1) The president of the State Board of Higher Education shall:

4 (a) Deliver to the Superintendent of Public Instruction all records and property within
5 the jurisdiction of the State Board of Higher Education that relate to the duties, functions
6 and powers transferred by section 27 of this 2011 Act; and

7 (b) Transfer to the Superintendent of Public Instruction those employees engaged pri-
8 marily in the exercise of the duties, functions and powers transferred by section 27 of this
9 2011 Act.

10 (2) The Superintendent of Public Instruction shall take possession of the records and
11 property, and shall take charge of the employees and employ them in the exercise of the
12 duties, functions and powers transferred by section 27 of this 2011 Act, without reduction
13 of compensation but subject to change or termination of employment or compensation as
14 provided by law.

15 (3) The Governor shall resolve any dispute between the president of the State Board of
16 Higher Education and the Superintendent of Public Instruction relating to transfers of re-
17 cords, property and employees under this section, and the Governor's decision is final.

18 **SECTION 29.** (1) The unexpended balances of amounts authorized to be expended by the
19 State Board of Higher Education for the biennium beginning July 1, 2013, from revenues
20 dedicated, continuously appropriated, appropriated or otherwise made available for the pur-
21 pose of administering and enforcing the duties, functions and powers transferred by section
22 27 of this 2011 Act are transferred to and are available for expenditure by the State Board
23 of Education for the biennium beginning July 1, 2013, for the purpose of administering and
24 enforcing the duties, functions and powers transferred to the State Board of Education by
25 section 27 of this 2011 Act.

26 (2) The expenditure classifications, if any, established by Acts authorizing or limiting
27 expenditures by the State Board of Higher Education remain applicable to expenditures by
28 the State Board of Education under this section.

29 **SECTION 30.** The transfer of duties, functions and powers to the State Board of Educa-
30 tion by section 27 of this 2011 Act does not affect any action, proceeding or prosecution in-
31 volving or with respect to such duties, functions and powers begun before and pending at the
32 time of the transfer, except that the State Board of Education is substituted for the State
33 Board of Higher Education in the action, proceeding or prosecution.

34 **SECTION 31.** (1) Nothing in this 2011 Act relieves a person of a liability, duty or obli-
35 gation accruing under or with respect to the duties, functions and powers transferred by
36 section 27 of this 2011 Act. The State Board of Education may undertake the collection or
37 enforcement of any such liability, duty or obligation.

38 (2) The rights and obligations of the State Board of Higher Education legally incurred
39 under contracts, leases and business transactions executed, entered into or begun before
40 July 1, 2014, are transferred to the State Board of Education. For the purpose of succession
41 to these rights and obligations, the State Board of Education is a continuation of the State
42 Board of Higher Education and not a new authority.

43 **SECTION 32.** Notwithstanding the transfer of duties, functions and powers by section 27
44 of this 2011 Act, the rules of the State Board of Higher Education in effect on July 1, 2014,
45 continue in effect until superseded or repealed by rules of the State Board of Education.

1 **References in rules of the State Board of Higher Education to the State Board of Higher**
2 **Education or an officer or employee of the State Board of Higher Education are considered**
3 **to be references to the State Board of Education, when used in reference to the duties,**
4 **functions and powers described in section 27 of this 2011 Act.**

5 **SECTION 33. Whenever, in any uncodified law or resolution of the Legislative Assembly**
6 **or in any rule, document, record or proceeding authorized by the Legislative Assembly, ref-**
7 **erence is made to the State Board of Higher Education or an officer or employee of the State**
8 **Board of Higher Education, the reference is considered to be a reference to the State Board**
9 **of Education, when used in reference to the duties, functions and powers described in section**
10 **27 of this 2011 Act.**

11 **SECTION 34. For the purpose of harmonizing and clarifying statutory law, the Legislative**
12 **Counsel may substitute for words designating the “State Board of Higher Education” or its**
13 **officers, wherever they occur in statutory law, words designating the “State Board of Edu-**
14 **cation” or its officers, when used in reference to the duties, functions and powers described**
15 **in section 27 of this 2011 Act.**

16 **SECTION 35. During the period between the effective date of the amendment to the**
17 **Oregon Constitution proposed by Senate Joint Resolution 4 (2011), and July 1, 2014, the State**
18 **Board of Education may take such action as is essential in order that the duties, functions**
19 **and powers that are transferred as described in section 27 of this 2011 Act may be completed**
20 **to the extent that the members of the State Board of Education may carry out their required**
21 **functions when they take office on July 1, 2014.**

22 **SECTION 36. ORS 352.002 is amended to read:**

23 352.002. (1) The Oregon University System consists of the programs, activities and institutions
24 of higher education under the jurisdiction of the State Board of [*Higher*] Education including the
25 following:

- 26 [(1)] (a) University of Oregon.
27 [(2)] (b) Oregon State University.
28 [(3)] (c) Portland State University.
29 [(4)] (d) Oregon Institute of Technology.
30 [(5)] (e) Western Oregon University.
31 [(6)] (f) Southern Oregon University.
32 [(7)] (g) Eastern Oregon University.

33 **(2) The Oregon University System shall function under the direction and control of the**
34 **State Board of Education with the Chancellor for the Oregon University System serving as**
35 **the executive head of the Oregon University System and directing and supervising all activ-**
36 **ities of the system.**

37 **SECTION 37. ORS 30.264 is amended to read:**

38 30.264. (1) The State Board of [*Higher*] Education may authorize higher education institutions
39 [*under the control of the board*] **within the Oregon University System** to provide liability insurance
40 coverage for students involved in off-campus experiential activities, including, but not limited to,
41 student teaching, internships, clinical experiences, capstone projects and related activities.

42 (2) If commercial liability insurance coverage is not available to higher education institutions,
43 students participating in the activities described in subsection (1) of this section shall be considered
44 to be acting within the course and scope of state employment duties for purposes of ORS 30.260 to
45 30.300.

1 **SECTION 38.** ORS 30.864 is amended to read:

2 30.864. (1) Any person claiming to be aggrieved by the reckless disclosure of personally iden-
3 tifiable information from a student's education records as prohibited by rules of the State Board of
4 Education [*or the State Board of Higher Education*] may file a civil action in circuit court for equi-
5 table relief or, subject to the terms and conditions of ORS 30.265 to 30.300, for damages, or both.
6 The court may order such other relief as may be appropriate.

7 (2) The action authorized by this section shall be filed within two years of the alleged unlawful
8 disclosure.

9 (3) In an action brought under this section, the court may allow the prevailing party costs, dis-
10 bursements and reasonable attorney fees.

11 **SECTION 39.** ORS 36.155 is amended to read:

12 36.155. The Dean of the University of Oregon School of Law shall award grants for the purpose
13 of providing dispute resolution services in counties. Grants under this section shall be made from
14 funds appropriated to the Oregon University System on behalf of the University of Oregon School
15 of Law for distribution under this section. The State Board of [*Higher*] Education may adopt rules
16 for the operation of the grant program.

17 **SECTION 40.** ORS 62.720 is amended to read:

18 62.720. (1) All intangible personal property distributable in the course of a voluntary or invol-
19 untary dissolution of a cooperative that is unclaimed by the owner within two years after the date
20 for final distribution is presumed abandoned. Such property shall be subject to the provisions of ORS
21 98.302 to 98.436 and 98.992, except that with respect to agricultural cooperatives, the report of un-
22 claimed property shall be filed with the Department of State Lands as set forth in ORS 98.352. A
23 copy of the report shall also be filed with the State Board of [*Higher*] Education.

24 (2) All unclaimed property specified in the report required by ORS 98.352 shall be delivered
25 within the time specified in ORS 98.362 to the Department of State Lands which shall assume cus-
26 tody and shall be responsible for the safekeeping thereof. The department shall reconcile the report
27 to the delivered funds, deduct the costs as provided for in subsection (3) of this section, and forward
28 the funds to the State Board of [*Higher*] Education within 14 working days of receipt of the funds.
29 Any person who pays or delivers unclaimed property to the Department of State Lands under this
30 section is relieved of all liability to the extent of the value of the property so paid or delivered for
31 any claim which then exists or which thereafter may arise or be made in respect to the property.

32 (3) All funds received under this section shall be used for the benefit of Oregon State University
33 in such programs related to agricultural research as the university may determine except for:

34 (a) The payment of claims which may be made pursuant to this section; and

35 (b) The payment of expenses of mailing and publication in connection with any unclaimed
36 property, reasonable service charges and expenses of the Department of State Lands in connection
37 with claims made pursuant to ORS 98.392 to 98.402.

38 (4) The provisions of ORS 98.392 to 98.402 are applicable to claims against unclaimed property
39 delivered to the State Board of [*Higher*] Education pursuant to this section. The State Board of
40 [*Higher*] Education shall pay such claims from funds delivered to it pursuant to this section within
41 30 days of receipt of a verified copy of a finding and decision of the Department of State Lands made
42 pursuant to ORS 98.396 or a certified copy of a judgment made pursuant to ORS 98.402.

43 (5) As used in this section, an agricultural cooperative is any cooperative in which farmers act
44 together in producing, processing, preparing for market, handling or marketing the agricultural
45 products of such farmers, and any cooperative in which farmers act together in purchasing, testing,

1 grading, processing, distributing and furnishing farm supplies or farm business services.

2 (6) The provisions of this section are applicable with respect to the voluntary or involuntary
3 dissolution of any cooperative, which dissolution commenced on or after January 1, 1970.

4 **SECTION 41.** ORS 182.122 is amended to read:

5 182.122. (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (6) After consultation and collaborative development with agencies, the Oregon Department of
43 Administrative Services shall implement forensic techniques and controls for the security of infor-
44 mation systems, whether those systems are within, interoperable with or outside the state's shared
45 computing and network infrastructure. The techniques and controls must include the use of spe-

1 cialized expertise, tools and methodologies, to investigate events that damage or threaten the
 2 availability, integrity or confidentiality of information systems or the information stored in infor-
 3 mation systems. The department shall consult with the Oregon State Police, the Office of Emergency
 4 Management, the Governor and others as necessary in developing forensic techniques and controls
 5 under this section.

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

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

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

22 (9) This section does not apply to:

23 (a) Research and student computer systems used by or in conjunction with the State Board of
 24 *[Higher]* Education **in relation to higher education** or any state institution of higher education
 25 within the Oregon University System; and

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

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

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

32 **SECTION 42.** ORS 184.631 is amended to read:

33 184.631. (1) The Department of Transportation shall establish a public-private partnership re-
 34 search and development program.

35 (2) As part of the program established under this section, the department may enter into joint
 36 research and development agreements for the purpose of developing products for market that may
 37 reduce the cost of maintenance and preservation or extend the useful life of the state's highways
 38 or that may improve highway safety. The department may enter into agreements with the following:

39 (a) Individuals.

40 (b) Businesses.

41 (c) Nonprofit organizations.

42 (d) The State Board of *[Higher]* Education.

43 (3) The department may enter into agreements under subsection (2) of this section that allow the
 44 department to obtain royalties or other financial benefits from the sale or use of products developed
 45 through the public-private partnership research and development program.

1 (4) Moneys that the department is authorized to spend on planning and research may be used
2 for development of products under this section.

3 (5) The department shall adopt rules that govern the solicitation and selection of product de-
4 velopment projects that will receive funding under the program established under this section.

5 **SECTION 43.** ORS 190.510 is amended to read:

6 190.510. As used in ORS 190.510 to 190.610[, *unless the context requires otherwise*]:

7 (1) "Board" means the State Board of [*Higher*] Education [*established under ORS 351.010*].

8 (2) "City" means any incorporated city or town.

9 **SECTION 44.** ORS 190.520 is amended to read:

10 190.520. (1) The State Board of [*Higher*] Education shall:

11 (a) Annually estimate the population as of July 1 of each city and county within the state and
12 no later than December 15 of each year prepare a certificate of population showing the board's es-
13 timate of the population of each city and county within the state as of July 1. The board's estimate
14 may be based upon statistical or other pertinent data or upon an actual count. The certificate shall
15 also indicate the results of any enumeration of cities or annexed areas made after July 1.

16 (b) Annually estimate the number of persons between the ages of 4 and 20 who resided in each
17 county as of October 25. The board shall certify such estimate to the Superintendent of Public In-
18 struction and to the executive officer of the administrative office of each county, as defined in ORS
19 328.001, by January 1 of each year.

20 (c) Upon an official request from a city, county, political subdivision, public corporation or state
21 agency, cause to be conducted at the expense of the requesting party an actual count of the popu-
22 lation of the area specified in the request and prepare a certificate of population based upon such
23 count.

24 (d) Upon the incorporation of a city, cause to be conducted at the expense of the city an actual
25 count of the population of the city. The board shall prepare a certificate of population based upon
26 such count. If the election of officers of the newly incorporated city is held 40 days or more before
27 the end of the calendar quarter, the certificate shall be prepared before the end of the calendar
28 quarter. If the election is held less than 40 days before the end of the calendar quarter, the certifi-
29 cate shall be prepared before the end of the calendar quarter next following the election.

30 (2) All certificates prepared under this section shall be filed with the Portland State University
31 Population Research Center.

32 **SECTION 45.** ORS 190.530 is amended to read:

33 190.530. Upon petition from a city, county, political subdivision, public corporation or state
34 agency for reconsideration, or upon its own motion, the State Board of [*Higher*] Education may re-
35 vise its determination of the population of a city, county or other area. Payment of funds to a city,
36 county or other area under ORS 323.455, 366.785 to 366.820 or 471.810 shall be affected by a subse-
37 quent filing of a corrected certificate under this section in the manner provided by ORS 190.620.

38 **SECTION 46.** ORS 190.540 is amended to read:

39 190.540. (1) The population shown in the certificate of population of the State Board of
40 [*Higher*] Education filed pursuant to ORS 190.520 or 190.530 shall be the official population of the
41 city, county or other area covered by the certificate until a later certificate covering such city,
42 county or other area is filed by the board.

43 (2) After a certificate of population is filed pursuant to ORS 190.520 or 190.530, the population
44 of a city, county or other area as shown in the certificate shall be the official and exclusive basis
45 for determining per capita allocation and payment of funds to such city, county or other area under

1 ORS 366.785 to 366.820 and 471.810 until the filing by the board of a later certificate for such city,
 2 county or other area.

3 **SECTION 47.** ORS 190.580 is amended to read:

4 190.580. The State Board of [*Higher*] Education may adopt such rules and regulations as it con-
 5 siders desirable and expedient in the conduct of its duties under ORS 190.510 to 190.610.

6 **SECTION 48.** ORS 190.590 is amended to read:

7 190.590. Any state agency, or officer thereof, and any city, or department, officer or employee
 8 thereof, shall, upon request of the State Board of [*Higher*] Education, furnish such available infor-
 9 mation as may be required by the board in securing accurate data and information upon which to
 10 base its estimates. The board may prescribe the form for reporting such information.

11 **SECTION 49.** ORS 190.610 is amended to read:

12 190.610. The State Board of [*Higher*] Education shall establish a program at one or more of the
 13 institutions [*under its control*] **within the Oregon University System**, designed to perform the du-
 14 ties imposed upon it by ORS 190.510 to 190.610.

15 **SECTION 50.** ORS 196.438 is amended to read:

16 196.438. (1) The Governor shall establish an Ocean Policy Advisory Council that is staffed by
 17 the State Department of Fish and Wildlife, the Department of Land Conservation and Development
 18 and other departments as the Governor deems necessary. The council shall be composed of:

- 19 (a) The Governor or the Governor’s designee, as a nonvoting member;
- 20 (b) The director or the director’s designee of the following agencies, as nonvoting members:
 21 (A) Department of Environmental Quality;
- 22 (B) State Department of Fish and Wildlife;
- 23 (C) State Department of Geology and Mineral Industries;
- 24 (D) Department of Land Conservation and Development;
- 25 (E) Department of State Lands;
- 26 (F) Parks and Recreation Department;
- 27 (G) State Department of Agriculture; and
- 28 (H) On behalf of the State Board of [*Higher*] Education, the director or director’s designee of
 29 Oregon State University, Sea Grant College;
- 30 (c) A member of the governing body of Coos, Curry, Douglas or Lane County to be appointed
 31 by the Governor, chosen in consultation with and with the approval of a majority of the members
 32 of the governing bodies of Coos, Curry, Douglas and Lane Counties;
- 33 (d) A member of the governing body of Clatsop, Lincoln or Tillamook County to be appointed
 34 by the Governor, chosen in consultation with and with the approval of a majority of the members
 35 of the governing bodies of Clatsop, Lincoln and Tillamook Counties;
- 36 (e) An elected city official from a coastal city bordering the territorial sea to be appointed by
 37 the Governor with advice from an Oregon coastal zone management association;
- 38 (f) A representative of each of the following ocean interests, to be appointed by the Governor,
 39 and subject to confirmation by the Senate pursuant to section 4, Article III, Oregon Constitution:
 40 (A) Commercial ocean fisheries of the North Coast from Newport north;
- 41 (B) Commercial ocean fisheries of the South Coast south of Newport;
- 42 (C) Charter, sport or recreation ocean fisheries of the North Coast from Newport north;
- 43 (D) Charter, sport or recreation ocean fisheries of the South Coast south of Newport;
- 44 (E) Ports marine navigation or transportation;
- 45 (F) Coastal nonfishing recreation interests of surfing, diving, kayaking or windsurfing;

1 (G) A coastal conservation or environmental organization;

2 (H) Oregon Indian tribes appointed after consultation with the Commission on Indian Services;

3 (I) A coastwide organization representing a majority of small ports and local governments, as
4 a nonvoting member; and

5 (J) A statewide conservation or environmental organization; and

6 (g) Two representatives of the public, at least one of whom shall be a resident of a county bor-
7 dering the territorial sea, to be appointed by the Governor.

8 (2) The term of office of each member appointed by the Governor is four years, but a member
9 serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor
10 shall appoint a successor whose term begins on July 1 next following. A member is eligible for re-
11 appointment. If there is a vacancy for any cause, the Governor shall make an appointment to become
12 immediately effective for the unexpired term.

13 (3) A majority of the voting members of the council constitutes a quorum for the transaction
14 of business.

15 (4) The voting members of the council shall elect a person from among the membership to chair
16 the council.

17 **SECTION 51.** ORS 200.025 is amended to read:

18 200.025. (1) There is created, in the Office of the Governor, the Advocate for Minority, Women
19 and Emerging Small Business who shall be appointed by the Governor.

20 (2) There is created in the Oregon Business Development Department the Office for Minority,
21 Women and Emerging Small Business, the employees of which shall be appointed by the Director
22 of the Oregon Business Development Department.

23 (3)(a) The director may prescribe the duties and assignments of all officers and employees of the
24 Office for Minority, Women and Emerging Small Business. The director shall establish the compen-
25 sation of all officers and employees of the office.

26 (b) The officers and employees of the office shall be allowed reimbursement for reasonable and
27 necessary travel and other expenses incurred in the performance of their duties.

28 (4) The Advocate for Minority, Women and Emerging Small Business shall:

29 (a) Advise the Governor and the director on activities and initiatives that may promote the
30 economic integration of minorities, women and emerging small businesses into the business sector;

31 (b) Prepare an annual report to the Governor, director and Legislative Assembly on the status
32 of minorities and women in the marketplace, accomplishments and resolutions of issues of concern
33 to minority and women's enterprises and recommendations for executive and legislative actions; and

34 (c) Carry out other duties that may be assigned by the Governor.

35 (5) The Office for Minority, Women and Emerging Small Business shall:

36 (a) Provide information to minority, women and emerging small businesses;

37 (b) Assist in the development and implementation of an aggressive strategy for this state, based
38 on research and monitoring, that encourages participation of minorities, women and emerging small
39 businesses in the state's economy;

40 (c) Make recommendations to the director on the research, development and implementation of
41 the plan for the involvement of disadvantaged and minority groups and emerging small businesses
42 in all state programs;

43 (d) Maintain an Oregon Opportunity Register and Clearinghouse for information on public
44 agency and other contract solicitations for professional services, supplies and services and other bid
45 opportunities, in consultation with the State Board of [Higher] Education, the Department of

1 Transportation and other entities;

2 (e) Monitor the certification and compliance program for disadvantaged, minority, women and
3 emerging small businesses under ORS 200.055;

4 (f) Investigate complaints and possible abuses of the certification program; and

5 (g) Assist in the promotion and coordination of plans, programs and operations of state govern-
6 ment that strengthen minority and women participation in the economic life of this state.

7 **SECTION 52.** ORS 200.055 is amended to read:

8 200.055. (1) Any disadvantaged, minority, women or emerging small business enterprise is enti-
9 tled to be certified as such upon application to the Oregon Business Development Department. If the
10 application is approved by the department, the department shall certify the applicant as a disad-
11 vantaged, minority, women or emerging small business enterprise. The enterprise shall be considered
12 so certified by any public contracting agency.

13 (2) In consultation with the State Board of [*Higher*] Education and the Department of Trans-
14 portation, and with the approval of the Advocate for Minority, Women and Emerging Small Busi-
15 ness, the Oregon Business Development Department by rule shall adopt a uniform standard form and
16 procedure designed to provide complete documentation that a business enterprise is certified as a
17 disadvantaged, minority, women or emerging small business enterprise. The department shall com-
18 pile and make available upon request a list of certified disadvantaged, minority, women or emerging
19 small business enterprises.

20 (3) Any business enterprise that is refused certification as a disadvantaged business enterprise
21 or denied recertification as such or whose certification is revoked may appeal directly to the United
22 States Department of Transportation.

23 (4) Any business enterprise that is refused certification as a minority, women or emerging small
24 business enterprise or has its certification revoked may request a contested case hearing as pro-
25 vided in ORS chapter 183.

26 (5) The Oregon Business Development Department shall be the sole agency authorized to certify
27 enterprises as disadvantaged, minority, women or emerging small business enterprises eligible to
28 perform on public contracts in this state.

29 (6) The Oregon Business Development Department by rule may establish a fee not to exceed
30 \$100 for a copy of the list of certified disadvantaged, minority, women and emerging small business
31 enterprises and may assess state agencies for services under ORS 200.005 to 200.075.

32 (7) The Department of Transportation may collect a fee, not to exceed \$200, from a bidder upon
33 bidder prequalifications to cover the costs of the Oregon Business Development Department in ad-
34 ministering ORS 200.005 to 200.075. The Department of Transportation shall transfer such fees to
35 the credit of the account established under subsection (8) of this section.

36 (8) The Oregon Business Development Department shall establish a special account in which to
37 deposit fees and assessments. The special account is continuously appropriated to the department
38 to meet its expenses in administering ORS 200.005 to 200.075.

39 **SECTION 53.** ORS 238.200 is amended to read:

40 238.200. (1)(a) An active member of the Public Employees Retirement System shall contribute to
41 the Public Employees Retirement Fund and there shall be withheld from salary of the member six
42 percent of that salary as an employee contribution.

43 (b) Notwithstanding paragraph (a) of this subsection, an employee who is an active member of
44 the system on August 21, 1981, shall contribute to the fund and there shall be withheld from salary
45 of the member, as long as the employee continues to be an active member of the system, four percent

1 of that salary if the salary for a month is less than \$500, or five percent of that salary if the salary
 2 for a month is \$500 or more and less than \$1,000. Notwithstanding subsection (2) of this section, for
 3 the purpose of computing the percentage of salary to be withheld under this paragraph from a
 4 member who is an employee of a school district or of the State Board of *[Higher]* Education **in re-**
 5 **lation to higher education** whose salary is based on an annual agreement, the agreed annual salary
 6 of the member shall be divided into 12 equal installments, and each installment shall be considered
 7 as earned and paid in separate, consecutive months, commencing with the first month that payment
 8 is actually made under the terms of the salary agreement.

9 (2) The contributions of each member as provided in subsection (1) of this section shall be de-
 10 ducted by the employer from each payroll and transmitted by the employer to the Public Employees
 11 Retirement Board, which shall cause them to be credited to the member account of the member.
 12 Salary shall be considered earned in the month in which it is paid. The date inscribed on the pay-
 13 check or warrant shall be considered as the pay date, regardless of when the salary is actually de-
 14 livered to the member.

15 (3) An active member who is concurrently employed by more than one participating public em-
 16 ployer, and who is a member of or entitled to membership in the system, shall make contributions
 17 to the fund on the basis of salary paid by each employer.

18 (4) Notwithstanding subsections (1) to (3) of this section, a member of the system, or a partic-
 19 ipating employer acting on behalf of the member pursuant to ORS 238.205, is not permitted or re-
 20 quired to make employee contributions to the fund for service performed on or after January 1, 2004.
 21 This subsection does not affect any contribution for the purpose of unit purchases under ORS
 22 238.440 or amounts paid for acquisition of creditable service under ORS 238.105 to 238.175.

23 **SECTION 54.** ORS 238.215 is amended to read:

24 238.215. Notwithstanding any other provision of this chapter:

25 (1) An employee, as defined in ORS 243.910 (2), who is an active member of the system and who
 26 has elected, and not canceled that election, to be assisted by the State Board of *[Higher]* Education
 27 under ORS 243.920 (1), shall not contribute to the fund on any part of the annual salary of the em-
 28 ployee in excess of \$4,800 at any time during which the State Board of *[Higher]* Education assists
 29 the employee under ORS 243.920 (1).

30 (2) The current service pension, whether for service or disability retirement, under this chapter
 31 provided by the contributions of the employers of such employee shall be:

32 (a) If the State Board of *[Higher]* Education is assisting such employee under ORS 243.920 (1)
 33 at the time of retirement, a pension equal to the annuity provided by the employee's accumulated
 34 contributions to the fund.

35 (b) If the State Board of *[Higher]* Education is not assisting such employee under ORS 243.920
 36 (1) at the time of retirement, but previously so assisted the employee:

37 (A) For service before the date the State Board of *[Higher]* Education last ceased to assist the
 38 employee, a pension equal to the annuity provided by the employee's accumulated contributions to
 39 the fund before that date.

40 (B) For service on and after the date the State Board of *[Higher]* Education last ceased to so
 41 assist the employee, a pension computed as provided in ORS 238.300 (2), but if the employee retires
 42 before reaching the normal retirement age, actuarially reduced and computed on the then attained
 43 age. For the purpose of computing the pension under this subparagraph, only the number of years
 44 of membership of the employee after the day before that date and only the salary of the employee
 45 on which the employee contributes to the fund for those years shall be considered.

1 (3) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2),
 2 who is an active member of the system, who elected to be assisted by the State Board of Higher
 3 Education under ORS 243.920 (1) before January 1, 1968, who canceled that election within the first
 4 60 days of the calendar year 1968 as provided in ORS 243.940 (5) and who does not thereafter elect
 5 to be assisted by the State Board of [*Higher*] Education under ORS 243.920 (1).

6 (4) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2),
 7 who is an active member of the system and has been an active member of the system continuously
 8 since any date before January 1, 1968; who elected to be assisted by the State Board of Higher Ed-
 9 ucation under ORS 243.920 (1) before January 1, 1968; and who cancels that election in any calendar
 10 year after 1968, but before the calendar year in which the employee retires, as provided in ORS
 11 243.940 (5) and does not thereafter elect to be assisted by the State Board of [*Higher*] Education
 12 under ORS 243.920 (1). In this case the benefit, whether for service or disability retirement, shall
 13 be computed as under ORS 238.300; however, for service during periods in which the employee was
 14 assisted by the State Board of [*Higher*] Education under ORS 243.920 (1), a year of membership as
 15 used in ORS 238.300 (2) shall be a portion of a year which is represented by a fraction the numerator
 16 of which is \$4,800 and the denominator of which is the salary earned by the employee in that year.
 17 However, in no case shall the fraction be greater than one.

18 **SECTION 55.** ORS 238.300 is amended to read:

19 238.300. Upon retiring from service at normal retirement age or thereafter, a member of the
 20 system shall receive a service retirement allowance which shall consist of the following annuity and
 21 pensions:

22 (1) A refund annuity which shall be the actuarial equivalent of accumulated contributions, if
 23 any, by the member and interest thereon credited at the time of retirement, which annuity shall
 24 provide an allowance payable during the life of the member and at death a lump sum equal in
 25 amount to the difference between accumulated contributions at the time of retirement and the sum
 26 of the annuity payments actually made to the member during life shall be paid to such person, if any,
 27 as the member nominates by written designation duly acknowledged and filed with the board or shall
 28 otherwise be paid according to the provisions of this chapter for disposal of an amount credited to
 29 the member account of a member at the time of death in the event the member designates no ben-
 30 eficiary to receive the amount or no such beneficiary is able to receive the amount. If death of the
 31 member occurs before the first payment is due, the member account of the member shall be treated
 32 as though death had occurred before retirement.

33 (2)(a) A life pension (nonrefund) for current service provided by the contributions of employers,
 34 which pension, subject to paragraph (b) of this subsection, shall be an amount which, when added
 35 to the sum of the annuity, if any, under subsection (1) of this section and the annuity, if any, pro-
 36 vided on the same basis and payable from the Variable Annuity Account, both annuities considered
 37 on a refund basis, results in a total of:

38 (A) For service as a police officer or firefighter, two percent of final average salary multiplied
 39 by the number of years of membership in the system as a police officer or firefighter before the ef-
 40 fective date of retirement.

41 (B) For service as other than a police officer or firefighter, including service as a member of the
 42 Legislative Assembly, 1.67 percent of final average salary multiplied by the number of years of
 43 membership in the system as other than a police officer or firefighter before the effective date of
 44 retirement.

45 (b) A pension under this subsection shall be at least:

1 (A) For a member who first establishes membership in the system before July 1, 2003, the
 2 actuarial equivalent of the annuity provided by the accumulated contributions of the member. A
 3 person establishes membership in the system before July 1, 2003, for the purposes of this subpara-
 4 graph if:

5 (i) The person is a member of the system, or a judge member of the system, on the day imme-
 6 diately before July 1, 2003; or

7 (ii) The person performed any period of service for a participating public employer before July
 8 1, 2003, that is credited to the six-month period of employment required of an employee under ORS
 9 238.015 before an employee may become a member of the system.

10 (B) For a member who made contributions before August 21, 1981, the equivalent of a pension
 11 computed pursuant to this subsection as it existed immediately before that date.

12 (c) As used in this subsection, "number of years of membership" means the number of full years
 13 of creditable service plus any remaining fraction of a year of creditable service. Except as other-
 14 wise provided in this paragraph, in determining a remaining fraction a full month shall be consid-
 15 ered as one-twelfth of a year and a major fraction of a month shall be considered as a full month.
 16 Membership of a school district employee, an employee of the State Board of [*Higher*] Education
 17 engaged in teaching or other school activity at an institution of higher education or an employee
 18 of the Department of Human Services, the Oregon Youth Authority, the Department of Corrections
 19 or the State Board of Education engaged in teaching or other school activity at an institution
 20 supervised by the authority, board or department, for all portions of a school year in a calendar year
 21 in which the district school, institution of higher education or school activity at an institution so
 22 supervised in which the member is employed is normally in session shall be considered as a full
 23 one-half year of membership. The number of years of membership of a member who received a refund
 24 of contributions as provided in ORS 237.976 (2) is limited to the number of years after the day before
 25 the date on which the refund was received. The number of years of membership of a member who
 26 is separated, for any reason other than death or disability, from all service entitling the member to
 27 membership in the system, who withdraws the amount credited to the member account of the mem-
 28 ber in the fund during absence from such service and who thereafter reenters the service of an
 29 employer participating in the system but does not repay the amount so withdrawn as provided in
 30 this chapter, is limited to the number of years after the day before the date of so reentering.

31 (3) An additional life pension (nonrefund) for prior service credit, including military service,
 32 credited to the member at the time of first becoming a member of the system, as elsewhere provided
 33 in this chapter, which pension shall be provided by the contributions of the employer.

34 **SECTION 56.** ORS 238.350 is amended to read:

35 238.350. (1)(a) Upon the request by a public employer that its employees be compensated for
 36 accumulated unused sick leave with pay in the form of increased retirement benefits upon service
 37 or disability retirement, the board shall establish a procedure for adding to the gross amount of
 38 salary used in determining final average salary the monetary value of one-half of the accumulated
 39 unused sick leave with pay of each retiring employee of the requesting public employer and shall
 40 establish benefits of the retiring employee on the basis of a final average salary reflecting that ad-
 41 dition.

42 (b) For employees of a common school district, a union high school district, an education service
 43 district or a community college, or employees of the State Board of [*Higher*] Education engaged in
 44 teaching or other school activity at an institution of higher education, or employees of the school
 45 operated under ORS 346.010 engaged in teaching or other school activity, who are employed under

1 contract for a period of less than 12 consecutive months and who are entitled to sick leave with pay
2 of less than 96 hours for a year, each hour of accumulated unused sick leave with pay shall be
3 valued on the basis of the actual number of contract hours of employment during the last year of
4 contributing membership of an employee before retiring and the salary of the employee during the
5 same period. This paragraph does not apply to any employee who is employed under contract for
6 12 consecutive months in any of the three or less years used in determining the final average salary
7 of the employee.

8 (c) For the purpose of this subsection, accumulated unused sick leave with pay includes unused
9 sick leave with pay accumulated by an active member of the system while in the service of any
10 public employer participating in the system that has the request described in paragraph (a) of this
11 subsection in effect at the time of the member's separation from the service of the employer, whether
12 that employer is or is not the employer of the member at the time of the member's retirement.

13 (d) The board shall establish rules requiring all public employers participating in the system to
14 transmit to the board reports of unused sick leave with pay accumulated by their employees who
15 are members of the system and to provide timely notification to each of those employees of unused
16 sick leave with pay accumulated by the employee and reported to the board.

17 (2) Accumulated unused sick leave with pay may be considered for the purpose of subsection (1)
18 of this section only in accordance with the following requirements:

19 (a) Sick leave not credited at the rate actually provided by the public employer may not be
20 considered. The amount of sick leave exceeding an amount credited at the lowest rate in effect for
21 any employee of the public employer who is normally entitled to sick leave, and in any event ex-
22 ceeding an amount credited at a rate of eight hours for each full month worked, may not be con-
23 sidered.

24 (b) Sick leave credited for periods when an employee was absent from employment on sabbatical
25 leave, educational leave or any leave without pay may not be considered.

26 (c) Any period during which an employee was absent from employment for illness or injury that
27 was charged against sick leave not qualified for consideration shall be deducted from sick leave
28 qualified for consideration.

29 (d) Sick leave for any period for which the public employer provides no sick leave with pay for
30 its employees may not be considered.

31 (e) Sick leave accumulated on and after July 1, 1973, may be considered only to the extent it is
32 supported by records of accumulation and use pursuant to a plan adopted formally by the public
33 employer.

34 (f) Accumulated unused sick leave for periods before July 1, 1973, may be considered as follows:

35 (A) If any department, bureau or other organizational unit of a public employer maintained
36 formal records of accumulation and use even though the public employer did not require that those
37 records be maintained, the accumulated unused sick leave shall be considered according to those
38 records.

39 (B) Where the public employer provided sick leave before July 1, 1973, but formal records of
40 accumulation and use were not required or if required, are unavailable or incomplete, or the sick
41 leave was subject to administrative limitations on total accumulation or transfer between public
42 employers, accumulated unused sick leave for periods before July 1, 1973, may be considered as
43 equal to 2.675 hours for each full month worked or an amount per month equal to the average
44 monthly accumulation by an employee during the period beginning July 1, 1973, and ending at the
45 time of retirement, whichever amount is greater, but reduced by the amount of any accumulated

1 unused sick leave credited to the employee on July 1, 1973.

2 (g) The written certification of a member or former member of the Legislative Assembly shall
3 constitute a formal record of accumulation and use in determining the amount of accumulated un-
4 used sick leave of an employee of the Legislative Assembly, either of its houses or any of its com-
5 mittees or officers for periods of employment before July 1, 1981. Sick leave accumulated on and
6 after July 1, 1981, by employees of the Legislative Assembly, either of its houses or any of its com-
7 mittees or officers may be considered only to the extent it is supported by records of accumulation
8 and use maintained by the Legislative Administration Committee, or any statutory, standing, special
9 or interim committee of the Legislative Assembly or either house thereof, or any constitutional or
10 statutory office of the Legislative Assembly or either house thereof, pursuant to a plan adopted
11 formally by the committee or officer.

12 (3)(a) As used in this subsection, "legislative employee" means any person employed by the
13 Legislative Assembly, either of its houses or any of its committees or officers, but does not include
14 a regular employee of a statutory committee or statutory office of the Legislative Assembly de-
15 scribed in ORS 173.005 (1).

16 (b) Upon the request of a retiring legislative employee who is a member of the system, and the
17 request of the public employer of the legislative employee, that the legislative employee be com-
18 pensated for accumulated unused vacation with pay for periods of legislative employment in the form
19 of increased retirement benefits upon service or disability retirement, the board shall add to the
20 gross amount of salary used in determining final average salary of the legislative employee the
21 monetary value of one-half of the accumulated unused vacation with pay of the legislative employee
22 and shall establish the benefits of the legislative employee on the basis of a final average salary
23 reflecting that addition.

24 (c) Accumulated unused vacation with pay may be considered for the purposes of paragraph (b)
25 of this subsection only in accordance with the following requirements:

26 (A) Vacation not credited at the rate actually provided by the public employer may not be
27 considered.

28 (B) Amounts of vacation exceeding amounts creditable to employees in the classified service of
29 the state service pursuant to ORS 240.515 (1), and rules adopted pursuant thereto, in effect on June
30 30, 1981, shall not be considered.

31 (C) Vacation accumulated before, on and after July 1, 1981, may be considered only to the extent
32 it is supported by records of accumulation and use pursuant to a plan adopted formally by the public
33 employer. However, the written certification of a member or former member of the Legislative As-
34 sembly shall constitute a formal record of accumulation and use in determining the amount of ac-
35 cumulated unused vacation of a legislative employee for periods of legislative employment before
36 July 1, 1981.

37 (4) Employers with plans providing payments on account of sickness in lieu of sick leave with
38 pay may request the board to consider the monetary value of accumulated unused payments on ac-
39 count of sickness as if such payments were an equivalent amount of accumulated unused sick leave
40 with pay under the same terms and conditions specified in subsections (1) and (2) of this section.

41 **SECTION 57.** ORS 238A.140 is amended to read:

42 238A.140. (1) An active member of the pension program accrues one year of retirement credit
43 for each complete year of service and one-twelfth of a year of retirement credit for each full month
44 and each major fraction of a month of service.

45 (2) An active member who is a school employee shall be credited with at least six months of

1 retirement credit if the member performs service for a major fraction of each month of a school year
 2 that falls between January 1 and June 30, and at least six months of retirement credit if the member
 3 performs service for a major fraction of each month of a school year that falls between July 1 and
 4 December 31.

5 (3) When an eligible employee becomes a member under ORS 238A.100, the board shall credit
 6 the eligible employee with retirement credit for the period of employment required of the employee
 7 under ORS 238A.100.

8 (4) A member may not accrue more than one full year of retirement credit in any calendar year.

9 (5) For purposes of this section, "school employee" means:

10 (a) A person who is employed by a common school district, a union high school district or an
 11 education service district;

12 (b) An employee of the State Board of [*Higher*] Education or the Oregon Health and Science
 13 University who is engaged in teaching or other school activity at an institution of higher education;

14 (c) An employee of the Department of Human Services, the Oregon Youth Authority, the De-
 15 partment of Corrections or the State Board of Education who is engaged in teaching or other school
 16 activity at an institution supervised by the authority, board or department; and

17 (d) An employee of a community college district other than an academic employee.

18 **SECTION 58.** ORS 243.107 is amended to read:

19 243.107. A person employed by a state institution of higher education or the Oregon Health and
 20 Science University may be considered an eligible employee for participation in one of the group
 21 benefit plans described in ORS 243.135 if the State Board of [*Higher*] Education, or the Oregon
 22 Health and Science University Board of Directors for Oregon Health and Science University em-
 23 ployees, determines that funds are available therefor and if:

24 (1) Notwithstanding ORS 243.105 (4)(b)(F), the person is a student enrolled in an institution of
 25 higher education and is employed as a graduate teaching assistant, graduate research assistant or
 26 a fellow at the institution and elects to participate; or

27 (2) Notwithstanding ORS 243.105 (4)(b)(B) or (C), the person is employed on a less than half-time
 28 basis in an unclassified instructional or research support capacity and elects to participate.

29 **SECTION 59.** ORS 243.778 is amended to read:

30 243.778. (1) When an appropriate bargaining unit includes members of the faculty of an institu-
 31 tion of higher education, the duly organized and recognized entity of student government at that
 32 institution may designate three representatives to meet and confer with the public employer of those
 33 members of the faculty and the exclusive representative of that appropriate bargaining unit prior
 34 to collective bargaining.

35 (2) During the course of collective bargaining between the public employer and the exclusive
 36 representative described in subsection (1) of this section, the representatives of student government
 37 designated under subsection (1) of this section shall:

38 (a) Be allowed to attend and observe all meetings between the public employer and the exclusive
 39 representative at which collective bargaining occurs;

40 (b) Have access to all written documents pertaining to the collective bargaining negotiations
 41 exchanged by the public employer and the exclusive representative, including copies of any prepared
 42 written transcripts of the bargaining session;

43 (c) Be allowed to comment in good faith during the bargaining sessions upon matters under
 44 consideration; and

45 (d) Be allowed to meet and confer with the exclusive representative and the public employer

1 regarding the terms of an agreement between them prior to the execution of a written contract in-
2 corporating that agreement.

3 (3) Rules regarding confidentiality and release of information shall apply to student represen-
4 tatives in the same manner as employer and employee bargaining unit representatives.

5 (4) As used in this section:

6 (a) "Institution of higher education" means an institution [*under the control of the State Board*
7 *of Higher Education*] **within the Oregon University System.**

8 (b) "Meet and confer" means the performance of the mutual obligation of the representatives
9 of student government designated under subsection (1) of this section, the exclusive representative
10 and the public employer, or any two of them, to meet at the request of one of them at reasonable
11 times at a place convenient to all to conduct in good faith an interchange of views concerning the
12 duties of each under this section, employment relations of the faculty, the negotiation of an agree-
13 ment and the execution of a written agreement.

14 **SECTION 60.** ORS 243.800 is amended to read:

15 243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A or ORS 243.910 to
16 243.945, the State Board of [*Higher*] Education shall establish and administer an Optional Retirement
17 Plan for administrative and academic employees of the Oregon University System who are eligible
18 for membership in the Public Employees Retirement System. The Optional Retirement Plan must be
19 a qualified plan under the Internal Revenue Code, capable of accepting funds transferred under
20 subsection (7) of this section without the transfer being treated as a taxable event under the Inter-
21 nal Revenue Code, and willing to accept those funds. Retirement and death benefits shall be pro-
22 vided under the plan by the purchase of annuity contracts, fixed or variable or a combination
23 thereof, or by contracts for investments in mutual funds.

24 (2) The State Board of [*Higher*] Education shall select at least two life insurance companies
25 providing fixed and variable annuities and at least two investment companies providing mutual
26 funds, but not more than five companies in total, for the purpose of providing benefits under the
27 Optional Retirement Plan. The State Board of [*Higher*] Education shall establish selection criteria
28 for the purpose of this subsection.

29 (3) An administrative or academic employee may make an irrevocable election to participate in
30 the Optional Retirement Plan within six months after being employed. An election under this sub-
31 section is effective on the first day of the month following six full months of employment.

32 (4) An administrative or academic employee who does not elect to participate in the Optional
33 Retirement Plan:

34 (a) Remains or becomes a member of the Public Employees Retirement System in accordance
35 with ORS chapters 238 and 238A; or

36 (b) Continues to be assisted by the State Board of [*Higher*] Education under ORS 243.920 if the
37 employee is being so assisted.

38 (5) Except as provided in subsection (6) of this section, employees who elect to participate in the
39 Optional Retirement Plan are ineligible for active membership in the Public Employees Retirement
40 System or for any assistance by the State Board of [*Higher*] Education under ORS 243.920 as long
41 as those employees are employed in the Oregon University System and the plan is in effect.

42 (6)(a) An administrative or academic employee who elects to participate in the Optional Retire-
43 ment Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who
44 is not vested shall be considered by the Public Employees Retirement Board to be a terminated
45 member under the provisions of ORS 238.095 as of the effective date of the election, and the amount

1 credited to the member account of the member shall be transferred directly to the Optional Retirement
2 Plan by the Public Employees Retirement Board in the manner provided by subsection (7) of
3 this section.

4 (b) An administrative or academic employee who elects to participate in the Optional Retirement
5 Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is
6 vested shall be considered to be an inactive member by the Public Employees Retirement Board and
7 shall retain all the rights, privileges and options under ORS chapter 238 unless the employee makes
8 a written request to the Public Employees Retirement Board for a transfer of the amounts credited
9 to the member account of the member to the Optional Retirement Plan. A request for a transfer
10 must be made at the time the member elects to participate in the Optional Retirement Plan. Upon
11 receiving the request, the Public Employees Retirement Board shall transfer all amounts credited
12 to the member account of the member directly to the Optional Retirement Plan, and shall terminate
13 all rights, privileges and options of the employee under ORS chapter 238.

14 (c) An administrative or academic employee who elects to participate in the Optional Retirement
15 Plan, and who is not a vested member of the pension program of the Oregon Public Service Retirement
16 Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be
17 considered to be a terminated member of the pension program by the Public Employees Retirement
18 Board as of the effective date of the election.

19 (d) An administrative or academic employee who elects to participate in the Optional Retirement
20 Plan, and who is a vested member of the pension program of the Oregon Public Service Retirement
21 Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be consid-
22 ered an inactive member of the pension program by the Public Employees Retirement Board as of
23 the effective date of the election. An employee who is subject to the provisions of this paragraph
24 retains all the rights, privileges and options of an inactive member of the pension program. If the
25 actuarial equivalent of the employee's benefit under the pension program at the time that the
26 election becomes effective is \$5,000 or less, the employee may make a written request to the Public
27 Employees Retirement Board for a transfer of the employee's interest under the pension program to
28 the Optional Retirement Plan. The request must be made at the time the member elects to partic-
29 ipate in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement
30 Board shall transfer the amount determined to be the actuarial equivalent of the employee's benefit
31 under the pension program directly to the Optional Retirement Plan, and shall terminate the mem-
32 bership of the employee in the pension program.

33 (e) An administrative or academic employee who elects to participate in the Optional Retirement
34 Plan, and who is a vested member of the individual account program of the Oregon Public Service
35 Retirement Plan as described in ORS 238A.320 on the date that the election becomes effective, shall
36 be considered an inactive member of the individual account program by the Public Employees Re-
37 tirement Board as of the effective date of the election. An employee who is subject to the provisions
38 of this paragraph retains all the rights, privileges and options of an inactive member of the indi-
39 vidual account program. An administrative or academic employee who elects to participate in the
40 Optional Retirement Plan, and who is a member of the individual account program of the Oregon
41 Public Service Retirement Plan, may make a written request to the Public Employees Retirement
42 Board that all amounts in the member's employee account, rollover account and employer account,
43 to the extent the member is vested in those accounts under ORS 238A.320, be transferred to the
44 Optional Retirement Plan. The request must be made at the time the member elects to participate
45 in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement

1 Board shall transfer the amounts directly to the Optional Retirement Plan, and shall terminate the
2 membership of the employee in the individual account program upon making the transfer.

3 (f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the Public Employees Retirement
4 Board may not treat any employee as an inactive member under the provisions of this sub-
5 section for the purpose of receiving any benefit under ORS chapter 238 or 238A that requires that
6 the employee be separated from all service with participating public employers and with employers
7 who are treated as part of a participating public employer's controlled group under the federal laws
8 and rules governing the status of the system and the Public Employees Retirement Fund as a qual-
9 ified governmental retirement plan and trust.

10 (7) Any amounts transferred from the Public Employees Retirement Fund under subsection (6)
11 of this section shall be transferred directly to the Optional Retirement Plan by the Public Employees
12 Retirement Board and may not be made available to the employee.

13 (8) An employee participating in the Optional Retirement Plan shall contribute monthly an
14 amount equal to the percentage of the employee's salary that the employee would otherwise have
15 contributed as an employee contribution to the Public Employees Retirement System if the employee
16 had not elected to participate in the Optional Retirement Plan.

17 (9) The State Board of [*Higher*] Education shall contribute monthly to the Optional Retirement
18 Plan the percentage of salary of each employee participating in the plan equal to the percentage
19 of salary that would otherwise have been contributed as an employer contribution on behalf of the
20 employee to the Public Employees Retirement System, before any offset under ORS 238.229 (2), if the
21 employee had not elected to participate in the Optional Retirement Plan.

22 (10) Both employee and employer contributions to an Optional Retirement Plan shall be remitted
23 directly to the companies that have issued annuity contracts to the participating employees or di-
24 rectly to the mutual funds.

25 (11) Benefits under the Optional Retirement Plan are payable to employees who elect to partic-
26 ipate in the plan and their beneficiaries by the selected annuity provider or mutual fund in accord-
27 ance with the terms of the annuity contracts or the terms of the contract with the mutual fund.
28 Employees electing to participate in the plan agree that benefits payable under the plan are not
29 obligations of the State of Oregon or of the Public Employees Retirement System.

30 **SECTION 61.** ORS 243.820 is amended to read:

31 243.820. (1) In order to obtain the advantages of 26 U.S.C. 403(b), or any equivalent provision
32 of federal law, an employer may agree with an employee who performs services for an educational
33 institution that:

34 (a) The employee's salary will be reduced monthly by a stated amount, or the employee will
35 forgo monthly a salary increase of a stated amount; and

36 (b) On behalf of the employee, the employer shall contribute monthly an amount equal to the
37 stated amount determined under paragraph (a) of this subsection as premiums for an annuity con-
38 tract or to a custodial account for investment in the stock of regulated investment companies as
39 defined in 26 U.S.C. 403(b)(7)(C). The amount contributed by the employer under this subsection
40 may not exceed the stated amount.

41 (2) Notwithstanding any other provision of law, pursuant to an agreement under subsection (1)
42 of this section, the stated amounts shall be forwarded by the employer as annuity premiums to the
43 company or association with which it has entered into an annuity contract or to the regulated in-
44 vestment company or its transfer agent for the benefit of the employee.

45 (3) An employer may make nonelective employer contributions on behalf of an employee who

1 performs services for an educational institution as premiums for an annuity contract, or to a cus-
 2 todial account for investment in the stock of regulated investment companies as defined in 26 U.S.C.
 3 403(b)(7)(C), for the purpose of obtaining the advantages of 26 U.S.C. 403(b) or any equivalent pro-
 4 vision of federal law. Employer contributions under this subsection are in addition to any employee
 5 contributions under subsection (1) of this section.

6 (4) As used in this section:

7 (a) "Educational institution" means an educational institution that normally maintains a regular
 8 faculty and curriculum and normally has a regularly organized body of students in attendance at the
 9 place where its educational activities are carried on or an education service district.

10 (b) "Employer" means the State Board of [*Higher*] Education, any other state agency, a com-
 11 munity college district, a school district, the Oregon Health and Science University or an education
 12 service district employing an individual who performs services for an educational institution.

13 **SECTION 62.** ORS 243.850 is amended to read:

14 243.850. (1) An eligible football coach and the State Board of [*Higher*] Education may enter into
 15 an agreement to provide that:

16 (a) The coach's salary will be reduced monthly by a stated amount that is not less than \$25 a
 17 month, or the coach will forgo monthly a salary increase of a stated amount that is not less than
 18 \$25 a month; and

19 (b) The State Board of [*Higher*] Education will contribute monthly an amount equal to the stated
 20 amount determined under paragraph (a) of this subsection for the month to a designated qualified
 21 football coaches plan. The amount contributed by the employer shall not exceed the stated amount.

22 (2) The amount by which an eligible football coach's salary or wages is reduced by reason of the
 23 salary reduction or forgoing of a salary increase authorized by subsection (1) of this section shall
 24 continue to be included as regular compensation for the purpose of computing the retirement, pen-
 25 sion and Social Security benefits earned by the coach, but that amount shall not be considered
 26 current taxable income for the purpose of computing federal and state income taxes withheld on
 27 behalf of that coach.

28 (3) For the purposes of this section:

29 (a) "Eligible football coach" means a staff member of the Oregon University System who pri-
 30 marily coaches football as a full-time employee of a four-year university described in 26 U.S.C.
 31 170(b)(1)(A)(ii).

32 (b) "Qualified football coaches plan" has the meaning given that term in 29 U.S.C. 1002(37).

33 **SECTION 63.** ORS 243.910 is amended to read:

34 243.910. As used in ORS 243.910 to 243.945:

35 (1) "Board" means the State Board of [*Higher*] Education for all institutions [*under the jurisdic-*
 36 *tion of that board*] **within the Oregon University System** as set forth in ORS 352.002, and for the
 37 Oregon Health and Science University means the Oregon Health and Science University Board of
 38 Directors.

39 (2) "Employees" means the persons appointed or employed by or under the authority of the
 40 board who hold academic rank as determined by the board.

41 (3) "System" means the Public Employees Retirement System established by ORS 238.600.

42 **SECTION 64.** ORS 273.571 is amended to read:

43 273.571. (1) The Natural Heritage Advisory Council is hereby established. The council shall
 44 consist of 17 members, nine of whom shall be chosen as follows and who shall elect from its mem-
 45 bership a chairperson:

1 (a) Four individuals, appointed by the Governor, shall be recognized experts in the ecology of
2 natural areas. Desirable fields of expertise are botany, zoology, terrestrial ecology, aquatic biology
3 and geology; and

4 (b) Five citizens, appointed by the Governor, shall be selected from the various regions of the
5 state. These members shall have interest in natural resource conservation, management or the
6 commodity use of natural resources.

7 (2) Appointed members shall serve for four-year terms.

8 (3) In addition to the nine members appointed by the Governor, the State Fish and Wildlife Di-
9 rector, the State Forester, the Director of Transportation, the Chancellor of the Oregon University
10 System, the Director of Agriculture, the State Parks and Recreation Director, the State Geologist
11 and the Director of the Department of State Lands or an authorized representative of each such
12 officer, shall serve as ex officio, nonvoting members of the council.

13 (4) Any vacancy on the council shall be filled by appointment of the Governor.

14 (5) Members of the council shall serve without compensation, but the State Land Board may pay
15 the expenses reasonably incurred by the council in the performance of its functions upon presenta-
16 tion of vouchers signed by the chairperson of the council pursuant to ORS 292.495.

17 (6) The council shall:

18 (a) Meet at least quarterly;

19 (b) Develop policy for the Natural Areas Program through the review and approval of the
20 Oregon Natural Areas Plan;

21 (c) Review nominations for registration and the voluntary dedication of state natural areas, and
22 approve instruments of dedication for such areas;

23 (d) Advise the State Land Board, State Board of Forestry, State Fish and Wildlife Commission,
24 State Parks and Recreation Commission, State Board of [*Higher*] Education and Oregon Transpor-
25 tation Commission regarding areas under their respective jurisdictions which are appropriate for
26 dedication; and

27 (e) Advise the board in the adoption of rules that it considers necessary in carrying out ORS
28 273.563 to 273.591.

29 (7) The board shall adopt any rules pursuant to ORS chapter 183 that it considers necessary to
30 carry out ORS 273.563 to 273.591.

31 (8) Acting through the Department of State Lands, the council may accept gifts or donations of
32 real property. Such real property shall be held in the name of the State of Oregon by the State Land
33 Board and shall be used for the purpose of carrying out the provisions of ORS 273.563 to 273.591.

34 **SECTION 65.** ORS 273.586 is amended to read:

35 273.586. (1) A private individual or organization that is the owner of any registered natural area
36 may voluntarily agree to dedicate that area as a state natural area by executing with the State Land
37 Board an instrument of dedication. The instrument of dedication shall be effective upon its recording
38 in the real property records of the office of the clerk of the county in which any or all of the state
39 natural area is located.

40 (2) Any public agency may dedicate lands under the provisions of ORS 273.563 to 273.591 fol-
41 lowing the providing of opportunity for adequate public notice and hearing by the agency. The
42 Oregon Transportation Commission, the State Fish and Wildlife Commission, the State Board of
43 Forestry, the State Board of [*Higher*] Education, the State Parks and Recreation Commission and the
44 State Land Board shall, with the advice and assistance of the Natural Heritage Advisory Council,
45 establish procedures for the dedication of state natural areas on land, the title of which is held by

1 the State of Oregon, and which is under that agency's management and control.

2 (3) The instrument of dedication shall contain any information or provisions as the private
3 owner, organization or agency and council consider necessary to complete the dedication.

4 (4) Dedication of a state natural area may be terminated as follows:

5 (a) The dedication of a state natural area by a public agency may be terminated following the
6 providing of opportunity for adequate public notice and hearing and a finding by that agency of an
7 imperative and unavoidable necessity, or a finding by that agency, with the approval of the council,
8 that the state natural area is no longer needed according to the guidelines of the Oregon Natural
9 Areas Plan.

10 (b) The dedication of a state natural area by a private individual or organization may be ter-
11 minated by the private individual or organization after the council is assured that there has been
12 compliance with the procedures required by the terms of the dedication instrument.

13 (c) The dedication of a state natural area may be terminated by the board upon the advice of
14 the council if the area is no longer needed according to the guidelines of the plan, or has perma-
15 nently lost its natural character.

16 **SECTION 66.** ORS 273.785 is amended to read:

17 273.785. ORS 273.551 and 273.775 to 273.790 do not apply to:

18 (1) Soil, clay, stone, sand and gravel acquired or used by state agencies for the purpose of con-
19 structing or repairing roads or other state facilities, or the proceeds from those materials.

20 (2) Mineral or geothermal resource rights or proceeds from those rights acquired by the State
21 Fish and Wildlife Commission pursuant to an agreement with the federal government under 16 U.S.C.
22 669 to 669i (P.L. 75-415).

23 (3) Mineral or geothermal resource rights or proceeds from those rights if other disposition is
24 required by federal rules or regulations or any agreement entered into at the time of acquisition of
25 the mineral or geothermal resource rights by the state.

26 (4) Proceeds of mineral and geothermal resource rights acquired by the state pursuant to ORS
27 530.010 and 530.030, other than those distributed under ORS 530.110 (1)(c).

28 (5) Mineral or geothermal resource rights or proceeds from those rights acquired after January
29 1, 1974, for the state by the Department of Veterans' Affairs pursuant to ORS 88.720, 406.050 (2),
30 407.135 or 407.145. After consultation, the Department of State Lands and the Department of
31 Veterans' Affairs shall enter into an interagency agreement governing consultation between them
32 concerning mineral and geothermal resource values on properties acquired for the state by the De-
33 partment of Veterans' Affairs. The Department of Veterans' Affairs shall adopt rules relating to the
34 release of mineral and geothermal rights on such properties.

35 (6) Mineral or geothermal resource rights or proceeds from those rights given by a donor to any
36 institution, department or activity under the control of the State Board of [*Higher*] Education that
37 are acquired or held for the state by the State Board of [*Higher*] Education pursuant to ORS chap-
38 ters 351 and 567. In managing mineral or geothermal resource leases, the State Board of [*Higher*]
39 Education shall consult with the Department of State Lands in accordance with an interagency
40 agreement established by the department and the State Board of [*Higher*] Education governing con-
41 sultation between the department and the State Board of [*Higher*] Education and governing man-
42 agement of the mineral or geothermal resources.

43 (7) Mineral or geothermal resource rights or proceeds from those rights acquired and held by
44 the Department of Transportation. In managing mineral or geothermal resource leases, the Depart-
45 ment of Transportation shall enter into an intergovernmental agreement with the Department of

1 State Lands governing consultation between the departments and governing management of the
2 mineral or geothermal resources.

3 **SECTION 67.** ORS 276.610 is amended to read:

4 276.610. There is established a fund in the State Treasury to be known as the State Building
5 Fund which shall be used for the construction, alteration and repair of buildings required for use
6 of institutions and activities under the jurisdiction of the Department of Corrections, the Depart-
7 ment of Human Services, the Oregon Health Authority or the State Board of Education [*and the*
8 *State Board of Higher Education*] and for the furnishing and equipping of buildings so constructed,
9 altered or repaired.

10 **SECTION 68.** ORS 276.612 is amended to read:

11 276.612. The Department of Corrections, the Department of Human Services, the Oregon Health
12 Authority and the State Board of Education each shall determine the buildings to be constructed,
13 altered, repaired, furnished and equipped for the use of institutions and activities under their re-
14 spective jurisdictions. [*The State Board of Higher Education shall determine the buildings to be*
15 *constructed, altered, repaired, furnished and equipped for the use of institutions or activities under its*
16 *jurisdiction.*]

17 **SECTION 69.** ORS 282.076 is amended to read:

18 282.076. (1) An athletic department of any university [*under the jurisdiction of the State Board*
19 *of Higher Education*] **within the Oregon University System** shall not be required to use state
20 printing services controlled by the Director of the Oregon Department of Administrative Services
21 or the designee of the director as required by ORS 282.020 (1).

22 (2) A state agency that gives to the director prior written notice of its intent to use other
23 printing services shall not be required to use state printing services controlled by the director or
24 the director's designee as required by ORS 282.020 (1), if the agency can demonstrate that these
25 other printing services provide better value in the form of lower prices or better responsiveness
26 than those services already provided by the Oregon Department of Administrative Services.

27 **SECTION 70.** ORS 283.310 is amended to read:

28 283.310. (1) The Oregon Department of Administrative Services shall control and regulate the
29 acquisition, operation, use, maintenance and disposal of and access to motor vehicles used for:

30 (a) State business by state agencies of this state; or

31 (b) Official public business by a unit of local government or a state agency of another state, by
32 an agency created by an interstate compact between this state and another state or states, by a
33 United States governmental agency, or by an American Indian tribe or an agency of an American
34 Indian tribe, pursuant to an intergovernmental agreement between the agency or agencies and the
35 department, entered into in accordance with ORS chapter 190, for the provision of motor pool ve-
36 hicles, supplies and services, or any of them.

37 (2) The state agency on whose behalf a motor vehicle is used must state in writing in advance
38 of such use that the particular activity for which the vehicle is to be used advances the lawful
39 policies of the agency.

40 (3) The State Board of [*Higher*] Education shall not authorize or allow the use of any motor
41 vehicle to transport students to an event or activity not directly related to an officially sanctioned
42 program as established under ORS 351.277 of an institution in the Oregon University System.

43 (4) The State Board of [*Higher*] Education, in conjunction with the Oregon Department of Ad-
44 ministrative Services, shall establish by rule vehicle operation standards and training to promote
45 safe vehicular travel practices in the conduct of all travel by employees, students and official vol-

1 unteers at all institutions in the Oregon University System.

2 **SECTION 71.** ORS 284.540 is amended to read:

3 284.540. (1) There is established the Governor's Council on Oregon's Economy.

4 (2) The members of the council are:

5 (a) The presiding officer of the Oregon Business Development Commission;

6 (b) The chairperson of the Oregon Transportation Commission;

7 (c) The chairperson of the State Board of Agriculture;

8 (d) The [*president of the State Board of Higher Education*] **Superintendent of Public Instruc-**
9 **tion**; and

10 (e) Other persons designated by the Governor.

11 (3) The council shall meet quarterly to:

12 (a) Discuss and coordinate the activities of each entity described in subsection (2) of this section
13 that relate to economic development and improving the economy in Oregon; and

14 (b) Discuss and recommend to the Legislative Assembly methods for creating certainty for the
15 development process.

16 **SECTION 72.** ORS 284.706 is amended to read:

17 284.706. (1) There is created the Oregon Innovation Council consisting of the following voting
18 members:

19 (a) The Governor or the Governor's designated representative, who shall be chairperson of the
20 council.

21 (b) Five members appointed by the Governor who are engaged in the operations of Oregon
22 traded sector industries.

23 (c) One member appointed by the Governor who is a representative of an Oregon-based, gener-
24 ally accredited, not-for-profit private institution of higher education.

25 (d) A member of the Oregon Growth Account Board, appointed by the board, who has experience
26 in the field of venture capital.

27 (e) A member of the Engineering and Technology Industry Council, appointed by the Engineer-
28 ing and Technology Industry Council.

29 (f) The Director of the Oregon Business Development Department.

30 (g) The Chancellor of the Oregon University System.

31 (h) The Commissioner for Community College Services.

32 (i) The State Treasurer.

33 (2)(a) The Speaker of the House of Representatives shall appoint two members to the council
34 who are members of the House of Representatives.

35 (b) The President of the Senate shall appoint two members to the council who are members of
36 the Senate.

37 (c) Members of the Legislative Assembly appointed to the council are nonvoting members and
38 may act in an advisory capacity only.

39 (3) The following persons, or their representatives, shall serve as ex officio, nonvoting members
40 of the council:

41 (a) The chairperson of the Oregon Business Development Commission.

42 [*(b) The president of the State Board of Higher Education.*]

43 [*(c)*] (b) The chairperson of the State Board of Education.

44 [*(d)*] (c) An executive officer of an association representing Oregon-based, generally accredited,
45 not-for-profit private institutions of higher education, appointed by the Governor.

1 (4) The term of office of each appointed voting member of the council is three years, but an
2 appointed member serves at the pleasure of the appointing authority. Before the expiration of the
3 term of an appointed voting member, the appointing authority shall appoint a successor whose term
4 begins on July 1 next following. An appointed member is eligible for reappointment. If there is a
5 vacancy for any cause, the appointing authority shall make an appointment to become immediately
6 effective for the remainder of the unexpired term.

7 (5) A majority of the voting members of the council constitutes a quorum for the transaction
8 of business.

9 (6) Official action by the council requires the approval of a majority of the voting members of
10 the council.

11 (7) The council shall meet at least twice per fiscal year at a place, day and time determined by
12 the chairperson. The council may also meet at other times and places specified by a call of the
13 chairperson or by written request of a majority of the voting members of the council.

14 (8) The council may adopt rules necessary for the operation of the council.

15 (9) The council may establish committees and delegate to the committees duties as the council
16 considers desirable.

17 (10) The Oregon Business Development Department shall provide staff support to the council.

18 (11) Members of the council who are not members of the Legislative Assembly are entitled to
19 compensation and expenses incurred by them in the performance of their official duties in the man-
20 ner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members
21 of the council who are public officers shall be paid out of funds appropriated to the public agency
22 that employs the member. Claims for compensation and expenses of members of the council who are
23 not public officers shall be paid out of funds appropriated to the Oregon Business Development De-
24 partment for that purpose.

25 (12) All agencies of state government, as defined in ORS 174.111, are directed to assist the
26 council in the performance of its duties and, to the extent permitted by laws relating to
27 confidentiality, to furnish such information and advice as the members of the council consider nec-
28 essary to perform their duties.

29 **SECTION 73.** ORS 284.711 is amended to read:

30 284.711. (1) The Oregon Innovation Council shall provide advice to the Governor, the Legislative
31 Assembly, public and private post-secondary educational institutions, public agencies that provide
32 economic development and the private sector on issues related to:

33 (a) Promoting agreements between public and private post-secondary educational institutions
34 and private industry that increase technology transfer and the commercialization of research;

35 (b) Promoting investment in specialized research facilities and signature research centers where
36 Oregon has a distinct or emerging advantage for creating new products and businesses;

37 (c) Stimulating seed and start-up capital investment and entrepreneurial capacity that will pro-
38 mote economic growth in Oregon traded sector industries;

39 (d) Developing the entrepreneurial and management capacity critical to the competitiveness of
40 Oregon traded sector industries and rapidly growing global markets;

41 (e) Enhancing the international competitiveness of Oregon traded sector industries; and

42 (f) Identifying workforce issues for occupations critical to the competitiveness of Oregon traded
43 sector industries, including but not limited to scientific, engineering, information technology and
44 business management occupations.

45 (2) The Oregon Innovation Council shall advise the Engineering and Technology Industry

1 Council established in ORS 351.663 on how to coordinate the Engineering and Technology Industry
2 Council's goals and policies with the state plan developed under ORS 284.715.

3 (3) The council, the Oregon Business Development Commission, the State Board of *[Higher]* Ed-
4 ucation and the office of the State Treasurer shall coordinate policies and programs related to the
5 duties of the council.

6 (4) Based on the state plan developed under ORS 284.715, the council may distribute moneys in
7 the Oregon Innovation Fund by grant or pursuant to contracts with public and private post-
8 secondary institutions, state agencies and private sector entities.

9 **SECTION 74.** ORS 291.002 is amended to read:

10 291.002. As used in ORS 291.001 to 291.034, 291.201 to 291.222, 291.232 to 291.260, 291.261,
11 291.307 and 291.990, unless the context requires otherwise:

12 (1) "Classification of expenditures" means the major groups or categories of expenditures for the
13 purpose of budget-making and accounting that are established as provided in ORS 291.206.

14 (2) "Dedicated fund" means a fund in the State Treasury, or a separate account or fund in the
15 General Fund in the State Treasury, that by law is dedicated, appropriated or set aside for a limited
16 object or purpose, but "dedicated fund" does not include a revolving fund or a trust fund.

17 (3) "Department" means the Oregon Department of Administrative Services.

18 (4) "Director" means the Director of the Oregon Department of Administrative Services.

19 (5) "Legislatively adopted budget" means the budget enacted by the Legislative Assembly during
20 a regular session.

21 (6) "Legislatively approved budget" means the legislatively adopted budget as modified by the
22 Emergency Board or by the Legislative Assembly meeting in special session.

23 (7) "Revolving fund" means a fund in the State Treasury, established by law, from which is paid
24 the cost of goods or services furnished to or by a state agency, and which is replenished through
25 charges made for such goods or services or through transfers from other accounts or funds; and
26 specifically includes funds derived from receipts by the State Board of *[Higher]* Education of tuition,
27 fees, dormitory earnings, student activity receipts and sales of products and services incident to
28 **higher** education functions.

29 (8) "State agency" or "agency" means every state officer, board, commission, department, insti-
30 tution, branch or agency of the state government, whose costs are paid wholly or in part from funds
31 held in the State Treasury, except:

32 (a) The Legislative Assembly, the courts and their officers and committees;

33 (b) The Public Defense Services Commission; and

34 (c) The Secretary of State and the State Treasurer in the performance of the duties of their
35 constitutional offices.

36 (9) "State officer" means any elected or appointed state officer, including members of boards and
37 commissions, except the members and officers of the Legislative Assembly, the courts, the Secretary
38 of State and the State Treasurer in the performance of the duties of their constitutional offices and
39 the members of the Public Defense Services Commission.

40 (10) "Trust fund" means a fund in the State Treasury in which designated persons or classes of
41 persons have a vested beneficial interest or equitable ownership, or which was created or estab-
42 lished by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated
43 objects or purposes.

44 **SECTION 75.** ORS 291.038 is amended to read:

45 291.038. (1) The planning, acquisition, installation and use of all information and telecommuni-

1 cations technology by state government and agencies of state government shall be coordinated so
2 that statewide plans and activities, as well as those of individual agencies, are addressed in the most
3 integrated, economic and efficient manner. To provide policy direction for and coordination of in-
4 formation technology for state government, the Director of the Oregon Department of Administra-
5 tive Services shall chair and appoint not fewer than five agency executives to an Information
6 Resources Management Council. The council membership shall include at least two members who
7 represent the private sector and political subdivisions of the state.

8 (2) To facilitate accomplishment of the purpose set forth in subsection (1) of this section, the
9 Oregon Department of Administrative Services shall adopt rules, policies and standards to plan for,
10 acquire, implement and manage the state's information resources. In developing rules, policies and
11 standards, the department shall consult with state agencies that have needs that information re-
12 sources may satisfy. State agencies shall cooperate with the department in preparing and complying
13 with rules, policies and standards. The rules, policies and standards must be formulated to promote
14 electronic communication and information sharing among state agencies and programs, between
15 state and local governments and with the public where appropriate.

16 (3) Rules, policies, plans, standards and specifications must be formulated to ensure that infor-
17 mation resources fit together in a statewide system capable of providing ready access to information,
18 computing or telecommunication resources. Plans and specifications the department adopts must be
19 based on industry standards for open systems to the greatest extent possible. Before adopting rules
20 described in subsection (2) of this section, the department shall present the proposed rules to the
21 appropriate legislative committee. The department has the responsibility to review, oversee and en-
22 sure that state agencies' planning, acquisition and implementation activities align with and support
23 the statewide information resources management plan. The department is responsible for procuring
24 information technology fairly, competitively and in a manner that is consistent with the
25 department's rules.

26 (4)(a) The policy of the State of Oregon is that state government telecommunications networks
27 should be designed to provide state-of-the-art services where economically and technically feasible,
28 using shared, rather than dedicated, lines and facilities.

29 (b) The department shall, when procuring telecommunications network services, consider
30 achieving the economic development and quality of life outcomes set forth in the Oregon
31 benchmarks.

32 (5)(a) The department, upon request, may furnish and deliver statewide integrated
33 videoconferencing and statewide online access service to a public or private entity that primarily
34 conducts activities for the direct good or benefit of the public or community at large in providing
35 educational, economic development, health care, human services, public safety, library or other
36 public services. The department shall adopt rules with respect to furnishing the service.

37 (b) The department shall establish the statewide integrated videoconferencing and statewide
38 online access user fees, services, delivery, rates and long range plans in consultation with the
39 Stakeholders Advisory Committee created pursuant to this section. The rates shall reflect the
40 department's cost in providing the service.

41 (c) The department by rule shall restrict the department's furnishing or delivery of Internet ac-
42 cess service to private entities when the service would directly compete with two or more local
43 established providers of Internet access services within the local exchange telecommunications ser-
44 vice area.

45 (d) The rates and services established and provided under this section are not subject to the

1 Public Utility Commission's regulation or authority.

2 (6)(a) There is created the Stakeholders Advisory Committee, consisting of a minimum of nine
3 members appointed by the Director of the Oregon Department of Administrative Services. In making
4 appointments, the director shall give consideration to geographic balance and adequate represen-
5 tation of the department's users and providers and the general public.

6 (b) The committee must consist of members who represent elementary or secondary education,
7 higher education, community colleges, economic development, health care, human services and pub-
8 lic safety. At least four members must reside in areas east of the Cascade Mountains.

9 (c) The term of office of each member is three years, but a member serves at the sole discretion
10 of the director. The director shall appoint a successor to a member before the member's term ex-
11 pires. A member is eligible for reappointment. If a position on the committee is vacant for any cause,
12 the director shall make an appointment to the position that is immediately effective for the unex-
13 pired term.

14 (d) A member of the committee is entitled to travel expenses pursuant to ORS 292.495. Members
15 of the committee are not entitled to compensation.

16 (e) The director may establish additional advisory and technical committees as the director
17 considers necessary to aid and advise the Stakeholders Advisory Committee in the performance of
18 the committee's functions.

19 (f) The director may delegate to the State Chief Information Officer a duty, function or power
20 that this subsection imposes upon the director.

21 (7) An organization or organizations recognized as tax exempt under section 501(c)(3) of the
22 Internal Revenue Code that primarily conduct activities for the direct good or benefit of the public
23 or community at large in providing educational, economic development, health care, human services,
24 public safety, library or other public services and have formed an affiliation with one or more fed-
25 eral, state or local governmental units within this state may apply to the department for designation
26 as a community of interest. The application must be in the form prescribed by the department and
27 contain information regarding the governmental affiliation relationship, the tax exempt status of
28 each organization and the public benefit services to be provided. The department shall establish an
29 application review and appeal process to ensure that designating the organizations as a community
30 of interest for the purposes of including the organization in telecommunications contracts under
31 ORS 283.520 will result in providing educational, medical, library or other services for public benefit.

32 (8) This section does not apply to the State Board of [*Higher*] Education **in relation to higher**
33 **education functions** or **to** any state institution of higher education within the Oregon University
34 System.

35 (9) As used in this section:

36 (a) "Information resources" means media, instruments and methods for planning, collecting,
37 processing, transmitting and storing data and information, including telecommunications.

38 (b) "Information technology" includes, but is not limited to, present and future forms of hard-
39 ware, software and services for data processing, office automation and telecommunications.

40 (c) "Internet access service" means electronic connectivity to the Internet and the services of
41 the Internet.

42 (d) "Open systems" means systems that allow state agencies freedom of choice by providing a
43 vendor-neutral operating environment where different computers, applications, system software and
44 networks operate together easily and reliably.

45 (e) "State-of-the-art services" includes equipment, facilities and the capability to distribute dig-

1 ital communication signals that transmit voice, data, video and images over a distance.

2 (f) "Telecommunications" means hardware, software and services for transmitting voice, data,
3 video and images over a distance.

4 (g) "Statewide integrated videoconferencing" means a statewide electronic system capable of
5 transmitting video, voice and data communications.

6 (h) "Statewide online access" means electronic connectivity to information resources such as
7 computer conferencing, electronic mail, databases and Internet access.

8 **SECTION 76.** ORS 291.055 is amended to read:

9 291.055. (1) Notwithstanding any other law that grants to a state agency the authority to es-
10 tablish fees, all new state agency fees or fee increases adopted after July 1 of any odd-numbered
11 year:

12 (a) Are not effective for agencies in the executive department of government unless approved
13 in writing by the Director of the Oregon Department of Administrative Services;

14 (b) Are not effective for agencies in the judicial department of government unless approved in
15 writing by the Chief Justice of the Supreme Court;

16 (c) Are not effective for agencies in the legislative department of government unless approved
17 in writing by the President of the Senate and the Speaker of the House of Representatives;

18 (d) Shall be reported by the state agency to the Oregon Department of Administrative Services
19 within 10 days of their adoption; and

20 (e) Are rescinded on July 1 of the next following odd-numbered year, or on adjournment sine
21 die of the regular session of the Legislative Assembly meeting in that year, whichever is later, un-
22 less otherwise authorized by enabling legislation setting forth the approved fees.

23 (2) This section does not apply to:

24 (a) Any tuition or fees charged by the State Board of [*Higher*] Education **for higher education**
25 and state institutions of higher education.

26 (b) Taxes or other payments made or collected from employers for unemployment insurance re-
27 quired by ORS chapter 657 or premium assessments required by ORS 656.612 and 656.614 or contri-
28 butions and assessments calculated by cents per hour for workers' compensation coverage required
29 by ORS 656.506.

30 (c) Fees or payments required for:

31 (A) Health care services provided by the Oregon Health and Science University, by the Oregon
32 Veterans' Homes and by other state agencies and institutions pursuant to ORS 179.610 to 179.770.

33 (B) Assessments and premiums paid to the Oregon Medical Insurance Pool established by ORS
34 735.614 and 735.625.

35 (C) Copayments and premiums paid to the Oregon medical assistance program.

36 (D) Assessments paid to the Department of Consumer and Business Services under ORS 743.951
37 and 743.961.

38 (d) Fees created or authorized by statute that have no established rate or amount but are cal-
39 culated for each separate instance for each fee payer and are based on actual cost of services pro-
40 vided.

41 (e) State agency charges on employees for benefits and services.

42 (f) Any intergovernmental charges.

43 (g) Forest protection district assessment rates established by ORS 477.210 to 477.265 and the
44 Oregon Forest Land Protection Fund fees established by ORS 477.760.

45 (h) State Department of Energy assessments required by ORS 469.421 (8) and 469.681.

1 (i) Any charges established by the State Parks and Recreation Director in accordance with ORS
2 565.080 (3).

3 (j) Assessments on premiums charged by the Insurance Division of the Department of Consumer
4 and Business Services pursuant to ORS 731.804 or fees charged by the Division of Finance and
5 Corporate Securities of the Department of Consumer and Business Services to banks, trusts and
6 credit unions pursuant to ORS 706.530 and 723.114.

7 (k) Public Utility Commission operating assessments required by ORS 756.310 or charges paid
8 to the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987.

9 (L) Fees charged by the Housing and Community Services Department for intellectual property
10 pursuant to ORS 456.562.

11 (m) New or increased fees that are anticipated in the legislative budgeting process for an
12 agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted
13 budget for the agency.

14 (n) Tolls approved by the Oregon Transportation Commission pursuant to ORS 383.004.

15 (o) Convenience fees as defined in ORS 182.126 and established by the Oregon Department of
16 Administrative Services under ORS 182.132 (3) and recommended by the Electronic Government
17 Portal Advisory Board.

18 (3)(a) Fees temporarily decreased for competitive or promotional reasons or because of unex-
19 pected and temporary revenue surpluses may be increased to not more than their prior level without
20 compliance with subsection (1) of this section if, at the time the fee is decreased, the state agency
21 specifies the following:

22 (A) The reason for the fee decrease; and

23 (B) The conditions under which the fee will be increased to not more than its prior level.

24 (b) Fees that are decreased for reasons other than those described in paragraph (a) of this sub-
25 section may not be subsequently increased except as allowed by ORS 291.050 to 291.060 and 294.160.

26 **SECTION 77.** ORS 291.445 is amended to read:

27 291.445. (1) Before July 1 of each fiscal year, the Oregon Department of Administrative Services
28 shall request from the appropriate state agency a certificate as prescribed in this section. The re-
29 quest shall be made by letter to the agency.

30 (2) Each state agency authorized to issue general obligation bonds that are ordinarily to be re-
31 paid from other than General Fund appropriations shall, on or before August 15 of each fiscal year:

32 (a) Certify to the Director of the Oregon Department of Administrative Services that the
33 amounts available or that will become available during the current year to the bond program debt
34 service fund to pay bond principal and interest that has accrued or will accrue during the current
35 year are sufficient and will be sufficient to pay bond program principal and interest scheduled for
36 payment during the current year; or

37 (b) Certify to the Director of the Oregon Department of Administrative Services that the
38 amounts available or that will become available during the current year to the bond program debt
39 service fund will not be sufficient to pay bond program principal and interest scheduled for payment
40 during the current year. A certificate issued under this paragraph shall specify the amount of the
41 anticipated current year deficit. The Director of the Oregon Department of Administrative Services
42 shall review and confirm the correctness of each certification made under this paragraph.

43 (3) On or before August 15 of each fiscal year, the administrative division of the Oregon De-
44 partment of Administrative Services that has primary responsibility for accounting for each general
45 obligation bond program in which the bond principal and interest is ordinarily to be repaid from

1 General Fund appropriations shall:

2 (a) Certify to the Director of the Oregon Department of Administrative Services that the
3 amounts available or that will become available during the current year from General Fund appro-
4 priations to defray program bond principal and interest that has accrued or will accrue during the
5 current year are sufficient and will be sufficient to pay program bond principal and interest sched-
6 uled for payment during the current year; or

7 (b) Certify to the Director of the Oregon Department of Administrative Services that the
8 amounts available or that will become available during the current year from General Fund appro-
9 priations will not be sufficient to pay program bond principal and interest scheduled for payment
10 during the current year. A certificate issued under this paragraph shall specify the amount of the
11 anticipated current year deficit.

12 (4)(a) If a deficit in funds available to pay principal and interest in any general obligation bond
13 program is certified and confirmed under subsection (2) or certified under subsection (3) of this
14 section, the amount of the deficit, together with any deficit that is certified for any other general
15 obligation bond program shall upon certification constitute a state tax levy on property that shall
16 be apportioned among and charged to the several counties in that proportion which the total as-
17 sessed value of all the taxable property in each county bears to the total assessed value of all the
18 taxable property of the state as equalized.

19 (b) If any agency fails to make the certification under subsection (2) or (3) of this section with
20 respect to any general obligation bond fund program, the Oregon Department of Administrative
21 Services shall determine the amount of revenue and other funds that are available and the amount
22 of taxes, if any, that should be levied in addition to the revenues and funds, to pay bond principal
23 and interest under the program for the fiscal year in question. The additional amount so determined
24 shall thereupon constitute a state tax levy on property that shall be apportioned, certified, collected
25 and distributed as if determined and certified as a deficit by the agency. The Oregon Department
26 of Administrative Services shall charge the agency for cost recovery for time spent on that agency's
27 behalf.

28 (5) Immediately after the department has determined the amount of a state tax levy on property
29 in accordance with subsection (4) of this section, a certificate of levy, signed by the director of the
30 department, shall be filed in the office of the department. If no state levy is required for the fiscal
31 or tax year, a certificate so stating and signed by the director shall be filed in the office of the de-
32 partment.

33 (6) If, for any reason, after the close of any regular biennial session of the Legislative Assembly,
34 it becomes necessary to reduce General Fund appropriations, General Fund appropriations for a debt
35 service fund of a general obligation bond program described under subsection (3) of this section may
36 not be reduced.

37 (7) For purposes of this section:

38 (a) State agencies that are authorized to issue general obligation bonds ordinarily to be repaid
39 from other than General Fund appropriations include but are not limited to:

40 (A) The Director of Veterans' Affairs, as authorized by Article XI-A of the Oregon Constitution
41 and ORS chapter 407 (veterans loans).

42 (B) The State Board of [*Higher*] Education, as authorized by Article XI-F(1) of the Oregon Con-
43 stitution and ORS 351.350 (building projects).

44 (C) The Department of Environmental Quality, as authorized by Article XI-H of the Oregon
45 Constitution and ORS 468.195 to 468.260 (pollution control).

1 (D) The Water Resources Commission and the Water Resources Director, as authorized by Ar-
2 ticle XI-I(1) of the Oregon Constitution and ORS 541.700 to 541.855 (water development).

3 (E) The Housing and Community Services Department, as authorized by Article XI-I(2) of the
4 Oregon Constitution and ORS 456.515 to 456.725 and 458.505 to 458.515 (housing).

5 (F) The Director of the State Department of Energy, as authorized by Article XI-J of the Oregon
6 Constitution and ORS 470.220 to 470.290 (small scale energy projects).

7 (G) Other agencies as required by the Oregon Department of Administrative Services by rule
8 adopted using the criterion of this subsection.

9 (b) Each agency authorized to issue general obligation bonds that are ordinarily to be repaid
10 from other than General Fund appropriations shall determine the amount of revenues or other funds
11 that are available and the amount of taxes, if any, that should be levied for the ensuing year in the
12 manner required under rules adopted by the Oregon Department of Administrative Services and
13 make the certification required under subsection (2) of this section.

14 (8)(a) State agencies that are authorized to issue general obligation bonds that are ordinarily to
15 be repaid from General Fund appropriations include but are not limited to:

16 (A) The State Board of Forestry and the State Forester, as authorized by Article XI-E of the
17 Oregon Constitution and ORS 530.210 to 530.280 (state reforestation).

18 (B) The State Board of [*Higher*] Education, as authorized by Article XI-G of the Oregon Consti-
19 tution and ORS 351.345 (higher education and community colleges).

20 (C) Other agencies as required by the Oregon Department of Administrative Services by rule
21 adopted using the criterion of this subsection.

22 (b) Each agency authorized to issue general obligation bonds ordinarily to be repaid from Gen-
23 eral Fund appropriations shall furnish any data required by the Oregon Department of Administra-
24 tive Services to determine the amount of revenues or other funds that are available and the amount
25 of taxes, if any, that should be levied for the ensuing year and the administrative division of the
26 Oregon Department of Administrative Services that has primary responsibility for accounting shall
27 make the determination for purposes of the making of the certification required under subsection (3)
28 of this section.

29 **SECTION 78.** 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*] **within the Oregon University System.**

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 79.** 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 an-
11 other program or activity under the jurisdiction of the State Board of [*Higher*] Education **in relation**
12 **to higher education**, in which an employee of the institution or another program or activity may
13 designate an amount from the salary or wages of the employee for payment to a qualifying nonprofit
14 organization. A request made to the chancellor under this section must identify the nonprofit or-
15 ganization 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 or activity to which the approval applies, the
18 state official within the Oregon University System authorized to disburse funds in payment of sala-
19 ries or wages shall deduct from the salary or wages of the employee the amount of money designated
20 by the employee for payment to the nonprofit organization.

21 (4) The moneys deducted from the salaries or wages under subsection (3) of this section shall
22 be paid over promptly to the nonprofit organization.

23 (5) The Chancellor of the Oregon University System or a designee of the chancellor shall pre-
24 scribe procedures for determining whether an organization qualifies as a nonprofit organization un-
25 der this section.

26 **SECTION 80.** ORS 293.790 is amended to read:

27 293.790. (1) Under authority of section 6, Article XI of the Oregon Constitution, the state, sub-
28 ject to subsection (2) of this section, may hold and dispose of the stock of any company, association
29 or corporation, including stock already received, that is donated or bequeathed and the state, acting
30 by and through the State Board of [*Higher*] Education, subject to subsection (2) of this section, may
31 invest and reinvest in the stock of any company, association or corporation, any funds or moneys
32 of the State Board of [*Higher*] Education that:

33 (a) Are or have been donated or bequeathed for higher education purposes;

34 (b) Are the proceeds from the disposition of stock that is donated or bequeathed for higher ed-
35 ucation purposes, including stock already received; or

36 (c) Are dividends paid with respect to stock that is donated or bequeathed for higher education
37 purposes, including stock already received.

38 (2) The state, including any of its agencies having control of, or authority to invest and reinvest
39 in, any stock described in subsection (1) of this section, in holding, disposing of or investing and
40 reinvesting in such stock, shall be governed by ORS 130.750 to 130.775, notwithstanding the date of
41 acquisition of such stock. Moneys received from the disposition of such stock, including dividends,
42 shall be maintained separate and distinct from the General Fund, and those moneys, including in-
43 terest earned thereon, are appropriated continuously for the purposes of the donation or bequest and
44 of the investments and reinvestments authorized by subsection (1) of this section and by ORS
45 351.130. Except as specifically authorized by law, the state or any of its agencies may not purchase

1 stock.

2 (3)(a) This section does not apply to investment and reinvestment of moneys in the Public Em-
3 ployees Retirement Fund, the Industrial Accident Fund, the Deferred Compensation Fund and the
4 Education Stability Fund or to acquisition, retention, management and disposition of investments of
5 those funds as provided in ORS 293.701 to 293.820.

6 (b) This section does not apply to investment or reinvestment of moneys or stock resulting from
7 the holding and disposing of stock by the state as allowed under section 6 (2), Article XI of the
8 Oregon Constitution.

9 **SECTION 81.** ORS 293.812 is amended to read:

10 293.812. As used in ORS 293.811 to 293.817:

11 (1) "Company" means any sole proprietorship, organization, firm, association, corporation, util-
12 ity, partnership, venture, public franchise, franchisor, franchisee or its wholly owned subsidiary that
13 exists for profit-making purposes or otherwise to secure economic advantage.

14 (2) "Doing business" means maintaining equipment, facilities, personnel or any other apparatus
15 of business or commerce in Sudan, including the ownership or possession of real or personal prop-
16 erty located in Sudan.

17 (3) "Investment" or "invest" means the commitment of funds or other assets to a company, in-
18 cluding a loan or other extension of credit made to that company, or the ownership or control of a
19 share or interest in that company or of a bond or other debt instrument issued by that company.

20 (4) "Subject investment funds" means:

21 (a) The Public Employees Retirement Fund referred to in ORS 238.660;

22 (b) The Industrial Accident Fund referred to in ORS 656.632;

23 (c) The Common School Fund referred to in ORS 327.405;

24 (d) The Oregon War Veterans' Fund referred to in ORS 407.495; and

25 (e) Investment funds of the State Board of [*Higher*] Education available for investment or rein-
26 vestment by the Oregon Investment Council.

27 (5) "Sudan" means the Republic of the Sudan and any territory under the administration, legal
28 or illegal, of Sudan, including but not limited to the Darfur region.

29 **SECTION 82.** ORS 294.311 is amended to read:

30 294.311. As used in ORS 294.305 to 294.565, unless the context requires otherwise:

31 (1) "Accrual basis" means the recording of the financial effects on a municipal corporation of
32 transactions and other events and circumstances that have cash consequences for the municipal
33 corporation in the periods in which those transactions, events and circumstances occur, rather than
34 only in the periods in which cash is received or paid by the municipal corporation.

35 (2) "Activity" means a specific and distinguishable service performed by one or more organiza-
36 tional components of a municipal corporation to accomplish a function for which the municipal
37 corporation is responsible.

38 (3) "Appropriation" means an authorization granted by the governing body to make expenditures
39 and to incur obligations for specific purposes. An appropriation is limited to a single fiscal year for
40 municipal corporations preparing annual budgets, or to the budget period for municipal corporations
41 preparing biennial budgets.

42 (4) "Basis of accounting" means the cash basis, the modified accrual basis or the accrual basis.

43 (5) "Budget" means a plan of financial operation embodying an estimate of expenditures for a
44 given period or purpose and the proposed means of financing the estimated expenditures.

45 (6) "Budget document" means the estimates of expenditures and budget resources as set forth

1 on the estimate sheets, tax levy and the financial summary.

2 (7) "Budget period" means, for municipal corporations with the power to levy a tax upon prop-
3 erty, the two-year period commencing on July 1 and closing on June 30 of the second calendar year
4 next following, and for all other municipal corporations, an accounting period of 24 months ending
5 on the last day of any month.

6 (8) "Budget resources" means resources to which recourse can be had to meet obligations and
7 expenditures during the fiscal year or budget period covered by the budget.

8 (9) "Cash basis" means a basis of accounting under which transactions are recognized only in
9 the period during which cash is received or disbursed.

10 (10) "Current budget period" means the budget period in progress.

11 (11) "Current year" means the fiscal year in progress.

12 (12) "Encumbrance accounting" means the method of accounting under which outstanding
13 encumbrances are recognized as reductions of appropriations and the related commitments are car-
14 ried in a reserve for encumbrances until liquidated, either by replacement with an actual liability
15 or by cancellation. This method of accounting may be used as a modification to the accrual basis
16 of accounting in accordance with generally accepted accounting principles.

17 (13) "Encumbrances" means obligations in the form of purchase orders, contracts or salary
18 commitments which are chargeable to an appropriation and for which a part of the appropriation
19 is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

20 (14) "Ensuuing budget period" means the budget period following the current budget period.

21 (15) "Ensuuing year" means the fiscal year following the current year.

22 (16) "Expenditure" means, if the accounts are kept on the accrual basis or the modified accrual
23 basis, decreases in net financial resources and may include encumbrances. If the accounts are kept
24 on the cash basis, the term covers only actual disbursement, the drawing of the check or warrant
25 for these purposes and not encumbrances, except that deferred employee compensation shall be in-
26 cluded as a personal service expenditure where an approved deferred employee compensation plan
27 is in effect for a municipal corporation.

28 (17) "Fiscal year" means for municipal corporations with the power to impose ad valorem
29 property taxes, the fiscal year commencing on July 1 and closing on June 30, and for all other mu-
30 nicipal corporations, an accounting period of 12 months ending on the last day of any month.

31 (18) "Fund balance" means the excess of the assets of a fund over its liabilities and reserves
32 except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal pe-
33 riod, it represents the excess of the fund's assets and estimated revenues for the period over its li-
34 abilities, reserves and appropriations for the period.

35 (19) "General county resources" means resources from property taxes, state and federal shared
36 revenue, beginning balances available for expenditure and interest not required to be allocated to
37 specific programs or activities.

38 (20) "Governing body" means the city council, board of commissioners, board of directors,
39 county court or other managing board of a municipal corporation including a board managing a
40 municipally owned public utility or a dock commission.

41 (21) "Grant" means a donation or contribution of cash to a governmental unit by a third party.

42 (22) "Intergovernmental entity" means an entity created under ORS 190.010 (5). The term in-
43 cludes any council of governments created prior to the enactment of ORS 190.010 (5).

44 (23) "Internal service fund" means a fund properly authorized to finance, on a cost reimburse-
45 ment basis, goods or services provided by one organizational unit of a municipal corporation to

1 other organizational units of the municipal corporation.

2 (24) "Liabilities" means probable future sacrifices of economic benefits, arising from present
3 obligations of a municipal corporation to transfer assets or provide services to other entities in the
4 future as a result of past transactions or events. The term does not include encumbrances.

5 (25)(a) "Modified accrual basis" means the accrual basis of accounting adapted to the govern-
6 mental fund-type measurement focus. Under this basis of accounting, revenues and other financial
7 resource increments, such as bond proceeds, are recognized when they become susceptible to ac-
8 crual, that is, when they become both measurable and available to finance expenditures in the cur-
9 rent period.

10 (b) As used in this subsection, "available" means collectible in the current period or soon
11 enough thereafter to be used to pay liabilities of the current period. Under this basis of accounting,
12 expenditures are recognized when the fund liability is incurred except for:

13 (A) Inventories of material and supplies that may be considered expenditures either when pur-
14 chased or when used; and

15 (B) Prepaid insurance and similar items that may be considered expenditures either when paid
16 for or when consumed.

17 (26) "Municipal corporation" means any county, city, port, school district, union high school
18 district, community college district and all other public or quasi-public corporations including a
19 municipal utility or dock commission operated by a separate board or commission. "Municipal cor-
20 poration" includes an intergovernmental entity or council of governments that proposes to impose
21 or imposes ad valorem property taxes.

22 (27) "Net working capital" means the sum of the cash, cash equivalents, investments, accounts
23 receivable expected to be converted to cash during the ensuing year or ensuing budget period, in-
24 ventories, supplies and prepaid expenses less current liabilities and, if encumbrance accounting is
25 adopted, reserve for encumbrances. The term is not applicable to the cash basis of accounting.

26 (28) "Object" means, as used in expenditure classification, articles purchased including, but not
27 limited to, land, buildings, equipment and vehicles, or services obtained including, but not limited
28 to, administrative services, clerical services, professional services, property services and travel, as
29 distinguished from the results obtained from expenditures.

30 (29) "Object classification" means a grouping of expenditures on the basis of goods or services
31 purchased, including, but not limited to, personal services, materials, supplies and equipment.

32 (30) "Operating taxes" has the meaning given that term in ORS 310.055.

33 (31) "Organizational unit" means any administrative subdivision of a municipal corporation, es-
34 pecially one charged with carrying on one or more functions or activities.

35 (32) "Population" means the number of inhabitants of a municipal corporation according to
36 certified estimates of population made by the State Board of [Higher] Education.

37 (33) "Program" means a group of related activities aimed at accomplishing a major service or
38 function for which the municipality is responsible.

39 (34) "Public utility" means those public utility operations authorized by ORS chapter 225.

40 (35) "Publish" or "publication" means any one or more of the following methods of giving notice
41 or making information or documents available to members of the general public:

42 (a) Publication in one or more newspapers of general circulation within the jurisdictional
43 boundaries of the municipal corporation.

44 (b) Posting through the United States Postal Service by first class mail, postage prepaid, to each
45 street address within the jurisdictional boundaries of the municipal corporation and to each post

1 office box and rural route number belonging to a resident within the jurisdictional boundaries of the
2 municipal corporation.

3 (c) Hand delivery to each street address within the jurisdictional boundaries of the municipal
4 corporation.

5 (36) "Receipts" means cash received unless otherwise qualified.

6 (37) "Reserve for encumbrances" means a reserve representing the segregation of a portion of
7 a fund balance to provide for unliquidated encumbrances.

8 (38) "Revenue" means the gross receipts and receivables of a governmental unit derived from
9 taxes, licenses, fees and from all other sources, but excluding appropriations, allotments and return
10 of principal from investment of surplus funds.

11 (39) "Special revenue fund" means a fund properly authorized and used to finance particular
12 activities from the receipts of specific taxes or other revenues.

13 **SECTION 83.** ORS 320.100 is amended to read:

14 320.100. (1) All moneys received from the taxes imposed under ORS 320.011 and 320.012, includ-
15 ing penalties, shall be paid by the Department of Revenue in the following manner:

16 (a) Seventy-five percent (75%) of the moneys shall be credited, appropriated or remitted as fol-
17 lows:

18 (A) Forty-three and two-tenths percent (43.2%) thereof shall be credited to the General Fund to
19 be available for payment of general governmental expenses.

20 (B) Nine and seven-tenths percent (9.7%) is continuously appropriated to pay the expenses of
21 state and local programs of the Oregon Youth Conservation Corps established under ORS 418.650
22 to 418.663.

23 (C) Forty-seven and one-tenth percent (47.1%) thereof shall be remitted to the county treasurers
24 of the several counties of the state. Each county shall receive such share of the moneys as its pop-
25 ulation, determined by the State Board of [Higher] Education, bears to the total population of the
26 counties of the state, as determined by the census last preceding such apportionment.

27 (b) Twenty-five percent (25%) of the moneys shall be continuously appropriated to pay the ex-
28 penses of the state and local programs of the Oregon Youth Conservation Corps established under
29 ORS 418.650 to 418.663.

30 (2) All revenues received under this section by the treasurers of the several counties shall be
31 placed in the general fund of each county to be expended by the county courts or the board of
32 county commissioners of the several counties for general governmental expenses.

33 **SECTION 84.** ORS 321.185 is amended to read:

34 321.185. (1) There hereby is established in the State Treasury in the General Fund an account
35 to be known as the Forest Research and Experiment Account, which account hereby is appropriated
36 continuously to the State Board of [Higher] Education for the purposes of ORS 526.215 and 526.225.

37 (2) The Forest Research and Experiment Account shall consist of allocations from harvest taxes
38 as provided in ORS 321.015 (1).

39 **SECTION 85.** ORS 329.489 is amended to read:

40 329.489. (1) Within the State of Oregon's kindergarten through grade 12 education system, pro-
41 ficiency for students in American Sign Language shall be in accordance with rules adopted by the
42 State Board of Education pursuant to ORS chapter 329 and any other applicable state or federal law.

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

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

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

3 (c) Assist public high schools in identifying local and regional needs and resources available for
4 American Sign Language courses.

5 **SECTION 86.** ORS 337.521 is amended to read:

6 337.521. (1) The State Board of [*Higher*] Education may work with publishers, recognized na-
7 tional organizations of publishers, representatives of post-secondary education institutions, the sys-
8 tem described in ORS 192.517 and other interested parties to:

9 (a) Develop unified, statewide guidelines consistent with ORS 337.511 to 337.524;

10 (b) Administer ORS 337.511 to 337.524; and

11 (c) Review guidelines annually and revise the guidelines as necessary due to changes in tech-
12 nology or other changes.

13 (2) The guidelines may address the following:

14 (a) The procedures and standards relating to the distribution of files and materials pursuant to
15 ORS 337.511 to 337.524;

16 (b) Available electronic formats;

17 (c) Procedures for granting exceptions when it is determined that a publisher is not able to
18 comply with the requirements of ORS 337.511 to 337.524 due to technical, economic or other prac-
19 tical impediments; and

20 (d) Other matters deemed necessary or appropriate to carry out the purposes of ORS 337.511 to
21 337.524.

22 (3) The State Board of [*Higher*] Education shall review the recommendations, published on or
23 after July 1, 2007, of the Association of American Publishers' Alternative Formats Solutions Initi-
24 ative, and determine whether the recommendations should be incorporated into ORS 337.511 to
25 337.524.

26 **SECTION 87.** ORS 339.885 is amended to read:

27 339.885. (1) No secret society of any kind, including a fraternity or sorority, shall be permitted
28 in any public school.

29 (2) The district school board may order the suspension or expulsion of any pupil who belongs
30 to a secret society.

31 (3) This section does not apply to any institution of higher education [*under the jurisdiction of*
32 *the State Board of Higher Education*] **within the Oregon University System.**

33 **SECTION 88.** ORS 340.085 is amended to read:

34 340.085. The Department of Education shall annually report on the Expanded Options Program
35 to the [*Joint Boards of*] **State Board of Education** and the House and Senate committees relating
36 to education. The report shall include:

37 (1) The types of accelerated college credit programs offered.

38 (2) The number of waivers of requirements granted under the Expanded Options Program and
39 the reasons for issuance of the waivers.

40 (3) The number of college and high school credits earned under the Expanded Options Program.

41 (4) The estimated college tuition cost savings for students participating in the Expanded Options
42 Program.

43 (5) The number of students who had dropped out of high school but returned to high school to
44 participate in the Expanded Options Program and earned a diploma.

45 (6) The number of students who participated in the Expanded Options Program, categorized by

1 ethnicity and financial status.

2 (7) The number of talented and gifted students who participated in the Expanded Options Pro-
3 gram.

4 (8) The level of participation in the Expanded Options Program by rural communities, and the
5 number of students living in rural communities who participated in the program.

6 (9) Recommendations for changes to the Expanded Options Program to better serve students,
7 including changes to the age limit restrictions for eligible students.

8 (10) Recommendations for funding changes to better serve students who wish to participate in
9 the Expanded Options Program.

10 (11) The number of appeals of students under ORS 340.030 to the Superintendent of Public In-
11 struction or the superintendent's designee and the disposition of the students' appeals.

12 (12) The number of small school districts with more eligible students who wish to participate in
13 the program than are allowed under the credit hour caps established in ORS 340.080.

14 **SECTION 89.** ORS 342.147 is amended to read:

15 342.147. (1) After considering recommendations of the State Board of Education, the Teacher
16 Standards and Practices Commission shall establish by rule standards for approval of teacher edu-
17 cation institutions and teacher education programs. Public teacher education institutions shall be
18 approved for programs of more than four years' duration only if teacher education programs which
19 are reasonably attainable in a four-year period are also available in the system of higher education
20 and are designed to culminate in a baccalaureate degree that qualifies its graduates for entry-level
21 teaching licenses.

22 (2) The commission shall establish rules that allow teacher education programs leading to
23 graduate degrees to commence prior to the student's completion of baccalaureate degree require-
24 ments and that allow the combined use of undergraduate and graduate level course work in
25 achieving program completion.

26 (3) Whenever any teacher education institution or program is denied approved status or has
27 such status withdrawn such denial or withdrawal must be treated as a contested case within the
28 meaning of ORS chapter 183.

29 (4) Nothing in this section is intended to grant any authority to the commission relating to
30 granting of degrees or establishing degree requirements that are within the authority of the State
31 Board of [*Higher*] Education **in relation to higher education** or any institutions [*under its juris-*
32 *isdiction*] **within the Oregon University System** or that are within the authority of the governing
33 board of any private institution of higher education.

34 **SECTION 90.** ORS 342.447 is amended to read:

35 342.447. (1) The State Board of [*Higher*] Education shall require each public teacher education
36 program in this state to prepare a plan with specific goals, strategies and deadlines for the
37 recruitment, admission, retention and graduation of minority teachers.

38 (2) The state board shall review the plans for the adequacy and feasibility of the plans and, after
39 making necessary revisions, shall adopt the plans.

40 (3) The state board shall adopt rules governing:

41 (a) The contents of the plans;

42 (b) The state board's initial and biennial review process, including timetables for revising plans;
43 and

44 (c) Other matters necessary for carrying out the provisions of ORS 342.433 to 342.449 and
45 351.077.

1 **SECTION 91.** ORS 343.961 is amended to read:

2 343.961. (1) The Department of Education shall be responsible for payment of the cost of the
3 education in programs with which the Oregon Health Authority or Oregon Youth Authority con-
4 tracts for long-term care or treatment. Programs eligible for such education shall be in accordance
5 with criteria adopted by rule by the State Board of Education.

6 (2) The Department of Education shall be responsible for payment of the costs of such education
7 by contract with the school district, excluding transportation, care, treatment and medical expenses.
8 The resident district shall provide transportation to pupils enrolled in programs under ORS 430.715
9 who live at home but require day treatment. The payments may be made to the school district or,
10 at the discretion of the school district, to the district providing the education, as set forth in sub-
11 section (3) of this section, from the funds appropriated for the purpose.

12 (3) The school district in which the agency is located is responsible for providing the education
13 directly or through an adjacent school district or through the education service district in which
14 the program is located or one contiguous thereto. The instruction may be given in facilities of such
15 districts or in facilities provided by such agency.

16 (4) The school district may request the Department of Education to combine several private
17 agency school programs into one contract with a school district, an adjacent school district or an
18 education service district.

19 (5) The Oregon Youth Authority shall give the school district providing the education at a
20 treatment program 14 days' notice before a student is dismissed from the treatment program.

21 (6) The Department of Education may make advances to such school district from funds appro-
22 priated therefor based on the estimated agreed cost of educating the pupils per school year. Ad-
23 vances equal to 25 percent of such estimated cost may be made on September 1, December 1 and
24 March 1 of the current year. The balance may be paid whenever the full determination of cost is
25 made.

26 (7) School districts which provide the education described in this section on a year-round plan
27 may apply for 25 percent of the funds appropriated therefor on July 1, October 1, January 1, and
28 15 percent on April 1. The balance may be paid whenever the full determination of cost is made.

29 (8) In addition to the payment methods described in this section, the Department of Education
30 may:

31 (a) [*Negotiate interagency agreements to*] Pay for the cost of education in treatment programs
32 operated [*under the auspices of the State Board of Higher Education*] **by an institution within the**
33 **Oregon University System;** and

34 (b) Negotiate intergovernmental agreements to pay for the cost of education in treatment pro-
35 grams operated under the auspices of the Oregon Health and Science University Board of Directors.

36 **SECTION 92.** ORS 344.259 is amended to read:

37 344.259. (1) The State Board of Education shall coordinate continuing education in lower divi-
38 sion, developmental, adult self-improvement, professional and technical education for agencies under
39 its regulatory authority. The State Board of [*Higher*] Education shall coordinate continuing educa-
40 tion in upper division and graduate education for institutions [*under its jurisdiction*] **within the**
41 **Oregon University System.**

42 (2) When significantly adverse impact is alleged by one or more of the agencies listed in this
43 subsection, the affected parties jointly shall provide for written agreements. These agreements shall
44 allocate responsibility for planning and providing continuing education or off-campus instruction in
45 specific areas or by specific types. The agencies are:

- 1 (a) The State Board of Education.
 2 [(b) *The State Board of Higher Education.*]
 3 [(c)] (b) Community college districts.
 4 [(d)] (c) Independent colleges.
 5 [(e)] (d) Proprietary schools.

6 (3) In the event the affected parties fail to reach a written agreement within 120 days following
 7 receipt of written notice of the allegation, either party may request the Education and Workforce
 8 Policy Advisor to review and to recommend resolution.

9 (4) Nothing in this section prohibits the offering of upper division or graduate programs within
 10 30 miles of the campus of the Oregon University System institution offering the program, or the of-
 11 fering of lower division programs within 30 miles of the campus offering the program in areas out-
 12 side a community college district. Such programs are entitled to the same college credit and
 13 financial support as programs offered on the campus of the institution.

14 **SECTION 93.** ORS 348.010 is amended to read:

15 348.010. (1) An account in the Oregon University System Fund established under ORS 351.506
 16 is designated for the purpose of granting student loans under the terms established by the National
 17 Defense Education Act of 1958, as amended, under the terms of the Health Professions Educational
 18 Assistance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as
 19 amended.

20 (2) The account designated under this section consists of:

- 21 (a) All moneys made available to the State Board of [*Higher*] Education for student loan pur-
 22 poses by state appropriations and by the federal government under terms of the National Defense
 23 Education Act of 1958, as amended, under the terms of the Health Professions Educational Assist-
 24 ance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as amended;
 25 (b) Repayments of loans identified in paragraph (a) of this subsection;
 26 (c) Interest earned on student loans identified in paragraph (a) of this subsection; and
 27 (d) Earnings from investments of the account.

28 (3) The repayment in whole or part of any student loan made under terms of the National De-
 29 fense Education Act of 1958, as amended, under the terms of the Health Professions Educational
 30 Assistance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as
 31 amended, shall be made pursuant to the provisions of the applicable federal statutes and repayment
 32 to the account designated under this section shall be made in accordance with applicable federal
 33 statutes.

34 (4) Income and interest derived from moneys in the account designated by this section are
 35 credited to the account.

36 **SECTION 94.** ORS 348.180 is amended to read:

37 348.180. As used in this section and ORS 348.183, 348.186, 348.205, 348.230, 348.250 and 348.260:

- 38 (1) "Cost of education" includes but is not limited to, tuition, fees and living expenses.
 39 (2) "Eligible post-secondary institution" means:
 40 (a) A state institution [*under the direction of the State Board of Higher Education*] **within the**
 41 **Oregon University System;**
 42 (b) A community college operated under ORS chapter 341;
 43 (c) The Oregon Health and Science University; or
 44 (d) An Oregon-based, generally accredited, not-for-profit institution of higher education.
 45 (3) "Qualified student" means any resident student who plans to attend an eligible post-

1 secondary institution and who:

2 (a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;

3 (b) Is enrolled in an eligible program as defined by rule of the Oregon Student Assistance
4 Commission; and

5 (c) Is making satisfactory academic progress as defined by rule of the commission.

6 **SECTION 95.** ORS 348.205 is amended to read:

7 348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student
8 Assistance Commission.

9 (2) Under the program, the cost of education of a qualified student shall be shared by the stu-
10 dent, the family of the student, the federal government and the state.

11 (3) The commission shall determine the cost of education of a qualified student based on the type
12 of eligible post-secondary institution the student is attending. The cost of education equals:

13 (a) For a student attending a community college, the average cost of education of attending a
14 community college in this state;

15 (b) For a student attending an institution [*under the direction of the State Board of Higher Edu-*
16 *cation*] **within the Oregon University System**, the average cost of education of attending an in-
17 stitution [*under the direction of the board*] **within the Oregon University System**;

18 (c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institu-
19 tion of higher education, the average cost of education of attending a community college in this
20 state; and

21 (d) For a student attending the Oregon Health and Science University or a four-year Oregon-
22 based, generally accredited, not-for-profit institution of higher education, the average cost of edu-
23 cation of attending an institution [*under the direction of the board*] **within the Oregon University**
24 **System**.

25 (4)(a) The commission shall determine the amount of the student share. The student share shall
26 be based on:

27 (A) The type of eligible post-secondary institution the student is attending;

28 (B) The number of hours of work that the commission determines may be reasonably expected
29 from the student; and

30 (C) The amount of loans that the commission determines would constitute a manageable debt
31 burden for the student.

32 (b) The student shall determine how to cover the student share through income from work,
33 loans, savings and scholarships.

34 (c) The student share for a student who attends a community college may not exceed the amount
35 that the commission determines a student may earn based on the number of hours of work reason-
36 ably expected from the student under paragraph (a) of this subsection.

37 (d) The student share for a student who attends an eligible post-secondary institution that is not
38 a community college may not exceed the sum of the amount that the commission determines a stu-
39 dent may receive as loans plus the amount a student may earn based on the number of hours of
40 work reasonably expected from the student under paragraph (a) of this subsection.

41 (5) The commission shall determine the amount of the family share. The family share shall be
42 based on the resources of the family.

43 (6) The commission shall determine the amount of the federal share based on how much the
44 student or the student's family is expected to receive from the federal government as grants, loans,
45 tax credits or other student assistance.

1 (7)(a) The commission shall determine the amount of the state share. The state share shall be
2 equal to the cost of education reduced by the student share, family share and amount received by
3 the student from the federal government.

4 (b) The commission shall establish a minimum amount that a student may receive as a state
5 share. If the commission determines that the amount of the state share of a student is below the
6 minimum amount, the student may not receive the state share.

7 (c) In determining the amount of the state share, the commission shall consider the total amount
8 available to award as grants to all qualified students. If the commission must reduce the amount of
9 the state share under this paragraph, the commission may not reduce the amount of the state share
10 awarded to students in the low income range in a greater proportion than the amount that the state
11 share for students in other income ranges is reduced.

12 **SECTION 96.** ORS 348.210 is amended to read:

13 348.210. (1) In addition to any other scholarships provided by law, the Oregon Student Assist-
14 ance Commission may award scholarships at Eastern Oregon University to resident undergraduate
15 students applying for enrollment in the university or who are pursuing courses therein. The number
16 of students who receive scholarships under this subsection may not exceed two and one-half percent
17 of the number of students who are enrolled at the university. The scholarships shall be awarded
18 upon the basis of a record of high intellectual standing and deportment in the school or institution
19 where the applicant has received or is receiving preparatory training, the necessity for financial
20 assistance and other qualifications of such nature that the awarding of scholarships will operate not
21 only to the advantage of the applicant but to the people of Oregon. A scholarship awarded under
22 this subsection may not exceed in value the amount of the tuition and other fees, including the fees
23 that are levied against the recipient of the scholarship by the State Board of [Higher] Education at
24 the university.

25 (2) The commission may award tuition and fee-exempting scholarships to students from foreign
26 nations who are enrolled in state institutions of higher education. A student may not receive a
27 scholarship under this subsection that exceeds the amount of tuition and fees owed by the student.

28 (3) The value of scholarships awarded each year under subsection (2) of this section may not
29 exceed in aggregate an amount equal to 10 percent of the amount of tuition and fees paid in the
30 preceding year to the Oregon University System by students enrolled in state institutions of higher
31 education who were not Oregon residents.

32 **SECTION 97.** ORS 348.270 is amended to read:

33 348.270. (1) In addition to any other scholarships provided by law, the Oregon Student Assist-
34 ance Commission shall award scholarships in any state institution [*under the State Board of Higher*
35 *Education*] **within the Oregon University System**, in the Oregon Health and Science University,
36 in any community college operated under ORS chapter 341, or in any Oregon-based regionally ac-
37 credited independent institution, to any student applying for enrollment or who is enrolled therein,
38 who is:

39 (a) The natural child, adopted child or stepchild of any public safety officer who, in the line of
40 duty, was killed or so disabled, as determined by the Oregon Student Assistance Commission, that
41 the income of the public safety officer is less than that earned by public safety officers performing
42 duties comparable to those performed at the highest rank or grade attained by the public safety of-
43 ficer; or

44 (b) A former foster child who enrolls in an institution of higher education as an undergraduate
45 student not later than three years from the date the student was removed from the care of the De-

1 partment of Human Services, the date the student graduated from high school or the date the stu-
2 dent received the equivalent of a high school diploma, whichever date is earliest.

3 (2) Scholarships awarded under this section to students who are dependents of public safety of-
4 ficers or who are former foster children shall equal the amount of tuition and all fees levied by the
5 institution against the recipient of the scholarship. However, scholarships awarded to students who
6 attend independent institutions shall not exceed the amount of tuition and all fees levied by the
7 University of Oregon.

8 (3) If the student who is the dependent of a deceased public safety officer continues to remain
9 enrolled in a state institution of higher education or a community college or an independent insti-
10 tution within the State of Oregon, the student shall be entitled to renewal of the scholarship until
11 the student has received the equivalent of four years of undergraduate education and four years of
12 post-graduate education.

13 (4) If the student who is a former foster child or who is the dependent of a public safety officer
14 with a disability continues to remain enrolled in a state institution of higher education or a com-
15 munity college or an independent institution within the State of Oregon, the student shall be entitled
16 to renewal of the scholarship until the student has received the equivalent of four years of under-
17 graduate education.

18 (5) The Oregon Student Assistance Commission may require proof of the student's relationship
19 to a public safety officer described in subsection (1) of this section or proof that the student is a
20 former foster child.

21 (6) As used in this section:

22 (a) "Former foster child" means an individual who, for a total of 12 or more months while be-
23 tween the ages of 16 and 21, was a ward of the court pursuant to ORS 419B.100 (1)(b) to (e) and in
24 the legal custody of the Department of Human Services for out-of-home placement.

25 (b) "Public safety officer" means:

26 (A) A firefighter or police officer as those terms are defined in ORS 237.610.

27 (B) A member of the Oregon State Police.

28 **SECTION 98.** ORS 348.282 is amended to read:

29 348.282. As used in this section and ORS 348.283:

30 (1) "Armed Forces of the United States" means:

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

32 (b) The reserves of the Army, Navy, Air Force, Marine Corps and Coast Guard of the United
33 States; and

34 (c) The Oregon National Guard and a National Guard of any other state or territory.

35 (2) "Public post-secondary institution" means:

36 (a) A state institution [*under the direction of the State Board of Higher Education*] **within the**
37 **Oregon University System**; and

38 (b) A community college operated under ORS chapter 341.

39 (3) "Veteran" has the meaning given that term in ORS 408.225.

40 **SECTION 99.** ORS 348.394 is amended to read:

41 348.394. As used in ORS 348.394 to 348.406:

42 (1) "Eligible post-secondary institution" means:

43 (a) A state institution [*under the direction of the State Board of Higher Education*] **within the**
44 **Oregon University System** listed in ORS 352.002;

45 (b) A community college as defined in ORS 341.005; or

1 (c) A generally accredited, not-for-profit institution of higher education.

2 (2) "Participant" means a student who receives a grant under ORS 348.401.

3 **SECTION 100.** ORS 348.429 is amended to read:

4 348.429. (1) In addition to any other student assistance provided by the law, the Oregon Student
5 Assistance Commission shall award vouchers to eligible students participating in the program.

6 (2) The total of all vouchers earned by a student under this section in one term shall not exceed
7 an amount equal to the average tuition and associated fees charged annually to full-time resident
8 undergraduate students by institutions [*under the jurisdiction of the State Board of Higher*
9 *Education*] **within the Oregon University System.**

10 (3) Vouchers shall be provided in \$35 denominations for each eight hours of eligible community
11 service.

12 (4) The commission shall:

13 (a) Determine and approve which community service organizations and services within the pro-
14 grams of such organizations are eligible for participation in the program.

15 (b) Accept the students that the institutions consider eligible for vouchers under ORS 348.427
16 to 348.436.

17 (c) Provide payment for vouchers presented by the program students at eligible institutions.

18 (d) Establish procedures necessary to carry out the provisions of ORS 348.427 to 348.436, in-
19 cluding adopting necessary rules.

20 (5) Funds received in redemption of the vouchers granted pursuant to ORS 348.427 to 348.436
21 shall not be considered personal income for the purposes of ORS 316.037.

22 (6) The vouchers authorized by ORS 348.427 to 348.436 shall first become available when funds
23 are available therefor from sources other than the General Fund, as determined by the commission.

24 **SECTION 101.** ORS 348.603 is amended to read:

25 348.603. (1) The Oregon Student Assistance Commission, through the Office of Degree Authori-
26 zation, shall:

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

28 (b) Authorize approved degree-granting schools to offer nondegree programs leading to a certif-
29 icate or diploma;

30 (c) Validate claims of degree possession;

31 (d) Terminate substandard or fraudulent degree activities;

32 (e) Terminate activities of diploma mills operating in or from Oregon;

33 (f) Except as provided in subsection (4) of this section, terminate the operation in or from
34 Oregon of post-secondary accrediting bodies that are not recognized by the United States Depart-
35 ment of Education or by the commission; and

36 (g) Review proposed new publicly funded post-secondary programs and locations.

37 (2)(a) Following review of a proposed new publicly funded post-secondary program or location
38 that is not a career pathways certificate of completion program described in ORS 348.611, the com-
39 mission shall recommend resolution to the appropriate governing boards and mediate between the
40 boards to seek a negotiated resolution if:

41 (A) There is a detrimental duplication of programs; or

42 (B) The program or location would have a significantly adverse impact on one or more other
43 segments of education.

44 (b) If the boards do not resolve the issue raised under paragraph (a) of this subsection within
45 90 days of the date when the issue was recommended to the boards for mediation, the commission

1 shall have final authority for approval or disapproval of the program or location. If the boards do
 2 not resolve the issue, the commission shall approve or disapprove the program or location within
 3 180 days of the date when the review began.

4 (c) If the boards do not resolve the issue, the commission shall approve the program or location
 5 if the commission finds that the program or location meets an unmet workforce need in the state.

6 (d) The commission shall establish by rule a fair and neutral decision-making process in con-
 7 sultation with representatives designated by the State Board of Education, [*the State Board of*
 8 *Higher Education,*] associations representing Oregon independent colleges, associations representing
 9 Oregon career colleges, and the governing boards of otherwise unrepresented post-secondary
 10 schools.

11 (3) The commission, by rule, may impose a fee on any school or person requesting information
 12 from the commission. The amount of the fee shall be established to recover designated expenses in-
 13 curred by the commission in carrying out the administration of ORS 348.594 to 348.615. Any fees
 14 collected under this subsection shall be deposited in the Office of Degree Authorization Account
 15 established under ORS 348.601.

16 (4) Subsection (1)(f) of this section does not apply to a body the role of which is to accredit
 17 schools that offer only associate, bachelor's or master's degrees with titles in theology or religious
 18 occupations or, if the schools also offer doctoral degrees, offer doctoral degrees only in theology or
 19 religious occupations that have been approved by a federally recognized accrediting organization.

20 **SECTION 102.** ORS 348.849 is amended to read:

21 348.849. (1) There is established the Oregon 529 College Savings Board to administer ORS
 22 348.841 to 348.873.

23 (2) The board shall consist of:

24 (a) The State Treasurer, who shall serve as the board chairperson;

25 (b) A member of the State Board of [*Higher*] Education, to be selected by the State Board of
 26 [*Higher*] Education;

27 (c) A representative of accredited private colleges and universities located in this state, who
 28 shall be appointed by the State Treasurer; and

29 (d) Two public members, who by reason of their education and experience are qualified to serve,
 30 and who shall be appointed by the State Treasurer.

31 (3)(a) The board member who is a member of the State Board of [*Higher*] Education shall serve
 32 at the pleasure of the State Board of [*Higher*] Education but may not serve on the board following
 33 the end of the member's term on the State Board of [*Higher*] Education.

34 (b) The representative of private colleges and universities and the public members of the board
 35 shall serve at the pleasure of the State Treasurer for a term of office of three years. These members
 36 of the board may be reappointed to subsequent terms.

37 (4) The State Treasurer and the Oregon University System shall provide staff and assistance to
 38 the board in the administration of the Oregon 529 College Savings Network as directed by the board.

39 (5) A member of the board is entitled to compensation and expenses as provided in ORS 292.495.

40 (6) A majority of the members of the board constitutes a quorum for the transaction of business.

41 **SECTION 103.** ORS 348.900 is amended to read:

42 348.900. (1) The Employment Department, in consultation with health care industry employers,
 43 shall perform a statewide and regional needs assessment for health care occupations to identify
 44 emerging occupations and occupations for which there is high demand or a shortage of workers. The
 45 assessment shall be performed as necessary on a periodic basis, as determined by the department,

1 in consultation with industry employers. To perform the needs assessment, the department may
2 consider any reliable data sources available to the department.

3 (2) Based on the needs assessment, the [*Joint Boards*] **State Board** of Education shall inform
4 community colleges, state institutions of higher education within the Oregon University System,
5 Oregon Health and Science University and health care industry employers of the identified state-
6 wide needs and invite the development of health care education programs that are responsive to
7 those needs.

8 (3) When approving health care education programs, the State Board of Education[, *the State*
9 *Board of Higher Education*] and the Oregon Health and Science University Board of Directors shall
10 use the statewide needs assessment to evaluate whether a program fulfills statewide needs. If a
11 board determines there is a statewide need, the board shall facilitate the:

12 (a) Coordination of new health care education programs and existing health care education
13 programs that are similar to the new health care education programs to address the statewide need;
14 and

15 (b) Alignment of health care education programs relating to statewide access, student
16 transferability between programs, course articulation and common student learning outcomes for
17 health care education programs.

18 (4) In the development and approval of health care education programs, community colleges,
19 state institutions of higher education, Oregon Health and Science University, the State Board of
20 Education[, *the State Board of Higher Education*] and the Oregon Health and Science University
21 Board of Directors shall consider issues related to statewide access, student transferability between
22 programs, course articulation and common student learning outcomes for health care education
23 programs. The colleges, institutions, university and [*boards*] **board** shall continue to provide and
24 improve upon an effective articulation and transfer framework for students in Oregon's post-
25 secondary sectors.

26 **SECTION 104.** ORS 348.910 is amended to read:

27 348.910. (1) As used in this section, "applied baccalaureate degree" means a bachelor's degree
28 designed to incorporate applied associate courses and degrees with additional coursework empha-
29 sizing higher-order thinking skills and advanced technical knowledge and skills.

30 (2) The [*Joint Boards*] **State Board** of Education shall develop a plan for offering applied
31 baccalaureate degree programs at community colleges and state institutions of higher education.
32 The [*boards*] **board** shall consider the following types of programs for the purpose of offering some
33 of these types and the possibility of combinations of these types:

34 (a) A career ladder program that requires a substantial number of upper level courses in the
35 same technical area of study as the student's applied associate degree;

36 (b) An inverse program that reverses the traditional curriculum sequence by adding general
37 education courses in the student's third and fourth years to the associate degree courses taken in
38 the student's first and second years;

39 (c) A management ladder program that combines associate degree requirements with applied
40 management skills coursework; and

41 (d) A work experience program that combines general education and technical coursework with
42 direct, supervised work experience in a relevant field.

43 (3) The [*Joint Boards of Education*] plan must include the following elements:

44 (a) The method by which the applied baccalaureate degree programs will be created, including
45 any necessary accreditation by the relevant accrediting agency;

1 (b) The criteria for approving the degree and course options offered by state institutions of
2 higher education and community colleges;

3 (c) The articulation agreements between community colleges and state institutions of higher
4 education necessary to ensure that the applied baccalaureate degree programs are as widely avail-
5 able as possible;

6 (d) The resources required to implement the applied baccalaureate degree program;

7 (e) The timeline necessary to implement the applied baccalaureate degree program; and

8 (f) A recommendation as to whether community colleges should be allowed to offer applied
9 baccalaureate degrees.

10 *[(4) The Joint Boards of Education shall submit a report, along with proposed legislation, to the*
11 *interim committee of the Legislative Assembly related to higher education prior to November 1, 2010.*
12 *The boards shall provide progress reports on the plan to the interim committee.]*

13 *[(5) The Oregon University System, the Department of Education and the Department of Community*
14 *Colleges and Workforce Development shall provide staff support to the Joint Boards of Education in*
15 *the preparation of the reports required by this section.]*

16 **(4) The State Board of Education shall provide progress reports to the interim committee**
17 **of the Legislative Assembly related to higher education.**

18 **SECTION 105.** ORS 351.060 is amended to read:

19 351.060. The State Board of *[Higher]* Education may:

20 (1) Control and provide for, subject to the conditions of this section, the custody and occupation
21 of the grounds, buildings, books, papers and documents belonging to each and all the institutions,
22 departments or activities *[under the control of the State Board of Higher Education]* **within the**
23 **Oregon University System.**

24 (2) Manage, control and apply all property of whatever nature given to or appropriated for the
25 use, support or benefit of any or all of the institutions, departments or activities *[under the control*
26 *of the State Board of Higher Education]* **within the Oregon University System**, according to the
27 terms and conditions of such gift or appropriation. Moneys received under this section shall be de-
28 posited in a designated account in the Oregon University System Fund established by ORS 351.506.
29 Interest earned by the account shall be credited to the account.

30 (3) Erect, improve, repair, maintain, equip and furnish buildings, structures and lands for higher
31 education.

32 (4) Acquire, receive, hold, control, convey, sell, manage, operate, lease, lend, improve and de-
33 velop any and all property, real or personal:

34 (a) Given to any of the institutions, departments or activities *[under the control of the State*
35 *Board of Higher Education]* **within the Oregon University System** by private donors, whether such
36 gifts are made to the State Board of *[Higher]* Education or to the State of Oregon; or

37 (b) Acquired by any other method or from any source by the State Board of *[Higher]* Education
38 for the benefit of any of the institutions, departments or activities *[under the control of the board]*
39 **within the Oregon University System**, except for any structure, equipment or asset encumbered
40 by a certificate of participation.

41 (5) Manage mineral and geothermal resource rights and proceeds therefrom acquired or held for
42 the state by the board pursuant to this chapter and ORS chapter 567. This includes leasing mineral
43 and geothermal resource rights consistent with ORS 273.785.

44 (6) Take and hold mortgages on real and personal property acquired by way of gift or arising
45 out of transactions entered into in accordance with the powers, duties and authority given to the

1 board by this section, ORS 351.070 and 351.150.

2 (7) Institute, maintain and participate in suits and actions and other judicial proceedings, in the
3 name of the State of Oregon, for the foreclosure of such mortgages or for the purpose of carrying
4 into effect any and all of the powers, duties and authority given to the State Board of [*Higher*] Ed-
5 ucation by this section and ORS 351.070 and 351.150.

6 (8) Acquire, receive, hold, control, sell, manage, operate, lease or lend any goods, supplies, ma-
7 terials, equipment, services and information technology, for the use, support or benefit of any of the
8 institutions, departments or activities [*under the control of the board*] **within the Oregon University**
9 **System.**

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

12 **SECTION 106.** ORS 351.065 is amended to read:

13 351.065. (1) The State Board of [*Higher*] Education may, for each institution, division and de-
14 partment [*under its control*] **within the Oregon University System**, adopt rules and specific orders
15 by or through the institutional executive of each institution governing access to personnel records
16 of the institution, division or department, which are less than 25 years old.

17 (2) Rules adopted under subsection (1) of this section shall require that personnel records be
18 subjected to restrictions on access unless upon a finding by the institutional executive that the
19 public interest in maintaining individual rights to privacy in an adequate educational environment
20 would not suffer by disclosure of such records. Access to such records may be limited to designated
21 classes of information or persons, or to stated times and conditions, or to both, but cannot be limited
22 for records more than 25 years old.

23 (3) No rule or order promulgated pursuant to this section shall deny to a faculty member full
24 access to the member's personnel file or records kept by the board or its institutions, schools or
25 departments, except as provided in paragraphs (d) and (e) of this subsection.

26 (a) The number of files relating to the evaluation of a faculty member shall be limited to three,
27 to be kept in designated, available locations.

28 (b) Any evaluation received by telephone shall be documented in each of the faculty member's
29 files by means of a written summary of the conversation with the names of the conversants identi-
30 fied.

31 (c) A faculty member shall be entitled to submit, for placement in the three files, evidence re-
32 butting, correcting, amplifying or explaining any document contained therein and other material
33 which the member believes might be of assistance in the evaluation process.

34 (d) Letters and other information submitted in confidence to the board or its institutions, schools
35 or departments prior to July 1, 1975, shall be maintained in the files designated. However, if a
36 faculty member requests access to those files, the anonymity of the contributor of letters and other
37 information obtained prior to July 1, 1975, shall be protected. The full text shall be made available
38 except that portions of the text which would serve to identify the contributor shall be excised by
39 a faculty committee. Only the names of the contributors and the excised portions of the documents
40 may be kept in a file other than the three prescribed by paragraph (a) of this subsection.

41 (e) Confidential letters and other information submitted to or solicited after July 1, 1975, by the
42 board or its institutions, schools or departments prior to the employment of a prospective faculty
43 member are exempt from the provisions of this section. However, if the member is employed by the
44 board or its institutions, schools or departments, the confidential preemployment materials shall be
45 placed in the three authorized files. If a faculty member requests access to the member's files, the

1 anonymity of the contributor of confidential preemployment letters and other preemployment infor-
 2 mation shall be protected. The full text shall be made available, except that portions of the text
 3 which would serve to identify the contributor shall be excised and retained in a file other than the
 4 three designated in paragraph (a) of this subsection.

5 (f) Classroom survey evaluation by students of a faculty member's classroom or laboratory per-
 6 formance shall be anonymous. The record of tabulated reports shall be placed in at least one of the
 7 files designated in paragraph (a) of this subsection. All survey instruments used to obtain evaluation
 8 data shall be returned to the faculty member.

9 (g) After July 1, 1975, the board, its institutions, schools or departments when evaluating its
 10 employed faculty members shall not solicit nor accept letters, documents or other materials, given
 11 orally or in written form, from individuals or groups who wish their identity kept anonymous or the
 12 information they provide kept confidential.

13 (4) No rule or order promulgated pursuant to this section limits the authority of the institution,
 14 division or department to prepare, without identification of individual persons who have not con-
 15 sented thereto, statistical or demographic reports from personnel records.

16 (5) Any category of personnel records specifically designated as confidential pursuant to valid
 17 rules or orders pursuant to this section shall not be deemed a public record for the purposes of ORS
 18 192.420.

19 (6) As used in this section, "personnel records" means records containing information kept by
 20 the institution, division or department concerning a faculty member and furnished by the faculty
 21 member or by others about the faculty member at the member's or at the institution, division or
 22 department's request, including, but not limited to, information concerning discipline, membership
 23 activity, employment performance or other personal records of individual persons.

24 **SECTION 107.** ORS 351.067 is amended to read:

25 351.067. (1) In carrying out its authority under ORS 351.070, the State Board of [*Higher*] Edu-
 26 cation may authorize receipt of compensation for any officer or employee of the Oregon University
 27 System from private or public resources, including, but not limited to, income from:

28 (a) Consulting;

29 (b) Appearances and speeches;

30 (c) Intellectual property conceived, reduced to practice or originated and therefore owned within
 31 the Oregon University System;

32 (d) Providing services or other valuable consideration for a private corporation, individual, or
 33 entity, whether paid in cash or in-kind, stock or other equity interest, or anything of value regard-
 34 less of whether there is a licensing agreement between the Oregon University System and the pri-
 35 vate entity; and

36 (e) Performing public duties paid by private organizations, including institution corporate affil-
 37 iates, which augment an officer's or employee's publicly funded salary. Such income shall be au-
 38 thorized and received in accordance with policies and rules established by the board.

39 (2) The board may not authorize compensation, as defined in subsection (1) of this section, that,
 40 in the board's judgment, does not comport with the mission of the institution and the Oregon Uni-
 41 versity System or substantially interferes with an officer's or employee's duties to the Oregon Uni-
 42 versity System.

43 (3) Any compensation described and authorized under subsection (1) of this section is considered
 44 official compensation or reimbursement of expenses for purposes of ORS 244.040 and is not consid-
 45 ered an honorarium prohibited by ORS 244.042. If authorization or receipt of the compensation cre-

1 ates a potential conflict of interest, the officer or employee shall report the potential conflict in
2 writing in accordance with rules of the state board. The disclosure is a public record subject to
3 public inspection.

4 (4) The state board shall adopt by rule standards governing employee outside employment and
5 activities, including potential conflict of interest, as defined by state board rule and consistent with
6 ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing potential
7 or actual conflict of interest complaints.

8 **SECTION 108.** ORS 351.070 is amended to read:

9 351.070. (1) The Oregon University System, in accordance with rules adopted by the State Board
10 of [*Higher*] Education, shall implement a personnel system and may engage in collective bargaining
11 with its employees. All collective bargaining with any certified or recognized exclusive employee
12 representative shall be under the direction and supervision of the Chancellor of the Oregon Uni-
13 versity System. The Oregon University System shall have payroll authority pursuant to ORS 292.043
14 to 292.180.

15 (2)(a) The board shall establish competitive procedures for the purchasing, procurement and
16 contracting of goods, services and information technology, for the benefit of the Oregon University
17 System and all the institutions, departments and activities therein. The board may also establish
18 exemptions from the competitive procedures when appropriate.

19 (b) The board shall ensure that the hourly rate of wage paid by any contractor upon all public
20 improvements contracts undertaken for the board shall not be less than the same rate of wage as
21 determined by the Bureau of Labor and Industries for an hour's work in the same trade or occupa-
22 tion in the locality where such labor is performed. Claims or disputes arising under this subsection
23 shall be decided by the Commissioner of the Bureau of Labor and Industries.

24 (c) The board shall adopt policies and procedures that achieve results equal to or better than
25 the standards existing on July 17, 1995, regarding affirmative action, pay equity for comparable
26 work, recycling, the provision of workers' compensation insurance to workers on contract and the
27 participation of emerging small businesses and businesses owned by minorities and women.

28 (3) The board may, for each institution [*under its control*] **within the Oregon University Sys-**
29 **tem:**

30 (a) Appoint and employ a president and the requisite number of professors, teachers and em-
31 ployees, and prescribe their compensation and tenure of office or employment.

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

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

40 (d) Prescribe incidental fees for programs [*under the supervision or control of the board*] **within**
41 **the Oregon University System** found by the board, upon its own motion or upon recommendation
42 of the recognized student government of the institution concerned, to be advantageous to the cul-
43 tural or physical development of students. Fees realized in excess of amounts allocated and exceed-
44 ing required reserves shall be considered surplus incidental fees and shall be allocated for programs
45 [*under the control of the board*] **within the Oregon University System** and found to be advanta-

1 geous to the cultural or physical development of students by the institution president upon the
2 recommendation of the recognized student government at the institution concerned.

3 (e) Upon recommendation of the recognized student government, collect optional fees authorized
4 by the institution executive, for student activities not included in paragraph (c) or (d) of this sub-
5 section. The payment of such optional fees shall be at the option and selection of the student and
6 shall not be a prerequisite of enrollment.

7 (f) Confer, on the recommendation of the faculty of any such institution, such degrees as usually
8 are conferred by such institutions, or as they deem appropriate.

9 (g) Prescribe the qualifications for admission into such institutions.

10 (4) Subject to such delegation as the board may decide to make to the institutions, divisions and
11 departments [*under its control*] **within the Oregon University System**, the board, for each institu-
12 tion, division and department [*under its control*] **within the Oregon University System**:

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

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

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

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

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

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

23 (A) Dependents of students.

24 (B) Staff.

25 (C) Faculty.

26 (g) Shall prescribe and collect charges.

27 (h) Shall adopt rules relating to the creation, use, custody and disclosure, including access, of
28 student education records of the institutions that are consistent with the requirements of applicable
29 state and federal law. Whenever a student has attained 18 years of age or is attending an institution
30 of post-secondary education, the permission or consent required of and the rights accorded to a
31 parent of the student regarding education records shall thereafter be required of and accorded to
32 only the student.

33 (5) For each institution [*under its jurisdiction*] **within the Oregon University System**, the
34 board shall provide opportunities for part-time students to obtain complete undergraduate degrees
35 at unconventional times, which include but are not limited to early morning and noon hours,
36 evenings and weekends. In administering these degree programs, the institution may use any edu-
37 cational facility available for the use of the institution.

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

42 **SECTION 109.** ORS 351.072 is amended to read:

43 351.072. (1) Notwithstanding ORS chapter 183, the following actions may be taken by the State
44 Board of [*Higher*] Education **in relation to higher education** or **by** the educational institutions
45 [*under its control*] **within the Oregon University System** without compliance with the rulemaking

1 provisions of ORS chapter 183:

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

5 (b) Adoption of fees or fee schedules relating to charges for symposiums, conferences, short
6 courses, food, books or other retail goods, prices of admission to athletic, entertainment or cultural
7 events or advertising rates in student or institutional publications. However, student loan service
8 charges, charges levied as penalties for prohibited conduct, general tuition, building fees, incidental
9 fees, health service fees and residence hall and housing charges shall be adopted in accordance with
10 the provisions of ORS chapter 183.

11 (2) Any standards, regulations, policies, practices or fees adopted under this section by the State
12 Board of [*Higher*] Education or by any of the educational institutions [*under its control*] **within the**
13 **Oregon University System** shall be reduced to writing and made available to interested persons
14 upon request.

15 **SECTION 110.** ORS 351.075 is amended to read:

16 351.075. (1) The State Board of [*Higher*] Education shall appoint a chief executive officer **of the**
17 **Oregon University System** who shall be known as the Chancellor of the Oregon University System
18 and who shall serve at the pleasure of the board. The board may appoint one or more assistants as
19 may be necessary.

20 (2) The chancellor and the assistants of the chancellor shall be persons who by training and
21 experience are well qualified to perform the duties of their offices and to assist in carrying out the
22 functions of the board **and the Oregon University System** under ORS 351.010 to 351.070, 351.075
23 to 351.260, 351.310 to 351.615, 351.770 to 351.840, 352.002 to 352.006, 352.010 to 352.053, 352.230,
24 352.360, 352.370, 352.390, 352.400 and 352.510 to 352.760.

25 (3) The State Board of [*Higher*] Education shall fix the compensation of the chancellor and the
26 assistants of the chancellor.

27 **SECTION 111.** ORS 351.077 is amended to read:

28 351.077. (1) Pursuant to ORS 342.447, the office of the Chancellor of the Oregon University
29 System shall ensure the implementation of the plans developed for recruitment of minority teachers.

30 (2) The chancellor shall report biennially to the State Board of [*Higher*] Education and the
31 Legislative Assembly on the implementation and results of the plans. The report may include rec-
32 ommendations on ways in which the Legislative Assembly can assist in increasing the number of
33 minority teachers.

34 **SECTION 112.** ORS 351.085 is amended to read:

35 351.085. The Chancellor of the Oregon University System shall exercise, under the direction of
36 the State Board of [*Higher*] Education, the administrative authority necessary to carry out the pol-
37 icies of the board with respect to the institutions, departments or activities [*under the control of the*
38 *board*] **within the Oregon University System**. In carrying out the duties of the chancellor, the
39 chancellor shall:

40 (1) Act as administrative officer of the [*State Board of Higher Education*] **Oregon University**
41 **System**.

42 (2) Maintain a centralized service program for all institutions, departments and activities, in-
43 cluding but not limited to, accounting, statistical services, capital construction, management analy-
44 sis, legal services, academic affairs and educational research.

45 (3) Collect and compile information and statistics relative to the operation of the institutions,

1 departments and activities of the [*State Board of Higher Education*] **Oregon University System.**

2 (4) Prepare and submit to the State Board of [*Higher*] Education an annual operating budget for
3 all institutions, departments and activities of the [*board*] **Oregon University System.**

4 (5) Oversee the preparation and submission to the State Board of [*Higher*] Education of the
5 biennial budget requests of the institutions, departments and activities for consideration by the
6 board as the budget request to the Governor under ORS 351.090. The chancellor shall provide ana-
7 lyses of the budget requests of the institutions, departments and activities, including in such ana-
8 lyses alternative considerations as may be necessary or desirable for the board in the adoption of
9 its budget request.

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

13 (7) Designate, if the chancellor wishes, one or more suitable persons to sign or countersign
14 warrants, vouchers, certificates, or other papers and documents requiring the signature of the
15 chancellor.

16 (8) Prepare the agendas for [*State Board of Higher Education*] **Oregon University System**
17 meetings and provide an analysis of proposals made to the board, including such alternatives as may
18 be necessary or desirable for their consideration, and make recommendations thereon.

19 (9) Prepare and submit to the State Board of [*Higher*] Education on or about December 31 of
20 each year an annual report in which the chancellor describes the principal activities of the Oregon
21 University System during the fiscal year ending June 30. The report shall include a statement of
22 all funds received, the source or sources from which received, the expenditure and disbursement of
23 all funds and the purposes for which they were expended. The report shall contain a statement of
24 the number of students enrolled in each institution, department or activity, the number of degrees
25 conferred, the improvements made and new courses of instruction added, together with a statement
26 showing in a general way the status of all activities and functions of the [*State Board of Higher*
27 *Education*] **Oregon University System.**

28 (10) Keep a record of the transactions of the [*State Board of Higher Education*] **Oregon Uni-**
29 **versity System.**

30 (11) Have the custody of all books, papers, documents and other property belonging to the [*State*
31 *Board of Higher Education*] **Oregon University System.**

32 (12) Give such instructions as may be necessary to carry out the directives of the State Board
33 of [*Higher*] Education and forward them to the various institution presidents and heads of depart-
34 ments and activities.

35 (13) Provide for meetings of the presidents and principal executives of the institutions, depart-
36 ments and activities, at such times as the State Board of [*Higher*] Education may direct, such
37 meetings to be open to any member of the board. At such meetings, the executives of the Oregon
38 University System may propose policies or policy changes or statements for consideration by the
39 board and develop recommendations concerning allocations of funds.

40 (14) Perform such other administrative assistance and consider other administrative matters as
41 the State Board of [*Higher*] Education may require.

42 **SECTION 113.** ORS 351.086 is amended to read:

43 351.086. (1) Except as otherwise provided in this chapter and ORS chapter 352, the provisions
44 of ORS chapters 240, 279A, 279B, 279C, 282 and 292 do not apply to the Oregon University System.

45 (2) Notwithstanding subsection (1) of this section, ORS 240.167, 240.185, 279A.065 (2), 279B.055

1 (3), 279C.380 (1)(a) and (3), 279C.600 to 279C.625, 279C.800, 279C.810, 279C.825, 279C.830, 279C.835,
2 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865, 279C.870 and 292.043 apply to the Oregon
3 University System.

4 (3) Notwithstanding any other law, the following provisions do not apply to the Oregon Uni-
5 versity System:

6 (a) ORS 182.310 to 182.400;

7 (b) ORS 273.413 to 273.456;

8 (c) ORS 276.071 and 276.072; and

9 (d) ORS 291.038.

10 (4) Notwithstanding subsection (3)(b) of this section, ORS 273.413 to 273.456 apply to any struc-
11 ture, equipment or asset owned by the Oregon University System that is encumbered by a certificate
12 of participation.

13 (5) In carrying out the duties, functions and powers imposed by law upon the Oregon University
14 System, the State Board of [*Higher*] Education or the Chancellor of the Oregon University System
15 may contract with any public agency for the performance of such duties, functions and powers as
16 the Oregon University System considers appropriate.

17 **SECTION 114.** ORS 351.087 is amended to read:

18 351.087. (1) The State Board of [*Higher*] Education shall establish policies for the operation of
19 the Oregon University System, consistent with ORS 351.086.

20 (2) For the purpose of clarifying areas of oversight and in accordance with subsection (1) of this
21 section, wherever the Oregon Department of Administrative Services would otherwise have author-
22 ity over administrative matters concerning the performance, operating policies or structure of the
23 Oregon University System, that authority shall be transferred to the State Board of [*Higher*] Edu-
24 cation.

25 **SECTION 115.** ORS 351.088 is amended to read:

26 351.088. Notwithstanding ORS chapter 183, the State Board of [*Higher*] Education or any state
27 institution of higher education [*under the jurisdiction of the board*] **within the Oregon University**
28 **System** may, by rule, establish adjudicative procedures that are consistent with federal and state
29 constitutional requirements and other provisions of law. The adjudicative procedures shall be con-
30 sistent with ORS 183.413 to 183.497 and 183.502 whenever the type of hearing or procedure required
31 is substantially of the character that would necessitate the procedures required by ORS 183.413 to
32 183.470.

33 **SECTION 116.** ORS 351.090 is amended to read:

34 351.090. The State Board of [*Higher*] Education shall prescribe for all state-supported higher
35 educational institutions a standardized system of accounts and records. The board shall prepare
36 biennially, at such time as the Governor shall require, a report to the Governor containing the
37 proposed budget for the succeeding biennium covering in detail the purposes for which all expen-
38 ditures shall be made. In preparation of this budget the board may allocate to the respective insti-
39 tutions over which it is authorized to exercise supervision and control all funds then available and
40 all funds which under laws then existing become available during the succeeding biennium from all
41 sources, so far as they can be ascertained, in accordance with the board's higher educational de-
42 velopment program.

43 **SECTION 117.** ORS 351.092 is amended to read:

44 351.092. Notwithstanding ORS 293.595, the State Board of [*Higher*] Education shall control and
45 supervise the acquisition, installation and use of all data processing equipment to be used primarily

1 for the purposes of the accounting records and accounting system of the Oregon University System.
2 The board may authorize use of that equipment for other purposes to the extent that use for those
3 other purposes does not conflict with use for the primary purpose of the Oregon University System's
4 accounting records and accounting system.

5 **SECTION 118.** ORS 351.094 is amended to read:

6 351.094. (1) Notwithstanding any other provision of law, the Oregon University System shall
7 provide group insurance to its employees through the Public Employees' Benefit Board, but may
8 elect, at the discretion of the State Board of [*Higher*] Education, to provide alternative benefit plans
9 to its employees, should the same level of benefits be available at a lower cost than through the
10 Public Employees' Benefit Board.

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

16 (3) The Oregon University System shall offer a deferred compensation plan for its employees.
17 The Oregon University System shall, at the discretion of the board, choose whether to offer its em-
18 ployees the state deferred compensation plan established under ORS 243.401 to 243.507 or another
19 deferred compensation plan that the board elects to make available to the employees of the Oregon
20 University System.

21 **SECTION 119.** ORS 351.097 is amended to read:

22 351.097. (1) The payment of salary or compensation of the officers, teachers, instructors and
23 other employees of the Oregon University System, where such salary or compensation is payable out
24 of the State Treasury and is fixed by law or the State Board of [*Higher*] Education at a definite rate
25 per hour, day, week, month or year, shall be made weekly, biweekly, semimonthly or monthly with
26 any necessary adjustments, as provided in this section.

27 (2) With the approval of the board, the Chancellor of the Oregon University System shall make
28 out, certify and transmit to the board at the end of each pay period a payroll, duly verified by the
29 chancellor or other designated officer and approved by the proper auditing committee or officer,
30 showing the names of the several officers, teachers, instructors and other employees during the
31 preceding payroll period, the rate of compensation of each by the hour, day, week, month or year,
32 the time employed, the amount due and any other facts the board requires. The board, if it approves
33 the payroll, shall draw a warrant on the State Treasurer for the aggregate amount allowed in favor
34 of the chancellor, who shall immediately pay over the moneys received to the several parties enti-
35 tled thereto and take receipts therefor, which shall be transmitted to the board.

36 (3) Notwithstanding subsection (2) of this section or any other law and pursuant to ORS 293.330,
37 the State Board of [*Higher*] Education may authorize the chancellor to designate a person employed
38 by and located at each institution of higher education [*under the jurisdiction of the board*] **within**
39 **the Oregon University System** to implement and administer the payroll system selected by the
40 board to pay employees designated by the board. The person shall be under bond to the State of
41 Oregon.

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

1 **SECTION 120.** ORS 351.105 is amended to read:

2 351.105. In order to carry out the duties described in ORS 352.008, the State Board of [*Higher*]
3 Education, in consultation with the Oregon Health Authority, shall adopt by rule, as a minimum,
4 descriptions of the content of what shall be included in the policy and plan described in ORS
5 352.008.

6 **SECTION 121.** ORS 351.110 is amended to read:

7 351.110. All relationships and negotiations between the Legislative Assembly and its various
8 committees and the institutions of higher education shall be carried on through the Oregon Uni-
9 versity System. A subordinate official representing any of the separate institutions may not appear
10 before the Legislative Assembly or any committee except upon the written authority of the State
11 Board of [*Higher*] Education.

12 **SECTION 122.** ORS 351.117 is amended to read:

13 351.117. (1) If the State Board of [*Higher*] Education determines that enrollment is sufficient to
14 make an American Sign Language class economically viable and if qualified instructors are avail-
15 able, the board may offer to students courses for credit in American Sign Language at any institu-
16 tion of higher education within the Oregon University System. Such courses shall satisfy any second
17 language elective requirement.

18 (2) The State Board of [*Higher*] Education is encouraged to continue to:

19 (a) Coordinate with [*the State Board of Education and*] the Oregon School for the Deaf to de-
20 velop curricula for American Sign Language courses;

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

23 (c) Assist institutions of higher education in identifying local and regional needs and resources
24 available for American Sign Language courses.

25 **SECTION 123.** ORS 351.130 is amended to read:

26 351.130. (1) The State Board of [*Higher*] Education shall encourage gifts and donations to insti-
27 tutions of higher education within the Oregon University System by faithfully devoting the gifts or
28 donations to the institution for which the gift or donation is intended.

29 (2) The Higher Education Donation Fund is established in the State Treasury, separate and
30 distinct from the General Fund. Moneys in the Higher Education Donation Fund are continuously
31 appropriated to the State Board of [*Higher*] Education for the purpose for which the moneys were
32 donated. Moneys in the fund may be invested as provided in ORS 293.701 to 293.820, subject to the
33 terms or restrictions of any gifts or donations. Any interest or other income derived from the in-
34 vestment of the fund shall be credited to the fund.

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

42 (4) The interest, income, dividends or profits received on any property or funds of the State
43 Board of [*Higher*] Education or the Oregon University System derived from gifts and donations, in-
44 cluding legacies, devises, bequests or endowments, are continuously appropriated to the use, main-
45 tenance and support of the Oregon University System in the same manner as the principal or corpus

1 of each such gift or donation in accordance with the terms of the gift or donation.

2 (5) As used in this section, “gifts or donations” includes funds donated to the State Board of
3 *[Higher]* Education or the Oregon University System to which by agreement the donor receives
4 consideration in return for the gift or donation or retains a reversionary interest but does not in-
5 clude grant or contract funds received from government sources.

6 **SECTION 124.** ORS 351.140 is amended to read:

7 351.140. (1) The State Board of *[Higher]* Education may purchase such real property as in its
8 sole discretion may be necessary for the present or future development of any of the schools or in-
9 stitutions *[under its jurisdiction]* **within the Oregon University System**. The board may enter into
10 contracts of purchase or agreements which it deems necessary in carrying out this authorization.

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

15 **SECTION 125.** ORS 351.150 is amended to read:

16 351.150. Legal title to all real property acquired by any of the institutions *[under the control of*
17 *the State Board of Higher Education]* **within the Oregon University System** shall be taken and
18 held in the name of the State of Oregon. Legal title to all real property heretofore or hereafter
19 conveyed to any such institutions shall be deemed to be conveyed to and vested in the State of
20 Oregon. Authorized conveyances of all real property acquired by or vested in the State of Oregon
21 for the use or benefit of any such institutions, other than the university lands referred to in ORS
22 273.251, shall be executed in the name of the State of Oregon by the *[president and secretary of the*
23 *board of higher education]* **State Board of Education**. Nothing in this section or in ORS 351.060
24 shall be considered as exempting such property from taxation.

25 **SECTION 126.** ORS 351.155 is amended to read:

26 351.155. Notwithstanding the applicable provisions of ORS 279.835 to 279.855, 279A.140 to
27 279A.155, 279A.250 to 279A.290, 279A.990, 279B.200 to 279B.240, 279B.270, 279B.275, 279B.280,
28 279C.360, 279C.365, 279C.370, 279C.375, 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545,
29 279C.600 to 279C.625, 279C.650 to 279C.670 and 279C.800 to 279C.870, the State Board of *[Higher]*
30 Education may, in the management of all forestlands under its control and supervision, sell the for-
31 est products on such lands in the same manner as is provided in ORS 530.059, and for that purpose
32 the State Board of *[Higher]* Education shall have the same powers with respect to experimental or
33 research projects in the field of forestland management or for forest product utilization on
34 forestlands under its control as the State Forester has pursuant to the provisions of ORS 530.050
35 and 530.059. In the management of its forestlands, the State Board of *[Higher]* Education may lease
36 mineral and geothermal resource rights as provided in ORS 351.060 (5).

37 **SECTION 127.** ORS 351.160 is amended to read:

38 351.160. (1) The State Board of *[Higher]* Education may undertake the construction of any
39 building or structure for higher education when, in the judgment of the board, it appears that the
40 building or structure will be wholly self-liquidating and self-supporting from revenues to accrue from
41 the operation thereof and from gifts, grants or building fees, and from unobligated revenues of
42 buildings or projects of like character. The board may enter into contracts for the erection, im-
43 provement, repair, equipping and furnishing of buildings and structures for dormitories, housing,
44 boarding, off-street motor vehicle parking facilities and other purposes for higher education pursuant
45 to Article XI-F(1) of the Oregon Constitution, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505.

1 (2) The board may also undertake the construction of those buildings and structures that are
 2 designated by the Legislative Assembly for higher education institutions and activities, and may
 3 enter into contracts with persons, firms or corporations for the erection, improvement, repair,
 4 equipping and furnishing of such buildings and structures pursuant to Article XI-G of the Oregon
 5 Constitution and ORS 351.345.

6 **SECTION 128.** ORS 351.165 is amended to read:

7 351.165. No later than March 1 of each odd-numbered year, the State Board of [*Higher*] Educa-
 8 tion shall submit a report to the Legislative Assembly concerning the status of all previously ap-
 9 proved Oregon University System capital construction projects that have not been completed or
 10 have been completed within the preceding 24-month period. The report shall include the project title,
 11 funding sources, the amount of the original appropriation or expenditure limitation, the amount of
 12 unexpected funds, the construction status and the anticipated completion date.

13 **SECTION 129.** ORS 351.170 is amended to read:

14 351.170. (1) The State Board of [*Higher*] Education shall establish such rates, charges and fees
 15 for use of buildings, structures or projects referred to in ORS 351.160 (1), including revenue-
 16 producing buildings and structures already constructed, as, in the judgment of the board, will pro-
 17 vide the required revenues to make the particular new building, project or structure self-liquidating
 18 and self-supporting, and as will provide the funds with which to amortize the principal of and pay
 19 the interest on the bonds issued to finance such buildings, structures or projects.

20 (2) The board shall charge and collect from each regular student a building fee at a rate not to
 21 exceed \$45 for each regular term, for not less than three terms in each regular academic year, and
 22 not to exceed \$67.50 if instruction is on a semester basis, or an equivalent rate of charge when in-
 23 struction is on a different basis. The board is authorized to maintain adequate accounts for bonds
 24 outstanding. The fee shall be in addition to tuition and other fees charged to students and shall be
 25 deposited in the appropriate subaccount of the account maintained in the Oregon University System
 26 Fund under ORS 351.460.

27 **SECTION 130.** ORS 351.180 is amended to read:

28 351.180. The State Board of [*Higher*] Education may cause the buildings, structures or projects
 29 referred to in ORS 351.160 and 351.170 and the equipment and furnishings therein and the
 30 appurtenances thereto to be insured against fire and other hazards in such sums as will protect the
 31 holders of the outstanding bonds issued to finance the cost thereof. Such insurance shall be in lieu
 32 of that afforded by the Insurance Fund, without right of insurers, in the event of loss, to subrogation
 33 to or contribution from said fund.

34 **SECTION 131.** ORS 351.190 is amended to read:

35 351.190. The State Board of [*Higher*] Education may obtain, by donation, purchase, agreement
 36 or condemnation, the title to any land authorized to be acquired by ORS 351.345, 351.350 and
 37 351.450. Condemnation proceedings instituted by the board shall be conducted in accordance with
 38 ORS chapter 35.

39 **SECTION 132.** ORS 351.200 is amended to read:

40 351.200. (1) The State Board of [*Higher*] Education shall visit all state institutions [*of higher*
 41 *education under its jurisdiction*] **within the Oregon University System** for the purpose of inquiring
 42 as to the work offered and conducted at such institutions, whenever and as often as it may deem
 43 necessary. The board shall specifically determine from time to time as occasion may require what
 44 courses or departments, if any, shall not, in its judgment, be duplicated in the several higher edu-
 45 cational institutions. The board may direct the elimination of duplicate work from any institution,

1 and determine and define the courses of study and departments to be offered and conducted by each
2 institution.

3 (2) A record of such determination shall be kept by the board. The board shall notify the Gov-
4 ernor of such determination and each institution affected shall conform thereto.

5 (3) If any changes are made in the curricula of any institution, the change shall become effective
6 at the beginning of the school year following the determination.

7 (4) Any person may appear before the Board of [*Higher*] Education at any meeting for the pur-
8 pose of laying before the board any data or arguments for the maintaining or elimination of any
9 duplicated course or department.

10 **SECTION 133.** ORS 351.203 is amended to read:

11 351.203. (1) The State Board of [*Higher*] Education shall cooperate with the Education and
12 Workforce Policy Advisor in the development of a state comprehensive education plan including
13 post-secondary education and in review of the board's programs and budget. The board shall submit
14 in timely fashion to the advisor such data as is appropriate in a form prescribed by the advisor.

15 (2) The board shall cooperate with the mediation process administered by the Oregon Student
16 Assistance Commission pursuant to ORS 348.603 and, if a negotiated resolution cannot be reached
17 by mediation, comply with the decisions of the commission regarding proposed new post-secondary
18 programs and proposed new post-secondary locations, including those proposed by Oregon Health
19 and Science University in cooperation with the board under ORS 353.440.

20 **SECTION 134.** ORS 351.205 is amended to read:

21 351.205. The State Board of [*Higher*] Education may allow interchange of members of the facul-
22 ties of institutions of higher learning with faculty members of comparable institutions of other states
23 or countries for a period of one year. Such exchange service shall, for all purposes, be deemed
24 continued service with the Oregon institution covered, with salary paid to the absent faculty mem-
25 ber accordingly. Salary for the visiting faculty member shall not be paid by the Oregon institution
26 covered.

27 **SECTION 135.** ORS 351.210 is amended to read:

28 351.210. (1) The State Board of [*Higher*] Education may sell or otherwise dispose of any worn
29 out, obsolete or otherwise unsuitable equipment, goods, supplies, material or information technology,
30 the disposal of which would in the board's judgment be to the financial benefit of the institutions
31 [*under the board's control*] **within the Oregon University System.** This section does not apply to
32 any equipment, goods, supplies, material or information technology encumbered by a certificate of
33 participation.

34 (2) The board may delegate any of its duties, functions or powers granted to the board under
35 this section to the Chancellor of the Oregon University System or any state institution of higher
36 education within the Oregon University System.

37 (3) The proceeds from any sales or disposals made pursuant to authority granted in this section
38 shall be deposited in a designated account in the Oregon University System Fund established by
39 ORS 351.506 and may be expended by the board for any purpose authorized by law in the same
40 manner as the board is authorized to make other expenditures.

41 **SECTION 136.** ORS 351.220 is amended to read:

42 351.220. The State Board of [*Higher*] Education may acquire by gift or by purchase interests in
43 intellectual property of any kind, whether patentable or copyrightable or not, including patents,
44 copyrights, inventions, discoveries, processes and ideas. The board may also agree to aid in the
45 development of property acquired pursuant to ORS 351.220 to 351.250 and to pay an assignor of any

1 interest in intellectual property a share of any moneys received on account of the board's ownership
2 or management of the property.

3 **SECTION 137.** ORS 351.230 is amended to read:

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

13 **SECTION 138.** ORS 351.240 is amended to read:

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

19 (2) The board may delegate any of the duties, functions and powers granted to the board under
20 ORS 351.220 to 351.250 to any state institution of higher education within the Oregon University
21 System.

22 **SECTION 139.** ORS 351.250 is amended to read:

23 351.250. Moneys received by the board as a result of ownership or management of property ac-
24 quired under ORS 351.220 to 351.250 or of transactions regarding such property shall be credited to
25 a designated account in the Oregon University System Fund established by ORS 351.506 and shall
26 only be applied by the State Board of [*Higher*] Education to payment of the agreed share, if any, to
27 assignors, and for the advancement of research or for the acquisition and development of intellectual
28 property, or both. Interest earned by the account shall be credited to the account.

29 **SECTION 140.** ORS 351.260 is amended to read:

30 351.260. The State Board of [*Higher*] Education may establish and maintain planning facilities
31 and undertake planning work for the provision of, or related to, local planning services and may:

32 (1) Upon the request of the governing body of any municipality, county, Indian reservation or
33 of a regional or joint planning agency in the state, provide planning assistance to such municipality,
34 county, Indian reservation or planning agency (including surveys, land use studies, urban renewal
35 plans, technical services and other planning work) and make or assist in making a study or report
36 upon any planning problem of such municipality, county, Indian reservation or planning agency.

37 (2) Agree with such governing body or planning agency as to the amount to be paid to the board
38 for such service.

39 (3) Apply for and accept grants from the federal government and other sources in connection
40 with any such planning work.

41 (4) Contract with respect thereto.

42 **SECTION 141.** ORS 351.267 is amended to read:

43 351.267. (1) The State Board of [*Higher*] Education shall give individual, written notice of rea-
44 sonable assurance of continued employment to all employees who are to perform services in the
45 same or a similar capacity during a subsequent academic year or term or in the period immediately

1 following a recess period. Such notice shall be given by June 15 of each year for employees em-
2 ployed as of that date and as of the date of hire for employees employed subsequent to June 15.

3 (2) Academic staff members on annual or indefinite tenure and all other employees on regular
4 status are considered to have been given notice for the purposes of this section.

5 (3) No liability shall accrue from failure to give the notice required by subsection (1) of this
6 section or from the timing or contents thereof on the part of the board. However, the board shall
7 enforce the provisions of subsection (1) of this section.

8 **SECTION 142.** ORS 351.277 is amended to read:

9 351.277. (1) The State Board of [*Higher*] Education shall establish by rule procedures to identify
10 officially sanctioned programs for purposes of ORS 283.310 (3).

11 (2) As used in this section, "officially sanctioned program" is a program identified by the state
12 board through the procedures established pursuant to subsection (1) of this section.

13 **SECTION 143.** ORS 351.310 is amended to read:

14 351.310. (1) The State Board of [*Higher*] Education shall control the use, distribution and dis-
15 bursement of all funds, appropriations and taxes now or hereafter in possession, levied and collected,
16 received or appropriated for the use, benefit, support and maintenance of institutions, departments
17 or activities of higher education, including the authorization of individuals to sign vouchers for the
18 disbursement of funds for the various institutions, departments and activities.

19 (2) All moneys, except moneys appropriated from the State Treasury for expenditure within a
20 specified period of time, heretofore or hereafter received by or on behalf of the State Board of
21 [*Higher*] Education, or any institution, department or activity [*under its control*] **within the Oregon**
22 **University System**, which are not otherwise appropriated by law, hereby are appropriated contin-
23 uously to the State Board of [*Higher*] Education for the purposes for which such moneys were do-
24 nated, granted or received, in accordance with any applicable law governing the use of such moneys.

25 **SECTION 144.** ORS 351.315 is amended to read:

26 351.315. In carrying out the power and authority granted by ORS 351.140 or 351.160, the State
27 Board of [*Higher*] Education may request the State Treasurer to borrow money and issue bonds, as
28 defined in ORS 286A.001, secured by the pledge of the real property to be acquired and revenues,
29 as provided in ORS 351.140 or 351.160. Such bonds shall be issued in accordance with the provisions
30 of ORS chapter 286A.

31 **SECTION 145.** ORS 351.317 is amended to read:

32 351.317. An obligation incurred under ORS 351.140 or 351.315 is not an indebtedness of the State
33 of Oregon and does not create a general indebtedness of the State Board of [*Higher*] Education. A
34 bond issued by the State Treasurer at the request of the board may be paid only from the property,
35 income or revenues pledged to secure its payment.

36 **SECTION 146.** ORS 351.320 is amended to read:

37 351.320. The State Board of [*Higher*] Education may prorate all expenses not otherwise provided
38 for, incurred under authority of ORS [*351.040, 351.050,*] 351.090 to 351.110, 351.130 and 351.310 to the
39 institutions [*under its control*] **within the Oregon University System**, and pay the same from the
40 funds available for the general expenses of those institutions.

41 **SECTION 147.** ORS 351.345 is amended to read:

42 351.345. In order to provide funds for the purposes specified in Article XI-G of the Oregon
43 Constitution, the State Board of [*Higher*] Education may request the State Treasurer to issue bonds
44 in accordance with the provisions of ORS chapter 286A.

45 **SECTION 148.** ORS 351.350 is amended to read:

1 351.350. In order to provide funds for the purposes specified in Article XI-F(1), Oregon Consti-
 2 tution, the State Board of [*Higher*] Education may request the State Treasurer to issue bonds in
 3 accordance with the provisions of ORS chapter 286A.

4 **SECTION 149.** Section 5, chapter 904, Oregon Laws 2009, is amended to read:

5 **Sec. 5.** The State Board of [*Higher*] Education shall determine the capital renewal, code com-
 6 pliance and safety projects to be undertaken with moneys made available under section 6 (1)(a),
 7 **chapter 904, Oregon Laws 2009, [of this 2009 Act]** on the basis of the board's determination of the
 8 most critical capital renewal, code compliance and safety needs. In determining the capital renewal,
 9 code compliance and safety needs, the board shall give priority to projects that protect the health
 10 and safety of occupants and maintain the structural integrity of facilities.

11 **SECTION 150.** Section 10, chapter 904, Oregon Laws 2009, as amended by section 7, chapter
 12 99, Oregon Laws 2010, is amended to read:

13 **Sec. 10.** (1) Pursuant to Article XI-G of the Oregon Constitution and ORS 351.345 and ORS
 14 chapter 286A, the State Board of [*Higher*] Education may sell, with the approval of the State
 15 Treasurer, general obligation bonds of the State of Oregon of the kind and character and within the
 16 limits prescribed by Article XI-G of the Oregon Constitution, as the board determines, but in no
 17 event may the board sell more than the aggregate principal sum of \$143,900,479 par value for the
 18 biennium beginning July 1, 2009. The moneys realized from the sale of the bonds shall be appro-
 19 priated and may be expended for the purposes set forth in section 2 (3)(h), chapter 845, Oregon Laws
 20 2001, section 2 (6)(h) and (p), chapter 787, Oregon Laws 2005, section 2 (4)(a) and (L), (5)(h) and (6)(g)
 21 and (h), chapter 761, Oregon Laws 2007, **and** section 6 (1)(b) and (d), (2)(a) and (b), (3), (4)(b), (c) and
 22 (d), (5)(a), (6)(b) and (7)(a), chapter 904, Oregon Laws 2009, and for payment for capitalized interest
 23 and costs incidental to issuance of the bonds.

24 (2) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 25 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 26 Constitution in section 6 (1)(b), chapter 904, Oregon Laws 2009, are matched with the General Fund
 27 appropriation made under section 14, chapter 904, Oregon Laws 2009.

28 (3) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 29 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 30 Constitution in section 6 (1)(d), chapter 904, Oregon Laws 2009, are matched with the General Fund
 31 appropriation made under section 15, chapter 904, Oregon Laws 2009.

32 (4) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 33 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 34 Constitution in section 6 (2)(a), chapter 904, Oregon Laws 2009, are matched with the General Fund
 35 appropriation made under section 16, chapter 904, Oregon Laws 2009.

36 (5) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 37 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 38 Constitution in section 6 (2)(b), chapter 904, Oregon Laws 2009, are matched with the General Fund
 39 appropriation made under section 17, chapter 904, Oregon Laws 2009.

40 (6) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 41 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 42 Constitution in section 6 (3), chapter 904, Oregon Laws 2009, are matched with the General Fund
 43 appropriation made under section 18, chapter 904, Oregon Laws 2009.

44 (7) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 45 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon

1 Constitution in section 6 (4)(b), chapter 904, Oregon Laws 2009, are matched with the General Fund
 2 appropriation made under section 19, chapter 904, Oregon Laws 2009.

3 (8) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 4 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 5 Constitution in section 6 (4)(c), chapter 904, Oregon Laws 2009, are matched with the General Fund
 6 appropriation made under section 20, chapter 904, Oregon Laws 2009.

7 (9) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 8 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 9 Constitution in section 6 (4)(d), chapter 904, Oregon Laws 2009, are matched with the General Fund
 10 appropriation made under section 21, chapter 904, Oregon Laws 2009.

11 (10) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 12 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 13 Constitution in section 6 (5)(a), chapter 904, Oregon Laws 2009, are matched with the General Fund
 14 appropriation made under section 22, chapter 904, Oregon Laws 2009.

15 (11) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 16 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 17 Constitution in section 6 (6)(b), chapter 904, Oregon Laws 2009, are matched with the General Fund
 18 appropriation made under section 23, chapter 904, Oregon Laws 2009.

19 (12) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
 20 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
 21 Constitution in section 6 (7)(a), chapter 904, Oregon Laws 2009, are matched with the General Fund
 22 appropriation made under section 24, chapter 904, Oregon Laws 2009.

23 **SECTION 151.** Section 11, chapter 904, Oregon Laws 2009, is amended to read:

24 **Sec. 11.** Notwithstanding the expenditure limitations established under sections 6 and 12,
 25 **chapter 904, Oregon Laws 2009** [of this 2009 Act], the State Board of [Higher] Education may in-
 26 crease any limit for expenditures from other revenues, including federal funds, prescribed by
 27 sections 6 and 12, **chapter 904, Oregon Laws 2009**, [of this 2009 Act] for a specific project, if the
 28 expenditure limitation for bonds issued pursuant to Article XI-F(1) or XI-G of the Oregon Constitu-
 29 tion for the project is reduced by the board in the same amount.

30 **SECTION 152.** Section 12, chapter 904, Oregon Laws 2009, is amended to read:

31 **Sec. 12.** (1) Notwithstanding the expenditure limitations established under section 6, **chapter**
 32 **904, Oregon Laws 2009** [of this 2009 Act], and subject to subsection (3) of this section, the State
 33 Board of [Higher] Education may expend amounts that exceed the expenditure limitations estab-
 34 lished under section 6 (1) to (7), **chapter 904, Oregon Laws 2009**, [of this 2009 Act] for bonds issued
 35 pursuant to Article XI-F(1) of the Oregon Constitution by the following percentage amounts:

36 (a) For a project with a combined approved General Fund appropriation and total expenditure
 37 limitation of \$500,000 to \$999,999 under section 6, **chapter 904, Oregon Laws 2009** [of this 2009
 38 Act], up to 12 percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1) of
 39 the Oregon Constitution.

40 (b) For a project with a combined approved General Fund appropriation and total expenditure
 41 limitation of \$1,000,000 to \$4,999,999 under section 6, **chapter 904, Oregon Laws 2009** [of this 2009
 42 Act], up to eight percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1)
 43 of the Oregon Constitution.

44 (c) For a project with a combined approved General Fund appropriation and total expenditure
 45 limitation of \$5,000,000 to \$9,999,999 under section 6, **chapter 904, Oregon Laws 2009** [of this 2009

1 *Act*], up to five percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1)
2 of the Oregon Constitution.

3 (d) For a project with a combined approved General Fund appropriation and total expenditure
4 limitation of \$10,000,000 or more under section 6, **chapter 904, Oregon Laws 2009** [*of this 2009*
5 *Act*], up to three percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1)
6 of the Oregon Constitution.

7 (2) Notwithstanding the expenditure limitations established under section 6, **chapter 904,**
8 **Oregon Laws 2009** [*of this 2009 Act*], and subject to subsection (3) of this section, the State Board
9 of [*Higher*] Education may expend amounts that exceed the expenditure limitations established under
10 section 6 (1) to (7), **chapter 904, Oregon Laws 2009**, [*of this 2009 Act*] for other revenues, including
11 federal funds, by the following percentage amounts:

12 (a) For a project with a combined approved General Fund appropriation and total expenditure
13 limitation of \$500,000 to \$999,999 under section 6, **chapter 904, Oregon Laws 2009** [*of this 2009*
14 *Act*], up to 12 percent of the expenditure limitation for other revenues, including federal funds.

15 (b) For a project with a combined approved General Fund appropriation and total expenditure
16 limitation of \$1,000,000 to \$4,999,999 under section 6, **chapter 904, Oregon Laws 2009** [*of this 2009*
17 *Act*], up to eight percent of the expenditure limitation for other revenues, including federal funds.

18 (c) For a project with a combined approved General Fund appropriation and total expenditure
19 limitation of \$5,000,000 to \$9,999,999 under section 6, **chapter 904, Oregon Laws 2009** [*of this 2009*
20 *Act*], up to five percent of the expenditure limitation for other revenues, including federal funds.

21 (d) For a project with a combined approved General Fund appropriation and total expenditure
22 limitation of \$10,000,000 or more under section 6, **chapter 904, Oregon Laws 2009** [*of this 2009*
23 *Act*], up to three percent of the expenditure limitation for other revenues, including federal funds.

24 (3) The total amount by which the expenditure limitations established under section 6, **chapter**
25 **904, Oregon Laws 2009**, [*of this 2009 Act*] are exceeded under subsections (1) and (2) of this section
26 may not be greater than the sum of the amounts established under section 6 (8), **chapter 904,**
27 **Oregon Laws 2009** [*of this 2009 Act*].

28 (4) Notwithstanding the expenditure limitations established under section 6, **chapter 904,**
29 **Oregon Laws 2009**, [*of this 2009 Act*] and subsection (3) of this section, the State Board of
30 [*Higher*] Education may expend an additional amount in excess of the expenditure limitations es-
31 tablished under section 6, **chapter 904, Oregon Laws 2009**, [*of this 2009 Act*] to pay the cost of
32 accrued and unpaid interest attributable to short term borrowing under Article XI-F(1) of the
33 Oregon Constitution for a project listed in section 6 (1) to (7), **chapter 904, Oregon Laws 2009** [*of*
34 *this 2009 Act*], if the short term borrowing has been refunded by another borrowing. The amount of
35 such accrued and unpaid interest shall not exceed the amount established under section 6 (9),
36 **chapter 904, Oregon Laws 2009**, [*of this 2009 Act*] and may be treated as an allowable project cost
37 related to the acquisition of land, improvements to land and acquisition, planning, constructing, al-
38 tering, repairing, furnishing and equipping of buildings, facilities and other projects within the
39 Oregon University System that may be paid from bond proceeds and other revenues, including fed-
40 eral funds, collected or received by the Oregon University System.

41 **SECTION 153.** Section 13, chapter 904, Oregon Laws 2009, is amended to read:

42 **Sec. 13.** Notwithstanding ORS 351.345 and section 6, **chapter 904, Oregon Laws 2009** [*of this*
43 *2009 Act*], the State Board of [*Higher*] Education may issue bonds for a project listed in section 6
44 (1)(b) and (d), (2), (3), (4)(b), (c) and (d), (5)(a), (6)(b) and (7)(a), **chapter 904, Oregon Laws 2009** [*of*
45 *this 2009 Act*]:

1 (1) If the total amount from other revenues, including federal funds, identified for the project in
2 the expenditure limitation in section 6, **chapter 904, Oregon Laws 2009**, [of this 2009 Act] has been
3 received by the State Board of [Higher] Education; or

4 (2) After reporting to the Emergency Board or the Joint Committee on Ways and Means, if the
5 total amount from other revenues, including federal funds, identified for the project in the expendi-
6 ture limitation in section 6, **chapter 904, Oregon Laws 2009**, [of this 2009 Act] has not been re-
7 ceived by the State Board of [Higher] Education.

8 **SECTION 154.** ORS 351.353 is amended to read:

9 351.353. (1) The State Board of [Higher] Education may undertake the construction of an off-
10 street motor vehicle parking facility in Portland, Oregon, for higher education pursuant to Article
11 XI-F(1), Oregon Constitution, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505. The parking
12 facility shall be for the use of the students and staff members of the board. The board shall establish
13 the rates, charges and fees for use of the parking facility in accordance with the provisions of ORS
14 351.170.

15 (2) Bonds may be sold to finance the facility described in this section, in an amount authorized
16 and under the conditions prescribed by ORS 351.350.

17 **SECTION 155.** ORS 351.356 is amended to read:

18 351.356. (1) As used in this section:

19 (a) "Bond" means a bond issued under Article XI-F(1) of the Oregon Constitution.

20 (b) "Credit enhancement device" means a letter of credit, line of credit, bond insurance policy,
21 standby purchase agreement, surety bond or other device or facility used to enhance the
22 creditworthiness, liquidity or marketability of a bond.

23 (c) "Financial agreement" means an agreement for exchange of interest rates, as defined in ORS
24 286A.001, a credit enhancement device or an agreement made in connection with a credit enhance-
25 ment device, that is executed for one or more bonds.

26 (2) The State of Oregon, acting through the State Board of [Higher] Education or the State
27 Treasurer, may:

28 (a) Enter into financial agreements.

29 (b) Identify, segregate, pledge and agree to pay amounts due under financial agreements entered
30 into under this section from:

31 (A) The revenues, gifts, grants or building fees that are described in section 2, Article XI-F(1)
32 of the Oregon Constitution; or

33 (B) The unexpended proceeds of the bonds for which financial agreements are executed.

34 (c) To the extent permitted by Article XI-F(1) of the Oregon Constitution, issue bonds to secure
35 the state's obligation to make payments under a financial agreement. If a bond is issued under this
36 paragraph, the bond amount shall count toward the limit described in section 1, Article XI-F(1) of
37 the Oregon Constitution, only to the extent that it increases the amount the state is obligated to
38 pay under other bonds.

39 **SECTION 156.** ORS 351.460 is amended to read:

40 351.460. (1) The State Board of [Higher] Education shall maintain an account within the Oregon
41 University System Fund established by ORS 351.506 to provide for the payment of the principal of
42 and the interest upon:

43 (a) The bonds issued under authority of Article XI-F(1) of the Oregon Constitution and ORS
44 351.350;

45 (b) The bonds issued under authority of Article XI-G of the Oregon Constitution and ORS

1 351.345;

2 (c) Revenue bonds authorized by ORS 351.315; and

3 (d) Amounts due under financial agreements entered into under ORS 351.356.

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

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

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

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

10 (b) All moneys that the Legislative Assembly may provide in lieu of such taxes;

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

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

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

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

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

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

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

25 (6) The board shall apply student building fees, revenues, gifts and grants for the payment of the
26 principal of and the interest upon the bonds issued under authority of Article XI-F(1) of the Oregon
27 Constitution and upon revenue bonds authorized by ORS 351.315 until such time as the proper sub-
28 account and investments of the subaccount, as supplemented by expected future income will, in the
29 judgment of the board, be sufficient to meet in full the principal of and the interest upon all such
30 outstanding bonds. Except for student building fees, income not required for the account as de-
31 scribed in this subsection shall be transferred to other accounts and subaccounts within the Oregon
32 University System Fund that are designated by the board. Student building fees for buildings con-
33 structed from the proceeds of bonds issued under Article XI-F(1) of the Oregon Constitution or ORS
34 351.315 shall be applied only to those bonds authorized under Article XI-F(1) of the Oregon Consti-
35 tution or ORS 351.315.

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

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

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

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

45 **SECTION 157.** ORS 351.470 is amended to read:

1 351.470. Pending receipt of the proceeds from the expected sale of bonds authorized by this
2 chapter, to the State of Oregon or to the United States Government or any agency thereof, the State
3 Board of *[Higher]* Education may, with the approval of the State Treasurer, procure interim financ-
4 ing from the State of Oregon, the United States Government or any agency thereof, or from any
5 private lending agency, by issuing to such private or public lending agency temporary bonds, with-
6 out advertisement of such bonds for sale, in order to finance temporarily building projects author-
7 ized by the board pursuant to Article XI-F(1) or Article XI-G of the Oregon Constitution or ORS
8 351.160, if the bond issue to be temporarily financed by the issuance of temporary bonds has been
9 authorized by the State Board of *[Higher]* Education and a purchase plan has been formulated with
10 and is being considered by the State of Oregon or the United States Government or any agency
11 thereof. The proceeds from the sale of the bonds shall be deposited in the account in the Oregon
12 University System Fund designated by ORS 351.450, and shall be used to retire the temporary bonds
13 issued under this section. The principal amount of temporary bonds issued under this section may
14 not exceed the principal amount of the bond issue for which a purchase plan has been formulated.
15 The temporary bonds may be extended, renewed or refunded but maturity dates may not be later
16 than two years from the date of issue of the original temporary bonds for the related building
17 project.

18 **SECTION 158.** ORS 351.505 is amended to read:

19 351.505. The State Board of *[Higher]* Education may, in its discretion, accept financial assistance
20 and grants, either in the form of money or labor, from the United States or any of its agencies,
21 subject to the terms and conditions thereof, regardless of any laws of this state in conflict with the
22 regulations of the federal government with respect thereto, and may also accept from others any
23 donation or grant of land or gift of money or other valuable gift or thing, for any of the purposes
24 contemplated by Article XI-F(1) and Article XI-G of the Oregon Constitution, ORS 351.160 to 351.190,
25 351.345 to 351.460, 351.500 and 351.505. Unless enjoined by the terms or conditions of any such gift
26 or grant, the board may convert the same, or any of them, into money, through sale or disposal
27 thereof.

28 **SECTION 159.** ORS 351.506 is amended to read:

29 351.506. (1) The Oregon University System Fund is established in the State Treasury, separate
30 and distinct from the General Fund. Any interest or other investment income derived from moneys
31 in the Oregon University System Fund is credited to the fund. Except when otherwise specified by
32 a statute establishing an account, the interest or other investment income credited to the Oregon
33 University System Fund that was derived from tuition and fees, facility and administrative cost re-
34 coveries, sales and services revenues, housing fees, food service fees, parking fees and General Fund
35 appropriations shall be transferred to the General Fund by the State Board of *[Higher]* Education.

36 (2) Except for moneys otherwise designated by statute or federal law, all moneys received by the
37 State Board of *[Higher]* Education **for higher education** or the Oregon University System shall be
38 paid into the State Treasury and credited to the Oregon University System Fund. All moneys in the
39 fund are continuously appropriated to the State Board of *[Higher]* Education for purposes authorized
40 by law.

41 (3) The moneys in the Oregon University System Fund may be invested as provided in ORS
42 293.701 to 293.820.

43 (4) The board may establish accounts and subaccounts within the Oregon University System
44 Fund when the board determines that accounts or subaccounts are necessary or desirable. Except
45 when otherwise specified by a statute establishing an account, the board may credit any interest

1 or income derived from moneys in the fund to any account or subaccount within the fund.

2 (5) The board shall keep a record of all moneys deposited into the fund. The record shall indi-
3 cate by separate cumulative accounts and subaccounts the sources from which the moneys are de-
4 rived and the individual activity or program against which each withdrawal is charged.

5 **SECTION 160.** ORS 351.590 is amended to read:

6 351.590. (1) An account in the Oregon University System Fund established by ORS 351.506 is
7 designated for the purpose of receiving all revenue from incidental fees, optional fees, health ser-
8 vices fees and all operating revenue from intercollegiate athletics, student unions and educational
9 activities.

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

14 (3) Income and interest derived from moneys in the account designated by this section are
15 credited to the account. The State Board of [*Higher*] Education shall distribute annually the total
16 interest earnings proportionately to each institution based on each institution's average cash bal-
17 ance in the account.

18 **SECTION 161.** ORS 351.615 is amended to read:

19 351.615. Moneys set aside by higher education auxiliary activities for repair and alteration of
20 buildings and replacement of equipment shall be credited to an account designated for that purpose
21 in the Oregon University System Fund established by ORS 351.506. Income and interest derived from
22 moneys in the account are credited to the account for distribution to the several auxiliary activities
23 in accord with rules adopted by the State Board of [*Higher*] Education. The moneys in the account
24 may be used only for the repair and alteration of auxiliary enterprise buildings and replacement of
25 equipment as designated by the board, after hearing any recommendations by recognized student
26 governments.

27 **SECTION 162.** ORS 351.627 is amended to read:

28 351.627. (1) An account in the Oregon University System Fund established by ORS 351.506 is
29 designated for the purpose of capital construction.

30 (2) The account designated by this section consists of moneys credited to the account, including
31 moneys from the Administrative Services Economic Development Fund. Interest earned on moneys
32 in the account is credited to the account.

33 (3) A building, facility or project to be funded from the account designated by this section may
34 not be commenced and an expenditure for the building, facility or project may not be made or in-
35 curred except for land purchases and architectural or engineering planning until a plan for the
36 building, facility or project has been submitted by the State Board of [*Higher*] Education to and
37 approved by the Emergency Board.

38 **SECTION 163.** ORS 351.633 is amended to read:

39 351.633. Any contract entered into by the State Board of [*Higher*] Education to be paid from the
40 account designated by ORS 351.627 for which there are insufficient funds in the account at the time
41 the contract is entered into must contain a provision authorizing cancellation of the contract if the
42 funds do not become available.

43 **SECTION 164.** ORS 351.642 is amended to read:

44 351.642. (1) As used in this section:

45 (a) "Active member of the Armed Forces of the United States" includes officers and enlisted

1 personnel of the Armed Forces of the United States who:

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

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

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

8 (b) "Armed Forces of the United States" includes:

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

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

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

13 (c) "Dependent children" includes any children of an active member of the Armed Forces of the
14 United States who:

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

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

18 (2) Active members of the Armed Forces of the United States and their spouses and dependent
19 children shall be considered residents of this state for the purpose of admission and for the purpose
20 of determining fees and tuition to be paid by such individuals while attending any educational in-
21 stitution [*in this state that is under the control of the State Board of Higher Education*] **within the**
22 **Oregon University System.**

23 (3) The State Board of [*Higher*] Education may contract with the Armed Forces of the United
24 States to furnish educational service in Oregon institutions to active members of the Armed Forces
25 of the United States.

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

28 (5) Students attending Oregon institutions under contracts with the Armed Forces of the United
29 States under this section shall pay fees and tuition customarily charged Oregon students.

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

33 **SECTION 165.** ORS 351.643 is amended to read:

34 351.643. (1) A student at a state institution of higher education who is a member of the military
35 and who is ordered to federal or state active duty for more than 30 consecutive days has the fol-
36 lowing rights:

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

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

40 (B) Receive a grade of incomplete and, upon release from active duty, complete the course in
41 accordance with the practice of the state institution of higher education for completion of incom-
42 plete courses; or

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

45 (b) The right to a credit described in ORS 351.644 for all amounts paid for room, board, tuition

1 and fees;

2 (c) If the student elects to withdraw from the state institution of higher education, the right to
3 be readmitted and reenrolled at the state institution of higher education within one year after re-
4 lease from active duty without a requirement of redetermination of admission eligibility; and

5 (d) The right to continuation of scholarships and grants awarded to the student that were funded
6 by the state institution of higher education or the Oregon Student Assistance Commission before the
7 student was ordered to active duty.

8 (2) If the student elects to withdraw from a course under subsection (1)(a)(A) of this section, the
9 state institution of higher education may not:

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

11 (b) Give the student a failing grade or a grade of incomplete or make any other negative anno-
12 tation on the student's record; or

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

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

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

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

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

23 (4) The State Board of [*Higher*] Education shall adopt rules for the administration of this sec-
24 tion.

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

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

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

29 **SECTION 166.** ORS 351.644 is amended to read:

30 351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b) shall be based on:

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

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

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

37 (c) At the time a student withdraws from a course at a state institution of higher education or
38 from the state institution of higher education, the student must elect to claim the credit:

39 (A) As a credit toward tuition and fees or room and board if the student reenrolls at the state
40 institution of higher education under ORS 351.643 (1)(c); or

41 (B) As a monetary payment.

42 (2) A student who elects to claim the credit by the method described in subsection (1)(c)(A) of
43 this section may change the method of claiming the credit to the method described in subsection
44 (1)(c)(B) of this section by giving notice to the state institution of higher education from which the
45 student withdraws.

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

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

7 (5) The State Board of [*Higher*] Education shall adopt rules for the administration of this sec-
 8 tion, including rules that determine the amount of credit and the method by which the credit is
 9 prorated.

10 **SECTION 167.** ORS 351.646 is amended to read:

11 351.646. A state institution of higher education listed in ORS 352.002 shall give credit for edu-
 12 cation and training obtained by a person while serving in the Armed Forces of the United States,
 13 as defined in ORS 351.642. The education and training for which credit may be given must meet the
 14 standards adopted by the State Board of [*Higher*] Education by rule.

15 **SECTION 168.** ORS 351.647 is amended to read:

16 351.647. The Legislative Assembly finds that:

17 (1) It is in the interest of this state and its people that Oregon residents have access to the
 18 post-secondary institutions in the Northwest which best provide for the educational needs of those
 19 students;

20 (2) The people of Oregon and their post-secondary institutions benefit through the provision of
 21 access to Oregon colleges and universities for students from the state of Washington and from the
 22 enhanced economic and cultural well-being of the northwest region;

23 (3) The state should reduce or eliminate the nonresident tuition barriers which might exist be-
 24 tween the states of Oregon and Washington to restrict or inhibit enrollment of residents of one of
 25 these states in a community college or public college or university in the other state;

26 (4) The general policy statement on reduction of admission and tuition barriers between the
 27 states of Oregon and Washington shall not apply to students at the Oregon Health and Science
 28 University, where enrollment priority shall continue to be given to qualified Oregon residents; and

29 (5) The [*State Board of Higher Education and the*] State Board of Education shall develop plans
 30 to carry out the intent of this policy within the appropriations available, and shall report to the
 31 appropriate legislative review agency before implementing the plan.

32 **SECTION 169.** ORS 351.658 is amended to read:

33 351.658. (1) The State Board of [*Higher*] Education shall direct each state institution of higher
 34 education to waive tuition for any course audited by an Oregon resident 65 years of age or older
 35 if:

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

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

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

40 (2) A state institution of higher education may charge the student attending under subsection
 41 (1) of this section fees associated with the course being audited.

42 (3) A state institution of higher education may develop rules for implementation of this section,
 43 including rules relating to registration, admission and fees.

44 **SECTION 170.** ORS 351.663 is amended to read:

45 351.663. (1) The Engineering and Technology Industry Council is established. A majority of the

1 council members are representatives of high technology companies in Oregon. The council shall be
2 consulted on the work plans and resource allocations for engineering education.

3 (2) The council shall establish criteria and measurements that will be used for determining in-
4 vestments made from the account designated by ORS 351.666.

5 (3) The criteria and measurements established by the council include:

6 (a) Responding to the urgent engineering educational needs of Oregon's fast growing high tech-
7 nology industry, especially in the Portland metropolitan area.

8 (b) Increasing this state's faculty and program capacity to meet the graduate level, professional
9 education needs of engineers working in Oregon's high technology industry through investments in
10 public and private institutions.

11 (c) Creating additional opportunities for Oregonians to pursue education in electrical engineer-
12 ing, computer engineering and other engineering disciplines critical to the advancement of Oregon's
13 high technology industry.

14 (d) Investing relatively scarce state financial resources to:

15 (A) Address the high technology industry's most demonstrated and pressing needs;

16 (B) Produce the greatest amount of educational benefits with the least short-term and long-term
17 costs to the public;

18 (C) Avoid duplicating existing public or private resources; and

19 (D) Leverage existing and future private resources for the public benefit.

20 (e) Making all investments in public and private institutions through performance-based con-
21 tracts with measurable outcomes in order to ensure strong linkage between the most urgent engi-
22 neering education needs and implemented solutions.

23 (f) Maximizing the leverage of state investment funds to build faculty and program capacity and
24 share existing and new faculty and program resources.

25 (4) Priority is given to investments where private financial resources from Oregon high tech-
26 nology companies or individuals with significant interests in the growth of high technology in
27 Oregon are made available to augment public funds.

28 (5) The council must submit biennial performance reviews of all investments made to improve
29 engineering education with public funds in public and private institutions. The reviews must be
30 submitted to the Chancellor of the Oregon University System and the State Board of [*Higher*] Edu-
31 cation.

32 **SECTION 171.** ORS 351.666 is amended to read:

33 351.666. (1) An account in the Oregon University System Fund established by ORS 351.506 is
34 designated for the purpose of investments in engineering education. Interest earned on moneys in
35 the account is credited to the account.

36 (2) The State Board of [*Higher*] Education shall use the moneys in the account designated by
37 this section solely for the purpose of investing in engineering education. The board shall follow the
38 criteria and measurements established by the Engineering and Technology Industry Council in al-
39 locating moneys for investments in engineering education.

40 **SECTION 172.** ORS 351.668 is amended to read:

41 351.668. The State Board of [*Higher*] Education shall use the money from the account designated
42 by ORS 351.666 solely for the purpose of investing in engineering education. The board shall follow
43 the criteria and measurements established by the Engineering and Technology Industry Council in
44 allocating money for investments in engineering education.

45 **SECTION 173.** ORS 351.692 is amended to read:

1 351.692. The State Board of [*Higher*] Education shall adopt policies that prescribe the require-
2 ments for a venture grant program and the requirements that a grant applicant must meet in order
3 to receive grant moneys from a university venture development fund, including requirements:

4 (1) That a grant recipient remain within this state for at least five years following the receipt
5 of a grant or repay the grant plus interest;

6 (2) That each university that establishes a university venture development fund report amounts
7 of tax credit certificates issued by the university and maintain records of income realized by the
8 university as the result of grants made from the fund and records of amounts paid to the General
9 Fund; and

10 (3) Under which the Oregon University System is to maintain records and issue directions to
11 universities that have established university venture development funds relating to when universi-
12 ties must cease issuing certificates, in order to ensure that the total amount owed to the General
13 Fund by the Oregon University System at any one time under ORS 351.697 (6) does not exceed \$6
14 million.

15 **SECTION 174.** ORS 351.697 is amended to read:

16 351.697. (1) Each university in the Oregon University System and Oregon Health and Science
17 University may elect to establish a university venture development fund as provided in this section
18 for the purpose of facilitating the commercialization of university research and development. A
19 university shall direct that the university venture development fund be administered, in whole or in
20 part, by the university or by the university's affiliated foundation.

21 (2) The purposes of a university venture development fund are to provide:

22 (a) Capital for university entrepreneurial programs;

23 (b) Opportunities for students to gain experience in applying research to commercial activities;

24 (c) Proof-of-concept funding for transforming research and development concepts into commer-
25 cially viable products and services;

26 (d) Entrepreneurial opportunities for persons interested in transforming research into viable
27 commercial ventures that create jobs in this state; and

28 (e) Tax credits for contributors to university research commercialization activities.

29 (3) Each university that elects to establish a university venture development fund shall:

30 (a) Notify the Department of Revenue of the establishment of the fund;

31 (b) Either directly or through its affiliated foundation, solicit contributions to the fund and re-
32 ceive, manage and disburse moneys contributed to the fund;

33 (c) Subject to ORS 315.521 (1), 351.692 (3) and 353.445 (3), issue tax credit certificates to con-
34 tributors to the fund in the amount of the contributions;

35 (d) Establish a grant program that meets the requirements for a venture grant program under
36 policies adopted by the State Board of [*Higher*] Education under ORS 351.692 or under policies
37 adopted by the Oregon Health and Science University Board of Directors under ORS 353.445; and

38 (e) Subject to available moneys from the fund, provide qualified grant applicants with moneys
39 for the purpose of facilitating the commercialization of university research and development.

40 (4) Except as provided in subsection (5) of this section, moneys in a university venture devel-
41 opment fund shall be disbursed only as directed by a university.

42 (5) A university or its affiliated foundation may charge its customary administrative assessment
43 to manage its university venture development fund in an amount not to exceed three percent of the
44 fund's average balance during the fiscal year of the university or its affiliated foundation. The ad-
45 ministrative assessment may be paid from the assets in the fund. Except as authorized by law, no

1 other fees or indirect costs shall be charged against the university venture development fund or any
2 associated grants or other disbursements from the fund.

3 (6) A university that has established a university venture development fund shall monitor the
4 use of grants made from the fund and identify the income realized by the university as the result
5 of the use of the grants. Income consists of cash realized from royalties, milestone and license fee
6 payments and cash from the sale of equity. The university shall cause the transfer of 20 percent of
7 the income realized from the grants to the General Fund, but not to exceed the amount of the tax
8 credits issued by the university as a result of contributions to its university venture development
9 fund. Immediately upon deposit of the transferred amount into the General Fund, the university may
10 issue new tax credits to equal the transferred amount.

11 (7) A university that has established a university venture development fund shall report annually
12 to the Legislative Assembly or, if the Legislative Assembly is not in session, to the interim legisla-
13 tive committees on revenue. The report shall be at the end of the fiscal year of the university or
14 of its affiliated foundation and provide information for that fiscal year. The university shall include
15 in the report the following information pertaining to its university venture development fund:

- 16 (a) The amount of donations received for the fund;
- 17 (b) The amount of income received from the fund;
- 18 (c) The amount of disbursements and grants paid from the fund;
- 19 (d) The amount of income and royalties received from disbursements from the fund; and
- 20 (e) The amount of moneys transferred from the fund to the General Fund.

21 **SECTION 175.** ORS 351.708 is amended to read:

22 351.708. The State Board of Education [*and the State Board of Higher Education*] shall establish
23 baselines and conduct annual reviews of each public institution of higher education with respect to
24 the employment of full-time faculty and of faculty working less than full-time. Each public institution
25 of higher education shall provide the necessary data for the board's report prior to September 1 of
26 each year. The [*boards*] **board** shall report the results of the reviews to the Legislative Assembly
27 and the Governor's office prior to October 1 of each year. The reviews shall include:

28 (1) Examination of data related to the ratio of courses taught by the following faculty catego-
29 ries:

- 30 (a) Full-time faculty;
- 31 (b) Part-time faculty; and
- 32 (c) Graduate assistants;
- 33 (2) The pay differential for the faculty categories; and
- 34 (3) The health care and other benefits provided for each faculty category.

35 **SECTION 176.** ORS 351.810 is amended to read:

36 351.810. The State Board of [*Higher*] Education, the Oregon Health and Science University and
37 the Oregon members of the Western Interstate Commission for Higher Education are authorized to
38 take any action necessary to achieving the ends of the Western Regional Higher Education Com-
39 pact.

40 **SECTION 177.** ORS 351.820 is amended to read:

41 351.820. (1) Prior to June 1 of each even-numbered year the Oregon members of the Western
42 Interstate Commission for Higher Education shall determine the quotas of Oregon students for whom
43 various kinds of educational service should be purchased in out-of-state institutions during the next
44 biennium and shall recommend to the State Board of [*Higher*] Education and the Oregon Health and
45 Science University Board of Directors the amount to be included in its biennial budget to cover the

1 cost of such educational service for students enrolled in their respective institutions.

2 (2) The State Board of [*Higher*] Education and the Oregon Health and Science University Board
3 of Directors shall negotiate contracts with the Western Interstate Commission for Higher Education
4 for educational service of the kind and amount indicated by the quotas determined under subsection
5 (1) of this section. The board shall make payments required by such contracts out of the money ap-
6 propriated to it for that purpose.

7 (3) The State Board of [*Higher*] Education may also contract with higher education institutions,
8 or others, which are not members of the Western Interstate Commission for Higher Education, to
9 furnish educational services to students who are residents of the State of Oregon in those areas of
10 higher education where the educational institutions of the State of Oregon are unable to provide the
11 desired professional educational opportunities.

12 **SECTION 178.** ORS 351.830 is amended to read:

13 351.830. (1) Any Oregon resident desiring to take advantage of the Western Regional Higher
14 Education Compact may make application to the State Board of [*Higher*] Education for out-of-state
15 educational service. From such applicants the board shall select students to fill the quotas deter-
16 mined under ORS 351.820.

17 (2) The board and the Oregon members of the Western Interstate Commission for Higher Edu-
18 cation shall jointly establish criteria to be observed by the board in making such selections.

19 (3) The board shall certify the names of the students selected to the Western Interstate Com-
20 mission for Higher Education and to the out-of-state institution to which each student desires ad-
21 mission.

22 **SECTION 179.** ORS 351.840 is amended to read:

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

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

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

37 **SECTION 180.** ORS 351.870 is amended to read:

38 351.870. (1) The Legislative Assembly finds and declares that basic research is fundamental to
39 the continuation and expansion of applied research and is thus a necessary ingredient in economic
40 growth. The Legislative Assembly further finds that basic research is itself an important activity
41 which should be promoted.

42 (2) It is the policy of this state that basic research is an appropriate and necessary activity of
43 our public universities. Further, the State of Oregon has an obligation with other states and the
44 federal government to encourage and finance basic research if the state and nation are to be active
45 participants in a future which will require ever increasing levels of knowledge and understanding.

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

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

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

11 **SECTION 181.** ORS 351.875 is amended to read:

12 351.875. (1) An account in the Oregon University System Fund established by ORS 351.506 is
13 designated to provide grants for research.

14 (2) The account designated by this section may consist of moneys from any public or private
15 source. Interest earned on the account is credited to the account.

16 (3) The account designated by this section shall be administered by the State Board of [*Higher*]
17 Education according to policies and procedures adopted pursuant to ORS 351.880 and 351.885.

18 (4) Expenditures from the account designated by this section shall take the form of grants for
19 a time certain and may extend beyond the biennium in which the expenditure is made. Grants may
20 not be used for capital construction.

21 **SECTION 182.** ORS 351.880 is amended to read:

22 351.880. For the purpose of recommending policies and procedures for the administration of the
23 account designated by ORS 351.875, the State Board of [*Higher*] Education shall establish a Council
24 for Research Policy Recommendations.

25 **SECTION 183.** ORS 351.885 is amended to read:

26 351.885. (1) With the advice and recommendations of the Council for Research Policy Recom-
27 mendations established by ORS 351.880, the State Board of [*Higher*] Education shall adopt policies
28 and procedures for the administration of the account designated by ORS 351.875.

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

30 (a) The promotion of basic research of the highest caliber at institutions of higher education
31 within the Oregon University System;

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

34 (c) The capacity of each institution of higher education to decide where basic research moneys
35 could best be spent within that institution;

36 (d) Administrative and accounting requirements that place upon the institution of higher edu-
37 cation receiving moneys from the account designated by ORS 351.875 a minimum burden sufficient
38 to guarantee an appropriate degree of public accountability; and

39 (e) Methods of assuring nondiscriminatory access to the account designated by ORS 351.875.

40 **SECTION 184.** ORS 352.004 is amended to read:

41 352.004. The president of each state institution of higher education within the Oregon University
42 System is also president of the faculty. The president is also the executive and governing officer of
43 the institution, except as otherwise provided by statute. Subject to the supervision of the State
44 Board of [*Higher*] Education, the president of the institution has authority to control and give gen-
45 eral directions to the practical affairs of the institution.

1 **SECTION 185.** ORS 352.010 is amended to read:

2 352.010. The president and professors constitute the faculty of each of the state institutions of
3 higher education and as such have the immediate government and discipline of it and the students
4 therein. The faculty may, subject to the supervision of the State Board of [*Higher*] Education under
5 ORS 351.070, prescribe the course of study to be pursued in the institution and the textbooks to be
6 used.

7 **SECTION 186.** ORS 352.015 is amended to read:

8 352.015. (1) Every institution [*under the jurisdiction of the State Board of Higher Education*]
9 **within the Oregon University System** shall convene a physical access committee to identify bar-
10 riers to access by persons with disabilities on the campus of each institution. The committee shall
11 include, but not be limited to:

12 (a) One or more students with disabilities or, if there are no students with disabilities willing
13 to participate, a person with a disability who uses the institution's facilities;

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

15 (c) The coordinator of services for students with disabilities for the institution;

16 (d) One or more administrators of the institution; and

17 (e) One or more members of the physical plant staff of the institution.

18 (2) The physical access committee shall present its findings and recommendations to the ad-
19 ministration of the institution listing access needs and priorities for meeting those needs. These
20 findings and recommendations shall identify the barriers to access that prevent persons with disa-
21 bilities from meaningfully utilizing campus facilities related to instruction, academic support, as-
22 sembly and residence life.

23 (3) In preparing budget requests for each biennium, each institution [*under the jurisdiction of the*
24 *State Board of Higher Education*] **within the Oregon University System** shall include amounts for
25 capital improvement that will be applied to the substantial reduction and eventual elimination of
26 barriers to access by persons with disabilities as identified by the physical access committee.

27 (4) Nothing in this section and ORS 185.155 and 341.937 requires an institution to undertake
28 projects for accessibility that are not otherwise required unless such projects are funded specifically
29 by the Legislative Assembly.

30 **SECTION 187.** ORS 352.021 is amended to read:

31 352.021. (1) As used in this section, "internment camp" means a relocation center to which
32 persons were ordered evacuated by Presidential Executive Order 9066, signed on February 19, 1942.

33 (2) A person who meets the requirements of subsection (4) of this section may request a state
34 institution of higher education listed in ORS 352.002 to award the person an honorary post-
35 secondary degree.

36 (3) A representative of a deceased person who meets the requirements of subsection (4) of this
37 section may request a state institution of higher education listed in ORS 352.002 to award an hon-
38 orary post-secondary degree on behalf of the deceased person.

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

43 (a) Was a student at the state institution of higher education in 1942; and

44 (b) Did not graduate from the institution because the person was ordered to an internment camp.

45 **SECTION 188.** ORS 352.035 is amended to read:

1 352.035. The State Board of [*Higher*] Education may open, establish, lay out and dedicate to the
2 public use such streets through the lands situated within the corporate limits of the City of Eugene,
3 owned by or belonging to the University of Oregon, upon such terms and conditions as may be
4 agreed upon by the State Board of [*Higher*] Education and the common council of the City of
5 Eugene. When such streets are so opened, laid out and established, they hereby are declared to be
6 dedicated to the public use and are further declared to be public streets of the City of Eugene.

7 **SECTION 189.** ORS 352.051 is amended to read:

8 352.051. The State Board of [*Higher*] Education shall adopt rules necessary to carry out the
9 provisions of ORS 352.048 to 352.053.

10 **SECTION 190.** ORS 352.230 is amended to read:

11 352.230. (1) Oregon State University is designated and permanently adopted as the agricultural
12 college of the state and shall provide, in accordance with the objectives sought by Congress in the
13 establishment of state agricultural colleges, instruction in agriculture and the mechanic arts. The
14 university is also a Sea Grant College dedicated to education and research in the marine sciences.

15 (2) The State Board of [*Higher*] Education is authorized to enter into agreements with its
16 counterpart in the State of Idaho and with the Board of Regents of Washington State University for
17 cooperative development of the program in Veterinary Medicine.

18 **SECTION 191.** ORS 352.360 is amended to read:

19 352.360. (1) The State Board of [*Higher*] Education may enact such regulations as the board
20 deems convenient or necessary to provide for the policing, control and regulation of traffic and
21 parking of vehicles on the property of any institution of higher education [*under the jurisdiction of*
22 *the board*] **within the Oregon University System.** The regulations may provide for the registration
23 of vehicles, the designation of parking areas, and the assessment and collection of reasonable fees
24 and charges for parking, and shall be filed in accordance with the provisions of ORS chapter 183.
25 The board may require that before a quarterly or yearly parking privilege for any vehicle is granted
26 to any full-time or part-time student to use board property, the student must show that the vehicle
27 is operated by a student holding a valid driver's license, that the vehicle is currently registered and
28 that the student driving the vehicle is insured under a motor vehicle liability insurance policy that
29 meets the requirements described under ORS 806.080 or that the student or owner of the vehicle has
30 provided the Department of Transportation with other satisfactory proof of compliance with the fi-
31 nancial responsibility requirements of this state.

32 (2) The regulations enacted pursuant to subsection (1) of this section shall be enforced admin-
33 istratively under procedures adopted by the board for each institution of higher education [*under the*
34 *jurisdiction of the board*] **within the Oregon University System.** Administrative and disciplinary
35 sanctions may be imposed upon students, faculty and staff for violation of the regulations, including
36 but not limited to, a reasonable monetary penalty which may be deducted from student deposits, and
37 faculty or staff salaries or other funds in the possession of the institution. The board shall provide
38 opportunity for hearing for the determination of controversies in connection with imposition of fines
39 or penalties. The board may prescribe procedures for such hearings despite the provisions of ORS
40 183.413 to 183.470. Persons other than students, faculty or staff may voluntarily submit to the
41 hearing procedures prescribed by the board, and shall be bound by the results of the hearing. The
42 powers granted to the board by this section are supplemental to the existing powers of the board
43 with respect to the government of activities of students, faculty and staff and the control and man-
44 agement of property [*under its jurisdiction*] **within the Oregon University System.**

45 (3) The regulations enacted pursuant to subsection (1) of this section may also be enforced by

1 the impoundment of vehicles, and a reasonable fee may be enacted for the cost of impoundment and
 2 storage, if any, prior to the release of the vehicles to their owners.

3 (4) All fees and charges for parking privileges and violations are deposited in a designated ac-
 4 count in the Oregon University System Fund established by ORS 351.506 for the purpose of defraying
 5 the costs of constructing bicycle racks and bicycle lanes and of traffic control, enforcement of traffic
 6 and parking regulations, and maintenance and operation of parking facilities and for the purpose
 7 of acquiring and constructing additional parking facilities for vehicles at the various institutions,
 8 departments or activities [*under the control of the board*] **within the Oregon University System.**
 9 Fees and charges may also be credited to the account in the Oregon University System Fund des-
 10 ignated by ORS 351.460. Parking fees shall be established at levels no greater than those required
 11 to finance the construction, operation and maintenance of parking facilities on the same campus of
 12 the state institution of higher education on which the parking is provided. Notwithstanding ORS
 13 351.072, parking fees or changes in fees shall be adopted by rule of the state board subject to the
 14 procedure for rules adopted in ORS chapter 183.

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

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

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

33 **SECTION 192.** ORS 352.370 is amended to read:

34 352.370. (1) As used in this section, "school of higher education" means:

35 (a) Any school, institution or department [*under the jurisdiction of the State Board of Higher*
 36 *Education*] **within the Oregon University System.**

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

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

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

45 **SECTION 193.** ORS 352.380 is amended to read:

1 352.380. (1) As used in this section, "minority" means:

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

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

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

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

8 (2) Each institution [*under the jurisdiction of the State Board of Higher Education*] **within the**
9 **Oregon University System** shall:

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

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

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

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

16 (b) Interview one or more qualified minority applicants when hiring a head coach or athletic
17 director, unless the institution was unable to identify a qualified minority applicant who was willing
18 to interview for the position. It is an affirmative defense to a claim of a violation of this paragraph
19 that the institution, in good faith, was unable to identify a qualified minority applicant who was
20 willing to interview for the position.

21 **SECTION 194.** ORS 352.380, as amended by section 3, chapter 780, Oregon Laws 2009, is
22 amended to read:

23 352.380. Each institution [*under the jurisdiction of the State Board of Higher Education*] **within**
24 **the Oregon University System** shall consider and maintain affirmative action plans and goals
25 when reductions in faculty and staff are required as a result of:

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

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

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

30 **SECTION 195.** ORS 352.385 is amended to read:

31 352.385. (1) The State Board of [*Higher*] Education may, at the request of any institution [*under*
32 *its control*] **within the Oregon University System**, authorize that institution to commission one or
33 more of its employees as special campus security officers. However, the total number of special
34 campus security officers commissioned at the institutions in the Oregon University System shall not
35 exceed 50. Special campus security officers shall have stop and frisk authority as set forth in ORS
36 131.605 to 131.625 and probable cause arrest authority and the accompanying immunities as set forth
37 in ORS 133.310 and 133.315 when acting in the scope of their employment as defined by the State
38 Board of [*Higher*] Education. Special campus security officers shall not be authorized to carry
39 firearms as police officers and, except as provided in subsection (3) of this section, shall not be
40 considered police officers for purposes of ORS 181.610, 238.005, 243.005 or 243.736.

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

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

45 **SECTION 196.** ORS 352.390 is amended to read:

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

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

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

20 **SECTION 197.** ORS 352.510 is amended to read:

21 352.510. The interest that may accrue on an account arising from the sale of lands for insti-
22 tutions of higher education that were donated to the state by Act of Congress of February 14, 1859,
23 may be deposited in and credited to an account in the Oregon University System Fund established
24 by ORS 351.506 for the purpose of the maintenance, use and support of the University of Oregon.
25 No part of the interest may be expended otherwise than in the payment of the salaries of the pres-
26 ident, professors and teachers of the University of Oregon and other current expenses of the Uni-
27 versity of Oregon. If at the close of any fiscal year an amount equal to or greater than \$500 of the
28 interest remains unexpended after the full payment of the salaries and expenses for the fiscal year,
29 the amount shall be added to and become a part of the principal of the account. The State Board
30 of [*Higher*] Education or the faculty or other officers of the University of Oregon may not pledge
31 the faith or credit of the University of Oregon in excess of the interest annually accruing on the
32 account, together with the receipts from tuitions and other sources during the current year.

33 **SECTION 198.** ORS 352.530 is amended to read:

34 352.530. The Department of State Lands shall pay the interest received on loans from the ac-
35 count designated by ORS 352.510 to the State Board of [*Higher*] Education semiannually.

36 **SECTION 199.** ORS 352.580 is amended to read:

37 352.580. The Department of State Lands shall pay the interest received on loans from the ac-
38 count designated by ORS 352.560 to the State Board of [*Higher*] Education semiannually.

39 **SECTION 200.** ORS 352.610 is amended to read:

40 352.610. (1) Oregon State University shall execute the trust created by the last will and
41 testament of John T. Apperson, deceased. The university shall administer the trust fund provided for
42 and designated in the will as the J. T. Apperson Agricultural College Educational Fund.

43 (2) Oregon State University may accept, receive, own, hold, sell and dispose of any and all real
44 and personal property given, devised or bequeathed to the State Land Board by John T. Apperson
45 in trust for the purpose of creating the J. T. Apperson Agricultural College Educational Fund. The

1 university shall manage and use it in accordance with the directions contained in the will of John
2 T. Apperson, deceased, for the purpose of defraying the expenses and assisting in the education at
3 Oregon State University of deserving young men and women who are residents of Oregon and are
4 unable to bear the expense of a collegiate course at that institution.

5 (3) All necessary expenses incurred by Oregon State University in connection with the admin-
6 istration of the trust fund shall be payable out of the fund. The State Board of [*Higher*] Education
7 or the university, if authority is delegated under ORS 351.070, may adopt any necessary rules for
8 the transaction of business related to and the carrying out of this section and ORS 352.620.

9 **SECTION 201.** ORS 353.040 is amended to read:

10 353.040. (1) There is established an Oregon Health and Science University Board of Directors
11 consisting of 10 members. The directors, except for the president of the university, shall be ap-
12 pointed by the Governor and shall be confirmed by the Senate in the manner prescribed in ORS
13 171.562 and 171.565.

14 (2) Except for the president of the university, the term of office of each nonstudent member is
15 four years. The term of office of the student member is two years. Before the expiration of the term
16 of a member, the Governor shall appoint a successor whose term begins on October 1 next following.
17 A member is eligible for reappointment for one additional term. If there is a vacancy for any cause,
18 the Governor shall make an appointment to become effective immediately for the unexpired term.
19 The board shall nominate a slate of candidates whenever a vacancy occurs or is announced and
20 shall forward the recommended candidates to the Governor for consideration. To assist the Gover-
21 nor in appointing the student member, the duly organized and recognized entity of student govern-
22 ment shall submit a list of nominees to the Governor for consideration.

23 (3) The membership of the board shall be as follows:

24 (a) One representative who is a [*nonstudent*] member of the State Board of [*Higher*] Education.

25 (b) Seven representatives who, in the discretion of the Governor, have experience in areas re-
26 lated to the university missions or that are important to the success of Oregon Health and Science
27 University, including but not limited to higher education, health care, scientific research, engineer-
28 ing and technology and economic and business development.

29 (c) One representative who is a student enrolled at the university.

30 (d) The president of the university, who shall be an ex officio voting member.

31 (4) Directors must be citizens of the United States. Except for the president of the university,
32 no voting member may be an employee of the university.

33 (5) The board shall select one of its members as chairperson and another as vice chairperson for
34 such terms and with such duties and powers as the board considers necessary for performance of
35 the functions of those offices. The board shall adopt bylaws concerning how a quorum shall be
36 constituted and when a quorum shall be necessary.

37 (6) The board shall meet at least once every three months at Oregon Health and Science Uni-
38 versity. The board shall meet at such other times and places specified by the chairperson or by a
39 majority of the members of the board.

40 (7) The Governor may remove any member of the board at any time for cause, after notice and
41 public hearing, but not more than three members shall be removed within a period of four years,
42 unless it is for corrupt conduct in office.

43 **SECTION 202.** ORS 353.050 is amended to read:

44 353.050. Except as otherwise provided in this chapter, the Oregon Health and Science University
45 Board of Directors, or university officials acting under the authority of the board, shall exercise all

1 the powers of the Oregon Health and Science University and shall govern the university. In carrying
2 out its powers, rights and privileges, the university shall be a governmental entity performing gov-
3 ernmental functions and exercising governmental powers. The university or the board may either
4 within or outside the state:

5 (1) Determine or approve policies for the organization, administration and development of the
6 university.

7 (2) Appoint and employ any instructional, administrative, professional, trade, occupational and
8 other personnel as are necessary or appropriate to carry out the missions of the university, and
9 prescribe their compensation and terms of office or employment.

10 (3) Make any and all contracts and agreements, enter into any partnership, joint venture or
11 other business arrangement, create and participate fully in the operation of any business structure,
12 including but not limited to the development of business structures for health care delivery systems
13 and networks with any public or private government, nonprofit or for-profit person or entity that in
14 the judgment of the university or the board is necessary or appropriate to carry out the university's
15 missions and goals.

16 (4) Acquire, purchase, receive, hold, control, convey, sell, manage, operate, lease, license, lend,
17 invest, improve, develop, use, dispose of and hold title to real and personal property of any nature,
18 including intellectual property, in its own name.

19 (5) Sue in its own name and be sued, plead and be impleaded in all actions, suits or proceedings
20 in any forum brought by or against it by any and all private or state, local, federal or other public
21 entities, agencies or persons.

22 (6) Encourage gifts and donations for the benefit of the university, and subject to the terms of
23 the gift, retain, invest and use such gifts as deemed appropriate by the university or the board.

24 (7) Acquire, receive, hold, keep, pledge, control, convey, manage, use, lend, expend and invest
25 all funds, appropriations, gifts, bequests, stock and revenue from any source to the university.

26 (8) Borrow money for the needs of the university, in such amounts and for such time and upon
27 such terms as may be determined by the university or the board.

28 (9) Erect, construct, improve, develop, repair, maintain, equip, furnish, lease, lend, convey, sell,
29 manage, operate, use, dispose of and hold title to buildings, structures and lands for the university.

30 (10) Purchase any and all insurance, operate a self-insurance program or otherwise arrange for
31 the equivalent of insurance coverage of any nature and the indemnity and defense of its officers,
32 agents and employees or other persons designated by the university to carry out or further the
33 missions of the university.

34 (11) Create, develop, supervise, control and adopt academic programs, including standards,
35 qualifications, policies or practices relating to admissions, curriculum, academic advancement,
36 grading policy, student conduct, credits and scholarships and the granting of academic degrees,
37 certificates and other forms of recognition.

38 (12) Authorize, create, eliminate, establish, operate, reorganize, reduce or expand any program,
39 school, institute, health care facility or other unit of operation.

40 (13) Establish, charge, collect and use charges for enrollment into the university, including
41 charges such as tuition for education and general services, incidental fees and such other charges
42 found by the university to be necessary to carry out its educational programs. Fees realized in ex-
43 cess of amounts allocated and exceeding required reserves shall be considered surplus incidental
44 fees and shall be allocated for programs under the control of the board and found to be advanta-
45 geous to the cultural or physical development of students of the university upon the recommendation

1 of the recognized student government of the university.

2 (14) Establish, charge, collect and use charges and fees for university services and the use of
3 university facilities.

4 (15) Impose charges, fines, fees and such other regulations considered convenient or necessary
5 to control and regulate traffic and parking of vehicles to the same extent allowed the State Board
6 of [*Higher*] Education. This authority includes the authority to enforce the regulations of the uni-
7 versity in a court to the extent allowed the State Board of [*Higher*] Education in enforcing the state
8 board's regulations as provided in ORS 352.360 (7).

9 (16) Commission special campus security officers to be known as university police. University
10 police commissioned under this subsection have all the powers and authority given by statute to
11 peace officers and police officers of this state. University police shall complete training necessary
12 for certification as police officers at an academy operated or authorized by the Department of Public
13 Safety Standards and Training at the expense of the Oregon Health and Science University Board
14 of Directors. University police are not authorized to carry firearms as police officers and are not
15 police officers for purposes of ORS 238.005, 243.005 or 243.736. The university is a criminal justice
16 agency for purposes of ORS 181.715 and 181.720 and a law enforcement unit within the meaning of
17 ORS 181.610 (12).

18 (17) Enforce and recover for payment to the university any fines that are authorized by this
19 chapter.

20 (18) Adopt, amend or repeal bylaws, administrative rules, regulations and orders applicable to
21 the matters that are the subject of this chapter.

22 (19) Contract with any state agency for the performance of such duties, functions and powers
23 as is appropriate. A state agency shall not charge the university for such services an amount that
24 is greater than the actual cost of the services.

25 (20) Purchase, receive, subscribe for or otherwise acquire, own, hold, vote, use, sell, mortgage,
26 lend, pledge, invest in or otherwise dispose of and deal in or with the shares, stock or other equity
27 or interests in or obligations of any other entity. Separate funds may be established for such in-
28 vestments. The State of Oregon shall have no proprietary or other interest in such investments or
29 such funds.

30 (21) Make available, by lease or otherwise, or control access to any health care facilities or
31 services or other of its properties and assets to such persons, firms, partnerships, associations or
32 corporations and on such terms as considered appropriate, charge and collect rent or other fees or
33 charges therefor and terminate or deny any such access or any such lease or other agreement for
34 such reasons as considered appropriate and as may be consistent with its obligations under any such
35 lease or other agreement.

36 (22) Contract for the operation of any department, section, equipment or holdings of the uni-
37 versity and enter into any agreements with any person, firm or corporation for the management by
38 said person, firm or corporation on behalf of the university of any of its properties or for the more
39 efficient or economical performance of clerical, accounting, administrative and other functions re-
40 lating to its health care facilities.

41 (23) Select and appoint faculty as medical and dental staff members and others licensed to
42 practice the healing arts, delineate and define the privileges granted each such individual, adopt and
43 direct a plan for faculty clinical income and set the terms and conditions of that plan (including
44 such modifications to any such existing plan as considered necessary or appropriate upon expiration
45 of the term of such plan), and determine the extent to which and the terms upon which each such

1 individual may provide teaching, research, consulting or other services at the university or any
2 other health care facility.

3 (24) Enter into affiliation, cooperation, territorial, management or other similar agreements with
4 other public or private universities or health care providers for the sharing, division, allocation or
5 furnishing of services on an exclusive or a nonexclusive basis, referral of patients, management of
6 facilities, formation of health care delivery systems and other similar activities.

7 (25) Perform any other acts that in the judgment of the board or university are requisite, nec-
8 essary or appropriate in accomplishing the purposes described in or carrying out the powers granted
9 by this chapter.

10 (26) Exercise these powers, notwithstanding that as a consequence of the exercise of such pow-
11 ers, the university engages in activities that might otherwise be deemed anticompetitive within the
12 contemplation of state or federal antitrust laws.

13 **SECTION 203.** ORS 353.108 is amended to read:

14 353.108. (1) Legal title to real property and facilities acquired by the State of Oregon prior to
15 July 1, 1995, and utilized by Oregon Health and Science University shall remain with the State of
16 Oregon. However, the university shall have the exclusive care, custody and control of such real
17 property and facilities pursuant to an exclusive leasehold interest in the real property and facilities
18 for a term of 99 years. The term of the leasehold shall begin on July 1, 1995, and shall renew au-
19 tomatically and perpetually for consecutive 99-year terms.

20 (2) Notwithstanding any other provisions of Oregon law concerning the authority of state
21 agencies to lease real property and facilities, the Oregon Department of Administrative Services
22 acting on behalf of the State of Oregon shall execute a ground lease for all real property and fa-
23 cilities utilized by the university consistent with the provisions of this section.

24 (3) The ground lease shall not be subject to any termination unless:

25 (a) The State of Oregon causes all outstanding obligations of the university to be defeased under
26 the terms of any applicable master indenture or financing agreement; and

27 (b) There are no other conditions placed on the university.

28 (4) Upon execution of the ground lease, the university shall pay the State of Oregon the sum
29 of \$99 in consideration for the ground lease.

30 (5) The ground lease executed under this section shall supersede the lease entered into between
31 the State of Oregon and the university in December 1995, with respect to the real property and fa-
32 cilities, including but not limited to provisions in the lease relating to or setting forth:

33 (a) Purported limitations on the authority of the State Board of *[Higher]* Education to bind the
34 State of Oregon;

35 (b) The term of the lease and the absence of any renewal provisions; and

36 (c) Any circumstances under which the lease may be terminated.

37 (6) The university shall manage and maintain all real property and facilities utilized by the
38 university. Real property and facilities of the State of Oregon leased to the university pursuant to
39 this section shall not be sold by the university but may be encumbered by the university. Such real
40 property and facilities shall only be encumbered by the State of Oregon in accordance with state law
41 and in a manner that would not impair the financial condition of the university or the rights of the
42 holders of any obligations of the university issued or incurred under any master indenture or other
43 financing agreement.

44 **SECTION 204.** ORS 353.330 is amended to read:

45 353.330. (1) Nothing in chapter 162, Oregon Laws 1995, shall be construed in any way to impair

1 the obligations or agreements of the State of Oregon or the State Board of [*Higher*] Education with
2 respect to bonds, certificates of participation, financing agreements or other agreements for the
3 borrowing of money issued prior to July 1, 1995, by the State of Oregon on behalf of the State Board
4 of [*Higher*] Education for equipment or projects for Oregon Health and Science University. The
5 university and the Oregon University System shall take all actions necessary to ensure full compli-
6 ance with all indentures, resolutions, declarations, agreements and other documents issued with re-
7 spect to the bonds, certificates of participation, financing agreements or other agreements for the
8 borrowing of money issued prior to July 1, 1995, by the State of Oregon [*on behalf of the State Board*
9 *of Higher Education*] for equipment or projects for the university. The Oregon University System
10 and the university shall establish, in a written agreement that shall be subject to the approval of
11 the State Treasurer, the responsibility of the university for the payment to the Oregon University
12 System of moneys sufficient to pay when due all principal, interest and any other charges on bonds,
13 certificates of participation, financing agreements or other agreements for the borrowing of money
14 issued prior to July 1, 1995, by the State of Oregon [*on behalf of the State Board of Higher*
15 *Education*] for equipment or projects for the university.

16 (2) Holders of obligations issued by the university on or after July 1, 1995, may be paid *pari*
17 *passu* with the obligations issued by the State of Oregon [*on behalf of the State Board of Higher*
18 *Education*] for equipment or projects for the university prior to July 1, 1995, from the rents, reven-
19 ues, receipts, appropriations or other income of the university, but only to the extent that:

20 (a) Such holders have no rights, liens or other interests with respect to such rents, revenues,
21 receipts, appropriations or other income of the university that are senior or superior to the rights
22 granted to the holders of obligations issued prior to July 1, 1995, by the State of Oregon [*on behalf*
23 *of the State Board of Higher Education*] for equipment or projects for the university; and

24 (b) The State Board of [*Higher*] Education, the Oregon Department of Administrative Services
25 or the State of Oregon, acting for the benefit of such holders of obligations, is granted a lien or
26 other security interest in the rents, revenues, receipts, appropriations or other income of the uni-
27 versity that is not junior to and is at least *pari passu* with any lien or other security interest
28 granted to the holders of obligations issued by the university.

29 (3) Any expenses, including legal expenses, judgments, liabilities and federal arbitrage and re-
30 bate penalties arising from the actions of the university, if incurred with respect to bonds, certif-
31 icates of participation, financing agreements or other agreements for the borrowing of money issued
32 prior to July 1, 1995, by the State of Oregon [*on behalf of the State Board of Higher Education*] for
33 equipment or projects for the university, shall be paid when due by the university, subject to the
34 university's right to reasonably contest such charges, judgments, liabilities or penalties. The uni-
35 versity shall assist the Controller of the Oregon University System in making any necessary calcu-
36 lations and filing any necessary reports related to arbitrage and rebate on such indebtedness.

37 (4) Any amounts deposited with the State Treasurer, the Controller of the Oregon University
38 System, the Oregon Department of Administrative Services or its designated agents in any debt
39 service in reserve accounts for the debt service associated with any bonds, certificates of partic-
40 ipation, financing agreements or other agreements for the borrowing of money issued prior to July
41 1, 1995, by the State of Oregon [*on behalf of the State Board of Higher Education*] for equipment or
42 projects for the university shall remain with the State Treasurer, the Controller of the Oregon
43 University System, the Oregon Department of Administrative Services or its designated agents until
44 such time as the bonds, certificates of participation, financing agreements or other agreements for
45 the borrowing of money for which such reserve accounts have been established have been retired

1 or defeased. The university shall be credited with the investment earnings on such reserve accounts.

2 **SECTION 205.** ORS 353.370 is amended to read:

3 353.370. In addition to, and not in limitation of, the means of satisfying state general obligation
4 bond obligations under ORS 291.445, Oregon Health and Science University, promptly upon the dis-
5 covery of any shortfall in moneys available to the university for the payment when due of amounts
6 under any bonds, certificates of participation, financing agreements or other agreements for the
7 borrowing of moneys issued prior to July 1, 1995, by the State of Oregon [*on behalf of the State*
8 *Board of Higher Education*] for equipment or projects for the university, shall notify in writing the
9 Legislative Assembly, or if the Legislative Assembly is not in session, the Emergency Board, of the
10 existence and amount of the shortfall. The Legislative Assembly or the Emergency Board, as the
11 case may be, may provide funds to satisfy the payment of any such amount. By enacting this pro-
12 vision, the Legislative Assembly acknowledges its current intention to provide, from funds other
13 than those appropriated or otherwise made available to the Oregon University System, funds to pay
14 such amount. However, except as may be required by the Oregon Constitution or ORS 291.445, nei-
15 ther the Legislative Assembly nor the Emergency Board shall have any legal obligation to provide
16 funds under this section.

17 **SECTION 206.** ORS 353.440 is amended to read:

18 353.440. The Legislative Assembly finds that:

19 (1) Institutions in the Oregon University System and other educational sectors have academic
20 programs that are related to or integrated with the programs of Oregon Health and Science Uni-
21 versity.

22 (2) It is in the best interest of the state that a coordinated approach be taken to these related
23 and integrated academic programs.

24 (3) In order to best ensure the continued harmony of such academic programs, the university
25 and the Oregon University System shall coordinate such programs and shall advise each other of
26 the following proposed changes to such academic programs:

27 (a) Creation or significant revision, such as a merger or closure, of degree programs;

28 (b) Creation or significant revision, such as a merger or closure, of schools; and

29 (c) Creation or significant revision of major academic policies.

30 (4) In order to further the coordination described by this section, university officers shall
31 maintain a role in the appropriate committees of the State Board of [*Higher*] Education and the
32 Oregon University System.

33 **SECTION 207.** ORS 353.600 is amended to read:

34 353.600. As used in ORS 353.600 to 353.612:

35 (1) "Committee" means the Oregon Nursing Shortage Coalition Committee created in ORS
36 353.606.

37 (2) "Post-secondary education institution" means:

38 (a) A state institution [*under the direction of the State Board of Higher Education*] **within the**
39 **Oregon University System;**

40 (b) A community college operated under ORS chapter 341;

41 (c) A school or division of Oregon Health and Science University; or

42 (d) An Oregon-based, generally accredited, not-for-profit private institution of higher education.

43 **SECTION 208.** ORS 354.090 is amended to read:

44 354.090. The State Board of [*Higher*] Education is declared the managing agency of the FM radio
45 station KTEC, licensed to the Oregon Institute of Technology, and as such shall prescribe rules and

1 regulations in conformity with the regulations and laws of the United States Government relating
 2 to educational FM radio stations. By such rules and regulations the State Board of [*Higher*] Edu-
 3 cation shall make the facilities of the radio station available in the training programs of the Oregon
 4 Institute of Technology.

5 **SECTION 209.** ORS 357.004 is amended to read:

6 357.004. As used in ORS 357.001 to 357.200, unless the context requires otherwise:

7 (1) "Depository library" means a library that is designated as such under ORS 357.095.

8 (2)(a) "Issuing agency" means state government, as that term is defined in ORS 174.111.

9 (b) "Issuing agency" does not include the State Board of [*Higher*] Education or any institution,
 10 division or department [*under the control of the board*] **within the Oregon University System.**

11 (3)(a) "Public document" means informational matter produced for public distribution or access
 12 regardless of format, medium, source or copyright, originating in or produced with the imprint of,
 13 by the authority of or at the total or partial expense of any state agency. "Public document" in-
 14 cludes informational matter produced on computer diskettes, CD-ROMs, computer tapes, the Internet
 15 or in other electronic formats.

16 (b) "Public document" does not include:

17 (A) Correspondence, forms, interoffice or intraoffice memoranda;

18 (B) Legislative bills;

19 (C) Oregon Revised Statutes or any edition thereof; or

20 (D) Reports and publications of the Oregon Supreme Court, the Oregon Court of Appeals and
 21 the Oregon Tax Court.

22 **SECTION 210.** ORS 358.575 is amended to read:

23 358.575. (1) The voting members of the Oregon Heritage Commission shall be composed of rep-
 24 resentatives of heritage interests, including Indian tribes with federal recognition, that reflect the
 25 cultural and geographic diversity of this state as well as the heritage interests reflected in commu-
 26 nity institutions, libraries, museums, architecture, archaeology and historic preservation.

27 (2) The ex officio members of the commission shall be designees of the following:

28 (a) The Department of Land Conservation and Development;

29 (b) The Trustees of the State Library;

30 [*(c) The State Board of Higher Education;*]

31 **(c) The Oregon University System;**

32 (d) The Oregon Business Development Department;

33 (e) The Department of Education;

34 (f) The Executive Director of the Oregon Historical Society;

35 (g) The State Archivist; and

36 (h) The State Historic Preservation Officer.

37 **SECTION 211.** ORS 366.785 is amended to read:

38 366.785. As used in ORS 366.785 to 366.820, unless the context requires otherwise:

39 (1) "Year" means a calendar year.

40 (2) "City" means only cities of this state which are regularly operating as such through elected
 41 governmental officers.

42 (3) "Population" means population as given in the latest determination of the State Board of
 43 [*Higher*] Education, except that for a city of more than 100,000 population according to the latest
 44 such determination, the term means 74 percent of the number of population given for the city in the
 45 determination for computation of its share for 1964, 78 percent for computation of its share for 1965,

1 82 percent for 1966, 86 percent for 1967, 90 percent for 1968, 94 percent for 1969, 98 percent for 1970;
2 and for 1971 and subsequent years computation shall be made on the basis of full number of popu-
3 lation.

4 **SECTION 212.** ORS 390.235 is amended to read:

5 390.235. (1)(a) A person may not excavate or alter an archaeological site on public lands, make
6 an exploratory excavation on public lands to determine the presence of an archaeological site or
7 remove from public lands any material of an archaeological, historical, prehistorical or
8 anthropological nature without first obtaining a permit issued by the State Parks and Recreation
9 Department.

10 (b) If a person who obtains a permit under this section intends to curate or arrange for alternate
11 curation of an archaeological object that is uncovered during an archaeological investigation, the
12 person must submit evidence to the State Historic Preservation Officer that the Oregon State Mu-
13 seum of Anthropology and the appropriate Indian tribe have approved the applicant's curatorial fa-
14 cilities.

15 (c) No permit shall be effective without the approval of the state agency or local governing body
16 charged with management of the public land on which the excavation is to be made, and without the
17 approval of the appropriate Indian tribe.

18 (d) The State Parks and Recreation Director, with the advice of the Oregon Indian tribes and
19 Executive Officer of the Commission on Indian Services, shall adopt rules governing the issuance
20 of permits.

21 (e) Disputes under paragraphs (b) and (c) of this subsection shall be resolved in accordance with
22 ORS 390.240.

23 (f) Before issuing a permit, the State Parks and Recreation Director shall consult with:

24 (A) The landowning or land managing agency; and

25 (B) If the archaeological site in question is associated with a prehistoric or historic native In-
26 dian culture:

27 (i) The Commission on Indian Services; and

28 (ii) The most appropriate Indian tribe.

29 (2) The State Parks and Recreation Department may issue a permit under subsection (1) of this
30 section under the following circumstances:

31 (a) To a person conducting an excavation, examination or gathering of such material for the
32 benefit of a recognized scientific or educational institution with a view to promoting the knowledge
33 of archaeology or anthropology;

34 (b) To a qualified archaeologist to salvage such material from unavoidable destruction; or

35 (c) To a qualified archaeologist sponsored by a recognized institution of higher learning, private
36 firm or an Indian tribe as defined in ORS 97.740.

37 (3) Any archaeological materials, with the exception of Indian human remains, funerary objects,
38 sacred objects and objects of cultural patrimony, recovered by a person granted a permit under
39 subsection (2) of this section shall be under the stewardship of the State of Oregon to be curated
40 by the Oregon State Museum of Anthropology unless:

41 (a) The Oregon State Museum of Anthropology with the approval from the appropriate Indian
42 tribe approves the alternate curatorial facilities selected by the permittee;

43 (b) The materials are made available for nondestructive research by scholars; and

44 (c)(A) The material is retained by a recognized scientific, educational or Indian tribal institution
45 for whose benefit a permit was issued under subsection (2)(a) of this section;

1 (B) The State Board of [*Higher*] Education with the concurrence of the appropriate Indian tribe
2 grants approval for material to be curated by an educational facility other than the institution that
3 collected the material pursuant to a permit issued under subsection (2)(a) of this section; or

4 (C) The sponsoring institution or firm under subsection (2)(c) of this section furnishes the
5 Oregon State Museum of Anthropology with a complete catalog of the material within six months
6 after the material is collected.

7 (4) The Oregon State Museum of Anthropology shall have the authority to transfer permanent
8 possessory rights in subject material to an appropriate Indian tribe.

9 (5) Except for sites containing human remains, funerary objects and objects of cultural
10 patrimony as defined in ORS 358.905, or objects associated with a prehistoric Indian tribal culture,
11 the permit required by subsection (1) of this section or by ORS 358.920 shall not be required for
12 forestry operations on private lands for which notice has been filed with the State Forester under
13 ORS 527.670.

14 (6) As used in this section:

15 (a) "Private firm" means any legal entity that:

16 (A) Has as a member of its staff a qualified archaeologist; or

17 (B) Contracts with a qualified archaeologist who acts as a consultant to the entity and provides
18 the entity with archaeological expertise.

19 (b) "Qualified archaeologist" means a person who has the following qualifications:

20 (A) A post-graduate degree in archaeology, anthropology, history, classics or other germane
21 discipline with a specialization in archaeology, or a documented equivalency of such a degree;

22 (B) Twelve weeks of supervised experience in basic archaeological field research, including both
23 survey and excavation and four weeks of laboratory analysis or curating; and

24 (C) Has designed and executed an archaeological study, as evidenced by a Master of Arts or
25 Master of Science thesis, or report equivalent in scope and quality, dealing with archaeological field
26 research.

27 (7) Violation of the provisions of subsection (1)(a) of this section is a Class B misdemeanor.

28 **SECTION 213.** ORS 433.090 is amended to read:

29 433.090. As used in ORS 433.090 to 433.102:

30 (1) "Authorized user" means a person or entity authorized to provide information to or to re-
31 ceive information from an immunization registry or immunization tracking and recall system under
32 ORS 433.090 to 433.102. "Authorized user" includes, but is not limited to, licensed health care pro-
33 viders, health care institutions, insurance carriers, the Oregon medical assistance program, parents
34 or guardians of children under 18 years of age, clients 18 years of age or older, post-secondary ed-
35 ucation institutions, schools, children's facilities, local health departments, the Oregon Health Au-
36 thority and agents of the authority.

37 (2) "Children's facility" has the meaning given that term in ORS 433.235.

38 (3) "Client" means any person registered with any Oregon immunization tracking and recall
39 system.

40 (4) "Immunization record" includes but is not limited to the following:

41 (a) Any immunization received;

42 (b) Date immunization was received;

43 (c) Complication or side effect associated with immunization;

44 (d) Date and place of birth of a client;

45 (e) Hospital where a client was born;

1 (f) Client’s name; and

2 (g) Mother’s name.

3 (5) “Immunization registry” means any listing of clients and information relating to their im-
 4 munization status, without regard to whether the registry is maintained in this state or elsewhere.

5 (6) “Immunization tracking and recall record” includes but is not limited to the client’s name,
 6 address of the parent or guardian of the client, telephone number, insurance carrier, health care
 7 provider and other information needed to send reminder cards to, place telephone calls to or per-
 8 sonally contact the client or the parent or the guardian of a client for the purposes of informing the
 9 client, parent or guardian that the client is late in receiving the recommended immunizations.

10 (7) “Local health department” has the meaning given that term in ORS 433.235.

11 (8) “Parent or guardian” has the meaning given the term “parent” in ORS 433.235.

12 (9) “Post-secondary education institution” means:

13 (a) A state institution of higher education [*under the jurisdiction of the State Board of Higher*
 14 *Education*] **within the Oregon University System;**

15 (b) A community college operated under ORS chapter 341;

16 (c) A school or division of Oregon Health and Science University; or

17 (d) An Oregon-based, generally accredited, private institution of higher education.

18 (10) “Provider” means a physician or a health care professional who is acting within the scope
 19 of his or her licensure and responsible for providing immunization services or for coordinating im-
 20 munization services within a clinic, public health site, school or other immunization site.

21 (11) “School” has the meaning given that term in ORS 433.235.

22 (12) “Tracking and recall system” means a system attached to an immunization registry designed
 23 to contact clients listed in the immunization registry for the purposes of assisting in the completion
 24 of the immunization series in a timely manner.

25 **SECTION 214.** Section 3, chapter 797, Oregon Laws 2001, is amended to read:

26 **Sec. 3.** Subject to available funding, if a building evaluated under section 2 (4) [*of this 2001*
 27 *Act*], **chapter 797, Oregon Laws 2001**, is found by a board to pose an undue risk to life safety
 28 during a seismic event, the State Board of [*Higher*] Education, local school district board, community
 29 college board or education service district board, as appropriate, shall develop a plan for seismic
 30 rehabilitation of the building or for other actions to reduce the risk. For a board that is subject to
 31 ORS 291.224, the board’s plan to rehabilitate or take other action to reduce the seismic risk of a
 32 building must be included in the capital construction program of the board. A board that is subject
 33 to ORS 291.224 shall rank the relative benefit of projects to reduce seismic risk in comparison with
 34 other life safety and code requirement projects. Subject to availability of funding, all seismic reha-
 35 bilitations or other actions to reduce seismic risk must be completed before January 1, 2032. If the
 36 building is listed on a national or state register of historic places or properties or is designated as
 37 a landmark by local ordinance, the plan for seismic rehabilitation or other action shall be developed
 38 in a manner that gives consideration to preserving the character of the building.

39 **SECTION 215.** 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. Seventy percent of the revenues
 43 in the fund shall be used to fund nonrevenue producing sports and 30 percent shall be used for re-
 44 venue producing sports. Of the total amount available in the fund, at least 50 percent shall be made
 45 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*] **within the Oregon University**
 3 **System** giving due consideration to:

4 (a) The athletic conference to which the institution belongs and the relative costs of competing
 5 in that conference.

6 (b) The level of effort being made by the institution to generate funds and support from private
 7 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 216.** ORS 468A.245 is amended to read:

24 468A.245. The Oregon Global Warming Commission shall develop an outreach strategy to edu-
 25 cate Oregonians about the scientific aspects and economic impacts of global warming and to inform
 26 Oregonians of ways to reduce greenhouse gas emissions and ways to prepare for the effects of global
 27 warming. The commission, at a minimum, shall work with state and local governments, the State
 28 Department of Energy, the Department of Education, [*the State Board of Higher Education*] **the**
 29 **Oregon University System** and businesses to implement the outreach strategy.

30 **SECTION 217.** ORS 471.810 is amended to read:

31 471.810. (1) At the end of each month, the Oregon Liquor Control Commission shall certify the
 32 amount of moneys available for distribution in the Oregon Liquor Control Commission Account and,
 33 after withholding such moneys as it may deem necessary to pay its outstanding obligations, shall
 34 within 35 days of the month for which a distribution is made direct the State Treasurer to pay the
 35 amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as fol-
 36 lows:

37 (a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this
 38 section, credited to the General Fund available for general governmental purposes wherein it shall
 39 be considered as revenue during the quarter immediately preceding receipt;

40 (b) Twenty percent to the cities of the state in such shares as the population of each city bears
 41 to the population of the cities of the state, as determined by the State Board of [*Higher*] Education
 42 last preceding such apportionment, under ORS 190.510 to 190.610;

43 (c) Ten percent to counties in such shares as their respective populations bear to the total
 44 population of the state, as estimated from time to time by the State Board of [*Higher*] Education;
 45 and

1 (d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and
2 this section.

3 (2) The commission shall direct the Oregon Department of Administrative Services to transfer
4 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health
5 Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS
6 430.380.

7 (3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding
8 month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute
9 the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d)
10 and (2) of this section and the amounts that would have been paid or transferred under subsections
11 (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct
12 the Oregon Department of Administrative Services to pay or transfer amounts equal to the differ-
13 ences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to
14 the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

15 (4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal
16 year an amount less than the amount distributed to the city or county in accordance with ORS
17 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the
18 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census.
19 If the population declined, the per capita distribution to the city or county shall be not less than
20 the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to
21 maintain the level of distribution under this subsection shall be paid from funds credited under
22 subsection (1)(a) of this section.

23 **SECTION 218.** ORS 526.215 is amended to read:

24 526.215. To aid in the economic development of the State of Oregon, the State Board of
25 [*Higher*] Education shall institute and carry on research and experimentation to develop the maxi-
26 mum yield from the forestlands of Oregon, to obtain the fullest utilization of the forest resource, and
27 to study air and water pollution as it relates to the forest products industries.

28 **SECTION 219.** ORS 526.225 is amended to read:

29 526.225. (1) The State Board of [*Higher*] Education shall establish a Forest Research Laboratory
30 at Oregon State University and shall cooperate with individuals, corporations, associations and
31 public agencies wherever and whenever advisable to further the purposes of ORS 526.215, and may
32 enter into any necessary agreements therefor.

33 (2) In order that there may be close coordination between the research and experimentation
34 programs and the wise management and use of Oregon's forests for the production of goods and
35 services that benefit all its citizens, the State Board of [*Higher*] Education shall appoint a Forest
36 Research Laboratory Advisory Committee composed of 15 members. Nine members shall be individ-
37 uals who are actively and principally engaged in timber management on forestlands, harvesting or
38 the processing of forest products, one of whom shall be from a small woodland owner's association,
39 three members shall be individuals who are the heads of state and federal public forestry agencies
40 and three members shall be individuals from the public at large. No individual who is a public
41 member may have any relationship or pecuniary interest that would interfere with that individual
42 representing the public interest. The advisory committee shall render practical counsel in the fields
43 of forest management and use and forest harvest and utilization as they relate to the economic and
44 social well-being of the people of Oregon.

45 **SECTION 220.** ORS 542.710 is amended to read:

1 542.710. (1) The Oregon University System, under the direction of the State Board of [*Higher*]
2 Education acting through the Agricultural Experiment Station of Oregon State University, is au-
3 thorized to conduct a test stream and watershed study in order to ascertain in a scientific manner
4 the interrelation between all factors operating in watersheds upon maximum resource productivity
5 of the area for the greatest public benefit.

6 (2) In conducting the study the Oregon University System, under the direction of the State
7 Board of [*Higher*] Education acting through the Agricultural Experiment Station of Oregon State
8 University, may:

9 (a) Enlist the cooperation of other state agencies concerned with fields under study and may
10 reimburse such agencies for use made of facilities and personnel.

11 (b) Acquire the services of other persons as necessary for the purposes of this section.

12 **SECTION 221.** ORS 542.720 is amended to read:

13 542.720. For purposes of ORS 542.710, the State Board of [*Higher*] Education may accept assist-
14 ance and grants in the form of real or personal property, money, labor, equipment or technical as-
15 sistance from the United States or any of its agencies, political subdivisions or from other persons
16 subject to the conditions imposed thereon regardless of conflicting state law and may, unless en-
17 joined by the terms of the grant or donation, convert the same into money to be used for the pur-
18 poses of ORS 542.710.

19 **SECTION 222.** ORS 561.364 is amended to read:

20 561.364. (1) In order to eliminate unnecessary duplication of effort and expense, there shall be
21 the fullest cooperation between Oregon State University and the State Department of Agriculture,
22 including the interchange of statistical information between the university and the department.

23 (2) If, in the interest of economy and efficiency, either temporary or permanent, it appears ad-
24 visable to have any of the laboratory or statistical work of the department performed by Oregon
25 State University, the Director of Agriculture and the director of the experiment station shall work
26 out a cooperative plan of operation and shall agree upon such a division of the funds available for
27 such work as may meet with the approval of the Governor and the State Board of [*Higher*] Educa-
28 tion.

29 **SECTION 223.** ORS 566.210 is amended to read:

30 566.210. (1) The State Board of [*Higher*] Education may hold institutes for the instruction of
31 citizens of this state in the various branches of agriculture at such times and at such places as the
32 board may direct. The board shall make such rules and regulations as it deems proper for organizing
33 and conducting the institutes, and shall employ an agent or agents to perform such work in con-
34 nection therewith as it deems best.

35 (2) The course of instruction at the institutes shall be so arranged as to present to those in at-
36 tendance results of the most recent investigations in theoretical and practical agriculture.

37 **SECTION 224.** ORS 567.025 is amended to read:

38 567.025. The State Board of [*Higher*] Education, acting through the Oregon agricultural exper-
39 iment station, shall use moneys in the Gorse Control Account established in ORS 567.030 to defray
40 the expenses of research, including salaries of investigators, supplies and apparatus, traveling ex-
41 penses, and other expenses necessary in conducting the research, and publication of reports and
42 bulletins upon results of the research for investigating problems relating to gorse with special re-
43 ference to determining methods of controlling gorse.

44 **SECTION 225.** ORS 567.030 is amended to read:

45 567.030. There is established a Gorse Control Account in the General Fund for the purposes

1 described in ORS 567.025. All funds made available for the purposes of ORS 567.025 shall be credited
2 to the Gorse Control Account and are continuously appropriated to the State Board of *[Higher]*
3 Education for the purposes of ORS 567.025.

4 **SECTION 226.** ORS 567.035 is amended to read:

5 567.035. (1) The State Board of *[Higher]* Education, acting through the Oregon agricultural ex-
6 periment station, shall take the action necessary to eradicate and control anacharis densa and other
7 algae, including all detrimental weeds and grasses which are found growing in the waters, lakes and
8 streams of this state.

9 (2) In administering this section the board, acting through the Oregon agricultural experiment
10 station, may cooperate with the United States Government, and may utilize the services of, and co-
11 operate with any state or private agency or agencies, and may accept and expend funds therefrom
12 in carrying out its duties imposed by this section.

13 **SECTION 227.** ORS 567.205 is amended to read:

14 567.205. (1) In order to investigate and demonstrate the conditions under which useful plants
15 may be grown on dry, arid or nonirrigated lands of this state and to determine the kinds of plants
16 best adapted for growth on these lands, there is established in the manner provided for in ORS
17 567.205 to 567.240, an experiment station in this state for such purpose.

18 (2) The experiment station shall be located on such part of dry, arid or nonirrigated lands of this
19 state as shall be selected by the State Board of *[Higher]* Education acting in cooperation with a
20 representative of the United States Department of Agriculture.

21 **SECTION 228.** ORS 567.210 is amended to read:

22 567.210. The station shall be under the management and control of the State Board of *[Higher]*
23 Education as a branch station of Oregon State University.

24 **SECTION 229.** ORS 567.220 is amended to read:

25 567.220. The State Board of *[Higher]* Education shall cause to be prepared and published full and
26 complete annual reports of the work undertaken and accomplished by the station, and an edition
27 of such number of copies as the board shall determine shall be published annually and distributed
28 free of charge. The cost of such publication and distribution shall be deemed a part of the general
29 expense of the station.

30 **SECTION 230.** ORS 567.230 is amended to read:

31 567.230. The county court of the county in which the experimental station may be located may
32 acquire by purchase or lease sufficient suitable land to be selected by the State Board of *[Higher]*
33 Education, acting in cooperation with a representative of the United States Department of Agricul-
34 ture. In case the land is acquired by purchase, the purchase price shall be paid from the general
35 funds of the county upon the order of the county court by a warrant, in the manner in which other
36 claims against the county are paid. In case the site for the station is acquired by lease, the lease
37 shall be made in favor of the State of Oregon for such term of years and upon such conditions as
38 shall be required by the State Board of *[Higher]* Education, and the rent shall be paid out of the
39 county treasury of the county in which the station is located by warrant drawn upon the county
40 treasury by an order of the county court.

41 **SECTION 231.** ORS 567.235 is amended to read:

42 567.235. The county court of the county in which the station is located is authorized and di-
43 rected to place upon the land acquired as provided in ORS 567.230 such buildings and other im-
44 provements, including a well, as may be required by the State Board of *[Higher]* Education. The
45 expenses incurred thereby shall be paid in the manner provided by ORS 567.230 for payment of the

1 purchase price or rent of the land.

2 **SECTION 232.** ORS 567.255 is amended to read:

3 567.255. In order to investigate and demonstrate the conditions under which useful plants, grains
4 and fruits may be grown on submersible lands, reclaimed swamp lands and logged-off lands in this
5 state and to determine the kinds of plants, grains and fruits best adapted for growth on such lands,
6 there is established an agricultural experimental station in Clatsop County in such place as may be
7 selected by the State Board of [*Higher*] Education. The station shall be known as the John Jacob
8 Astor Agricultural Experiment Station.

9 **SECTION 233.** ORS 567.260 is amended to read:

10 567.260. The Astor experiment station shall be under the control and management of the State
11 Board of [*Higher*] Education as a branch of Oregon State University.

12 **SECTION 234.** ORS 567.270 is amended to read:

13 567.270. The State Board of [*Higher*] Education shall cause to be prepared and published at least
14 once every two years a full and complete report of the work undertaken and accomplished by the
15 Astor experiment station. The reports shall be distributed free of charge. The cost of the publication
16 and distribution shall be deemed a part of the general expense of the station.

17 **SECTION 235.** ORS 567.275 is amended to read:

18 567.275. The State Board of [*Higher*] Education may cooperate in the special work of the Astor
19 experiment station with the United States Department of Agriculture, or of any bureau or officer
20 thereof, and may enter into any necessary agreement therefor with said department, or any bureau
21 or office thereof.

22 **SECTION 236.** ORS 567.325 is amended to read:

23 567.325. The State Board of [*Higher*] Education may cooperate in work in any special field of
24 the experiment station with the federal government or any department, bureau, or office thereof, and
25 may enter into any necessary agreement therefor with said government, department, bureau or of-
26 fice.

27 **SECTION 237.** ORS 567.330 is amended to read:

28 567.330. The State Board of [*Higher*] Education shall cause to be prepared and published at least
29 once every two years, full and complete reports of the work undertaken and accomplished by the
30 station. The reports shall be distributed free of charge. The cost of such publication and distribution
31 shall be deemed part of the general expenses of the station.

32 **SECTION 238.** ORS 567.405 is amended to read:

33 567.405. In order to investigate and demonstrate methods for improving agricultural and live-
34 stock conditions in the range areas in southeastern Oregon, an agricultural experiment station is
35 established and shall be located in Harney County in such place as may be selected by the State
36 Board of [*Higher*] Education.

37 **SECTION 239.** ORS 567.410 is amended to read:

38 567.410. The station shall be under the control and management of the State Board of [*Higher*]
39 Education through its director of the Oregon agricultural experiment station, as a branch station
40 of the Oregon agricultural experiment station.

41 **SECTION 240.** ORS 567.430 is amended to read:

42 567.430. The State Board of [*Higher*] Education shall cause to be prepared and published at least
43 once every two years a full and completed report of the work undertaken and accomplished by the
44 Harney County station. The reports shall be distributed free of charge and the cost of such publi-
45 cation and distribution shall be deemed a part of the general expense of the station.

1 **SECTION 241.** ORS 567.455 is amended to read:

2 567.455. To study and carry on investigations in horticultural, pathological and other agricul-
3 tural problems as affects the interests of this state, there is established an agricultural experimental
4 area in Hood River and Wasco Counties to be operated as the Mid-Columbia Experiment Station
5 under the control and management of the State Board of [*Higher*] Education through the Agricul-
6 tural Experiment Station of Oregon State University.

7 **SECTION 242.** ORS 567.475 is amended to read:

8 567.475. The State Board of [*Higher*] Education shall cause to be prepared and published once
9 every two years a full and complete report of the work accomplished by the station. The report shall
10 be distributed free of charge. The cost of such publication and distribution shall be deemed a part
11 of the general expense of the station.

12 **SECTION 243.** ORS 567.480 is amended to read:

13 567.480. The State Board of [*Higher*] Education may cooperate in the special work of the station
14 with the United States Department of Agriculture or any office or bureau thereof, and may enter
15 into any agreement therefor with said department, bureau or office.

16 **SECTION 244.** ORS 567.505 is amended to read:

17 567.505. There is established a branch agricultural experiment station of Oregon State Univer-
18 sity in southern Oregon, located in such part of southern Oregon as may be determined by the State
19 Board of [*Higher*] Education.

20 **SECTION 245.** ORS 567.510 is amended to read:

21 567.510. The station shall be under the management and control of the State Board of [*Higher*]
22 Education as a branch station of Oregon State University.

23 **SECTION 246.** ORS 567.515 is amended to read:

24 567.515. The State Board of [*Higher*] Education shall cause to be prepared and published at least
25 once every two years a full and complete report of the work undertaken and accomplished by the
26 station. The reports shall be distributed free of charge. The cost of such publication and distribution
27 shall be deemed a part of the general expenses of the station.

28 **SECTION 247.** ORS 567.520 is amended to read:

29 567.520. The State Board of [*Higher*] Education may cooperate in work in any special field of
30 the station with the federal government or any department, bureau or office thereof, and may enter
31 into any necessary agreement therefor with said government, department, bureau or office.

32 **SECTION 248.** ORS 567.575 is amended to read:

33 567.575. All revenues derived from the land and experiment station not necessarily used in
34 connection with the experiment station may be used by the State Board of [*Higher*] Education in the
35 improvement of the property referred to in this section and ORS 567.580 in repairing structures
36 thereon, for the use and benefit of the experiment station generally and for conducting agricultural
37 experiments in eastern Oregon and not otherwise.

38 **SECTION 249.** ORS 567.580 is amended to read:

39 567.580. The station shall at all times be under the exclusive management and control of the
40 State Board of [*Higher*] Education and shall be deemed a branch of the experiment station of Oregon
41 State University.

42 **SECTION 250.** ORS 576.035 is amended to read:

43 576.035. The State Board of [*Higher*] Education, acting through the Federal Cooperative Exten-
44 sion Service of Oregon State University, shall cooperate with the Agriculture Marketing Service of
45 the United States Department of Agriculture and with the appropriate offices of adjoining states to

1 establish and maintain a food product market news service in the Klamath Basin and provide such
2 services for the central Oregon and Malheur areas.

3 **SECTION 251.** ORS 659.850 is amended to read:

4 659.850. (1) As used in this section, “discrimination” means any act that unreasonably differen-
5 tiates treatment, intended or unintended, or any act that is fair in form but discriminatory in oper-
6 ation, either of which is based on race, color, religion, sex, sexual orientation, national origin,
7 marital status, age or disability. “Discrimination” does not include enforcement of an otherwise
8 valid dress code or policy, as long as the code or policy provides, on a case-by-case basis, for rea-
9 sonable accommodation of an individual based on the health and safety needs of the individual.

10 (2) A person may not be subjected to discrimination in any public elementary, secondary or
11 community college education program or service, school or interschool activity or in any higher
12 education program or service, school or interschool activity where the program, service, school or
13 activity is financed in whole or in part by moneys appropriated by the Legislative Assembly.

14 (3) The State Board of Education [*and the State Board of Higher Education*] shall establish rules
15 necessary to ensure compliance with subsection (2) of this section in the manner required by ORS
16 chapter 183.

17 **SECTION 252.** ORS 659.855 is amended to read:

18 659.855. (1) Any public elementary or secondary school determined by the Superintendent of
19 Public Instruction or any community college determined by the Commissioner for Community Col-
20 lege Services to be in noncompliance with provisions of ORS 659.850 and this section shall be sub-
21 ject to appropriate sanctions, which may include withholding of all or part of state funding, as
22 established by rule of the State Board of Education.

23 (2) Any public institution of higher education determined by the Chancellor of the Oregon Uni-
24 versity System to be in noncompliance with provisions of ORS 659.850 and this section shall be
25 subject to appropriate sanctions, which may include withholding of all or part of state funding, as
26 established by rule of the State Board of [*Higher*] Education.

27 (3) Any public charter school determined by the sponsor of the school or the Superintendent of
28 Public Instruction to be in noncompliance with the provisions of ORS 659.850 and this section shall
29 be subject to appropriate sanctions, which may include the withholding of all or part of state fund-
30 ing by the sponsor or superintendent, as established by rule of the State Board of Education.

31 **SECTION 253.** ORS 659.860 is amended to read:

32 659.860. (1) Any person claiming to be aggrieved by unlawful discrimination as prohibited by
33 ORS 659.850 may file a civil action in circuit court for equitable relief or, subject to the terms and
34 conditions of ORS 30.265 to 30.300, damages, or both. The court may order such other relief as may
35 be appropriate. Damages shall be \$200 or actual damages, whichever is greater.

36 (2) The action authorized by this section shall be filed within one year of the filing of a griev-
37 ance.

38 (3) No action shall be filed unless, within 180 days of the alleged discrimination, a grievance has
39 been filed with the school district board, public charter school governing body, community college
40 board of education or State Board of [*Higher*] Education.

41 (4) No action may be filed until 90 days after filing a grievance unless only injunctive relief is
42 sought pursuant to ORCP 79. The right to temporary or preliminary injunctive relief shall be inde-
43 pendent of the right to pursue any administrative remedy available to complainants pursuant to ORS
44 659.850.

45 (5) No action may be filed if the school district board, public charter school governing body,

1 community college board of education or State Board of *[Higher]* Education has obtained a concil-
2 iation agreement with the person filing the grievance or if a final determination of a grievance has
3 been made except as provided in ORS 183.480.

4 (6) Notwithstanding the filing of a grievance, pursuant to subsection (3) of this section, any
5 person seeking to maintain an action under this section shall also file a notice of claim within 180
6 days of the alleged discrimination as required by ORS 30.275.

7 (7) The court shall award reasonable attorney fees to a prevailing plaintiff in any action under
8 this section. The court may award reasonable attorney fees and expert witness fees incurred by a
9 defendant who prevails in the action if the court determines that the plaintiff had no objectively
10 reasonable basis for asserting a claim or no objectively reasonable basis for appealing an adverse
11 decision of a trial court.

12 (8) Nothing in this section is intended to reduce the obligations of the education agencies under
13 this section and ORS 659.850 and 659.855.

14 **SECTION 254.** ORS 678.425 is amended to read:

15 678.425. The Oregon Center for Nursing and the Oregon Healthcare Workforce Institute may
16 serve in advisory capacities to the State Workforce Investment Board, the *[Joint Boards]* **State**
17 **Board** of Education and other related entities. The Oregon Center for Nursing may advise on edu-
18 cation and workforce development issues affecting nursing. The Oregon Healthcare Workforce In-
19 stitute may advise on education and workforce development issues affecting doctors, dentists and
20 other allied health professionals. The Oregon Center for Nursing and the Oregon Healthcare
21 Workforce Institute may work together to develop comprehensive solutions to the healthcare
22 workforce shortages in Oregon.

23 **SECTION 255.** ORS 815.080 is amended to read:

24 815.080. (1) A person commits the offense of providing a safety belt, harness equipment or a child
25 safety system that does not comply with standards if the person does any of the following:

26 (a) Sells or offers for sale a new motor vehicle that is not equipped with safety belts, safety
27 harnesses or child safety systems that comply with and are installed in compliance with the rules
28 adopted by the Department of Transportation under ORS 815.055. This paragraph applies only to
29 motor vehicles that are primarily designed for transportation of individuals and that have seating
30 for one or more passengers side-by-side with the operator. This paragraph requires only that the
31 vehicle be equipped with one seat belt or harness for the operator and one for at least one of the
32 passengers seated beside the operator.

33 (b) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other
34 device for attaching or securing safety belts, safety harnesses or child safety system if the belt,
35 harness, child safety system, anchor or device does not comply with the rules adopted by the de-
36 partment under ORS 815.055. This paragraph applies only to belts, harnesses, child safety systems,
37 anchors or devices for use or installation on a vehicle that is primarily designed for transportation
38 of individuals.

39 (c) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other
40 device for attaching or securing safety belts, safety harnesses or child safety systems if the belt,
41 harness, child safety system, anchor or device is not marked as required under federal safety stan-
42 dards and if the mark is not legible when the belt, harness, child safety system, anchor or other
43 device is used or installed on a vehicle. This paragraph applies only to belts, harnesses, child safety
44 systems, anchors or devices for use or installation on a vehicle that is primarily designed for
45 transportation of individuals.

1 (d) Installs any safety belt, safety harness, child safety system, anchor or other device for at-
 2 taching or securing safety belts, safety harnesses or child safety systems on a vehicle that is pri-
 3 marily designed for the transportation of individuals except in compliance with rules adopted by the
 4 department under ORS 815.055.

5 (2) This section does not apply to school buses or school activity vehicles that are subject to
 6 equipment standards adopted by the State Board of Education [*or the State Board of Higher Educa-*
 7 *tion*] under ORS 820.100.

8 (3) The offense described in this section, providing a safety belt, harness equipment or a child
 9 safety system that does not comply with standards, is a Class C traffic violation.

10 **SECTION 256.** ORS 820.100 is amended to read:

11 820.100. (1) The State Board of Education shall adopt and enforce such reasonable standards
 12 relating to school bus and school activity vehicle construction and school bus and school activity
 13 vehicle equipment **used in relation to elementary and secondary schools** as the board deems
 14 necessary for safe and economical operation, except that the board may not authorize the use of
 15 school buses manufactured before April 1, 1977.

16 (2) The State Board of [*Higher*] Education may adopt and enforce separate rules of the type
 17 described under this section for school buses and school activity vehicles that are [*under the board's*
 18 *jurisdiction*] **used in relation to community colleges and higher education**, except that the board
 19 may not authorize the use of school buses manufactured before April 1, 1977.

20 (3) The State Board of Education shall adopt and enforce standards for school bus stop arms
 21 authorized by ORS 820.105.

22 (4) Rules adopted under this section:

23 (a) Must be consistent with requirements established by statute or by rule adopted under stat-
 24 utory authority that relate to the same subject.

25 (b) Shall be consistent with minimum uniform national standards, if such standards exist.

26 (c) May include different requirements for different classes or types of school buses or school
 27 activity vehicles.

28 (d) May include any exemptions determined appropriate under ORS 820.150.

29 **SECTION 257.** ORS 820.110 is amended to read:

30 820.110. (1) The State Board of Education shall adopt and enforce rules to establish requirements
 31 of operation, qualifications or special training of drivers and special accident reports for school
 32 buses and school activity vehicles **used in relation to elementary and secondary schools**.

33 (2) The State Board of [*Higher*] Education may adopt and enforce separate rules of the type
 34 described under this section for school buses and school activity vehicles that are [*under its juris-*
 35 *isdiction*] **used in relation to community colleges and higher education**.

36 (3) The rules adopted under this section:

37 (a) Are subject to ORS 820.190 and 820.200 and to any other statute or regulation relating to
 38 the operation of vehicles, qualifications of drivers and accident reports.

39 (b) Must be consistent with requirements established by statute or by rule adopted under stat-
 40 utory authority that relate to the same subject.

41 (c) May include different requirements for different classes or types of school buses or school
 42 activity vehicles.

43 (d) May include any exemptions determined appropriate under ORS 820.150.

44 (4) If the Department of Transportation suspends, cancels or revokes any driving privileges of
 45 a person who holds a school bus endorsement under ORS 807.035 (5), the Department of Transpor-

1 tation shall notify the Department of Education of the suspension, cancellation or revocation.

2 **SECTION 258.** ORS 820.120 is amended to read:

3 820.120. (1) The State Board of Education shall adopt and enforce rules to provide for the in-
4 spection of school buses and school activity vehicles **used in relation to elementary and second-**
5 **ary schools** to *[assure]* **ensure** that the vehicles are in compliance with requirements under rules
6 established under ORS 820.100 and 820.110, as applicable, and that the vehicles are safe for opera-
7 tion. The rules may include intervals of inspections.

8 (2) The State Board of *[Higher]* Education may adopt and enforce separate rules of the type
9 described under this section for school buses and school activity vehicles that are *[under its juris-*
10 *isdiction]* **used in relation to community colleges and higher education.**

11 (3) The rules adopted under this section:

12 (a) Are subject to any other statute or regulation relating to the safety of vehicles for operation
13 and the inspection of vehicles.

14 (b) May include different requirements for different classes or types of school buses or school
15 activity vehicles.

16 (c) May include any exemptions determined appropriate under ORS 820.150.

17 **SECTION 259.** ORS 820.130 is amended to read:

18 820.130. The Department of Transportation shall issue registration for a school bus when noti-
19 fied that the vehicle conforms to applicable rules under ORS 820.100 to 820.120 and that the vehicle
20 is safe for operation on the highways. Notification required by this section shall be from[:]

21 *[(1)]* the State Board of Education or its authorized representative *[regarding vehicles under its*
22 *regulatory authority].*

23 *[(2)]* *The State Board of Higher Education or its authorized representative regarding vehicles under*
24 *its jurisdiction.]*

25 **SECTION 260.** ORS 820.150 is amended to read:

26 820.150. (1) The State Board of Education, by rule, may establish classes or types of vehicles
27 that are not considered school buses or school activity vehicles for purposes of the Oregon Vehicle
28 Code or classes of school buses or school activity vehicles **used in relation to elementary and**
29 **secondary schools** that are not subject to regulation under the Oregon Vehicle Code either par-
30 tially or completely.

31 (2) The State Board of *[Higher]* Education may adopt separate rules of the type described under
32 this section for vehicles that are *[under its jurisdiction]* **used in relation to community colleges**
33 **and higher education.**

34 (3) Rules adopted under this section are subject to the following:

35 (a) Any exemption, either partial or total, established under this section may be based upon
36 passenger capacity, on limited use or on any other basis the State Board of Education *[or the State*
37 *Board of Higher Education]* considers appropriate.

38 (b) No exemption, either partial or total, shall be established under this section for any vehicle
39 that is marked with or displays the words "school bus."

40 (c) Any vehicle determined not to be a school bus under this section is not a school bus within
41 the definition established under ORS 801.460. Partial exemptions established for vehicles under this
42 section may include removal of the vehicle from any provisions relating to school buses under the
43 vehicle code.

44 (d) Any vehicle determined not to be a school activity vehicle under this section is not a school
45 activity vehicle within the definition established under ORS 801.455. Partial exemptions established

1 for vehicles under this section may include removal of the vehicle from any provisions relating to
2 school activity vehicles under the vehicle code.

3 (e) In considering any rules under this section, the boards shall consider the need to assure
4 student safety.

5 **SECTION 261.** ORS 825.017 is amended to read:

6 825.017. Except as provided in ORS 825.026 and 825.030, this chapter does not apply to the per-
7 sons or vehicles described in this section. The exemption under this section applies to the following
8 persons and vehicles:

9 (1) Vehicles being used by, or under contract with, any school board, district or person respon-
10 sible for the administration of elementary or secondary school activities, and engaged exclusively
11 in transporting students or combinations of students and other persons to or from school, to or from
12 authorized school activities or other activities sponsored by the State Board of [Higher] Education,
13 or for purposes provided under ORS 332.427. This exemption shall not be affected by the charging
14 of a fee to cover the costs of the transportation.

15 (2) Vehicles being used in a taxicab operation if the vehicle:

16 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed five;

17 (b) Carries passengers for hire where the destination and route traveled may be controlled by
18 a passenger and the fare is calculated on the basis of any combination of an initial fee, distance
19 traveled or waiting time; and

20 (c) Is transporting persons or property, or both, between points in Oregon.

21 (3) Vehicles being used for the transportation of property by private carrier by means of a single
22 vehicle or combination of vehicles with a combined weight that does not exceed 8,000 pounds.

23 (4) Vehicles being used in operating implements of husbandry.

24 (5) Vehicles being used as a hearse or ambulance.

25 (6) Vehicles being used over any private road or thoroughfare.

26 (7) Vehicles being used on any road, thoroughfare or property, other than a state highway,
27 county road or city street, for the removal of forest products as defined in ORS 321.005, or the
28 product of forest products converted to a form other than logs at or near the harvesting site, or
29 when used for the construction or maintenance of the road, thoroughfare or property, pursuant to
30 a written agreement or permit authorizing the use, construction or maintenance of the road,
31 thoroughfare or property, with:

32 (a) An agency of the United States;

33 (b) The State Board of Forestry;

34 (c) The State Forester; or

35 (d) A licensee of an agency named in this subsection.

36 (8) Vehicles being used on any county road for the removal of forest products as defined in ORS
37 321.005, or the products of forest products converted to a form other than logs at or near the har-
38 vesting site, if:

39 (a) The use is pursuant to a written agreement entered into with the State Board of Forestry,
40 the State Forester or an agency of the United States, authorizing the owner of the motor vehicle
41 to use the road and requiring the owner to pay for or to perform the construction or maintenance
42 of the county road, including any operator of a motor vehicle retained to transport logs, poles and
43 piling for the owners who are exempt under this section;

44 (b) The board, officer or agency that entered into the agreement or granted the permit, by con-
45 tract with the county court or board of county commissioners, has assumed the responsibility for the

1 construction or maintenance of the county road; and

2 (c) Copies of the agreements or permits required by this subsection are filed with the Director
3 of Transportation.

4 (9) Vehicles being used in the transportation of persons for hire if the operation:

5 (a) Is performed by a nonprofit entity;

6 (b) Is not in competition with a regular route full-service scheduled carrier of persons that is
7 subject to the provisions of this chapter or a service provided by a mass transit district formed un-
8 der ORS chapter 267;

9 (c) Is performed by use of vehicles operating in compliance with ORS 820.020 to 820.070; and

10 (d) Is approved by the Department of Transportation as complying with paragraphs (a) to (c) of
11 this subsection.

12 (10) Vehicles being used in transporting persons with disabilities, with or without their super-
13 visors or assistants, to or from rehabilitation facilities or child care services if the motor vehicle is
14 a passenger motor vehicle with a seating capacity of not more than 12 passengers. The exemption
15 provided by this subsection applies only when the motor vehicle is operated by or under contract
16 with any person responsible for the administration of rehabilitation facilities as defined in ORS
17 344.710 to 344.730 or child care services provided by a facility licensed under ORS 657A.030 and
18 657A.250 to 657A.450.

19 (11) Vehicles owned or operated by the United States or by any governmental jurisdiction within
20 the United States except when owned or operated as a carrier of property for hire.

21 (12) Vehicles owned or operated by a mass transit district created under ORS chapter 267.

22 (13) Vehicles owned or operated by, or under contract with, a person responsible for the con-
23 struction or reconstruction of a highway under contract with the Department of Transportation or
24 with an agency of the United States when operated within the immediate construction project as
25 described in the governmental agency contract during the construction period.

26 (14) Vehicles owned or operated by, or under contract with, a charitable organization when ex-
27 clusively engaged in performing transportation, either one way or round trip, necessary to the op-
28 eration of the charitable organization. As used in this subsection, "charitable organization" means
29 an organization that has no capital stock and no provision for making dividends or profits, but de-
30 rives its funds principally from public and private charity and holds them in trust for the promotion
31 of the welfare of others and not for profit. Any organization claiming an exemption under this sub-
32 section shall file an affidavit with the department stating that it is organized and operated in ac-
33 cordance with the requirements of this subsection.

34 (15) Vehicles with a maximum speed that does not exceed 35 miles per hour that are designed
35 for off-road use and that are operated on the public highways in any one calendar year a number
36 of miles that does not exceed 15 percent of the total number of miles the vehicle is operated for that
37 calendar year.

38 (16) Passenger vehicles with a passenger seating capacity that does not exceed five when used
39 in the transportation of new telephone books.

40 (17) A vehicle that is used in a limousine service operation in which the destination and route
41 traveled may be controlled by the passenger and the fare is calculated on the basis of any combi-
42 nation of initial fee, distance traveled and waiting time if the vehicle:

43 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed eight;

44 (b) Carries passengers for hire between points in Oregon; and

45 (c) Operates on an irregular route basis.

1 (18) Fire trucks and rescue vehicles that are designated as emergency vehicles by the Depart-
 2 ment of Transportation under ORS 801.260, while involved in emergency and related operations.

3 (19) A person who provides services related to the packing or loading of household goods if the
 4 person does not:

5 (a) Provide or operate a motor vehicle for the movement of the household goods; and

6 (b) Act as an agent for any person who does provide or operate a motor vehicle for the move-
 7 ment of the household goods.

8
 9 **MISCELLANEOUS**

10
 11 **SECTION 262. ORS 326.021, 326.305, 348.890, 351.010, 351.020, 351.040, 351.050 and 351.062**
 12 **are repealed.**

13 **SECTION 263. The unit captions used in this 2011 Act are provided only for the conven-**
 14 **ience of the reader and do not become part of the statutory law of this state or express any**
 15 **legislative intent in the enactment of this 2011 Act.**

16 **SECTION 264. (1) This 2011 Act does not take effect unless the amendment to the Oregon**
 17 **Constitution proposed by Senate Joint Resolution 4 (2011) is approved by the people at the**
 18 **next regular general election held throughout this state. This 2011 Act takes effect on the**
 19 **effective date of that constitutional amendment.**

20 (2) Sections 1 to 3, 13 and 27 to 35 of this 2011 Act and the amendments to ORS 30.264,
 21 30.864, 36.155, 62.720, 171.130, 171.133, 173.130, 182.122, 184.631, 190.510, 190.520, 190.530, 190.540,
 22 190.580, 190.590, 190.610, 196.438, 200.025, 200.055, 238.200, 238.215, 238.300, 238.350, 238A.140,
 23 243.107, 243.778, 243.800, 243.820, 243.850, 243.910, 244.050, 249.002, 249.056, 249.215, 254.005,
 24 258.036, 258.055, 260.005, 260.076, 273.571, 273.586, 273.785, 276.610, 276.612, 282.076, 283.310,
 25 284.540, 284.706, 284.711, 291.002, 291.038, 291.055, 291.445, 292.043, 292.044, 292.311, 292.430,
 26 292.930, 293.790, 293.812, 294.311, 320.100, 321.185, 326.011, 326.031, 326.041, 326.051, 329.085,
 27 329.489, 337.521, 339.885, 340.085, 342.147, 342.447, 343.961, 344.259, 348.010, 348.180, 348.205,
 28 348.210, 348.270, 348.282, 348.394, 348.429, 348.603, 348.849, 348.900, 348.910, 351.060, 351.065,
 29 351.067, 351.070, 351.072, 351.075, 351.077, 351.085, 351.086, 351.087, 351.088, 351.090, 351.092,
 30 351.094, 351.097, 351.105, 351.110, 351.117, 351.130, 351.140, 351.150, 351.155, 351.160, 351.165,
 31 351.170, 351.180, 351.190, 351.200, 351.203, 351.205, 351.210, 351.220, 351.230, 351.240, 351.250,
 32 351.260, 351.267, 351.277, 351.310, 351.315, 351.317, 351.320, 351.345, 351.350, 351.353, 351.356,
 33 351.460, 351.470, 351.505, 351.506, 351.590, 351.615, 351.627, 351.633, 351.642, 351.643, 351.644,
 34 351.646, 351.647, 351.658, 351.663, 351.666, 351.668, 351.692, 351.697, 351.708, 351.810, 351.820,
 35 351.830, 351.840, 351.870, 351.875, 351.880, 351.885, 352.002, 352.004, 352.010, 352.015, 352.021,
 36 352.035, 352.051, 352.230, 352.360, 352.370, 352.380, 352.385, 352.390, 352.510, 352.530, 352.580,
 37 352.610, 353.040, 353.050, 353.108, 353.330, 353.370, 353.440, 353.600, 354.090, 357.004, 358.575,
 38 366.785, 390.235, 433.090, 461.543, 468A.245, 471.810, 526.215, 526.225, 542.710, 542.720, 561.364,
 39 566.210, 567.025, 567.030, 567.035, 567.205, 567.210, 567.220, 567.230, 567.235, 567.255, 567.260,
 40 567.270, 567.275, 567.325, 567.330, 567.405, 567.410, 567.430, 567.455, 567.475, 567.480, 567.505,
 41 567.510, 567.515, 567.520, 567.575, 567.580, 576.035, 659.850, 659.855, 659.860, 678.425, 815.080,
 42 820.100, 820.110, 820.120, 820.130, 820.150 and 825.017 and section 3, chapter 797, Oregon Laws
 43 2001, and sections 5, 10, 11, 12 and 13, chapter 904, Oregon Laws 2009, by sections 4 to 12, 14
 44 to 26 and 36 to 261 by this 2011 Act and the repeal of ORS 326.021, 326.305, 348.890, 351.010,
 45 351.020, 351.040, 351.050 and 351.062 by section 262 of this 2011 Act become operative on July

1 **1, 2014.**

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