

A-Engrossed
Senate Bill 242

Ordered by the Senate March 11
Including Senate Amendments dated March 11

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Education and General Government for Higher Education Workgroup)

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.

Creates Higher Education Coordinating Commission. Grants commission authority to coordinate higher education policy with Oregon University System and community colleges. Abolishes Oregon Student Assistance Commission and transfers functions to Higher Education Coordinating Commission. Renames Office of Degree Authorization Account to Degree Authorization Account.

Redefines Oregon University System as public university system with more authority and independence to manage affairs, operations and obligations. Creates process for State Board of Higher Education to enter into performance compact with state in conjunction with biennial funding request. Eliminates requirement to seek expenditure limitation to spend other available moneys, including enrollment fees collected from students. Revises current process for setting enrollment fees by requiring student and student government participation, subject to limits set by Higher Education Coordinating Commission. Exempts Oregon University System from certain laws relating to state agencies.

Grants State Board of Higher Education power of eminent domain. Grants board authority to purchase insurance, after reporting to Legislative Assembly. Authorizes board to offer fee remissions to students. Increases membership of board. Authorizes board to purchase property and construct facilities without seeking legislative approval if purchase or construction is to be completed without appropriating General Fund moneys or using general obligation bonds. Credits all interest earned in Oregon University System Fund to Oregon University System.

Becomes operative January 1, 2012.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to education; creating new provisions; amending ORS 30.264, 131.594, 182.122, 182.415,
3 183.635, 184.475, 184.477, 190.610, 192.501, 205.450, 205.455, 238.005, 238.148, 238.300, 238.350,
4 238.580, 238.608, 238A.005, 238A.140, 243.105, 243.107, 243.778, 243.910, 243.956, 244.050, 270.100,
5 273.155, 273.785, 276.227, 276.229, 276.612, 279A.025, 283.305, 283.310, 284.633, 284.701, 285B.168,
6 285B.174, 286A.615, 286A.700, 291.038, 291.055, 292.043, 292.044, 310.155, 315.237, 326.075, 326.543,
7 326.587, 329.757, 329.765, 329.775, 329.780, 329.822, 329.840, 332.114, 332.155, 336.057, 337.500,
8 337.511, 338.115, 339.885, 340.005, 340.085, 341.009, 341.527, 341.531, 342.144, 342.147, 342.360,
9 342.390, 342.443, 344.259, 344.557, 345.015, 345.017, 348.005, 348.040, 348.050, 348.070, 348.095,
10 348.115, 348.117, 348.180, 348.183, 348.186, 348.205, 348.210, 348.230, 348.250, 348.260, 348.265,
11 348.270, 348.280, 348.282, 348.283, 348.290, 348.310, 348.320, 348.330, 348.340, 348.350, 348.360,
12 348.370, 348.390, 348.394, 348.427, 348.429, 348.436, 348.444, 348.448, 348.500, 348.505, 348.520,
13 348.530, 348.563, 348.570, 348.580, 348.590, 348.592, 348.597, 348.601, 348.603, 348.604, 348.605,
14 348.606, 348.607, 348.608, 348.609, 348.611, 348.612, 348.615, 348.616, 348.618, 348.621, 348.625,
15 348.630, 348.635, 348.640, 348.655, 348.660, 348.665, 348.670, 348.675, 348.685, 348.690, 348.696,
16 348.890, 348.900, 348.910, 351.001, 351.010, 351.020, 351.050, 351.060, 351.062, 351.065, 351.067,

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

1 351.070, 351.072, 351.075, 351.077, 351.085, 351.086, 351.088, 351.094, 351.097, 351.110, 351.117,
2 351.130, 351.140, 351.150, 351.155, 351.160, 351.203, 351.205, 351.210, 351.230, 351.240, 351.300,
3 351.310, 351.317, 351.320, 351.340, 351.450, 351.455, 351.460, 351.506, 351.590, 351.628, 351.638,
4 351.642, 351.643, 351.644, 351.646, 351.647, 351.649, 351.653, 351.656, 351.658, 351.700, 351.704,
5 351.840, 351.870, 351.885, 352.002, 352.004, 352.008, 352.010, 352.015, 352.017, 352.021, 352.223,
6 352.360, 352.370, 352.375, 352.380, 352.385, 352.390, 352.510, 352.669, 352.720, 352.730, 352.740,
7 352.750, 353.080, 353.200, 353.260, 353.440, 353.600, 353.603, 357.004, 399.245, 399.255, 399.265,
8 399.275, 408.095, 411.894, 418.658, 431.690, 433.090, 442.535, 442.540, 442.545, 461.543, 541.375,
9 634.660, 657.665, 659.855, 660.312, 660.315, 660.358, 678.425, 679.020, 680.515, 684.040, 685.060,
10 696.182, 743.550 and 759.445 and section 2, chapter 971, Oregon Laws 1999; repealing ORS
11 348.510, 348.540, 348.550, 348.560, 348.599, 351.005, 351.007, 351.090, 351.200 and 351.315; appro-
12 priating money; and declaring an emergency.

13 Whereas the Legislative Assembly declares its intent to promote a system of higher education
14 in which:

15 (1) Institutions of higher education have the flexibility to make effective and efficient use of
16 human, physical and financial resources;

17 (2) Education beyond high school is accessible, regardless of each student's geographic or
18 socioeconomic position;

19 (3) High-quality research and scholarship by faculty and students is coordinated;

20 (4) Funding and metrics of accountability are aligned and measured against statewide goals and
21 benchmarks; and

22 (5) Citizens of all ages, backgrounds and income levels are enabled to participate in the search
23 for knowledge and individual development.

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

25

26

HIGHER EDUCATION COORDINATING COMMISSION

27

28 **SECTION 1. (1) There is established a Higher Education Coordinating Commission, con-**
29 **sisting of 15 members appointed by the Governor.**

30 (2) One of the members of the commission must be a student at a public university listed
31 in ORS 352.002.

32 (3) One of the members of the commission must be a student at a community college in
33 this state.

34 (4) The term of office of each member is four years, except that the term of office for
35 the two student members is two years. A member serves at the pleasure of the Governor.
36 Before the expiration of the term of a member, the Governor shall appoint a successor whose
37 term begins on July 1 next following. A member is eligible for reappointment. If there is a
38 vacancy for any cause, the Governor shall make an appointment to become immediately ef-
39 fective for the unexpired term.

40 (5) The appointment of the commission is subject to confirmation by the Senate in the
41 manner prescribed in ORS 171.562 and 171.565.

42 (6) A member of the commission is entitled to compensation and expenses as provided in
43 ORS 292.495.

44 **SECTION 2. Notwithstanding the term of office specified by section 1 of this 2011 Act,**
45 **of the members first appointed to the Higher Education Coordinating Commission:**

1 (1) Five, including the two student members, shall serve for a term ending June 30, 2013.

2 (2) Five shall serve for a term ending June 30, 2014.

3 (3) Five shall serve for a term ending June 30, 2015.

4 **SECTION 3.** (1) The members of the Higher Education Coordinating Commission must
5 be residents of this state who are well informed on the principles of higher education.

6 (2) A member of the State Board of Higher Education, Oregon Health and Science Uni-
7 versity Board of Directors or the governing board of a community college district may not
8 serve as a member of the Higher Education Coordinating Commission.

9 **SECTION 4.** (1) The Higher Education Coordinating Commission shall select one of its
10 members as chairperson and another as vice chairperson, for such terms and with duties and
11 powers necessary for the performance of the functions of such offices as the commission
12 determines.

13 (2) A majority of the members of the commission constitutes a quorum for the trans-
14 action of business.

15 (3) The commission shall meet at least once every three months at a place, day and hour
16 determined by the chairperson. The commission may also meet at other times and places
17 specified by the call of the chairperson or of a majority of the members of the commission.

18 **SECTION 5.** (1) The Higher Education Coordinating Commission shall appoint an execu-
19 tive officer to serve at the pleasure of the commission.

20 (2) The appointment of the executive officer must be by written order, filed with the
21 Secretary of State.

22 (3) Subject to any applicable provisions of ORS chapter 240, the executive officer shall
23 appoint all subordinate officers and employees of the commission, prescribe their duties and
24 fix their compensation.

25 **SECTION 6.** In accordance with applicable provisions of ORS chapter 183, the Higher
26 Education Coordinating Commission may adopt rules necessary for the administration of the
27 laws that the commission is charged with administering.

28 **SECTION 7.** (1) The Higher Education Coordinating Commission may establish such ad-
29 visory and technical committees as it considers necessary to aid and advise the commission
30 in the performance of its functions. These committees may be continuing or temporary
31 committees. The commission shall determine the representation, membership, terms and
32 organization of the committees and shall appoint their members.

33 (2) Members of the committees are not entitled to compensation, but at the discretion
34 of the commission may be reimbursed from funds available to the commission for actual and
35 necessary travel and other expenses incurred by them in the performance of their official
36 duties in the manner and amount provided in ORS 292.495.

37 **SECTION 8.** The Higher Education Coordinating Commission shall:

38 (1) Develop state goals and associated accountability measures for the state post-
39 secondary education system, including community colleges and public universities listed in
40 ORS 352.002.

41 (2) Develop a strategic plan for achieving state higher education goals, identifying prior-
42 ity areas for attention and taking into consideration the contributions of this state's inde-
43 pendent institutions and other organizations dedicated to helping Oregonians reach state
44 goals. Goals should include, but need not be limited to:

45 (a) Increasing the educational attainment of the population;

1 **(b) Increasing this state’s global economic competitiveness and the quality of life of its**
2 **citizens;**

3 **(c) Ensuring affordable access for qualified Oregon students at each college or public**
4 **university; and**

5 **(d) Ensuring that public higher education in this state is provided in a cost-effective**
6 **manner.**

7 **(3) Evaluate and recommend changes to statutory goals and missions described for**
8 **community colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 af-**
9 **ter receiving recommendations from the appropriate governing board. The appropriate gov-**
10 **erning board shall have decision-making authority over program offerings to implement**
11 **established goals and missions.**

12 **(4) Develop a finance model for higher education aligned with the goals in the system**
13 **strategic plan, including:**

14 **(a) Recommended biennial appropriations to institutions, including a component specif-**
15 **ically tied to institutional contributions to state educational priorities;**

16 **(b) Recommended limits regarding the setting of tuition rates at public universities listed**
17 **in ORS 352.002 in accordance with criteria set by the State Board of Higher Education, with**
18 **the goal of encouraging tuition affordability for students;**

19 **(c) Tuition rates set by each community college governing board for community colleges**
20 **in this state;**

21 **(d) Recommended biennial appropriations for student financial aid; and**

22 **(e) Recommended biennial appropriations for any future statewide higher education ini-**
23 **tiatives.**

24 **(5) Each biennium, recommend to the Governor and the Legislative Assembly a consol-**
25 **idated higher education budget request consistent with the finance model, including appro-**
26 **priations for:**

27 **(a) Student financial aid;**

28 **(b) Ongoing operations for the Oregon University System;**

29 **(c) Ongoing operations for community colleges;**

30 **(d) Needed new facilities or programs; and**

31 **(e) Capital improvements.**

32 **(6) Design and maintain a statewide educational data system, in collaboration with the**
33 **State Board of Education.**

34 **(7) Administer student financial assistance programs.**

35 **(8) Approve and authorize degrees for the Oregon University System.**

36
37 **ABOLITION OF OREGON STUDENT ASSISTANCE COMMISSION**

38
39 **SECTION 9. (1) The Oregon Student Assistance Commission and the Office of Degree**
40 **Authorization are abolished. On the operative date specified in section 292 of this 2011 Act,**
41 **the tenure of office of the members of the Oregon Student Assistance Commission ceases.**

42 **(2) All the duties, functions and powers of the Oregon Student Assistance Commission**
43 **and the Office of Degree Authorization are imposed upon, transferred to and vested in the**
44 **Higher Education Coordinating Commission.**

45 **SECTION 10. (1) The Oregon Student Assistance Commission and the Office of Degree**

1 **Authorization shall:**

2 (a) **Deliver to the Higher Education Coordinating Commission all records and property**
3 **within the jurisdiction of the Oregon Student Assistance Commission that relate to the du-**
4 **ties, functions and powers transferred by section 9 of this 2011 Act; and**

5 (b) **Transfer to the Higher Education Coordinating Commission those employees engaged**
6 **primarily in the exercise of the duties, functions and powers transferred by section 9 of this**
7 **2011 Act.**

8 (2) **The executive officer of the Higher Education Coordinating Commission shall take**
9 **possession of the records and property, and shall take charge of the employees and employ**
10 **them in the exercise of the duties, functions and powers transferred by section 9 of this 2011**
11 **Act, without reduction of compensation but subject to change or termination of employment**
12 **or compensation as provided by law.**

13 (3) **The Governor shall resolve any dispute between the Oregon Student Assistance**
14 **Commission and the Higher Education Coordinating Commission relating to transfers of re-**
15 **ords, property and employees under this section, and the Governor's decision is final.**

16 **SECTION 11. (1) The unexpended balances of amounts authorized to be expended by the**
17 **Oregon Student Assistance Commission and the Office of Degree Authorization for the**
18 **biennium beginning July 1, 2011, from revenues dedicated, continuously appropriated, appro-**
19 **riated or otherwise made available for the purpose of administering and enforcing the du-**
20 **ties, functions and powers transferred by section 9 of this 2011 Act are transferred to and**
21 **are available for expenditure by the Higher Education Coordinating Commission for the**
22 **biennium beginning July 1, 2011, for the purpose of administering and enforcing the duties,**
23 **functions and powers transferred by section 9 of this 2011 Act.**

24 (2) **The expenditure classifications, if any, established by Acts authorizing or limiting**
25 **expenditures by the Oregon Student Assistance Commission or the Office of Degree Au-**
26 **thorization remain applicable to expenditures by the Higher Education Coordinating Com-**
27 **mission under this section.**

28 **SECTION 12. The transfer of duties, functions and powers to the Higher Education Co-**
29 **ordinating Commission by section 9 of this 2011 Act does not affect any action, proceeding**
30 **or prosecution involving or with respect to such duties, functions and powers begun before**
31 **and pending at the time of the transfer, except that the Higher Education Coordinating**
32 **Commission is substituted for the Oregon Student Assistance Commission or the Office of**
33 **Degree Authorization in the action, proceeding or prosecution.**

34 **SECTION 13. (1) Nothing in sections 9 to 16 of this 2011 Act or the repeal of ORS 348.510,**
35 **348.540, 348.550, 348.560 or 348.599 by section 291 of this 2011 Act relieves a person of a li-**
36 **ability, duty or obligation accruing under or with respect to the duties, functions and powers**
37 **transferred by section 9 of this 2011 Act. The Higher Education Coordinating Commission**
38 **may undertake the collection or enforcement of any such liability, duty or obligation.**

39 (2) **The rights and obligations of the Oregon Student Assistance Commission legally in-**
40 **curred under contracts, leases and business transactions executed, entered into or begun**
41 **before the operative date specified in section 292 of this 2011 Act are transferred to the**
42 **Higher Education Coordinating Commission. For the purpose of succession to these rights**
43 **and obligations, the Higher Education Coordinating Commission is a continuation of the**
44 **Oregon Student Assistance Commission and the Office of Degree Authorization and not a**
45 **new authority.**

1 regions of Oregon.

2 **SECTION 18.** Sections 19 to 21b and 23 of this 2011 Act are added to and made a part of
3 ORS 351.010 to 351.070.

4 **SECTION 19.** The Oregon University System is established as a public university system,
5 consisting of the office of the Chancellor of the Oregon University System, the public uni-
6 versities listed in ORS 352.002 and any related offices, departments or activities. The State
7 Board of Higher Education, on behalf of the Oregon University System, shall exercise and
8 carry out all of the powers, rights and duties that are expressly conferred upon the board
9 or that are implied by law or incident to such powers, rights and duties. The Oregon Uni-
10 versity System is an instrumentality of the state and a government entity performing gov-
11 ernmental functions and exercising governmental powers. Notwithstanding the status of the
12 Oregon University System as an instrumentality of the state, the Oregon University System
13 is not eligible to request or receive legal services from the Attorney General and the De-
14 partment of Justice pursuant to ORS chapter 180, except as otherwise expressly provided by
15 law. The Oregon University System is not considered a unit of local or municipal govern-
16 ment.

17 **SECTION 20.** (1) Based upon limits set by the Higher Education Coordinating Commis-
18 sion, the State Board of Higher Education shall set enrollment fees for each public university
19 listed in ORS 352.002. Enrollment fees include tuition for education and services and any
20 other charges found by the State Board of Higher Education to be necessary to carry out the
21 educational program of the Oregon University System.

22 (2) The State Board of Higher Education shall, by rule, establish a process under which
23 each public university may develop and submit proposed enrollment fees for board consider-
24 ation. The process must provide for participation of enrolled students and the recognized
25 student government of the public university.

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

30 **SECTION 21.** (1) For the purposes of this section, “performance compact” means an
31 agreement between the State Board of Higher Education and the State of Oregon to achieve
32 certain performance targets in order to enhance the success of Oregon University System
33 students in exchange for consideration of the appropriations sought in a funding request
34 submitted by the State Board of Higher Education to the Oregon Department of Adminis-
35 trative Services.

36 (2)(a) On or before May 1 of each even-numbered year, the State Board of Higher Edu-
37 cation shall submit a draft funding request to the Higher Education Coordinating Commis-
38 sion for the Oregon University System, applicable to the biennium beginning on July 1 of the
39 following year. The draft funding request must include a performance compact.

40 (b) If the Higher Education Coordinating Commission approves the draft funding request
41 and performance compact, or approves the draft funding request and performance compact
42 with modifications, the commission shall take such action prior to August 15 of the same
43 even-numbered year.

44 (c) If the Higher Education Coordinating Commission rejects the draft funding request
45 and performance compact, the commission shall take such action prior to June 15 of the

1 same even-numbered year. In returning the rejected draft funding request and performance
2 compact to the State Board of Higher Education, the commission shall give specific direction
3 to the board regarding the changes necessary to earn commission approval.

4 (3) On or before September 1 of each even-numbered year, the State Board of Higher
5 Education shall submit the funding request and performance compact to the Oregon De-
6 partment of Administrative Services for the Oregon University System.

7 (4) The Governor's biennial budget submitted to the Legislative Assembly may include
8 the State Board of Higher Education's funding request submitted to the Oregon Department
9 of Administrative Services for the Oregon University System. Any funding request approved
10 by the Legislative Assembly must specify that the moneys be appropriated to the Oregon
11 Department of Administrative Services for allocation to the Oregon University System.

12 (5) The funding request must include, in addition to the performance compact, a report
13 on performance from the previous biennium's performance compact.

14 (6) The State Board of Higher Education shall, by rule, establish a framework for the
15 development of a performance compact that must accompany the funding request to the
16 Oregon Department of Administrative Services. The framework must address, among other
17 issues, the issue of tuition affordability for students.

18 **SECTION 21a.** The State Board of Higher Education is authorized to:

19 (1) Request, as part of the funding request under section 21 of this 2011 Act, appropri-
20 ations for budgetary items, including but not limited to education and general operations,
21 statewide public services, state funded debt service, capital improvements and other special
22 initiatives and investments; and

23 (2) Allocate moneys, from funds appropriated to the board and other available moneys,
24 among the office of the Chancellor of the Oregon University System, public universities listed
25 in ORS 352.002 and offices, departments and activities under the control of the board.

26 **SECTION 21b.** The State Board of Higher Education is not required to seek expenditure
27 limitation approval from the Legislative Assembly to spend any available moneys, including
28 but not limited to moneys from enrollment fees collected pursuant to section 20 of this 2011
29 Act.

30 **SECTION 22.** Sections 21 and 21a of this 2011 Act apply to biennia beginning on or after
31 July 1, 2013.

32 **SECTION 23.** The State Board of Higher Education shall:

33 (1) Review all mission statements of the public universities listed in ORS 352.002 and
34 forward them to the Higher Education Coordinating Commission for approval; and

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

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

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

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

42 **SECTION 24.** As used in sections 24 to 28 of this 2011 Act:

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

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

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

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

4 (C) Paying the fees, administrative costs and expenses of the State Treasurer and the
5 Oregon University System, including the costs of consultants or advisers retained by the
6 State Treasurer or the Chancellor of the Oregon University System, for the higher education
7 revenue bonds.

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

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

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

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

15 (2) "Higher education revenue bonds" means revenue bonds issued pursuant to section
16 25 of this 2011 Act.

17 (3) "Higher education revenues" includes:

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

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

23 **SECTION 25.** (1) At the request of the Chancellor of the Oregon University System, the
24 State Treasurer may issue, as provided in ORS chapter 286A, higher education revenue bonds
25 from time to time, the net proceeds of which must be used to:

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

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

29 (c) Pay bond-related costs.

30 (2)(a) Before pledging all or a portion of higher education revenues, pursuant to ORS
31 286A.102, to secure higher education revenue bonds, higher education credit enhancement
32 devices or agreements for exchange of interest rates related to such revenue bonds or credit
33 enhancement devices, the chancellor shall reserve sufficient funds each biennium to satisfy
34 any payment or reserve requirements relating to:

35 (A) General obligation bonds or certificates of participation issued for the benefit of the
36 Oregon University System;

37 (B) Credit enhancement devices or agreements for exchange of interest rates entered
38 into in connection with obligations related to general obligation bonds or certificates of par-
39 ticipation issued for the benefit of the Oregon University System; and

40 (C) Loans to the Oregon University System funded by state general obligation bonds.

41 (b) Pursuant to ORS 286A.010, the Oregon University System shall provide cash flow
42 projections and other information requested by the State Treasurer to determine the suffi-
43 ciency of higher education revenues to satisfy the requirements of paragraph (a) of this
44 subsection and any proposed revenue bonds.

45 (c) For purposes of the issuance of bonds and ORS chapter 286A, the Oregon University

1 System shall be considered a related agency as defined in ORS 286A.001 (9).

2 (d) The chancellor shall identify the specific higher education revenues that will be
3 pledged to secure each series of higher education revenue bonds and specify the status of the
4 lien of each pledge.

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

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

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

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

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

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

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

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

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

29 (6) The State Treasurer and the Oregon University System do not have an obligation to
30 pay bond-related costs except as provided in sections 24 to 28 of this 2011 Act. A holder of
31 higher education revenue bonds issued under this section does not have the right to compel
32 the exercise of the taxing power of the State of Oregon to pay bond-related costs.

33 (7) As long as any higher education revenue bonds issued under this section are out-
34 standing, covenants related to the higher education revenue bonds are deemed to be con-
35 tracts between the State of Oregon and holders of the higher education revenue bonds. The
36 State of Oregon may not give force or effect to a statute or initiative or referendum measure
37 approved by the electors of this state if doing so would unconstitutionally impair existing
38 covenants made with the holders of existing higher education revenue bonds or would un-
39 constitutionally impair other obligations or agreements regarding the security of higher ed-
40 ucation revenue bonds to which the moneys deposited in the accounts established by sections
41 26, 27 and 28 of this 2011 Act are pledged and assigned.

42 (8) The principal, interest and any premium and any issuance costs on a financing
43 agreement under ORS 283.085 to 283.092, any general obligation bond, any revenue bond and
44 any related credit enhancement device or interest rate exchange agreement shall be paid
45 from the sources specified in the laws and documents authorizing the financing agreement,

1 bond, credit enhancement device or interest rate exchange agreement. The Oregon Univer-
2 sity System shall pay any other expenses and liabilities, including but not limited to legal
3 expenses, costs of settling claims, judgments, federal arbitrage rebates and penalties and
4 expenses arising from an inquiry, audit or other action by a federal or state regulatory body,
5 unless the expense or liability results solely from the negligence or willful misconduct of a
6 state agency.

7 (9) Pursuant to ORS chapter 180, on behalf of the State Treasurer or any other state
8 agency, the Attorney General shall appear, commence, prosecute or defend any action, suit,
9 matter, cause or proceeding arising from any financing agreement under ORS 283.085 to
10 283.092, any bond issued for the benefit of the Oregon University System and any related
11 credit enhancement device or interest rate exchange agreement.

12 **SECTION 26.** An account in the Oregon University System Fund established by ORS
13 351.506 is designated for the purposes described in section 25 (1) of this 2011 Act. The account
14 consists of net proceeds of higher education revenue bonds issued under section 25 of this
15 2011 Act and other moneys made available for the purposes described in section 25 (1) of this
16 2011 Act. Moneys in the account may be invested as provided in ORS 293.701 to 293.820, and
17 interest earned by the account must be credited to the account. Moneys in the account are
18 continuously appropriated to the Oregon University System for the purposes described in
19 section 25 (1) of this 2011 Act.

20 **SECTION 27.** (1) An account in the Oregon University System Fund established by ORS
21 351.506 is designated for the purposes of paying, when due, the principal of, the interest on
22 and the premium, if any, on outstanding higher education revenue bonds. Moneys in the
23 account may be invested as provided in ORS 293.701 to 293.820, and interest earned by the
24 account must be credited to the account. Moneys in the account are continuously appropri-
25 ated to the Oregon University System for the purposes described in this section.

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

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

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

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

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

34 **SECTION 28.** (1) An account in the Oregon University System Fund established by ORS
35 351.506 is designated for the purpose of paying bond-related costs under sections 24 to 28 of
36 this 2011 Act. Moneys in the account may be invested as provided in ORS 293.701 to 293.820,
37 and interest earned by the account must be credited to the account. Moneys in the account
38 are continuously appropriated to the Oregon University System for payment of bond-related
39 costs under sections 24 to 28 of this 2011 Act.

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

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

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

45 (3) At the request of the Oregon University System, the State Treasurer may create

1 separate subaccounts in the account as provided in ORS 286A.025 (2)(g).

2 **SECTION 29.** The State Board of Higher Education and the Oregon University System
3 are responsible for the indemnity and defense of their officers, agents and employees or
4 other persons designated by the board or the system to carry out or further their missions
5 and shall assume responsibility, in accordance with agreements entered into with the De-
6 partment of Justice, the Oregon Department of Administrative Services regarding its risk
7 management function, the State Treasurer and the manager of the Insurance Fund estab-
8 lished in ORS 278.425, for such indemnity and defense with regard to claims asserted and
9 actions commenced as of the operative date of this section.

10 **SECTION 29a.** Before the operative date of section 29 of this 2011 Act, the State Board
11 of Higher Education and the Oregon University System shall enter into an agreement, as
12 applicable, with the Department of Justice, the Oregon Department of Administrative Ser-
13 vices regarding its risk management function, the State Treasurer and the manager of the
14 Insurance Fund established in ORS 278.425 with regard to:

15 (1) The transfer of duties and responsibilities concerning legal actions and liabilities in
16 existence before the operative date of section 29 of this 2011 Act;

17 (2) The reimbursement of reasonable costs and expenses associated with the legal rep-
18 resentation of the State Treasurer for general obligation bonds of the board and the system
19 on and after the operative date of section 29 of this 2011 Act; and

20 (3) Any other topic necessary for the orderly transfer of duties and responsibilities inci-
21 dent to the previous statutory duty of the Department of Justice to provide legal represen-
22 tation to the board and the system and the responsibility of the Department of
23 Administrative Services to insure the board and the system.

24 **SECTION 30.** Except as otherwise provided by law, all liabilities, known and unknown,
25 of the State Board of Higher Education and the Oregon University System existing on or
26 arising after the operative date of this section are the sole responsibility of the board and
27 system. Damages, costs and other expenses arising out of and related to liabilities of the
28 board and the system after the operative date of this section shall be payable from the
29 Oregon University System Fund or from insurance purchased, a self-insurance program es-
30 tablished or another insurance equivalent arranged for under ORS 351.060 (11).

31 **SECTION 30a.** The State Board of Higher Education is a continuation of the former State
32 Board of Higher Education with respect to its duties, liabilities, functions and powers, and
33 is not a new authority, for the purpose of succession to all rights and obligations of the
34 former State Board of Higher Education as constituted as of the effective date of this 2011
35 Act, except as otherwise provided by law.

36 **SECTION 31.** ORS 351.001 is amended to read:

37 351.001. The Legislative Assembly finds that:

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

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

43 (3) For its cultural advancement, Oregon needs creative talent as well as appreciative and dis-
44 criminating readers, viewers and listeners. Oregon also needs people who understand the diverse
45 patterns of behavior, communication and belief that make up the common cultures of the various

1 communities in which we all must function.

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

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

6 (6) For their personal well-being, individual Oregonians need to cultivate an advanced literacy
7 essential to leading productive and rewarding lives. This includes the capacity to think logically and
8 critically; to internalize and exemplify humane values; to write, speak and figure clearly and accu-
9 rately; to understand, in some depth, a variety of psychological, historical, cultural, aesthetic and
10 scientific concepts and theories; and to master a range of occupational, professional, avocational,
11 social and personal skills.

12 **SECTION 32.** ORS 351.010 is amended to read:

13 351.010. The Oregon University System [*is established and is organized as described in ORS*
14 *352.002. The system*] shall be conducted under the control of a board of [12] **15** directors, to be
15 known as the State Board of Higher Education. **Except as otherwise provided by law, the board**
16 **has sole authority to govern, set policy and otherwise manage the affairs of the public uni-**
17 **versities listed in ORS 352.002.** The board shall consist of:

18 (1) Two students[,] who at the time of their appointment to the board[,] are [*admitted at*] **at-**
19 **tending** different public [*institutions of higher education in Oregon*] **universities** listed in ORS
20 352.002.

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

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

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

27 **SECTION 33.** (1) **The directors added to the State Board of Higher Education by the**
28 **amendments to ORS 351.010 in section 32 of this 2011 Act shall be appointed for terms be-**
29 **ginning January 1, 2012.**

30 (2) **Notwithstanding the term of office specified in ORS 351.040, of the directors added to**
31 **the board by the amendments to ORS 351.010 in section 32 of this 2011 Act:**

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

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

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

35 **SECTION 34.** ORS 351.020 is amended to read:

36 351.020. (1) The directors of the State Board of Higher Education [*shall*] **must** be residents of
37 Oregon and [*shall be*] **are** appointed by the Governor. The [*appointment is*] **appointments are** sub-
38 ject to the confirmation of the Senate in the manner provided by ORS 171.562 and 171.565. No di-
39 rector who is not a student or faculty member at the time of appointment may be an employee of
40 any of the [*institutions or departments*] **public universities or offices, departments or activities**
41 under the control of the State Board of Higher Education[, *nor shall more than seven graduates of*
42 *or students admitted at these institutions, nor more than three graduates of or students admitted at any*
43 *one of these institutions or departments, be members of the board at any time*]. The faculty members
44 appointed under this section may not participate in any discussions or action by the board or attend
45 any executive session of the board involving collective bargaining issues that affect faculty at any

1 public [*institution of higher education*] **university listed in ORS 352.002.**

2 (2) To assist the Governor in making appointments of the student members as provided in ORS
3 351.010, the duly organized and recognized entities of student government at each [*state institution*
4 *of higher education*] **public university** shall submit a list of nominees to the Governor. The entities
5 are entitled to no more than three nominees per [*school*] **public university**. The Governor shall
6 consider these lists in the selection of the student members to be appointed to the State Board of
7 Higher Education.

8 (3) To assist the Governor in making appointments of the faculty members as provided in ORS
9 351.010, a duly organized and recognized association of faculty members may submit a list of nomi-
10 nees to the Governor. The Governor shall consider any submitted list in the selection of the faculty
11 members to be appointed to the State Board of Higher Education.

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

16 **SECTION 35.** ORS 351.050 is amended to read:

17 351.050. The board shall elect one of its members as president who shall serve for the fiscal year
18 for which the president is elected. The board shall meet [*regularly once every three months*] **at least**
19 **four times each fiscal year** at such times and places as the president may determine. [*Special*
20 *meetings may be called by the president upon the written request of any six members of the board.*
21 *Six*] **Eight** members shall constitute a quorum for the transaction of business.

22 **SECTION 36.** ORS 351.060 is amended to read:

23 351.060. The State Board of Higher Education may:

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

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

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

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

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

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

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

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

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

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

18 (8) Acquire, receive, hold, control, sell, manage, operate, lease, **license** or lend any goods, sup-
19 plies, materials, equipment, services and information technology, for the use, support or benefit of
20 any of the [*institutions*] **public universities or offices**, departments or activities under the control
21 of the **State Board of Higher Education.**

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

24 **(9) With the approval of the State Treasurer, request that the Oregon Department of**
25 **Administrative Services enter into financing agreements in accordance with ORS 283.085 to**
26 **283.092 on behalf of the Oregon University System. The Oregon University System shall be**
27 **considered a state agency for purposes of ORS 286A.730.**

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

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

34 **(12) Hire or retain attorneys for the provision of legal services, including but not limited**
35 **to general advice, representation in litigation and representation in appellate matters. The**
36 **State Board of Higher Education shall reimburse the State Treasurer for legal fees incurred**
37 **in connection with borrowings done at the request of the Oregon University System.**

38 **SECTION 37.** ORS 351.062 is amended to read:

39 351.062. Except for the power to prescribe enrollment fees under [*ORS 351.070 (3)(c)*] **section**
40 **20 of this 2011 Act** and the power to adopt rules, the State Board of Higher Education may delegate
41 any of the powers, duties or functions of the board to a committee of the board, **the Chancellor**
42 **of the Oregon University System or a president of a public university listed in ORS 352.002.**

43 **SECTION 38.** ORS 351.070 is amended to read:

44 351.070. (1) The [*Oregon University System, in accordance with rules adopted by the*] State Board
45 of Higher Education[,] shall, **by rule**, implement a personnel system **for the Oregon University**

1 **System** and may engage in collective bargaining with *[its]* **the** employees. All collective bargaining
 2 with any certified or recognized exclusive employee representative shall be under the direction and
 3 supervision of the Chancellor of the Oregon University System. **The board and** the Oregon Uni-
 4 versity System shall have payroll authority *[pursuant to ORS 292.043 to 292.180]*.

5 (2)(a) The board shall establish competitive procedures for the purchasing, procurement and
 6 contracting of goods, services and information technology, for the benefit of the Oregon University
 7 System and all the *[institutions, departments and activities therein]* **public universities and offices,**
 8 **departments and activities under the control of the board.** The board may also establish ex-
 9 emptions from the competitive procedures when appropriate.

10 (b) The board shall ensure that the hourly rate of wage paid by any contractor upon all public
 11 improvements contracts undertaken for the board shall not be less than the same rate of wage as
 12 determined by the Bureau of Labor and Industries for an hour's work in the same trade or occupa-
 13 tion in the locality where such labor is performed. Claims or disputes arising under this subsection
 14 shall be decided by the Commissioner of the Bureau of Labor and Industries.

15 (c) The board shall adopt policies and procedures that achieve results equal to or better than
 16 the standards existing on July 17, 1995, regarding affirmative action, pay equity for comparable
 17 work, recycling, the provision of workers' compensation insurance to workers on contract and the
 18 participation of emerging small businesses and businesses owned by minorities and women.

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

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

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

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

31 *[(d)]* (c) Prescribe incidental fees for programs under the supervision or control of the board
 32 found by the board, upon its own motion or upon recommendation of the recognized student gov-
 33 ernment *[of the institution concerned]*, to be advantageous to the cultural or physical development
 34 of students. Fees realized in excess of amounts allocated and exceeding required reserves shall be
 35 considered surplus incidental fees and shall be allocated for programs under the control of the board
 36 and found to be advantageous to the cultural or physical development of students by the
 37 *[institution]* president upon the recommendation of the recognized student government *[at the insti-*
 38 *tution concerned]*.

39 *[(e)]* (d) Upon recommendation of the recognized student government, collect optional fees *[au-*
 40 *thorized by the institution executive,]* for student activities not included in paragraph (c) *[or (d)]* of
 41 this subsection **or section 20 of this 2011 Act as authorized by the president.** The payment of
 42 such optional fees *[shall be]* **is** at the option and selection of the student and *[shall not be]* **is not**
 43 a prerequisite of enrollment.

44 *[(f)]* (e) Confer, **consistent with the mission and programs of each public university and**
 45 on the recommendation of the faculty of *[any such institution]* **the public university,** such degrees

1 as usually are conferred by *[such institutions]* **public universities**, or as *[they deem]* **the faculty**
 2 **deems** appropriate.

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

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

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

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

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

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

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

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

18 (A) Dependents of students.

19 (B) Staff.

20 (C) Faculty.

21 (g) Shall prescribe and collect charges.

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

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

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

37 **SECTION 39.** ORS 351.075 is amended to read:

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

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

1 [(3) *The State Board of Higher Education shall fix the compensation of the chancellor and the as-*
2 *stants of the chancellor.*]

3 **SECTION 40.** ORS 351.085 is amended to read:

4 351.085. The Chancellor of the Oregon University System shall exercise, under the direction of
5 the State Board of Higher Education, the administrative **and management** authority necessary to
6 carry out the policies **and directives** of the board with respect to the [*institutions, departments or*
7 *activities*] **public universities and offices, departments and activities** under the control of the
8 board. In carrying out the duties of the chancellor, the chancellor shall:

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

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

14 [(2)] **(3) Maintain a centralized service program for all [*institutions, departments*] public uni-**
15 **versities and offices, departments and activities under the control of the board,** including but
16 not limited to[,] accounting, statistical services, capital construction, management analysis, legal
17 services, academic affairs and educational research.

18 [(3)] **(4) Collect and compile information and statistics relative to the operation of the [*insti-***
19 **tutions, departments] public universities and offices, departments and activities under the con-**
20 **trol of the [State] board [*of Higher Education*].**

21 [(4)] **(5) Prepare and submit to the [State] board [*of Higher Education*] an annual operating**
22 **budget for all [*institutions, departments*] public universities and offices, departments and activ-**
23 **ities under the control of the board, including but not limited to budget allocations to the**
24 **public universities and offices, departments and activities.**

25 [(5)] **(6) Oversee the preparation and submission to the [State Board of Higher Education of the**
26 **biennial budget requests of the institutions, departments and activities] board of the funding request**
27 **for the Oregon University System for consideration by the board as the [*budget*] funding request**
28 **[to the Governor] under [ORS 351.090] section 21 of this 2011 Act. [*The chancellor shall provide***
29 **analyses of the budget requests of the institutions, departments and activities, including in such ana-**
30 **lyses alternative considerations as may be necessary or desirable for the board in the adoption of its**
31 **budget request.]**

32 [(6)] **(7) Appoint[, *subject to the State Personnel Relations Law, and with the approval of the State***
33 **Board of Higher Education,] such personnel as may be necessary for the performance of the duties**
34 **of the chancellor.**

35 [(7)] **(8) Designate, if the chancellor wishes, one or more suitable persons to sign or countersign**
36 **warrants, vouchers, certificates[,] or other papers and documents requiring the signature of the**
37 **chancellor.**

38 [(8)] **(9) Prepare the agendas for [State] board [*of Higher Education*] meetings and provide an**
39 **analysis of proposals made to the board, including such alternatives as may be necessary or desir-**
40 **able for their consideration, and make recommendations thereon.**

41 [(9)] **(10) Prepare and submit to the [State] board [*of Higher Education*] on or about December**
42 **31 of each year an annual report in which the chancellor describes the principal activities of the**
43 **Oregon University System during the fiscal year ending June 30. [*The report shall include a state-***
44 **ment of all funds received, the source or sources from which received, the expenditure and disbursement**
45 **of all funds and the purposes for which they were expended. The report shall contain a statement of**

1 *the number of students enrolled in each institution, department or activity, the number of degrees con-*
 2 *ferred, the improvements made and new courses of instruction added, together with a statement showing*
 3 *in a general way the status of all activities and functions of the State Board of Higher Education.]*

4 [(10)] (11) Keep a record of the transactions of the [State] board [of Higher Education].

5 [(11)] (12) Have the custody of all books, papers, documents and other property belonging to the
 6 [State] board [of Higher Education].

7 [(12)] (13) Give such instructions as may be necessary to carry out the directives of the [State]
 8 board [of Higher Education] and forward them to the various institution presidents and heads of
 9 **offices**, departments and activities.

10 [(13)] (14) Provide for meetings of the presidents and principal executives of the [institutions,
 11 departments] **public universities and offices, departments** and activities **under the control of the**
 12 **board**, at such times as the [State] board [of Higher Education] may direct[, *such meetings to*]. **The**
 13 **meetings shall** be open to any member of the board. [At such meetings, the executives of the Oregon
 14 University System may propose policies or policy changes or statements for consideration by the board
 15 and develop recommendations concerning allocations of funds.]

16 [(14)] (15) Perform such other administrative **or management** assistance and consider other
 17 administrative **or management** matters as the [State] board [of Higher Education] may require.

18 **SECTION 41.** ORS 351.086 is amended to read:

19 351.086. (1) Except as otherwise provided in this chapter and ORS chapter 352, the provisions
 20 of ORS chapters **182, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291** and 292 **and ORS**
 21 **180.060, 180.160, 180.210, 180.220, 180.225, 180.230 and 279.835 to 279.855** do not apply to the
 22 Oregon University System.

23 (2) Notwithstanding subsection (1) of this section, ORS [240.167, 240.185] **182.100, 182.109,**
 24 **240.167,** 279A.065 (2), 279B.055 (3), 279C.380 (1)(a) and (3), 279C.600 to 279C.625, 279C.800, 279C.810,
 25 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865, 279C.870,
 26 **291.200, 291.201 to 291.222, 291.223, 291.224 (2) and (6), 291.226, 291.272 to 291.278, 291.322 to**
 27 **291.334, 291.405, 291.407, 291.445,** [and] 292.043 **and 292.044** apply to the Oregon University System.

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

30 [(a) ORS 182.310 to 182.400;]

31 [(b) ORS 273.413 to 273.456;]

32 [(c) ORS 276.071 and 276.072; and]

33 [(d) ORS 291.038.]

34 [(4)] (3) Notwithstanding subsection [(3)(b)] (1) of this section, ORS 273.413 to 273.456 apply to
 35 any structure, equipment or asset owned by the Oregon University System that is encumbered by
 36 a certificate of participation.

37 (4) Notwithstanding subsection (6) of this section:

38 (a) The provisions of ORS chapters **35, 190, 192, 244, 286A, 295 and 297** and ORS **30.260 to**
 39 **30.460, 184.480, 184.483, 184.486, 184.488, 200.005 to 200.025, 200.045 to 200.090, 200.100 to 200.120,**
 40 **200.160 to 200.200, 236.605 to 236.640, 243.650 to 243.782, 243.800, 243.820, 243.830, 243.850, 243.910**
 41 **to 243.945, 307.090 and 307.112** apply to the Oregon University System under the same terms
 42 as they apply to other public bodies other than the State of Oregon.

43 (b) The provisions of ORS **293.115, 293.117, 293.130, 293.169, 293.171, 293.205 to 293.225,**
 44 **293.250, 293.265 to 293.280, 293.285, 293.295, 293.321, 293.353, 293.375, 293.406, 293.465 to 293.485,**
 45 **293.490, 293.495, 293.525, 293.701 to 293.820, 293.875, 293.880 and 293.990** apply to the Oregon

1 University System under the same terms as they apply to state agencies with moneys held
 2 by the State Treasurer, to the Oregon University System Fund established in ORS 351.506
 3 and to any other moneys deposited with or held by the State Treasurer for the Oregon Uni-
 4 versity System.

5 (5) Notwithstanding subsections (1) and (6) of this section, the Oregon University System
 6 and its agents and employees remain subject to all statutes and administrative rules of this
 7 state that create rights, benefits or protections in favor of military veterans, service mem-
 8 bers and families of service members to the same extent as an agency of this state would
 9 be subject to such statutes and administrative rules.

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

14 [(5)] (7) In carrying out the duties, functions and powers imposed by law upon the Oregon Uni-
 15 versity System, the State Board of Higher Education or the Chancellor of the Oregon University
 16 System may contract with any public agency for the performance of such duties, functions and
 17 powers as the [*Oregon University System*] **board or chancellor** considers appropriate.

18 **SECTION 42.** ORS 351.094 is amended to read:

19 351.094. (1) [*Notwithstanding any other provision of law, the Oregon University System*] **The State**
 20 **Board of Higher Education** shall provide group insurance to [*its*] employees **of the Oregon Uni-**
 21 **versity System** through the Public Employees' Benefit Board[, *but*] **or** may elect[, *at the discretion*
 22 *of the State Board of Higher Education,*] to provide alternative **group health and welfare insurance**
 23 benefit plans to [*its*] employees[, *should*] **of the Oregon University System** if the same level of
 24 benefits [*be*] **is** available at a lower cost than through the Public Employees' Benefit Board.

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

30 (3) The [*Oregon University System*] **State Board of Higher Education** shall offer [*a*] **one or**
 31 **more** deferred compensation [*plan for its*] **plans to** employees **of the Oregon University System.**
 32 The Oregon University System shall, at the discretion of the board, choose whether to offer its em-
 33 ployees the state deferred compensation plan established under ORS 243.401 to 243.507 or another
 34 deferred compensation plan that the board elects to make available to the employees of the Oregon
 35 University System.

36 **SECTION 43.** (1) **The State Board of Higher Education shall establish a committee con-**
 37 **sisting of representatives of public university management and of employees, both repres-**
 38 **ented and unrepresented, to evaluate options for:**

39 (a) **An optional retirement plan as described in ORS 243.800; and**

40 (b) **Continued participation in the Public Employees' Benefit Board, transfer of employee**
 41 **participation to the Oregon Educators Benefit Board or participation in other, alternative**
 42 **group health and welfare insurance benefit plans.**

43 (2) **The State Board of Higher Education shall make a report based upon the recommen-**
 44 **dations of the committee to the Legislative Assembly prior to October 1, 2012. The State**
 45 **Board of Higher Education may not make any changes to retirement plans based on the re-**

1 **port until July 1, 2013. The State Board of Higher Education must make any changes to**
 2 **group health and welfare insurance benefit plans between January 1, 2013, and May 1, 2013,**
 3 **to become effective on January 1, 2014.**

4 **SECTION 44.** ORS 351.110 is amended to read:

5 351.110. All relationships and negotiations between the Legislative Assembly and its various
 6 committees and [*the institutions of higher education shall*] **a public university listed in ORS 352.002**
 7 **must** be carried on through the **office of the Chancellor of the Oregon University System.** [*A*
 8 *subordinate official*] **An employee** representing any of the [*separate institutions*] **public universities**
 9 may not appear before the Legislative Assembly or any committee except upon the written authority
 10 of the State Board of Higher Education **or the chancellor.**

11 **SECTION 45.** ORS 351.130 is amended to read:

12 351.130. (1) The State Board of Higher Education shall encourage gifts and donations to [*insti-*
 13 *tutions of higher education within the Oregon University System by faithfully devoting*] **the board and**
 14 **the Oregon University System. For purposes of the public universities listed in ORS 352.002,**
 15 **the board, to encourage gifts and donations, shall faithfully devote** the gifts or donations to the
 16 [*institution*] **public university** for which the gift or donation is intended.

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

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

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

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

39 **SECTION 46.** ORS 351.140 is amended to read:

40 351.140. (1) The State Board of Higher Education may purchase such real property as in its sole
 41 discretion may be necessary for the present or future development of any of the [*schools or insti-*
 42 *tutions under its jurisdiction*] **public universities and offices, departments and activities under**
 43 **its control.** The board may enter into contracts of purchase or agreements [*which it*] **that the**
 44 **board** deems necessary in carrying out this authorization.

45 (2) The board may apply any funds coming into its hands, and applicable thereto, toward the

1 purchase of property authorized under this section. The board may also mortgage or pledge any
 2 property so purchased, or its contracts to purchase, or in relation thereto, together with the income
 3 from such property, to secure the payment of the purchase price thereof.

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

9 **SECTION 47.** ORS 351.150 is amended to read:

10 351.150. (1) **As used in this section, “university lands” means lands granted to this state**
 11 **under the Act of February 14, 1859 (11 Stat. 383), for the support and maintenance of the**
 12 **University of Oregon.**

13 (2) Legal title to all real property acquired by any of the [*institutions*] **public universities** under
 14 the control of the State Board of Higher Education shall be taken and held in the name of the State
 15 of Oregon. Legal title to all real property heretofore or hereafter conveyed to any [*such institutions*
 16 *shall be*] **of the public universities is** deemed to be conveyed to and vested in the State of Oregon.
 17 Authorized conveyances of all real property, **other than university lands**, acquired by or vested
 18 in the State of Oregon for the use or benefit of any [*such institutions, other than the university lands*
 19 *referred to in ORS 273.251,*] **of the public universities** shall be executed in the name of the State
 20 of Oregon by the president and secretary of the board [*of higher education*]. Nothing in this section
 21 or in ORS 351.060 shall be considered as exempting such property from taxation.

22 **SECTION 48.** ORS 351.155 is amended to read:

23 351.155. Notwithstanding the applicable provisions of ORS 279.835 to 279.855, 279A.140 to
 24 279A.155, 279A.250 to 279A.290, 279A.990, 279B.200 to 279B.240, 279B.270, 279B.275, 279B.280,
 25 279C.360, 279C.365, 279C.370, 279C.375, 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545,
 26 279C.600 to 279C.625, 279C.650 to 279C.670 and 279C.800 to 279C.870, the State Board of Higher
 27 Education may, in the management of all forestlands under its control and supervision, sell the for-
 28 est products on such lands in the same manner as is provided in ORS 530.059, and for that purpose
 29 the [*State*] board [*of Higher Education*] shall have the same powers with respect to experimental or
 30 research projects in the field of forestland management or for forest product utilization on
 31 forestlands under its control as the State Forester has pursuant to the provisions of ORS 530.050
 32 and 530.059. [*In the management of its forestlands, the State Board of Higher Education may lease*
 33 *mineral and geothermal resource rights as provided in ORS 351.060 (5)*].

34 **SECTION 49.** ORS 351.210 is amended to read:

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

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

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

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

2 **SECTION 50.** ORS 351.240 is amended to read:

3 351.240. [(1)] The State Board of Higher Education may determine the terms and conditions of
4 any transaction authorized by ORS 351.220 to 351.250 and need not require competitive bids in
5 connection therewith. No formal publicity or advertising is required regarding property for the de-
6 velopment of which the board wishes to contract, but the board shall make reasonable efforts to
7 disseminate such information in appropriate research and industrial circles.

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

11 **SECTION 51.** ORS 351.317 is amended to read:

12 351.317. An obligation incurred under ORS 351.140 [*or 351.315*] is not an indebtedness of the
13 State of Oregon and does not create a general indebtedness of the [*State Board of Higher Education.*
14 *A bond issued by the State Treasurer at the request of the board may be paid only from the property,*
15 *income or revenues pledged to secure its payment*] **Oregon University System.**

16 **SECTION 52.** ORS 351.450 is amended to read:

17 351.450. (1) The [*moneys*] **net proceeds** realized from sales of bonds issued to construct, improve,
18 repair, equip and furnish buildings and other structures for higher education, and to purchase and
19 improve sites [*therefor*] **for buildings and other structures**, shall be credited to a designated ac-
20 count in the Oregon University System Fund established by ORS 351.506.

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

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

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

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

30 (3) The [*moneys*] **net proceeds** received from the issuance of temporary bonds under ORS
31 351.470 for the purpose of interim financing pending the sale of the bonds shall also be credited to
32 the appropriate subaccount of the account designated by this section.

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

40 **SECTION 53.** ORS 351.455 is amended to read:

41 351.455. [*Notwithstanding any other provisions of law,*] The Oregon University System may ex-
42 pend moneys from the appropriate subaccount of the account in the Oregon University System Fund
43 designated by ORS 351.450, including [*moneys*] **net proceeds** realized from the sale of bonds issued
44 pursuant to Article XI-F(1) of the Oregon Constitution and ORS 351.350, [*and from the sale of revenue*
45 *bonds authorized by ORS 351.315,*] for the planning, constructing, altering, repairing, furnishing and

1 equipping of buildings and facilities of the kind and character prescribed by Article XI-F(1) of the
2 Oregon Constitution and for the acquisition of land.

3 **SECTION 54.** ORS 351.460 is amended to read:

4 351.460. (1) The State Board of Higher Education shall maintain an account within the Oregon
5 University System Fund established by ORS 351.506 to provide for the payment of the principal of
6 and the interest upon:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45 (7)(a) The board may not use the account maintained under this section for any purpose other

1 than the purposes for which the account was created.

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

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

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

9 **SECTION 55.** ORS 351.506 is amended to read:

10 351.506. (1) The Oregon University System Fund is established in the State Treasury, separate
11 and distinct from the General Fund. Any interest or other investment income derived from moneys
12 in the Oregon University System Fund is credited to the fund. [*Except when otherwise specified by*
13 *a statute establishing an account, the interest or other investment income credited to the Oregon Uni-*
14 *versity System Fund that was derived from tuition and fees, facility and administrative cost recoveries,*
15 *sales and services revenues, housing fees, food service fees, parking fees and General Fund appropri-*
16 *ations shall be transferred to the General Fund by the State Board of Higher Education.*]

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

21 (3) The moneys in the Oregon University System Fund may be invested as provided in ORS
22 293.701 to 293.820.

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

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

31 **SECTION 56.** ORS 351.638 is amended to read:

32 351.638. (1) An account in the Oregon University System Fund established by ORS 351.506 is
33 designated for the purpose of attracting new, outstanding faculty members to the [*institutions in the*
34 *Oregon University System*] **public universities listed in ORS 352.002**. This purpose includes pay-
35 ment of costs incurred in relocating new faculty, retraining necessary teaching assistants for new
36 faculty, acquisition of equipment such as laboratory equipment and facilities to support research by
37 new faculty, payment of other costs incurred in recruiting new faculty and payment of costs asso-
38 ciated with committing salary supplements to newly recruited faculty over a period of more than
39 one year.

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

44 **SECTION 57.** ORS 351.704 is amended to read:

45 351.704. (1) **Subject to ORS 351.094 and any group health and welfare insurance benefit**

1 **plan developed under ORS 351.094**, a part-time faculty member at a public institution of higher
 2 education is eligible for the same health care benefits as full-time faculty members if the part-time
 3 faculty member is eligible for membership in the Public Employees Retirement System **or another**
 4 **plan authorized under ORS chapter 238 or 238A** by teaching either at a single public institution
 5 of higher education or in aggregate at multiple public institutions of higher education during the
 6 prior year.

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

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

12 **SECTION 58.** ORS 352.002 is amended to read:

13 352.002. The Oregon University System **established in section 19 of this 2011 Act** consists of
 14 the [*programs, activities and institutions of higher education*] **following public universities** under the
 15 jurisdiction of the State Board of Higher Education [*including the following*]:

- 16 (1) University of Oregon.
- 17 (2) Oregon State University.
- 18 (3) Portland State University.
- 19 (4) Oregon Institute of Technology.
- 20 (5) Western Oregon University.
- 21 (6) Southern Oregon University.
- 22 (7) Eastern Oregon University.

23 **SECTION 59.** ORS 352.010 is amended to read:

24 352.010. The president and professors constitute the faculty of each of the [*state institutions of*
 25 *higher education*] **public universities listed in ORS 352.002** and as such have the immediate gov-
 26 ernment and discipline of [*it*] **the public university** and the students therein, **except as otherwise**
 27 **provided by statute or action of the State Board of Higher Education.** The faculty may, subject
 28 to the supervision of the [*State*] board [*of Higher Education*] under ORS 351.070, prescribe the course
 29 of study to be pursued in the [*institution*] **public university** and the textbooks to be used.

30 MISCELLANEOUS PROVISIONS

31
 32
 33 **SECTION 60.** ORS 30.264 is amended to read:

34 30.264. (1) The State Board of Higher Education may authorize [*higher education institutions*
 35 *under the control of the board*] **public universities listed in ORS 352.002** to provide liability insur-
 36 ance coverage for students involved in off-campus experiential activities, including, but not limited
 37 to, student teaching, internships, clinical experiences, capstone projects and related activities.

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

42 **SECTION 61.** ORS 131.594 is amended to read:

43 131.594. (1) After the seizing agency distributes property under ORS 131.588, and when the
 44 seizing agency is not the state, the seizing agency shall dispose of and distribute property as follows:

- 45 (a) The seizing agency shall pay costs first from the property or its proceeds. As used in this

1 subsection, “costs” includes the expenses of publication, service of notices, towing, storage and
2 servicing or maintaining the seized property under ORS 131.564.

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

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

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

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

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

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

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

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

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

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

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

23 (b) Sell the forfeited property by public or other commercially reasonable sale and pay from the
24 proceeds the expenses of keeping and selling the property.

25 (c) Retain the property.

26 (d) With written authorization from the district attorney for the seizing agency’s jurisdiction,
27 destroy any firearms or controlled substances.

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

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

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

38 **SECTION 62.** ORS 182.122 is amended to read:

39 182.122. (1) As used in this section:

40 (a) “Executive department” has the meaning given that term in ORS 174.112.

41 (b) “Information systems” means computers, hardware, software, storage media, networks, oper-
42 ational procedures and processes used in the collection, processing, storage, sharing or distribution
43 of information within, or with any access beyond ordinary public access to, the state’s shared com-
44 puting and network infrastructure.

45 (2) The Oregon Department of Administrative Services has responsibility for and authority over

1 information systems security in the executive department, including taking all measures reasonably
2 necessary to protect the availability, integrity or confidentiality of information systems or the in-
3 formation stored in information systems. The Oregon Department of Administrative Services shall,
4 after consultation and collaborative development with agencies, establish a state information sys-
5 tems security plan and associated standards, policies and procedures.

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

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

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

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

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

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

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

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

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

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

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

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

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

44 (8)(a) Agencies are responsible for the security of computers, hardware, software, storage media,
45 networks, operational procedures and processes used in the collection, processing, storage, sharing

1 or distribution of information outside the state’s shared computing and network infrastructure fol-
2 lowing information security standards, policies and procedures established by the Oregon Depart-
3 ment of Administrative Services and developed collaboratively with agencies. Agencies may
4 establish plans, standards and measures that are more stringent than the standards established by
5 the department to address specific agency needs if those plans, standards and measures do not
6 contradict or contravene the state information systems security plan. Independent agency security
7 plans shall be developed within the framework of the state information systems security plan.

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

11 (9) This section does not apply to:

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

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

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

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

21 **SECTION 63.** ORS 182.415 is amended to read:

22 182.415. As used in ORS 182.415 to 182.435 unless the context requires otherwise:

23 (1) “Furnishings” includes furniture usually used in connection with occupancy of a household
24 but does not include rugs, draperies, ranges, refrigerators, washers, dryers or any item of furnishings
25 received by the state or one of its agencies as a gift, nor does it include any furniture purchased
26 for the state-owned residence required in relation to the official duties of an institutional executive
27 or the Chancellor of the Oregon University System prior to September 9, 1971.

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

32 (3) “Dormitory” includes any facility that houses students and those facilities used primarily for
33 sleeping purposes by the employees of the Department of Human Services or the Oregon Health
34 Authority.

35 (4) “State agency” has the meaning given that term in ORS 291.002.

36 **SECTION 64.** ORS 183.635 is amended to read:

37 183.635. (1) Except as provided in this section, all agencies must use administrative law judges
38 assigned from the Office of Administrative Hearings established under ORS 183.605 to conduct con-
39 tested case hearings, without regard to whether those hearings are subject to the procedural re-
40 quirements for contested case hearings.

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

42 (a) Attorney General.

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

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

45 (d) Department of Corrections.

- 1 (e) Department of Education, State Board of Education and Superintendent of Public Instruction.
2 (f) Department of Human Services for vocational rehabilitation services cases under 29 U.S.C.
3 722(c) and disability determination cases under 42 U.S.C. 405.
4 (g) Department of Revenue.
5 (h) Department of State Police.
6 (i) Employment Appeals Board.
7 (j) Employment Relations Board.
8 (k) Energy Facility Siting Council.
9 (L) Fair Dismissal Appeals Board.
10 (m) Governor.
11 (n) Land Conservation and Development Commission.
12 (o) Land Use Board of Appeals.
13 (p) Local government boundary commissions created pursuant to ORS 199.430.
14 (q) Oregon University System and [*institutions of higher education*] **public universities** listed in
15 ORS 352.002.
16 (r) Oregon Youth Authority.
17 (s) Psychiatric Security Review Board.
18 (t) Public Utility Commission.
19 (u) State Accident Insurance Fund Corporation.
20 (v) State Apprenticeship and Training Council.
21 (w) State Board of Parole and Post-Prison Supervision.
22 (x) State Land Board.
23 (y) State Treasurer.
24 (z) Wage and Hour Commission.
- 25 (3) The Workers' Compensation Board is exempt from using administrative law judges assigned
26 from the office for any hearing conducted by the board under ORS chapters 147, 654 and 656. Except
27 as specifically provided in this subsection, the Department of Consumer and Business Services must
28 use administrative law judges assigned from the office only for contested cases arising out of the
29 department's powers and duties under:
- 30 (a) ORS 86A.095 to 86A.198, 86A.990 and 86A.992 and ORS chapter 59;
31 (b) ORS chapter 455;
32 (c) ORS chapter 674;
33 (d) ORS chapters 706 to 716;
34 (e) ORS chapter 717;
35 (f) ORS chapters 723, 725 and 726; and
36 (g) ORS chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750.
- 37 (4) Notwithstanding any other provision of law, in any proceeding in which an agency is re-
38 quired to use an administrative law judge assigned from the office, an officer or employee of the
39 agency may not conduct the hearing on behalf of the agency.
- 40 (5) Notwithstanding any other provision of ORS 183.605 to 183.690, an agency is not required to
41 use an administrative law judge assigned from the office if:
- 42 (a) Federal law requires that a different administrative law judge or hearing officer be used; or
43 (b) Use of an administrative law judge from the office could result in a loss of federal funds.
- 44 (6) Notwithstanding any other provision of this section, the Department of Environmental
45 Quality must use administrative law judges assigned from the office only for contested case hearings

1 conducted under the provisions of ORS 183.413 to 183.470.

2 **SECTION 65.** ORS 184.475 is amended to read:

3 184.475. (1) The purposes of information technology portfolio-based management are to:

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

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

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

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

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

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

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

16 (3) In cooperation with state agencies, the department shall conduct and maintain a continuous
17 inventory of each state agency's current and planned investments in information technology, a
18 compilation of information about those assets and the total life cycle cost of those assets. The de-
19 partment shall develop and implement state government-wide standards, processes and procedures
20 for the required inventory and for the management of the state government-wide information tech-
21 nology portfolio. State agencies shall participate in the information technology portfolio-based man-
22 agement and shall comply with the standards, processes and procedures established by the
23 department under this subsection. The provisions of this subsection do not relieve any state agency
24 from accountability for equipment, materials, supplies and tangible and intangible personal property
25 under its control.

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

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

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

34 **SECTION 66.** ORS 184.477 is amended to read:

35 184.477. (1) The purpose of enterprise management is to create a plan and implement a state
36 government-wide approach for managing distributed information technology assets to minimize total
37 ownership costs from acquisition through retirement, while realizing maximum benefits for trans-
38 acting the state's business and delivering services to its citizens.

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

44 (3) Following review by the Joint Legislative Committee on Information Management and
45 Technology, the department shall ensure state agency implementation of the plan, including the de-

1 velopment of appropriate standards, processes and procedures.

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

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

6 **SECTION 67.** ORS 190.610 is amended to read:

7 190.610. The State Board of Higher Education shall establish a program at one or more of the
8 [*institutions*] **public universities** under its control, designed to perform the duties imposed upon it
9 by ORS 190.510 to 190.610.

10 **SECTION 68.** ORS 192.501 is amended to read:

11 192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505
12 unless the public interest requires disclosure in the particular instance:

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

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

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

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

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

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

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

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

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

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

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

44 (5) Information consisting of production records, sale or purchase records or catch records, or
45 similar business records of a private concern or enterprise, required by law to be submitted to or

1 inspected by a governmental body to allow it to determine fees or assessments payable or to estab-
2 lish production quotas, and the amounts of such fees or assessments payable or paid, to the extent
3 that such information is in a form which would permit identification of the individual concern or
4 enterprise. This exemption does not include records submitted by long term care facilities as defined
5 in ORS 442.015 to the state for purposes of reimbursement of expenses or determining fees for pa-
6 tient care. Nothing in this subsection shall limit the use which can be made of such information for
7 regulatory purposes or its admissibility in any enforcement proceeding.

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

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

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

14 (9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and
15 663.180.

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

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

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

24 (13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and
25 564.100, regarding the habitat, location or population of any threatened species or endangered spe-
26 cies.

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

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

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

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

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

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

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

43 (18) Specific operational plans in connection with an anticipated threat to individual or public
44 safety for deployment and use of personnel and equipment, prepared or used by a public body, if
45 public disclosure of the plans would endanger an individual's life or physical safety or jeopardize a

1 law enforcement activity.

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

11 (b) Financial statements. As used in this paragraph, “financial statement” means a financial
12 statement of a nonregulated corporation having an affiliated interest, as defined in ORS 759.390,
13 with a telecommunications carrier, as defined in ORS 133.721.

14 (20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS
15 247.967.

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

- 19 (a) Personal and corporate financial statements and information, including tax returns;
- 20 (b) Credit reports;
- 21 (c) Project appraisals;
- 22 (d) Market studies and analyses;
- 23 (e) Articles of incorporation, partnership agreements and operating agreements;
- 24 (f) Commitment letters;
- 25 (g) Project pro forma statements;
- 26 (h) Project cost certifications and cost data;
- 27 (i) Audits;
- 28 (j) Project tenant correspondence requested to be confidential;
- 29 (k) Tenant files relating to certification; and
- 30 (L) Housing assistance payment requests.

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

- 32 (a) Gain unauthorized access to buildings or other property;
- 33 (b) Identify those areas of structural or operational vulnerability that would permit unlawful
34 disruption to, or interference with, services; or
- 35 (c) Disrupt, interfere with or gain unauthorized access to public funds or to information pro-
36 cessing, communication or telecommunication systems, including the information contained in the
37 systems, that are used or operated by a public body.

38 (23) Records or information that would reveal or otherwise identify security measures, or
39 weaknesses or potential weaknesses in security measures, taken or recommended to be taken to
40 protect:

- 41 (a) An individual;
- 42 (b) Buildings or other property;
- 43 (c) Information processing, communication or telecommunication systems, including the infor-
44 mation contained in the systems; or
- 45 (d) Those operations of the Oregon State Lottery the security of which are subject to study and

1 evaluation under ORS 461.180 (6).

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

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

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

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

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

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

19 (30) The name, home address, professional address or location of a person that is engaged in,
20 or that provides goods or services for, medical research at Oregon Health and Science University
21 that is conducted using animals other than rodents. This subsection does not apply to Oregon Health
22 and Science University press releases, websites or other publications circulated to the general pub-
23 lic.

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

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

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

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

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

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

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

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

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

41 (32) Unless the public records request is made by a financial institution, as defined in ORS
42 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage
43 broker licensed under ORS 86A.095 to 86A.198, 86A.990 and 86A.992 and ORS chapter 59, or title
44 company for business purposes, records described in paragraph (a) of this subsection, if the ex-
45 emption from disclosure of the records is sought by an individual described in paragraph (b) of this

1 subsection using the procedure described in paragraph (c) of this subsection:

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

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

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

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

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

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

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

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

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

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

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

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

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

38 **SECTION 69.** ORS 192.501, as amended by section 3, chapter 455, Oregon Laws 2005, section
39 7, chapter 608, Oregon Laws 2007, section 2, chapter 687, Oregon Laws 2007, section 2, chapter 48,
40 Oregon Laws 2008, section 3, chapter 57, Oregon Laws 2009, section 2, chapter 135, Oregon Laws
41 2009, section 4, chapter 222, Oregon Laws 2009, and section 2, chapter 769, Oregon Laws 2009, is
42 amended to read:

43 192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505
44 unless the public interest requires disclosure in the particular instance:

45 (1) Records of a public body pertaining to litigation to which the public body is a party if the

1 complaint has been filed, or if the complaint has not been filed, if the public body shows that such
2 litigation is reasonably likely to occur. This exemption does not apply to litigation which has been
3 concluded, and nothing in this subsection shall limit any right or opportunity granted by discovery
4 or deposition statutes to a party to litigation or potential litigation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and
2 663.180.

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

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

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

11 (13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and
12 564.100, regarding the habitat, location or population of any threatened species or endangered spe-
13 cies.

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

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

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

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

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

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

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

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

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

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

1 (20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS
2 247.967.

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

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

7 (b) Credit reports;

8 (c) Project appraisals;

9 (d) Market studies and analyses;

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

11 (f) Commitment letters;

12 (g) Project pro forma statements;

13 (h) Project cost certifications and cost data;

14 (i) Audits;

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

16 (k) Tenant files relating to certification; and

17 (L) Housing assistance payment requests.

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

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

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

22 (c) Disrupt, interfere with or gain unauthorized access to public funds or to information pro-
23 cessing, communication or telecommunication systems, including the information contained in the
24 systems, that are used or operated by a public body.

25 (23) Records or information that would reveal or otherwise identify security measures, or
26 weaknesses or potential weaknesses in security measures, taken or recommended to be taken to
27 protect:

28 (a) An individual;

29 (b) Buildings or other property;

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

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

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

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

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

44 (27) Information provided to, obtained by or used by a public body to authorize, originate, re-
45 ceive or authenticate a transfer of funds, including but not limited to a credit card number, payment

1 card expiration date, password, financial institution account number and financial institution routing
2 number.

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

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

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

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

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

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

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

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

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

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

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

23 (31) Unless the public records request is made by a financial institution, as defined in ORS
24 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage
25 broker licensed under ORS 86A.095 to 86A.198, 86A.990 and 86A.992 and ORS chapter 59, or title
26 company for business purposes, records described in paragraph (a) of this subsection, if the ex-
27 emption from disclosure of the records is sought by an individual described in paragraph (b) of this
28 subsection using the procedure described in paragraph (c) of this subsection:

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

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

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

35 (b) The individual claiming the exemption from disclosure must be a district attorney, a deputy
36 district attorney, the Attorney General or an assistant attorney general, the United States Attorney
37 for the District of Oregon or an assistant United States attorney for the District of Oregon, a city
38 attorney who engages in the prosecution of criminal matters or a deputy city attorney who engages
39 in the prosecution of criminal matters.

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

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

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

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

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

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

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

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

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

20 **SECTION 70.** ORS 205.450 is amended to read:

21 205.450. As used in ORS 205.450 to 205.470:

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

23 (2) "Encumbrance claimant" means a person who purportedly benefits from the filing of an
24 encumbrance.

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

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

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

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

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

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

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

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

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

38 (e) A public corporation in this state.

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

40 (a) Is an encumbrance authorized by statute;

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

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

44 **SECTION 71.** ORS 205.455 is amended to read:

45 205.455. (1) No person or county shall accept for filing an invalid claim of encumbrance.

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

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

9 (4) If an invalid claim of encumbrance against the property of a federal official or employee or
10 against the property of a state or local official or employee is accepted for filing, the filing officer
11 shall accept for filing a notice of invalid encumbrance signed and submitted by:

12 (a) The assistant United States attorney representing the federal agency of which the individual
13 is an official or employee;

14 (b) The assistant attorney general representing the state official, employee or agent, or the state
15 agency, board, commission, department or [*state institution of higher education*] **public university**
16 **listed in ORS 352.002** of which the individual is an official, employee or agent; or

17 (c) The attorney representing the community college or local school district, political subdivi-
18 sion or public corporation of which the individual is an official, employee or agent.

19 (5) A notice of invalid encumbrance shall be in substantially the following form:
20

21
22 NOTICE OF INVALID ENCUMBRANCE

23 FILED AGAINST

24 _____ (Insert name)

25 (ORS 205.455)

26 _____ IS A _____

27 (Name) (Title)

28 NOTICE is hereby given that the document entitled _____, purporting to create an
29 obligation against or an interest in the real or personal property of the person named above, filed
30 and/or signed by _____ (insert name), and filed or recorded in book/reel/volume No.
31 _____ on page _____ or document/fee/file/ instrument/microfilm No. _____ in the
32 _____ (insert name of office where document was filed or recorded), is an invalid claim
33 of encumbrance under ORS 205.450 and 205.455.

34 No order from a court of competent jurisdiction authorizing the filing of such encumbrance ac-
35 companied the filing and, pursuant to ORS 205.455, the encumbrance has no legal effect and is in-
36 valid.

37 A copy of this Notice of Invalid Encumbrance has been mailed this day by depositing a true
38 copy of the notice in the United States mail, addressed to _____ (name and address of
39 encumbrance claimant), the last-known address of _____ (insert name of encumbrance
40 claimant).

41 DATED this _____ day of _____, _____.

42 _____
43 Attorney for _____
44

45 SUBSCRIBED AND SWORN to before me this _____ day of _____, _____.

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NOTARY PUBLIC FOR OREGON
My commission expires: _____

(6) A copy of the notice of invalid encumbrance filed under this section shall be posted at the county courthouse and mailed by the attorney to the encumbrance claimant at the encumbrance claimant’s last-known address, if available.

(7) No person or county shall be liable under this section for accepting for filing an invalid claim of encumbrance or for accepting for filing a notice of invalid encumbrance.

(8) Filing a notice of invalid encumbrance under this section shall clear title to all property that is affected by the claim of encumbrance that is the subject of the notice of invalid encumbrance from all claims, liens, charges or liabilities attached to the property under the claim of encumbrance.

SECTION 72. ORS 238.005, as amended by section 8, chapter 1, Oregon Laws 2010, is amended to read:

238.005. For purposes of this chapter:

(1) “Annuity” means payments for life derived from contributions made by a member as provided in this chapter.

(2) “Board” means the Public Employees Retirement Board.

(3) “Calendar year” means 12 calendar months commencing on January 1 and ending on December 31 following.

(4) “Continuous service” means service not interrupted for more than five years, except that such continuous service shall be computed without regard to interruptions in the case of:

(a) An employee who had returned to the service of the employer as of January 1, 1945, and who remained in that employment until having established membership in the Public Employees Retirement System.

(b) An employee who was in the armed services on January 1, 1945, and returned to the service of the employer within one year of the date of being otherwise than dishonorably discharged and remained in that employment until having established membership in the Public Employees Retirement System.

(5) “Creditable service” means any period of time during which an active member is being paid a salary by a participating public employer and for which benefits under this chapter are funded by employer contributions and earnings on the fund. For purposes of computing years of “creditable service,” full months and major fractions of a month shall be considered to be one-twelfth of a year and shall be added to all full years. “Creditable service” includes all retirement credit received by a member.

(6) “Earliest service retirement age” means the age attained by a member when the member could first make application for retirement under the provisions of ORS 238.280.

(7) “Employee” includes, in addition to employees, public officers, but does not include:

(a) Persons engaged as independent contractors.

(b) Seasonal, emergency or casual workers whose periods of employment with any public employer or public employers do not total 600 hours in any calendar year.

(c) Persons, other than workers in the Oregon Industries for the Blind under ORS 346.190, provided sheltered employment or made-work by a public employer in an employment or industries program maintained for the benefit of such persons.

1 (d) Persons employed and paid from federal funds received under the Emergency Job and Un-
2 employment Assistance Act of 1974 (Public Law 93-567) or any other federal program intended pri-
3 marily to alleviate unemployment. However, any such person shall be considered an “employee” if
4 not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects to
5 have the person so considered by an irrevocable written notice to the board.

6 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-
7 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph
8 shall be deemed to have been in effect since the inception of the system.

9 (8) “Final average salary” means whichever of the following is greater:

10 (a) The average salary per calendar year paid by one or more participating public employers to
11 an employee who is an active member of the system in three of the calendar years of membership
12 before the effective date of retirement of the employee, in which three years the employee was paid
13 the highest salary. The three calendar years in which the employee was paid the largest total salary
14 may include calendar years in which the employee was employed for less than a full calendar year.
15 If the number of calendar years of active membership before the effective date of retirement of the
16 employee is three or fewer, the final average salary for the employee is the average salary per cal-
17 endar year paid by one or more participating public employers to the employee in all of those years,
18 without regard to whether the employee was employed for the full calendar year.

19 (b) One-third of the total salary paid by a participating public employer to an employee who is
20 an active member of the system in the last 36 calendar months of active membership before the ef-
21 fective date of retirement of the employee.

22 (9) “Firefighter” does not include a volunteer firefighter, but does include:

23 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and

24 (b) An employee of the State Forestry Department who is certified by the State Forester as a
25 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
26 fires as described in ORS 477.064.

27 (10) “Fiscal year” means 12 calendar months commencing on July 1 and ending on June 30 fol-
28 lowing.

29 (11) “Fund” means the Public Employees Retirement Fund.

30 (12) **“Institution of higher education” means a public university listed in ORS 352.002, the**
31 **Oregon Health and Science University and a community college, as defined in ORS 341.005.**

32 [(12)(a)] (13)(a) “Member” means a person who has established membership in the system and
33 whose membership has not been terminated as described in ORS 238.095. “Member” includes active,
34 inactive and retired members.

35 (b) “Active member” means a member who is presently employed by a participating public em-
36 ployer in a qualifying position and who has completed the six-month period of service required by
37 ORS 238.015.

38 (c) “Inactive member” means a member who is not employed in a qualifying position, whose
39 membership has not been terminated in the manner described by ORS 238.095, and who is not retired
40 for service or disability.

41 (d) “Retired member” means a member who is retired for service or disability.

42 [(13)(a)] (14)(a) “Member account” means the regular account and the variable account.

43 (b) “Regular account” means the account established for each active and inactive member under
44 ORS 238.250.

45 (c) “Variable account” means the account established for a member who participates in the

1 Variable Annuity Account under ORS 238.260.

2 [(14)] (15) "Normal retirement age" means:

3 (a) For a person who establishes membership in the system before January 1, 1996, as described
4 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
5 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

6 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
7 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
8 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
9 firefighter.

10 [(15)] (16) "Pension" means annual payments for life derived from contributions by one or more
11 public employers.

12 [(16)] (17) "Police officer" includes:

13 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
14 whose duties, as assigned by the Director of the Department of Corrections, include the custody of
15 persons committed to the custody of or transferred to the Department of Corrections and employees
16 of the Department of Corrections who were classified as police officers on or before July 27, 1989,
17 whether or not such classification was authorized by law.

18 (b) Employees of the Department of State Police who are classified as police officers by the
19 Superintendent of State Police.

20 (c) Employees of the Oregon Liquor Control Commission who are classified as enforcement of-
21 ficers by the administrator of the commission.

22 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified
23 by the sheriff, are the regular duties of police officers or corrections officers.

24 (e) Police chiefs and police personnel of a city who are classified as police officers by the
25 council or other governing body of the city.

26 (f) Parole and probation officers employed by the Department of Corrections, parole and pro-
27 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
28 probation officers, as defined in ORS 181.610, who are classified as police officers for the purposes
29 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
30 cers as police officers for the purposes of this chapter, and the employees so classified are repres-
31 ented by a labor organization, any proposal by the county to change that classification or to cease
32 to classify adult parole and probation officers as police officers for the purposes of this chapter is
33 a mandatory subject of bargaining.

34 (g) Police officers appointed under ORS 276.021 or 276.023.

35 (h) Employees of the Port of Portland who are classified as airport police by the Board of
36 Commissioners of the Port of Portland.

37 (i) Employees of the State Department of Agriculture who are classified as livestock police of-
38 ficers by the Director of Agriculture.

39 (j) Employees of the Department of Public Safety Standards and Training who are classified by
40 the department as other than secretarial or clerical personnel.

41 (k) Investigators of the Criminal Justice Division of the Department of Justice.

42 (L) Corrections officers as defined in ORS 181.610.

43 (m) Employees of the Oregon State Lottery Commission who are classified by the Director of the
44 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

45 (n) The Director of the Department of Corrections.

1 (o) An employee who for seven consecutive years has been classified as a police officer as de-
2 fined by this section, and who is employed or transferred by the Department of Corrections to fill
3 a position designated by the Director of the Department of Corrections as being eligible for police
4 officer status.

5 (p) An employee of the Department of Corrections classified as a police officer on or prior to
6 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
7 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
8 tem implemented pursuant to ORS 240.190 does not affect police officer status.

9 (q) Employees of a school district who are appointed and duly sworn members of a law
10 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
11 police officers commissioned by the district.

12 (r) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,
13 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
14 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the
15 Department of Corrections or the Oregon Youth Authority.

16 (s) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
17 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
18 in such facilities.

19 (t) Employees of the Oregon Youth Authority who are classified as juvenile parole and probation
20 officers.

21 [(17)] (18) "Public employer" means the state, one of its agencies, any city, county, or municipal
22 or public corporation, any political subdivision of the state or any instrumentality thereof, or an
23 agency created by one or more such governmental organizations to provide governmental services.
24 For purposes of this chapter, such agency created by one or more governmental organizations is a
25 governmental instrumentality and a legal entity with power to enter into contracts, hold property
26 and sue and be sued.

27 [(18)] (19) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225
28 (2) to (6) (1999 Edition).

29 [(19)] (20) "Qualifying position" means one or more jobs with one or more participating public
30 employers in which an employee performs 600 or more hours of service in a calendar year, excluding
31 any service in a job for which a participating public employer does not provide benefits under this
32 chapter pursuant to an application made under ORS 238.035.

33 [(20)] (21) "Retirement credit" means a period of time that is treated as creditable service for
34 the purposes of this chapter.

35 [(21)(a)] (22)(a) "Salary" means the remuneration paid an employee in cash out of the funds of
36 a public employer in return for services to the employer, plus the monetary value, as determined
37 by the Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry
38 and other advantages the employer furnishes the employee in return for services.

39 (b) "Salary" includes but is not limited to:

40 (A) Payments of employee and employer money into a deferred compensation plan, which are
41 deemed salary paid in each month of deferral;

42 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
43 paid in each month of participation;

44 (C) Retroactive payments described in section 7, chapter 1, Oregon Laws 2010; and

45 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS

1 652.190.

2 (c) "Salary" or "other advantages" does not include:

3 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
4 employer;

5 (B) Payments for insurance coverage by an employer on behalf of employee or employee and
6 dependents, for which the employee has no cash option;

7 (C) Payments made on account of an employee's death;

8 (D) Any lump sum payment for accumulated unused sick leave;

9 (E) Any accelerated payment of an employment contract for a future period or an advance
10 against future wages;

11 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement
12 gratuitous payment;

13 (G) Payments for periods of leave of absence after the date the employer and employee have
14 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for
15 sick leave and vacation;

16 (H) Payments for instructional services rendered to [*institutions*] **public universities** of the
17 Oregon University System or the Oregon Health and Science University when such services are in
18 excess of full-time employment subject to this chapter. A person employed under a contract for less
19 than 12 months is subject to this subparagraph only for the months to which the contract pertains;
20 or

21 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an
22 employee.

23 [(22)] **(23)** "School year" means the period beginning July 1 and ending June 30 next following.

24 [(23)] **(24)** "System" means the Public Employees Retirement System.

25 [(24)] **(25)** "Vested" means being an active member of the system in each of five calendar years.

26 [(25)] **(26)** "Volunteer firefighter" means a firefighter whose position normally requires less than
27 600 hours of service per year.

28 **SECTION 72a.** ORS 238.148 is amended to read:

29 238.148. (1) A member of the Public Employees Retirement System who is a police officer is en-
30 titled to receive retirement credit as provided in subsection (2) of this section if:

31 (a) The member was employed as a public safety officer by another state, or political subdivision
32 of another state, before being employed in a position that entitled the member to credit in the sys-
33 tem; and

34 (b) The member makes the payment required by subsection (2) of this section within the time
35 specified by that subsection.

36 (2) Except as provided in subsection (3) of this section, a member of the system employed as a
37 police officer who meets the requirements of subsection (1) of this section is entitled to receive re-
38 tirement credit for the period of the member's service with another state, or political subdivision
39 of another state, not to exceed a maximum of four years, if the member within 90 days of the
40 member's effective date of retirement:

41 (a) Applies in writing to the Public Employees Retirement Board for such retirement credit;

42 (b) Provides written verification to the board from the other state, or political subdivision of the
43 other state, that employed the member, verifying the period of time that the member served as a
44 public safety officer in the other state; and

45 (c) Pays to the board, in a lump sum, for each year of retirement credit applied for under this

1 section, an amount determined by the board to represent the full cost to the system of providing the
 2 retirement credit to the member, including all administrative costs incurred by the system in pro-
 3 cessing the application for acquisition of the retirement credit.

4 (3) A member may not receive retirement credit under the provisions of this section for any
 5 period of service with another state, or political subdivision of another state, if the member is en-
 6 titled to a pension or retirement allowance by reason of that service under a public plan or system
 7 offered by the other state or by a political subdivision of the other state.

8 (4) For the purposes of this section, "public safety officer" means a person who serves in a po-
 9 sition with another state, or political subdivision of another state, that is the other state's equiv-
 10 alent of a position described in ORS 238.005 [(16)] (17).

11 **SECTION 73.** ORS 238.300 is amended to read:

12 238.300. Upon retiring from service at normal retirement age or thereafter, a member of the
 13 system shall receive a service retirement allowance which shall consist of the following annuity and
 14 pensions:

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

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

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

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

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

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

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

45 (ii) The person performed any period of service for a participating public employer before July

1 1, 2003, that is credited to the six-month period of employment required of an employee under ORS
2 238.015 before an employee may become a member of the system.

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

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

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

28 **SECTION 74.** ORS 238.350 is amended to read:

29 238.350. (1)(a) Upon the request by a public employer that its employees be compensated for
30 accumulated unused sick leave with pay in the form of increased retirement benefits upon service
31 or disability retirement, the board shall establish a procedure for adding to the gross amount of
32 salary used in determining final average salary the monetary value of one-half of the accumulated
33 unused sick leave with pay of each retiring employee of the requesting public employer and shall
34 establish benefits of the retiring employee on the basis of a final average salary reflecting that ad-
35 dition.

36 (b) For employees of a common school district, a union high school district, an education service
37 district or [*a community college, or employees of the State Board of Higher Education*] **an institution**
38 **of higher education** engaged in teaching or other school activity [*at an institution of higher edu-*
39 *cation*], or employees of the school operated under ORS 346.010 engaged in teaching or other school
40 activity, who are employed under contract for a period of less than 12 consecutive months and who
41 are entitled to sick leave with pay of less than 96 hours for a year, each hour of accumulated unused
42 sick leave with pay shall be valued on the basis of the actual number of contract hours of employ-
43 ment during the last year of contributing membership of an employee before retiring and the salary
44 of the employee during the same period. This paragraph does not apply to any employee who is
45 employed under contract for 12 consecutive months in any of the three or less years used in deter-

1 mining the final average salary of the employee.

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

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

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

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

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

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

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

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

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

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

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

41 (g) The written certification of a member or former member of the Legislative Assembly shall
42 constitute a formal record of accumulation and use in determining the amount of accumulated un-
43 used sick leave of an employee of the Legislative Assembly, either of its houses or any of its com-
44 mittees or officers for periods of employment before July 1, 1981. Sick leave accumulated on and
45 after July 1, 1981, by employees of the Legislative Assembly, either of its houses or any of its com-

1 mittees or officers may be considered only to the extent it is supported by records of accumulation
 2 and use maintained by the Legislative Administration Committee, or any statutory, standing, special
 3 or interim committee of the Legislative Assembly or either house thereof, or any constitutional or
 4 statutory office of the Legislative Assembly or either house thereof, pursuant to a plan adopted
 5 formally by the committee or officer.

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

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

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

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

22 (B) Amounts of vacation exceeding amounts creditable to employees in the classified service of
 23 the state service pursuant to ORS 240.515 (1), and rules adopted pursuant thereto, in effect on June
 24 30, 1981, shall not be considered.

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

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

35 **SECTION 74a.** ORS 238.580 is amended to read:

36 238.580. (1) ORS 238.005 (3) and [(21)] **(22)**, 238.025, 238.078, 238.082, 238.092, 238.115 (1), 238.250,
 37 238.255, 238.260, 238.350, 238.380, 238.410, 238.415, 238.420, 238.445, 238.458, 238.460, 238.465, 238.475,
 38 238.600, 238.605, 238.610, 238.618, 238.630, 238.635, 238.645, 238.650, 238.655, 238.660, 238.665, 238.670
 39 and 238.705 and the increases provided by ORS 238.385 for members of the system who are serving
 40 as other than police officers or firefighters apply in respect to service as a judge member.

41 (2) This chapter applies in respect to persons described in ORS 238.505 (1) and in respect to
 42 service as a judge member only as specifically provided in ORS 238.500 to 238.585.

43 **SECTION 74b.** ORS 238.608 is amended to read:

44 238.608. (1) The Public Employees Retirement Board shall conduct a study of the life expectancy
 45 of members of the Public Employees Retirement System in the categories described in subsection (2)

1 of this section. If the board determines that members in the categories described in subsection (2)
2 of this section have a life expectancy that is substantially shorter than the life expectancy of mem-
3 bers of the system generally, the board shall adopt and use separate actuarial equivalency factor
4 tables under ORS 238.607 for the purpose of computing the payments to be made to members in the
5 categories described in subsection (2) of this section and to the beneficiaries and alternate payees
6 of those members. Any actuarial equivalency factor tables adopted under this section shall first be-
7 come effective January 1, 2005.

8 (2) The provisions of this section apply to members of the system who are defined as firefighters
9 under ORS 238.005 (9) or as police officers under ORS 238.005 [(16)(a)] (17)(a), (b), (d), (e), (f), (k), (L),
10 (n), (o) or (p).

11 **SECTION 75.** ORS 238A.005, as amended by section 9, chapter 1, Oregon Laws 2010, and section
12 1, chapter 82, Oregon Laws 2010, is amended to read:

13 238A.005. For the purposes of this chapter:

14 (1) "Active member" means a member of the pension program or the individual account program
15 of the Oregon Public Service Retirement Plan who is actively employed in a qualifying position.

16 (2) "Actuarial equivalent" means a payment or series of payments having the same value as the
17 payment or series of payments replaced, computed on the basis of interest rate and mortality as-
18 sumptions adopted by the board.

19 (3) "Board" means the Public Employees Retirement Board.

20 (4) "Eligible employee" means a person who performs services for a participating public em-
21 ployer, including elected officials other than judges. "Eligible employee" does not include:

22 (a) Persons engaged as independent contractors;

23 (b) Aliens working under a training or educational visa;

24 (c) Persons, other than workers in the Industries for the Blind Program under ORS 346.190,
25 provided sheltered employment or make-work by a public employer;

26 (d) Persons categorized by a participating public employer as student employees;

27 (e) Any person who is an inmate of a state institution;

28 (f) Employees of foreign trade offices of the Oregon Business Development Department who live
29 and perform services in foreign countries under the provisions of ORS 285A.075 (1)(g);

30 (g) An employee actively participating in an alternative retirement program established under
31 ORS 353.250 or an optional retirement plan established under ORS 341.551;

32 (h) Employees of the Oregon University System who are actively participating in an optional
33 retirement plan offered under ORS 243.800;

34 (i) Any employee who belongs to a class of employees that was not eligible on August 28, 2003,
35 for membership in the system under the provisions of ORS chapter 238 or other law;

36 (j) Any person who belongs to a class of employees who are not eligible to become members of
37 the Oregon Public Service Retirement Plan under the provisions of ORS 238A.070 (2);

38 (k) Any person who is retired under ORS 238A.100 to 238A.245 or ORS chapter 238 and who
39 continues to receive retirement benefits while employed; and

40 (L) Judges.

41 (5) "Firefighter" means:

42 (a) A person employed by a local government, as defined in ORS 174.116, whose primary job
43 duties include the fighting of fires;

44 (b) The State Fire Marshal, the chief deputy state fire marshal and deputy state fire marshals;
45 and

1 (c) An employee of the State Forestry Department who is certified by the State Forester as a
2 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
3 fires as described in ORS 477.064.

4 (6) "Fund" means the Public Employees Retirement Fund.

5 (7)(a) "Hour of service" means:

6 (A) An hour for which an eligible employee is directly or indirectly paid or entitled to payment
7 by a participating public employer for performance of duties in a qualifying position; and

8 (B) An hour of vacation, holiday, illness, incapacity, jury duty, military duty or authorized leave
9 during which an employee does not perform duties but for which the employee is directly or indi-
10 rectly paid or entitled to payment by a participating public employer for services in a qualifying
11 position, as long as the hour is within the number of hours regularly scheduled for the performance
12 of duties during the period of vacation, holiday, illness, incapacity, jury duty, military duty or au-
13 thorized leave.

14 (b) "Hour of service" does not include any hour for which payment is made or due under a plan
15 maintained solely for the purpose of complying with applicable workers' compensation laws or un-
16 employment compensation laws.

17 (8) "Inactive member" means a member of the pension program or the individual account pro-
18 gram of the Oregon Public Service Retirement Plan whose membership has not been terminated, who
19 is not a retired member and who is not employed in a qualifying position.

20 (9) "Individual account program" means the defined contribution individual account program of
21 the Oregon Public Service Retirement Plan established under ORS 238A.025.

22 **(10) "Institution of higher education" means a public university listed in ORS 352.002, the**
23 **Oregon Health and Science University or a community college, as defined in ORS 341.005.**

24 [(10)] (11) "Member" means an eligible employee who has established membership in the pension
25 program or the individual account program of the Oregon Public Service Retirement Plan and whose
26 membership has not been terminated under ORS 238A.110 or 238A.310.

27 [(11)] (12) "Participating public employer" means a public employer as defined in ORS 238.005
28 that provides retirement benefits for employees of the public employer under the system.

29 [(12)] (13) "Pension program" means the defined benefit pension program of the Oregon Public
30 Service Retirement Plan established under ORS 238A.025.

31 [(13)] (14) "Police officer" means a police officer as described in ORS 238.005.

32 [(14)] (15) "Qualifying position" means one or more jobs with one or more participating public
33 employers in which an eligible employee performs 600 or more hours of service in a calendar year,
34 excluding any service in a job for which benefits are not provided under the Oregon Public Service
35 Retirement Plan pursuant to ORS 238A.070 (2).

36 [(15)] (16) "Retired member" means a pension program member who is receiving a pension as
37 provided in ORS 238A.180 to 238A.195.

38 [(16)(a)] (17)(a) "Salary" means the remuneration paid to an active member in return for ser-
39 vices to the participating public employer, including remuneration in the form of living quarters,
40 board or other items of value, to the extent the remuneration is includable in the employee's taxable
41 income under Oregon law. Salary includes the additional amounts specified in paragraph (b) of this
42 subsection, but does not include the amounts specified in paragraph (c) of this subsection, regardless
43 of whether those amounts are includable in taxable income.

44 (b) "Salary" includes the following amounts:

45 (A) Payments of employee and employer money into a deferred compensation plan that are made

1 at the election of the employee.

2 (B) Contributions to a tax-sheltered or deferred annuity that are made at the election of the
3 employee.

4 (C) Any amount that is contributed to a cafeteria plan or qualified transportation fringe benefit
5 plan by the employer at the election of the employee and that is not includable in the taxable in-
6 come of the employee by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2009.

7 (D) Any amount that is contributed to a cash or deferred arrangement by the employer at the
8 election of the employee and that is not included in the taxable income of the employee by reason
9 of 26 U.S.C. 402(e)(3), as in effect on December 31, 2009.

10 (E) Retroactive payments described in section 7, chapter 1, Oregon Laws 2010.

11 (F) The amount of an employee contribution to the individual account program that is paid by
12 the employer and deducted from the compensation of the employee, as provided under ORS 238A.335
13 (1) and (2)(a).

14 (G) The amount of an employee contribution to the individual account program that is not paid
15 by the employer under ORS 238A.335.

16 (H) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
17 652.190.

18 (c) "Salary" does not include the following amounts:

19 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
20 employer.

21 (B) Payments made on account of an employee's death.

22 (C) Any lump sum payment for accumulated unused sick leave, vacation leave or other paid
23 leave.

24 (D) Any severance payment, accelerated payment of an employment contract for a future period
25 or advance against future wages.

26 (E) Any retirement incentive, retirement bonus or retirement gratuitous payment.

27 (F) Payment for a leave of absence after the date the employer and employee have agreed that
28 no future services in a qualifying position will be performed.

29 (G) Payments for instructional services rendered to [*institutions*] **public universities** of the
30 Oregon University System or the Oregon Health and Science University when those services are in
31 excess of full-time employment subject to this chapter. A person employed under a contract for less
32 than 12 months is subject to this subparagraph only for the months covered by the contract.

33 (H) The amount of an employee contribution to the individual account program that is paid by
34 the employer and is not deducted from the compensation of the employee, as provided under ORS
35 238A.335 (1) and (2)(b).

36 (I) Any amount in excess of \$200,000 for a calendar year. If any period over which salary is
37 determined is less than 12 months, the \$200,000 limitation for that period shall be multiplied by a
38 fraction, the numerator of which is the number of months in the determination period and the de-
39 nominator of which is 12. The board shall adopt rules adjusting this dollar limit to incorporate
40 cost-of-living adjustments authorized by the Internal Revenue Service.

41 [(17)] (18) "System" means the Public Employees Retirement System.

42 **SECTION 75a.** ORS 238A.140 is amended to read:

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

1 (2) An active member who is a school employee shall be credited with at least six months of
2 retirement credit if the member performs service for a major fraction of each month of a school year
3 that falls between January 1 and June 30, and at least six months of retirement credit if the member
4 performs service for a major fraction of each month of a school year that falls between July 1 and
5 December 31.

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

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

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

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

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

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

19 [*(d) An employee of a community college district other than an academic employee*].

20 **SECTION 76.** ORS 243.105 is amended to read:

21 243.105. As used in ORS 243.105 to 243.285, unless the context requires otherwise:

22 (1) "Benefit plan" includes, but is not limited to:

23 (a) Contracts for insurance or other benefits, including medical, dental, vision, life, disability and
24 other health care recognized by state law, and related services and supplies;

25 (b) Comparable benefits for employees who rely on spiritual means of healing; and

26 (c) Self-insurance programs managed by the Public Employees' Benefit Board.

27 (2) "Board" means the Public Employees' Benefit Board.

28 (3) "Carrier" means an insurance company or health care service contractor holding a valid
29 certificate of authority from the Director of the Department of Consumer and Business Services, or
30 two or more companies or contractors acting together pursuant to a joint venture, partnership or
31 other joint means of operation, or a board-approved guarantor of benefit plan coverage and com-
32 pensation.

33 (4)(a) "Eligible employee" means an officer or employee of a state agency who elects to partic-
34 ipate in one of the group benefit plans described in ORS 243.135. The term includes state officers
35 and employees in the exempt, unclassified and classified service, and state officers and employees,
36 whether or not retired, who:

37 (A) Are receiving a service retirement allowance, a disability retirement allowance or a pension
38 under the Public Employees Retirement System or are receiving a service retirement allowance, a
39 disability retirement allowance or a pension under any other retirement or disability benefit plan
40 or system offered by the State of Oregon for its officers and employees;

41 (B) Are eligible to receive a service retirement allowance under the Public Employees Retire-
42 ment System and have reached earliest retirement age under ORS chapter 238;

43 (C) Are eligible to receive a pension under ORS 238A.100 to 238A.245, and have reached earliest
44 retirement age as described in ORS 238A.165; or

45 (D) Are eligible to receive a service retirement allowance or pension under another retirement

1 benefit plan or system offered by the State of Oregon and have attained earliest retirement age
2 under the plan or system.

3 (b) "Eligible employee" does not include individuals:

4 (A) Engaged as independent contractors;

5 (B) Whose periods of employment in emergency work are on an intermittent or irregular basis;

6 (C) Who are employed on less than half-time basis unless the individuals are employed in posi-
7 tions classified as job-sharing positions, unless the individuals are defined as eligible under rules of
8 the board;

9 (D) Appointed under ORS 240.309;

10 (E) Provided sheltered employment or make-work by the state in an employment or industries
11 program maintained for the benefit of such individuals; or

12 (F) Provided student health care services in conjunction with their enrollment as students at
13 *[the state institutions of higher education]* **a public university listed in ORS 352.002.**

14 (5) "Family member" means an eligible employee's spouse and any unmarried child or stepchild
15 within age limits and other conditions imposed by the board with regard to unmarried children or
16 stepchildren.

17 (6) "Payroll disbursing officer" means the officer or official authorized to disburse moneys in
18 payment of salaries and wages of employees of a state agency.

19 (7) "Premium" means the monthly or other periodic charge for a benefit plan.

20 (8) "State agency" means every state officer, board, commission, department or other activity
21 of state government.

22 **SECTION 77.** ORS 243.107 is amended to read:

23 243.107. A person employed by a *[state institution of higher education]* **public university listed**
24 **in ORS 352.002** or the Oregon Health and Science University may be considered an eligible em-
25 ployee for participation in one of the group benefit plans described in ORS 243.135 if the State Board
26 of Higher Education, or the Oregon Health and Science University Board of Directors for Oregon
27 Health and Science University employees, determines that funds are available therefor and if:

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

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

33 **SECTION 78.** ORS 243.778 is amended to read:

34 243.778. (1) When an appropriate bargaining unit includes members of the faculty of *[an institu-*
35 *tion of higher education]* **a public university listed in ORS 352.002**, the duly organized and recog-
36 nized entity of student government at that *[institution]* **university** may designate three
37 representatives to meet and confer with the public employer of those members of the faculty and the
38 exclusive representative of that appropriate bargaining unit prior to collective bargaining.

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

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

44 (b) Have access to all written documents pertaining to the collective bargaining negotiations
45 exchanged by the public employer and the exclusive representative, including copies of any prepared

1 written transcripts of the bargaining session;

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

4 (d) Be allowed to meet and confer with the exclusive representative and the public employer
5 regarding the terms of an agreement between them prior to the execution of a written contract in-
6 corporating that agreement.

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

9 (4) As used in this section,[:]

10 [(a) "*Institution of higher education*" means an institution under the control of the State Board of
11 *Higher Education*.]

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

18 **SECTION 79.** ORS 243.910 is amended to read:

19 243.910. As used in ORS 243.910 to 243.945:

20 (1) "Board" means the State Board of Higher Education for all [*institutions under the jurisdiction*
21 *of that board as set forth*] **public universities listed** in ORS 352.002, and for the Oregon Health and
22 Science University means the Oregon Health and Science University Board of Directors.

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

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

26 **SECTION 80.** ORS 243.956 is amended to read:

27 243.956. (1) A person is eligible for an award of benefits from the Public Safety Memorial Fund
28 if the person:

29 (a)(A) Is a family member, parent or designee of a public safety officer who has suffered a
30 qualifying death or disability; or

31 (B) Is a public safety officer who has suffered a qualifying disability; and

32 (b) Has submitted an initial application for an award of benefits under ORS 243.958.

33 (2) Notwithstanding subsection (1) of this section, a person is not eligible for an award of ben-
34 efits if:

35 (a) The person's actions were a substantial contributing factor to the qualifying death or disa-
36 bility of the public safety officer;

37 (b) The public safety officer's intentional misconduct caused the qualifying death or disability;

38 (c) The public safety officer intended to bring about the officer's qualifying death or disability;

39 (d) The public safety officer was voluntarily intoxicated at the time of the injury that caused the
40 qualifying death or disability; or

41 (e) The public safety officer was performing the officer's duties in a grossly negligent manner
42 at the time of the injury that caused the qualifying death or disability.

43 (3) If a person who is eligible for an award of benefits under subsection (1) of this section is
44 younger than 18 years of age or is incompetent, another person may file the application for an
45 award of benefits on behalf of the eligible person.

1 (4) Within 14 days after receipt of a notice under ORS 243.974 or entry of an order under ORS
2 243.964 awarding benefits based on an initial application, whichever occurs later, the Public Safety
3 Memorial Fund Board shall pay a lump sum amount of \$25,000:

4 (a) If a designation of beneficiary form has been completed under ORS 243.974 (1), to the
5 designee of a public safety officer who suffered a qualifying death;

6 (b) If a designation of beneficiary form has not been completed, in the manner described under
7 ORS 243.969, to a family member or parent of a public safety officer who suffered a qualifying death;
8 or

9 (c) To the public safety officer who suffered a qualifying disability.

10 (5) If alternative coverage is not provided, the board may award benefits to the family members
11 of a public safety officer or, if a designation of beneficiary form has been completed under ORS
12 243.974 (1), to the designee, children and dependents of a public safety officer who has suffered a
13 qualifying death or disability in an amount sufficient to allow the recipients to purchase health and
14 dental insurance comparable to that provided by the public safety officer:

15 (a) For five years or until the spouse remarries, whichever occurs first;

16 (b) Until a child or a dependent attains 18 years of age or, if the child or the dependent is at-
17 tending school, 23 years of age; and

18 (c) For five years for a designee who is not a person described in paragraph (a) or (b) of this
19 subsection, or until the designee marries, whichever occurs first.

20 (6) If alternative coverage is not provided, the board may award benefits for five years to a
21 public safety officer who has suffered a qualifying disability in an amount sufficient to allow the
22 public safety officer to purchase health and dental insurance comparable to the health and dental
23 insurance coverage that the public safety officer had immediately prior to the qualifying disability.

24 (7) The board may award benefits to an eligible spouse or designee of a public safety officer who
25 has suffered a qualifying death or to a public safety officer who has suffered a qualifying disability
26 in an amount up to the equivalent of 12 monthly mortgage payments on the residence of the public
27 safety officer or the spouse or designee of the public safety officer if there is no mortgage insurance
28 to cover the cost.

29 (8)(a) The board may award scholarships for a graduate program of higher education to:

30 (A) A family member of a public safety officer who has suffered a qualifying death or disability;

31 (B) If a designation of beneficiary form has been completed under ORS 243.974 (1), to the
32 designee, children and dependents of a public safety officer who suffered a qualifying death or dis-
33 ability; or

34 (C) To a public safety officer who has suffered a qualifying disability.

35 (b) In determining the amount of a scholarship, the board shall consider the person's financial
36 need, the funds available in the Public Safety Memorial Fund and the anticipated demands on the
37 fund. The board may not grant a scholarship in an amount exceeding the highest tuition charged
38 by a [state institution of higher education] **public university listed in ORS 352.002** for a graduate
39 program.

40 (9) A family member, a designee or a public safety officer is eligible to apply for a scholarship
41 under subsection (8) of this section only if the family member, designee or public safety officer:

42 (a) Has exhausted the education benefits available under 28 C.F.R., Part 32, subpart B;

43 (b) Applies for the scholarship within one year from the date of exhaustion of the education
44 benefits under paragraph (a) of this subsection; and

45 (c) Has applied for other available public education benefits.

1 (10) If a person described in subsection (8) of this section is ineligible to receive education
2 benefits under 28 C.F.R., Part 32, subpart B, if funds for education benefits are unavailable under
3 those provisions or if the education benefit program under those provisions no longer exists, the
4 person may apply to the board for a scholarship for an undergraduate program. Scholarships for only
5 undergraduate degrees may be awarded to a person under this subsection. The board may not grant
6 a scholarship under this subsection in an amount exceeding the highest tuition charged by a [*state*
7 *institution of higher education*] **public university listed in ORS 352.002** for an undergraduate pro-
8 gram.

9 (11)(a) A person may apply for a scholarship under subsection (10) of this section at any time
10 up to:

11 (A) Five years after the date on which the applicant graduated from high school if:

12 (i) The applicant was a minor at the time the public safety officer suffered a qualifying death
13 or disability; and

14 (ii) An application for an award of some type of benefits was filed by a person described in
15 subsection (8) of this section;

16 (B) The date the applicant remarries, if the applicant is the surviving spouse of a public safety
17 officer who suffered a qualifying death, or the date the applicant divorces the public safety officer,
18 if the applicant is the spouse of a public safety officer who suffered a qualifying disability; or

19 (C) Five years after the date of the injury that caused the disability, if the applicant is a public
20 safety officer who suffered a qualifying disability or is a designee who is not a family member.

21 (b) The board may extend the time period for applying for a scholarship under subsection (10)
22 of this section.

23 (12) If the family member, designee or public safety officer who is awarded a scholarship under
24 this section is receiving other public education benefits, the amount of the scholarship awarded to
25 the family member, designee or public safety officer shall be reduced by the amount of the other
26 public education benefits.

27 **SECTION 81.** ORS 244.050 is amended to read:

28 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
29 Government Ethics Commission a verified statement of economic interest as required under this
30 chapter:

31 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the
32 Bureau of Labor and Industries, Superintendent of Public Instruction, district attorneys and mem-
33 bers of the Legislative Assembly.

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

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

37 (d) The Deputy Attorney General.

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

40 (f) The Chancellor and Vice Chancellors of the Oregon University System and the president and
41 vice presidents, or their administrative equivalents, in each [*institution under the jurisdiction of the*
42 *State Board of Higher Education*] **public university listed in ORS 352.002.**

43 (g) The following state officers:

44 (A) Adjutant General.

45 (B) Director of Agriculture.

- 1 (C) Manager of State Accident Insurance Fund Corporation.
- 2 (D) Water Resources Director.
- 3 (E) Director of Department of Environmental Quality.
- 4 (F) Director of Oregon Department of Administrative Services.
- 5 (G) State Fish and Wildlife Director.
- 6 (H) State Forester.
- 7 (I) State Geologist.
- 8 (J) Director of Human Services.
- 9 (K) Director of the Department of Consumer and Business Services.
- 10 (L) Director of the Department of State Lands.
- 11 (M) State Librarian.
- 12 (N) Administrator of Oregon Liquor Control Commission.
- 13 (O) Superintendent of State Police.
- 14 (P) Director of the Public Employees Retirement System.
- 15 (Q) Director of Department of Revenue.
- 16 (R) Director of Transportation.
- 17 (S) Public Utility Commissioner.
- 18 (T) Director of Veterans' Affairs.
- 19 (U) Executive director of Oregon Government Ethics Commission.
- 20 (V) Director of the State Department of Energy.
- 21 (W) Director and each assistant director of the Oregon State Lottery.
- 22 (X) Director of the Department of Corrections.
- 23 (Y) Director of the Oregon Department of Aviation.
- 24 (Z) Executive director of the Oregon Criminal Justice Commission.
- 25 (AA) Director of the Oregon Business Development Department.
- 26 (BB) Director of the Office of Emergency Management.
- 27 (CC) Director of the Employment Department.
- 28 (DD) Chief of staff for the Governor.
- 29 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 30 (FF) Director of the Housing and Community Services Department.
- 31 (GG) State Court Administrator.
- 32 (HH) Director of the Department of Land Conservation and Development.
- 33 (II) Board chairperson of the Land Use Board of Appeals.
- 34 (JJ) State Marine Director.
- 35 (KK) Executive director of the Oregon Racing Commission.
- 36 (LL) State Parks and Recreation Director.
- 37 (MM) Public defense services executive director.
- 38 (NN) Chairperson of the Public Employees' Benefit Board.
- 39 (OO) Director of the Department of Public Safety Standards and Training.
- 40 *[(PP) Chairperson of the Oregon Student Assistance Commission.]*
- 41 *[(QQ)] (PP)* Executive director of the Oregon Watershed Enhancement Board.
- 42 *[(RR)] (QQ)* Director of the Oregon Youth Authority.
- 43 *[(SS)] (RR)* Director of the Oregon Health Authority.
- 44 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 45 (i) Every elected city or county official.

- 1 (j) Every member of a city or county planning, zoning or development commission.
- 2 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
- 3 cipal administrator of the city or county.
- 4 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 5 (m) Every member of a governing body of a metropolitan service district and the executive of-
- 6 ficer thereof.
- 7 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 8 (o) The chief administrative officer and the financial officer of each common and union high
- 9 school district, education service district and community college district.
- 10 (p) Every member of the following state boards and commissions:
- 11 (A) Board of Geologic and Mineral Industries.
- 12 (B) Oregon Business Development Commission.
- 13 (C) State Board of Education.
- 14 (D) Environmental Quality Commission.
- 15 (E) Fish and Wildlife Commission of the State of Oregon.
- 16 (F) State Board of Forestry.
- 17 (G) Oregon Government Ethics Commission.
- 18 (H) Oregon Health Policy Board.
- 19 (I) State Board of Higher Education.
- 20 (J) Oregon Investment Council.
- 21 (K) Land Conservation and Development Commission.
- 22 (L) Oregon Liquor Control Commission.
- 23 (M) Oregon Short Term Fund Board.
- 24 (N) State Marine Board.
- 25 (O) Mass transit district boards.
- 26 (P) Energy Facility Siting Council.
- 27 (Q) Board of Commissioners of the Port of Portland.
- 28 (R) Employment Relations Board.
- 29 (S) Public Employees Retirement Board.
- 30 (T) Oregon Racing Commission.
- 31 (U) Oregon Transportation Commission.
- 32 (V) Wage and Hour Commission.
- 33 (W) Water Resources Commission.
- 34 (X) Workers' Compensation Board.
- 35 (Y) Oregon Facilities Authority.
- 36 (Z) Oregon State Lottery Commission.
- 37 (AA) Pacific Northwest Electric Power and Conservation Planning Council.
- 38 (BB) Columbia River Gorge Commission.
- 39 (CC) Oregon Health and Science University Board of Directors.
- 40 (DD) Capitol Planning Commission.
- 41 **(EE) Higher Education Coordinating Commission.**
- 42 (q) The following officers of the State Treasurer:
- 43 (A) Chief Deputy State Treasurer.
- 44 (B) Chief of staff for the office of the State Treasurer.
- 45 (C) Director of the Investment Division.

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

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

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

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

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

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

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

25 **SECTION 82.** ORS 270.100 is amended to read:

26 270.100. (1)(a) Before offering for sale any real property or equitable interest therein owned by
27 the state, the state agency acting for the state in such transaction shall report its intent of sale or
28 transfer to the Oregon Department of Administrative Services. The department, or the agency spe-
29 cifically designated by the department, shall notify other state agencies authorized to own real
30 property of the intended sale or transfer to determine whether acquisition of the real property or
31 interest therein would be advantageous to another state agency.

32 (b) The department shall give political subdivisions, as defined in ORS 271.005, the first oppor-
33 tunity after other state agencies to acquire, purchase, exchange or lease real property to be sold
34 or disposed of by the State of Oregon. The state agency responsible for selling or transferring the
35 property may require at the time of the sale or transfer that any state real property sold or trans-
36 ferred to a political subdivision, as defined in ORS 271.005, shall be for use for a public purpose or
37 benefit, and not be for resale to a private purchaser.

38 (c) If property is not disposed of under paragraph (a) or (b) of this subsection, in accordance
39 with rules adopted by the department, the state agency desiring to sell or transfer the property shall
40 cause it to be appraised by one or more competent and experienced appraisers. Except as provided
41 in ORS 273.825, if such property has an appraised value exceeding \$5,000 it shall not be sold to any
42 private person except after notice calling for such proposals as set forth in ORS 270.130.

43 (d) The department shall adopt rules to carry out the provisions of this section.

44 (2) Before acquisition of any real property or interest therein by any state agency, except for
45 highway right of way acquired by the Department of Transportation and park properties acquired

1 by the State Parks and Recreation Department and property within the approved projected campus
 2 boundaries for [*institutions*] **public universities** of the Oregon University System, the state agency
 3 shall report its intent of acquisition to the Oregon Department of Administrative Services. The de-
 4 partment shall notify other state agencies owning land of the intended acquisition to determine
 5 whether another state agency desires to sell or transfer property which would meet the needs of the
 6 purchasing agency. In accordance with rules adopted by the Oregon Department of Administrative
 7 Services, if no other state agency desires to sell or transfer property which would meet the needs
 8 of the agency, the agency may acquire the real property or interest therein, consistent with appli-
 9 cable provisions of law.

10 (3) Before any terminal disposition of real property or an interest in real property, the state
 11 agency acting for the state in the transaction must secure approval of the transaction from the
 12 Oregon Department of Administrative Services.

13 (4) Subsection (3) of this section does not apply to terminal disposition of the following real
 14 property:

- 15 (a) Property controlled by the State Department of Fish and Wildlife;
- 16 (b) State forestlands controlled by the State Forestry Department;
- 17 (c) Property controlled by the Department of Transportation;
- 18 (d) Property controlled by the Department of State Lands;
- 19 (e) Property controlled by the Oregon University System;
- 20 (f) Property controlled by the legislative or judicial branches of state government; and
- 21 (g) Property controlled by the State Parks and Recreation Department.

22 (5) Notwithstanding the provisions of subsection (4) of this section, prior approval by the Oregon
 23 Department of Administrative Services is required for the terminal disposition of public land for less
 24 than the fair market value of that land.

25 (6) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190, 273.416, 273.426 to
 26 273.436, 273.551 and 308A.709 (1) to (4) do not apply to a home or farm acquired, sold, or both, by
 27 the Department of Veterans' Affairs under ORS 88.720, 273.388, 406.050, 407.135, 407.145, 407.375 and
 28 407.377.

29 **SECTION 83.** ORS 273.155 is amended to read:

30 273.155. The Department of State Lands, in carrying out its duties, may call upon all related
 31 state and county agencies, including [*Oregon State University*] **the Oregon University System** and
 32 any state or county officers **or Oregon University System employees** through whom necessary
 33 information and aid may be received. Such agencies, [*institution and*] officers **and employees** shall
 34 cooperate with the department without additional compensation.

35 **SECTION 84.** ORS 273.785 is amended to read:

36 273.785. ORS 273.551 and 273.775 to 273.790 do not apply to:

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

39 (2) Mineral or geothermal resource rights or proceeds from those rights acquired by the State
 40 Fish and Wildlife Commission pursuant to an agreement with the federal government under 16 U.S.C.
 41 669 to 669i (P.L. 75-415).

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

45 (4) Proceeds of mineral and geothermal resource rights acquired by the state pursuant to ORS

1 530.010 and 530.030, other than those distributed under ORS 530.110 (1)(c).

2 (5) Mineral or geothermal resource rights or proceeds from those rights acquired after January
3 1, 1974, for the state by the Department of Veterans' Affairs pursuant to ORS 88.720, 406.050 (2),
4 407.135 or 407.145. After consultation, the Department of State Lands and the Department of
5 Veterans' Affairs shall enter into an interagency agreement governing consultation between them
6 concerning mineral and geothermal resource values on properties acquired for the state by the De-
7 partment of Veterans' Affairs. The Department of Veterans' Affairs shall adopt rules relating to the
8 release of mineral and geothermal rights on such properties.

9 (6) Mineral or geothermal resource rights or proceeds from those rights given by a donor to any
10 [*institution,*] **public university or office**, department or activity under the control of the State
11 Board of Higher Education that are acquired or held for the state by the State Board of Higher
12 Education pursuant to ORS chapters 351 and 567. In managing mineral or geothermal resource
13 leases, the State Board of Higher Education shall consult with the Department of State Lands in
14 accordance with an interagency agreement established by the department and the State Board of
15 Higher Education governing consultation between the department and the State Board of Higher
16 Education and governing management of the mineral or geothermal resources.

17 (7) Mineral or geothermal resource rights or proceeds from those rights acquired and held by
18 the Department of Transportation. In managing mineral or geothermal resource leases, the Depart-
19 ment of Transportation shall enter into an intergovernmental agreement with the Department of
20 State Lands governing consultation between the departments and governing management of the
21 mineral or geothermal resources.

22 **SECTION 85.** ORS 276.227 is amended to read:

23 276.227. (1) The State of Oregon recognizes that providing and operating state government fa-
24 cilities is a significant capital investment in public infrastructure. Accordingly, it is the policy of the
25 State of Oregon to plan, finance, acquire, construct, manage and maintain state government facilities
26 in a manner that maximizes and protects this investment.

27 (2) The Oregon Department of Administrative Services shall establish a statewide planning
28 process that evaluates the needs of the state's facilities, provides comparative information on the
29 condition of the state's facilities, establishes guidelines and standards for acquiring, managing and
30 maintaining state facilities and provides financing and budgeting strategies to allocate resources to
31 facilities' needs.

32 (3)(a) The Director of the Oregon Department of Administrative Services shall establish a public
33 review process for the proposed capital projects of all state agencies. To assist in this review, the
34 director shall establish a Capital Projects Advisory Board consisting of seven members. Five mem-
35 bers shall be public members knowledgeable about construction, facilities management and mainte-
36 nance issues. Two members may be state employees. The director shall appoint the chairperson of
37 the board.

38 (b) The director, in consultation with the board, may request that agencies submit updated
39 long-range facility plans and funding strategies that reflect changes in technology and priorities. The
40 director may ask the board to report on and make recommendations related to long-range plans, the
41 condition of facilities, maintenance schedules, funding strategies and options for new facilities. The
42 director may seek recommendations from the board regarding the needs of existing facilities, funding
43 strategies and long-term facility goals.

44 (c) The review process may be applicable to capital projects meeting the definition of major
45 construction/acquisition in the Governor's budget and to significant leases.

1 (d) For each state agency proposing a capital project, the review process may include an ex-
2 amination of the following:

3 (A) The effectiveness of asset protection, including maintenance, repair and other activities;

4 (B) The effectiveness of space utilization, including an inventory of existing occupied and unoc-
5 cupied building space;

6 (C) The advisability of lease, purchase or other funding strategies;

7 (D) The condition of existing occupied and unoccupied building space;

8 (E) Appropriate technology;

9 (F) The agency's mission and long-range facilities plans; and

10 (G) For new facilities, expansions and additions, the ability of the agency to maintain and op-
11 erate all of the agency's facilities in a cost-effective manner.

12 (e) The review process shall ensure that capital project decisions are approached in a cost-
13 effective manner after considering all reasonable alternatives.

14 (f) With assistance from the board, the department shall provide recommendations and informa-
15 tion to the Governor and the Legislative Assembly on the construction, leasing and facilities man-
16 agement issues of state government.

17 (4) The department shall establish and maintain a central database of information on state-
18 owned property of all state agencies, including land, buildings, infrastructure, improvements and
19 leases. This database shall include an inventory of state-owned facilities as well as descriptive and
20 technical information.

21 (5) State agencies shall establish and implement long-range maintenance and management plans
22 for facilities for which this state is responsible to ensure that facilities are maintained in good re-
23 pair and that the useful lives of facilities are maximized. For each new facility, a maintenance and
24 management plan appropriate to the use and useful life of the facility shall be developed and im-
25 plemented.

26 (6) The department may engage in cooperative projects with local government.

27 (7) The provisions of this section [*shall*] **do** not apply to [*institutions of higher education as de-*
28 *scribed*] **public universities listed** in ORS 352.002, the Oregon Health and Science University or a
29 community college as defined in ORS 341.005.

30 **SECTION 86.** ORS 276.229 is amended to read:

31 276.229. (1) State agencies shall develop four-year major construction budgets. Projects included
32 in these budgets may be accelerated or deferred upon approval of the Emergency Board.

33 (2) State agencies shall include the biennial costs associated with maintenance, major repairs
34 or building alterations in their regular budget presentation to the Legislative Assembly. Agencies
35 shall include in their budget presentations short-term and long-term plans to reduce or eliminate any
36 existing backlog of deferred maintenance.

37 (3) The provisions of this section [*shall*] **do** not apply to [*an institution of higher education as*
38 *described*] **public universities listed** in ORS 352.002, the Oregon Health and Science University, or
39 a community college as defined in ORS 341.005.

40 **SECTION 87.** ORS 276.612 is amended to read:

41 276.612. The Department of Corrections, the Department of Human Services, the Oregon Health
42 Authority and the State Board of Education each shall determine the buildings to be constructed,
43 altered, repaired, furnished and equipped for the use of institutions and activities under their re-
44 spective jurisdictions. The State Board of Higher Education shall determine the buildings to be
45 constructed, altered, repaired, furnished and equipped for the use of [*institutions*] **public universi-**

1 **ties or offices, departments** or activities under its jurisdiction.

2 **SECTION 88.** ORS 279A.025 is amended to read:

3 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting
4 Code applies to all public contracting.

5 (2) The Public Contracting Code does not apply to:

6 (a) Contracts between a contracting agency and:

7 (A) Another contracting agency;

8 (B) The Oregon Health and Science University;

9 (C) The Oregon State Bar;

10 (D) A governmental body of another state;

11 (E) The federal government;

12 (F) An American Indian tribe or an agency of an American Indian tribe;

13 (G) A nation, or a governmental body in a nation, other than the United States; or

14 (H) An intergovernmental entity formed between or among:

15 (i) Governmental bodies of this or another state;

16 (ii) The federal government;

17 (iii) An American Indian tribe or an agency of an American Indian tribe;

18 (iv) A nation other than the United States; or

19 (v) A governmental body in a nation other than the United States;

20 (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or
21 other authority for establishing agreements between or among governmental bodies or agencies or
22 tribal governing bodies or agencies;

23 (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and
24 414.145 for purposes of source selection;

25 (d) Grants;

26 (e) Contracts for professional or expert witnesses or consultants to provide services or testimony
27 relating to existing or potential litigation or legal matters in which a public body is or may become
28 interested;

29 (f) Acquisitions or disposals of real property or interest in real property;

30 (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-
31 lection;

32 (h) Contracts for the procurement or distribution of textbooks;

33 (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;

34 (j) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,
35 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;

36 (k) Contracts entered into under ORS chapter 180 between the Attorney General and private
37 counsel or special legal assistants;

38 (L) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry
39 and the State Forestry Department;

40 (m) Contracts for forest protection or forest related activities, as described in ORS 477.406, by
41 the State Forester or the State Board of Forestry;

42 (n) Sponsorship agreements entered into by the State Parks and Recreation Director in accord-
43 ance with ORS 565.080 (4);

44 (o) Contracts entered into by the Housing and Community Services Department in exercising the
45 department's duties prescribed in ORS chapters 456 and 458, except that the department's public

1 contracting for goods and services is subject to ORS chapter 279B;

2 (p) Contracts entered into by the State Treasurer in exercising the powers of that office pre-
3 scribed in ORS chapters 178, 286A, 287A, 289, 293, 294 and 295, including but not limited to invest-
4 ment contracts and agreements, banking services, clearing house services and collateralization
5 agreements, bond documents, certificates of participation and other debt repayment agreements, and
6 any associated contracts, agreements and documents, regardless of whether the obligations that the
7 contracts, agreements or documents establish are general, special or limited, except that the State
8 Treasurer's public contracting for goods and services is subject to ORS chapter 279B;

9 (q) Contracts, agreements or other documents entered into, issued or established in connection
10 with:

11 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;

12 (B) The making of program loans and similar extensions or advances of funds, aid or assistance
13 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining
14 activities or programs authorized by law; or

15 (C) The investment of funds by a public body as authorized by law, and other financial trans-
16 actions of a public body that by their character cannot practically be established under the com-
17 petitive contractor selection procedures of ORS 279B.050 to 279B.085;

18 (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,
19 243.275, 243.291, 243.303 and 243.565;

20 (s) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or

21 (t) Any other public contracting of a public body specifically exempted from the code by another
22 provision of law.

23 (3) The Public Contracting Code does not apply to the contracting activities of:

24 (a) The Oregon State Lottery Commission;

25 (b) The Oregon University System and member [*institutions*] **public universities**, except as pro-
26 vided in ORS 351.086;

27 (c) The legislative department;

28 (d) The judicial department;

29 (e) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS 279.835 to
30 279.855 and 279A.250 to 279A.290;

31 (f) Oregon Corrections Enterprises;

32 (g) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to
33 279A.290;

34 (h) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

35 (i) The Oregon 529 College Savings Network and the Oregon 529 College Savings Board;

36 (j) The Oregon Innovation Council;

37 (k) The Oregon Utility Notification Center; or

38 (L) Any other public body specifically exempted from the code by another provision of law.

39 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with
40 qualified nonprofit agencies providing employment opportunities for individuals with disabilities un-
41 der ORS 279.835 to 279.855.

42 **SECTION 89.** ORS 283.305 is amended to read:

43 283.305. As used in ORS 283.305 to 283.350:

44 (1) "Alternative fuel" means natural gas, liquefied petroleum gas, methanol, ethanol, any fuel
45 mixture containing at least 85 percent methanol or ethanol and electricity.

1 (2) "Authorized driver" means any of the following who has a valid driver license and an ac-
2 ceptable driving record:

3 (a) A salaried state employee, including an agent of the state;

4 (b) A volunteer, appointed in writing, whose written description of duties includes driving motor
5 vehicles;

6 (c) An agency client required to drive motor vehicles as part of a rehabilitation or treatment
7 program authorized by law;

8 (d) Any personnel of any unit of government whose use of motor vehicles is permitted by an
9 authorized intergovernmental agreement; **and**

10 [(e) *Any student enrolled at any state institution of higher education and whose use of motor ve-*
11 *hicles meets the requirements of ORS 283.310; and]*

12 [(f)] (e) An inmate of a correctional institution with specific Department of Corrections approval
13 who is accompanied by a supervising correctional institution employee or who is performing a spe-
14 cific work assignment driving a special purpose vehicle required for that assignment and within the
15 visual range of a supervising correctional institution employee who is at the work assignment site
16 or who is part of the transport caravan.

17 (3) "Motor vehicles" includes state-owned, leased or otherwise controlled motor vehicles and the
18 supplies, parts and equipment for the operation, maintenance or repair of such motor vehicles.

19 (4) "Official state business" means activity conducted by a state agency that advances the lawful
20 policies of the agency as specified by the Oregon Department of Administrative Services by rule.

21 (5) "Standard passenger vehicle" means a motor vehicle that is commonly known as a sedan or
22 a station wagon and that is not equipped with special or unusual equipment.

23 (6) "State agency" or "agency" includes the Legislative Assembly, at its option, or any of its
24 statutory, standing, special or interim committees, at the option of such committee.

25 **SECTION 90.** ORS 283.310 is amended to read:

26 283.310. (1) The Oregon Department of Administrative Services shall control and regulate the
27 acquisition, operation, use, maintenance and disposal of and access to motor vehicles used for:

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

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

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

38 (3) The State Board of Higher Education [*shall*] **may** not authorize or allow the use of any motor
39 vehicle to transport students to an event or activity not directly related to an officially sanctioned
40 program, as established under ORS 351.277 [*of an institution in the Oregon University System*], **of a**
41 **public university listed in ORS 352.002.**

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

SECTION 91. ORS 284.633 is amended to read:

284.633. (1) The Oregon Progress Board may enter into an agreement with:

(a) Any state agency for the provision of clerical, technical and management personnel to the board to serve as the board's staff and for the provision of other administrative, operational or overhead expenses necessary to accomplish the public purposes of the board.

(b) A nongovernmental entity for the provision of administrative, operational or overhead expenses necessary to accomplish the public purposes of the board.

(2) As used in this section:

(a) "Public institution of higher education" means a community college or a [*state institution of higher education*] **public university** listed in ORS 352.002.

(b) "State agency" means any officer, board, commission, department, division or institution in the executive or administrative branch of state government or a public institution of higher education.

SECTION 92. ORS 284.701 is amended to read:

284.701. As used in ORS 284.701 to 284.740:

(1) "Oregon emerging business" means an emerging growth business as defined in ORS 348.701 that has:

(a) Fewer than 100 employees; and

(b) At least 51 percent of its employees employed in Oregon.

(2) "Research institution" means:

(a) A community college as defined in ORS 341.005;

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

(c) The Oregon Health and Science University public corporation created under ORS 353.020;

(d) An Oregon-based, generally accredited, not-for-profit private institution of higher education;

(e) A federal research laboratory conducting research in Oregon; or

(f) A private not-for-profit research institution located in Oregon.

(3) "Traded sector" has the meaning given that term in ORS 285A.010.

SECTION 93. ORS 285B.168 is amended to read:

285B.168. (1) The Oregon Business Development Department may make grants available to a community college district, a community college service district or, with the concurrence of the Commissioner for Community College Services and the Chancellor of the Oregon University System, a [*state university*] **public university listed in ORS 352.002** to assist in the formation, improvement and operation of small business development centers. If a community college district, a community college service district or a [*state university*] **public university** is unable to adequately provide services in a specific geographic area, the department may make grants available to other service providers as determined by the department. The grant application shall include:

(a) Plans for providing small business owners and managers individual counseling, to the greatest extent practicable, in subject areas critical to small business success;

(b) A budget for the year for which a grant is requested, including cost apportionment among the department, small business clients, the community college, [*state university*] **the public university** or other service providers and other sources;

(c) A plan for evaluating the effect of the program on small business clients served; and

(d) A plan for providing collaboration with other state agencies, state-supported organizations and private sector entities that provide services to small businesses.

(2) The grants made under subsection (1) of this section are to be used by the grant recipient

1 to provide:

2 (a) Small business development center staff and support staff;

3 (b) Expert resource persons from the business community;

4 (c) Other training and business resources as approved by the department in skill areas for
5 which, or areas of the state where, the grant recipient can demonstrate it does not otherwise have
6 the capacity or expertise to provide the resources; and

7 (d) Other costs related to providing training, counseling and business resources to small busi-
8 ness clients.

9 (3) To be eligible for a grant under subsection (1) of this section, the recipient shall be required
10 to provide funds, in-kind contributions or some combination of funds and contributions, in accord-
11 ance with rules adopted by the department.

12 (4) Subject to the approval of the department, a grant recipient may subcontract funds received
13 under this section to any other entity that is eligible to receive funding under this section.

14 (5) The grant recipient shall submit a final report to the department after the distribution of
15 grant funds and the delivery of services to the proposed business clients. The report shall state
16 whether the plan and related budget have met the applicable criteria as described in the recipient's
17 application for the grant period.

18 [(6) As used in this section, "state university" means a state institution of higher education listed
19 in ORS 352.002.]

20 **SECTION 94.** ORS 285B.174 is amended to read:

21 285B.174. In cooperation with other state agencies and private organizations, [*state universities*
22 *as defined in ORS 285B.168*] **public universities listed in ORS 352.002** and community colleges may
23 develop programs to assist Oregon businesses with the procurement of government contracts and
24 grants. Small business development centers established under ORS 285B.165 to 285B.171 may assist
25 with these programs.

26 **SECTION 95.** ORS 286A.615 is amended to read:

27 286A.615. (1) The Private Activity Bond Committee is established. It shall consist of the State
28 Treasurer or the designee of the State Treasurer, one representative from the Oregon Department
29 of Administrative Services and one public representative appointed to serve at the pleasure of the
30 Governor.

31 (2) The State Treasurer, or the State Treasurer's designee, shall serve as chair of the committee.

32 (3) The purpose of private activity bonding in this state is to maximize the economic benefits
33 of private activity bonding to the citizens of this state. The committee shall adopt by rule standards
34 for amounts allocated to the committee for further allocation for economic development, housing,
35 education, redevelopment, public works, energy, waste management, waste and recycling collection,
36 transportation and other activities that the committee determines will benefit the citizens of this
37 state. In developing standards, the committee shall:

38 (a) Survey the expected need for private activity bond allocations at least once each year;

39 (b) Develop strategies for reserving and allocating the limit that are designed to maximize the
40 availability of tax exempt financing among competing sectors of the Oregon economy; and

41 (c) Ensure that the standards include but are not limited to standards that:

42 (A) Support projects that increase the number of family wage jobs in this state.

43 (B) Promote economic recovery in small cities heavily dependent on a single industry.

44 (C) Emphasize development in underdeveloped rural areas of this state.

45 (D) Utilize educational resources available at [*institutions of higher education*] **public universi-**

1 **ties listed in ORS 352.002.**

2 (E) Support development of the state's small businesses, especially businesses owned by women
3 and members of minority groups.

4 (F) Encourage use of Oregon's human and natural resources in endeavors that harness Oregon's
5 economic comparative advantages.

6 (4) The state private activity bond volume cap allocated to the Private Activity Bond Committee
7 as provided in ORS 286A.620 shall be allocated and reallocated among issuers by the Private Ac-
8 tivity Bond Committee as follows:

9 (a) Any amounts not reserved to an issuer or a class of issuers under the authorization adopted
10 by the Legislative Assembly under ORS 286A.035 shall be allocated or reallocated by the committee
11 under rules adopted under subsection (3) of this section.

12 (b) Any amounts provided for in the authorization adopted by the Legislative Assembly under
13 ORS 286A.035 that are unused shall be carried forward for use as provided by rules adopted under
14 subsection (3) of this section.

15 (c) The rules adopted by the committee shall limit the period of time for which an allocation of
16 private activity bonding authority is effective. The rules shall ensure that allocations made during
17 a calendar year are used during that calendar year or that the unused amount of the allocation is
18 reallocated or carried forward.

19 (5) Unused allocations are not transferable among issuers but are available for reallocation.

20 **SECTION 96.** ORS 286A.700 is amended to read:

21 286A.700. (1) As used in this section:

22 (a) "Oregon Baccalaureate Bonds" means bonds of the State of Oregon issued by the State
23 Treasurer at the request of the Oregon University System that are designated as baccalaureate
24 bonds.

25 (b) "Post-secondary education" means training and instruction provided by fully accredited
26 public **universities** or private institutions of higher learning, community colleges and post-high-
27 school career schools.

28 (2) The Legislative Assembly encourages citizens of the State of Oregon to avail themselves of
29 post-secondary education opportunities.

30 (3) The Legislative Assembly finds:

31 (a) For the benefit of its citizens, the state supports a system of common schools, [*institutions*
32 *of higher education*] **public universities** and community colleges.

33 (b) A post-secondary education advances a citizen's ability to pursue life, liberty and happiness
34 through a wide range of employment opportunities.

35 (c) A well-educated citizenry contributes to the economic well-being of the state and nation.

36 (d) A well-trained and skilled citizenry enhances economic development of the state.

37 (e) While students have just begun their education upon completion of a formal education, a
38 lifetime pursuit of learning contributes to a well-informed citizenry and to Oregon's cherished qual-
39 ity of life.

40 (f) Citizens educated in Oregon are more likely to pursue careers in Oregon.

41 (g) It is in the interest of this state to encourage its citizens to plan and save for a post-
42 secondary education.

43 (h) An Oregon Baccalaureate Bond program that provides citizens an opportunity to save for a
44 post-secondary education for their children, themselves or any citizen is in the social and economic
45 interest of the State of Oregon.

1 (i) A systematic way to save for post-secondary education can assist all of Oregon's higher ed-
2 ucation, community college and career schools to better project enrollments, thereby permitting the
3 prudent allocation of scarce resources.

4 (4) At the request of the Oregon University System, the State Treasurer may:

5 (a) Issue bonds as Oregon Baccalaureate Bonds, to encourage investors to save for post-
6 secondary education opportunities.

7 (b) Investigate and implement the means and procedures to facilitate the participation by the
8 broadest practical range of investors in the Oregon Baccalaureate Bond program. The means and
9 procedures may include, but are not limited to, adjustments in the denominations in which the bonds
10 are issued and the frequency with which the bonds are issued.

11 (5) The purchase of an Oregon Baccalaureate Bond does not guarantee the purchaser, owner
12 or beneficiary of the bond admittance to a public **university** or private post-secondary institution.

13 **SECTION 97.** ORS 291.038 is amended to read:

14 291.038. (1) The planning, acquisition, installation and use of all information and telecommuni-
15 cations technology by state government and agencies of state government shall be coordinated so
16 that statewide plans and activities, as well as those of individual agencies, are addressed in the most
17 integrated, economic and efficient manner. To provide policy direction for and coordination of in-
18 formation technology for state government, the Director of the Oregon Department of Administra-
19 tive Services shall chair and appoint not fewer than five agency executives to an Information
20 Resources Management Council. The council membership shall include at least two members who
21 represent the private sector and political subdivisions of the state.

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

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

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

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

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

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

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

14 (d) The rates and services established and provided under this section are not subject to the
15 Public Utility Commission's regulation or authority.

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

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

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

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

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

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

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

1 (8) This section does not apply to the State Board of Higher Education or any [*state institution*
2 *of higher education within the Oregon University System*] **public university listed in ORS 352.002.**

3 (9) As used in this section:

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

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

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

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

13 (e) "State-of-the-art services" includes equipment, facilities and the capability to distribute dig-
14 ital communication signals that transmit voice, data, video and images over a distance.

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

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

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

21 **SECTION 98.** ORS 291.055 is amended to read:

22 291.055. (1) Notwithstanding any other law that grants to a state agency the authority to es-
23 tablish fees, all new state agency fees or fee increases adopted after July 1 of any odd-numbered
24 year:

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

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

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

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

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

36 (2) This section does not apply to:

37 (a) Any tuition or fees charged by the State Board of Higher Education and [*state institutions*
38 *of higher education*] **the public universities listed in ORS 352.002.**

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

43 (c) Fees or payments required for:

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

1 (B) Assessments and premiums paid to the Oregon Medical Insurance Pool established by ORS
2 735.614 and 735.625.

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

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

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

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

10 (f) Any intergovernmental charges.

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

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

14 (i) Any charges established by the State Parks and Recreation Director in accordance with ORS
15 565.080 (3).

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

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

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

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

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

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

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

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

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

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

39 **SECTION 99.** ORS 292.043 is amended to read:

40 292.043. (1) As used in this section:

41 (a) "Foundation" means:

42 (A) A tax exempt organization designated by a rule adopted by a state agency; or

43 (B) A tax exempt organization designated by the State Board of Higher Education to solicit
44 contributions for the support of [*an institution of higher education under the jurisdiction of the*
45 *board*] **a public university listed in ORS 352.002.**

1 (b) "Salary and wages" has the meaning given that term in ORS 292.014.

2 (2) Any state official authorized to disburse funds in payment of salaries or wages of the officers
3 and employees of a state agency, or of the officers, teachers, instructors and other employees of the
4 Oregon University System, is authorized, upon written request of the individual, to deduct each
5 month from the salary or wages of the individual the amount of money designated by the individual
6 for payment to a foundation.

7 (3) The individual may withdraw the authorization at any time if the individual so notifies such
8 officer in writing.

9 (4) The moneys so deducted shall be paid over promptly to the foundation designated by the
10 individual. Subject to any rules prescribed by a state agency or the State Board of Higher Educa-
11 tion, the state official authorized to disburse the funds in payment of salaries and wages may pre-
12 scribe any procedures necessary to carry out this section.

13 **SECTION 100.** ORS 292.044 is amended to read:

14 292.044. (1) As used in this section:

15 (a) "Employee" means officers, faculty, teachers, instructors and other employees of the Oregon
16 University System as described in ORS 352.002.

17 (b) "Nonprofit organization" means an organization described in section 501(c)(3) of the Internal
18 Revenue Code that is exempt from income tax under section 501(a) of the Internal Revenue Code.

19 (2) The Chancellor of the Oregon University System or a designee of the chancellor may approve
20 a written request made by a [*state institution of higher education listed in ORS 352.002, or by another*
21 *program*] **public university or office, department** or activity under the jurisdiction of the State
22 Board of Higher Education, in which an employee of the [*institution*] **public university** or [*another*
23 *program*] **office, department** or activity may designate an amount from the salary or wages of the
24 employee for payment to a qualifying nonprofit organization. A request made to the chancellor under
25 this section must identify the nonprofit organization to whom payments would be made.

26 (3) Upon written approval of the chancellor or of a designee of the chancellor and a written
27 request of an employee of the [*institution, program*] **public university or office, department** or
28 activity to which the approval applies, the state official within the Oregon University System au-
29 thorized to disburse funds in payment of salaries or wages shall deduct from the salary or wages
30 of the employee the amount of money designated by the employee for payment to the nonprofit or-
31 ganization.

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

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

37 **SECTION 101.** ORS 310.155 is amended to read:

38 310.155. (1) For purposes of ORS 310.150, taxes are levied or imposed to fund the public school
39 system if the taxes will be used exclusively for educational services, including support services,
40 provided by any unit of government, at any level from prekindergarten through post-graduate
41 training.

42 (2) Taxes on property levied or imposed by a unit of government whose principal function is to
43 provide educational services shall be considered to be dedicated to fund the public school system
44 unless the sole purpose of a particular, voter approved levy is for other than educational services
45 or support services as defined in this section.

1 (3) Taxes on property levied or imposed by a unit of government whose principal function is to
2 perform government operations other than educational services shall be considered to be dedicated
3 to fund the public school system only if the sole purpose of a particular, voter approved levy is for
4 educational services or support services as defined in this section.

5 (4) As used in this section, “educational services” includes:

6 (a) Establishment and maintenance of preschools, kindergartens, elementary schools, high
7 schools, community colleges and [*institutions of higher education*] **the public universities listed in**
8 **ORS 352.002.**

9 (b) Establishment and maintenance of career schools, adult education programs, evening school
10 programs and schools or facilities for persons with physical, mental or emotional disabilities.

11 (5) As used in this section, “support services” includes clerical, administrative, professional and
12 managerial services, property maintenance, transportation, counseling, training and other services
13 customarily performed in connection with the delivery of educational services.

14 (6) “Educational services” does not include community recreation programs, civic activities,
15 public libraries, programs for custody or care of children or community welfare activities if those
16 programs or activities are provided to the general public and not for the benefit of students or other
17 participants in the programs and activities described in subsection (4) of this section.

18 **SECTION 102.** ORS 315.237 is amended to read:

19 315.237. (1) As used in this section, “qualified scholarship” means a scholarship that meets the
20 criteria set forth or incorporated into the letter of employee and dependent scholarship program
21 certification issued by the [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
22 **Commission** under ORS 348.618.

23 (2) A credit against the taxes otherwise due under ORS chapter 316 is allowed to a resident
24 employer (or, if the taxpayer is a corporation that is an employer, under ORS chapter 317 or 318)
25 that has received:

26 (a) Program certification from the [*Oregon Student Assistance*] commission under ORS 348.618;
27 and

28 (b) Tax credit certification under ORS 348.621 for the calendar year in which the tax year of the
29 taxpayer begins.

30 (3) The amount of the credit allowed to a taxpayer under this section shall equal 50 percent of
31 the amount of qualified scholarship funds actually paid to or on behalf of qualified scholarship re-
32 cipients during the tax year.

33 (4) The credit allowed under this section may not exceed the tax liability of the taxpayer for the
34 tax year.

35 (5) The credit allowed to a taxpayer for a tax year under this section may not exceed \$50,000.

36 (6) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
37 particular year may be carried forward and offset against the taxpayer’s tax liability for the next
38 succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried
39 forward and used in the second succeeding tax year, and likewise any credit not used in that second
40 succeeding tax year may be carried forward and used in the third succeeding tax year, and any
41 credit not used in that third succeeding tax year may be carried forward and used in the fourth
42 succeeding tax year, and any credit not used in that fourth succeeding tax year may be carried
43 forward and used in the fifth succeeding tax year, but may not be carried forward for any tax year
44 thereafter.

45 (7) In the case of a credit allowed under this section for purposes of ORS chapter 316:

1 (a) A nonresident shall be allowed the credit under this section in the proportion provided in
2 ORS 316.117.

3 (b) If a change in the status of a taxpayer from resident to nonresident or from nonresident to
4 resident occurs, the credit allowed by this section shall be determined in a manner consistent with
5 ORS 316.117.

6 (c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the
7 Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit al-
8 lowed under this section shall be prorated or computed in a manner consistent with ORS 314.085.

9 (8) The credit shall be claimed on the form and in the time and manner in which the department
10 shall prescribe. If the taxpayer is required to do so by the department, the taxpayer shall file a copy
11 of the letter of tax credit certification issued by the commission with the taxpayer's return for the
12 tax year in which a credit under this section is claimed.

13 **SECTION 103.** ORS 326.075 is amended to read:

14 326.075. (1) The State Board of Education shall cooperate with the Education and Workforce
15 Policy Advisor in the development of a state comprehensive education plan including elementary,
16 secondary and community college education and in review of the board's programs and budget. The
17 board shall submit in timely fashion to the advisor such data as is appropriate in a form prescribed
18 by the advisor.

19 (2) The board shall cooperate with the mediation process administered by the [*Oregon Student*
20 *Assistance Commission*] **Higher Education Coordinating Commission** pursuant to ORS 348.603
21 and, if a negotiated resolution cannot be reached by mediation, comply with the decisions of the
22 [*commission*] **Higher Education Coordinating Commission** regarding proposed new post-secondary
23 programs and proposed new post-secondary locations.

24 **SECTION 104.** ORS 326.543 is amended to read:

25 326.543. (1) As used in this section:

26 (a) "Education service district" has the meaning given that term in ORS 334.003.

27 (b) "Facility" means the school operated under ORS 346.010.

28 (c) "Post-secondary institution" means:

29 (A) A community college as defined in ORS 341.005;

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

31 (C) The Oregon Health and Science University.

32 (d) "School district" has the meaning given that term in ORS 330.005.

33 (2) The interest or estate of an education service district, a facility, a post-secondary institution
34 or a school district in any real property may not be extinguished or diminished by adverse pos-
35 session.

36 **SECTION 105.** ORS 326.587 is amended to read:

37 326.587. (1) A [*state institution of higher education*] **public university listed in ORS 352.002** may
38 not disclose the Social Security number of a student who is attending the [*institution*] **public uni-**
39 **versity**.

40 (2) Subsection (1) of this section does not apply if the [*institution*] **public university** discloses
41 the Social Security number:

42 (a) At the request of a law enforcement agency or an agency providing support enforcement
43 services under ORS 25.080;

44 (b) After obtaining written permission for the disclosure from the student to whom the number
45 refers;

1 (c) In the payment of wages or benefits;

2 (d) In the payment or collection of taxes or of a debt owed by the student to whom the number
3 refers; or

4 (e) For purposes of statistical analysis.

5 **SECTION 106.** ORS 329.757 is amended to read:

6 329.757. (1) There is hereby created an Oregon Teacher Corps program within the [*Oregon Stu-*
7 *dent Assistance Commission*] **Higher Education Coordinating Commission** to encourage the entry
8 of certain qualified persons into the teaching profession through the use of forgivable student loans
9 for those who complete three years of successful teaching in a public school in this state.

10 (2) All programs in ORS 329.757 to 329.780 are subject to the availability of funds appropriated
11 therefor.

12 **SECTION 107.** ORS 329.765 is amended to read:

13 329.765. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
14 **Commission** shall administer the Oregon Teacher Corps program insofar as practicable in the same
15 manner as the loan program under ORS 348.050 is administered and make rules for the selection of
16 qualified applicants.

17 (2) Eligibility for the Oregon Teacher Corps is limited to those prospective teachers whom the
18 [*Oregon Student Assistance*] commission determines to have graduated, or currently rank, in the top
19 20 percent of their high school or college class. The commission shall assess each applicant's po-
20 tential for teaching through such means as essays written by the applicant, letters of recommen-
21 dations from teachers and others, descriptions of relevant teaching experiences, and other
22 appropriate measures. Allowance shall be given for those applicants whom the commission deter-
23 mines to be in at least one of the following categories:

24 (a) Minority individuals as defined in ORS 200.005;

25 (b) Prospective teachers in scarce endorsement areas, as defined by the Teacher Standards and
26 Practices Commission; or

27 (c) Prospective teachers who agree to teach in remote and difficult to serve school districts in
28 this state.

29 (3) Recipients of loans under ORS 329.757 to 329.780 shall be enrolled at least half-time in an
30 approved teacher education program at an Oregon institution of higher education.

31 **SECTION 108.** ORS 329.775 is amended to read:

32 329.775. (1) Upon approval of the loan application of an eligible student by the [*Oregon Student*
33 *Assistance Commission*] **Higher Education Coordinating Commission**, the commission may lend
34 an amount from the Oregon Teacher Corps Account to the student in compliance with this section.
35 The loan shall be evidenced by a written obligation but no additional security shall be required.
36 Notwithstanding any provision in this section, the commission may require cosigners on the loans.

37 (2) Loans granted under this section to eligible students by the commission shall:

38 (a) Not exceed \$2,000 in a single academic year to an undergraduate student enrolled in a
39 teacher education program leading to a basic or initial license.

40 (b) Not exceed \$4,000 in a single academic year to a graduate student enrolled in a teacher ed-
41 ucation program leading to a basic or initial license.

42 (c) Not exceed \$8,000 for all loans made to a student under this section.

43 (3) Borrowers are required to pay at least seven percent interest per annum on the unpaid bal-
44 ance from the date of the loan as provided in subsection (4) of this section.

45 (4)(a) Repayment of the principal and accruing and deferred interest on loans shall be com-

1 menced not later than 12 months after the student's completion of the teacher education program
2 or other termination of the student's education. Repayment of loans under ORS 329.765 shall be de-
3 layed for the period of time the student is teaching at least half-time in a public school in this state
4 but becomes payable under the usual terms if the student ceases teaching before completing three
5 full years. Repayment of loans shall be delayed up to three years upon application of the borrower
6 showing inability to locate suitable employment.

7 (b) Repayment shall be completed in a maximum of 120 months from the time repayment is
8 commenced. However, nothing in this section is intended to prevent repayment without penalty at
9 an earlier date than provided in this section or to prohibit the commission from extending the re-
10 payment period to a date other than permitted by this subsection.

11 (5)(a) An eligible student who receives a loan under this section, preparing to be an elementary
12 or secondary school teacher in this state, is not required to repay a loan made under this section
13 if the student completes:

14 (A) At least three years of equivalent full-time teaching in a public elementary or secondary
15 school within the five-year period following completion of the teacher education program in this
16 state; or

17 (B) At least three years of teaching under a full-time contract working at least three-fourths
18 time in classroom teaching and no more than one-fourth time not in classroom teaching duties dur-
19 ing regular school hours in a public elementary or secondary school within the five-year period
20 following completion of the teacher education program in this state, as approved by the [*Oregon*
21 *Student Assistance*] commission upon written request of the borrower.

22 (b) Repayment of remaining principal and interest shall be waived upon the death or total and
23 permanent disability of the borrower.

24 **SECTION 109.** ORS 329.780 is amended to read:

25 329.780. (1) There is established in the State Treasury separate from the General Fund an ac-
26 count to be known as the Oregon Teacher Corps Account into which shall be deposited all repay-
27 ments of loans with interest to the [*Oregon Student Assistance Commission*] **Higher Education**
28 **Coordinating Commission** pursuant to ORS 329.775. Any interest accruing to the account shall be
29 credited thereto.

30 (2) Amounts in the account established under subsection (1) of this section are continuously
31 appropriated to the [*Oregon Student Assistance*] **Higher Education Coordinating** Commission for
32 the purposes of ORS 329.757 to 329.780 and the Oregon Opportunity Grant program under ORS
33 348.260.

34 **SECTION 110.** ORS 329.822 is amended to read:

35 329.822. (1) The Oregon Educator Professional Development Commission is established within
36 the Department of Education for the purpose of providing statewide collaborative leadership for
37 prekindergarten through post-secondary education in the areas of school improvement.

38 (2) The commission consists of 16 members appointed as follows:

39 (a) The President of the Senate shall appoint one member of the Senate.

40 (b) The Speaker of the House of Representatives shall appoint one member of the House of
41 Representatives.

42 (c) The Governor shall appoint 14 members as follows:

43 (A) Two members who represent education service districts.

44 (B) One member who represents the Department of Education.

45 (C) One member who represents a community college.

1 (D) One member who represents a public [*institution of higher education*] **university listed in**
2 **ORS 352.002.**

3 (E) One member who represents a not-for-profit private institution of higher education.

4 (F) One member who represents the Teacher Standards and Practices Commission.

5 (G) One member who represents the Governor's office.

6 (H) Six members who represent public schools for kindergarten through grade 12, including:

7 (i) One superintendent of a school district.

8 (ii) Two principals of schools.

9 (iii) Two teachers licensed or certified by the Teacher Standards and Practices Commission.

10 (iv) One classified employee of a school.

11 (3) Members of the Legislative Assembly appointed to the commission are nonvoting members
12 of the commission and may act in an advisory capacity only.

13 (4)(a) The term of office of each member of the commission is three years, but a member serves
14 at the pleasure of the appointing authority.

15 (b) Before the expiration of the term of a member, the appointing authority shall appoint a
16 successor.

17 (c) A member is eligible for reappointment.

18 (d) If there is a vacancy for any cause, the appointing authority shall make an appointment to
19 become immediately effective for the unexpired term.

20 (5) Members of the commission who are members of the Legislative Assembly are entitled to
21 mileage expenses and a per diem as provided by ORS 171.072. Other members of the commission are
22 not entitled to compensation but a member may be reimbursed for actual and necessary travel and
23 other expenses incurred by the member in the performance of the member's official duties in the
24 manner and amount provided in ORS 292.495.

25 (6) The commission shall select from among its members a chairperson, vice chairperson and
26 secretary, for such terms and with such duties and powers necessary for the performance of the
27 functions of the offices.

28 (7) A majority of the voting members of the commission constitutes a quorum for the transaction
29 of business.

30 (8) Official action by the commission requires the approval of a majority of the voting members
31 of the commission.

32 (9) The commission shall meet at least once each calendar quarter at a place, day and hour
33 determined by the commission. The commission may also meet at other times and places specified
34 by the call of the chairperson.

35 (10) The Department of Education may accept, on behalf of the commission, contributions of
36 moneys and assistance from the United States Government or its agencies or from any other source,
37 public or private, and agree to conditions placed on the moneys not inconsistent with the duties of
38 the commission.

39 (11) All moneys received by the department under subsection (10) of this section shall be paid
40 into the Department of Education Account established in ORS 326.115 to the credit of the commis-
41 sion. The moneys are continuously appropriated to the commission for the purposes of carrying out
42 the duties of the commission.

43 (12) The Department of Education shall solicit and award a public contract for services provided
44 by the commission, including the maintenance of the public website and the provision of assistance
45 to local school districts. A contract may be procured only as provided by ORS 279B.060 and may

1 not be procured as a sole-source procurement under ORS 279B.075, an emergency procurement under
2 ORS 279B.080 or a special procurement under ORS 279B.085.

3 **SECTION 111.** ORS 329.840 is amended to read:

4 329.840. (1) There is created the Oregon Virtual School District within the Department of Edu-
5 cation. The purpose of the Oregon Virtual School District is to provide online courses to
6 kindergarten through grade 12 public school students.

7 (2) The Oregon Virtual School District shall provide online courses that meet academic content
8 standards as defined in ORS 329.007 and meet other criteria adopted by the State Board of Educa-
9 tion. Any person who teaches an online course must be properly licensed or registered as required
10 by ORS 338.135 and 342.173 for a person employed by a school district or public charter school. All
11 school districts and public charter schools may allow students to access the online courses offered
12 by the Oregon Virtual School District.

13 (3) The Superintendent of Public Instruction may contract with education service districts,
14 school districts, public charter schools, community colleges, [*state institutions of higher education*]
15 **public universities listed in ORS 352.002** or any other public entity to provide online courses
16 through the Oregon Virtual School District.

17 (4) Statutes and rules that apply to other school districts do not apply to the Oregon Virtual
18 School District except as provided under this section or by rule of the State Board of Education.
19 The Oregon Virtual School District is not considered a school district for purposes of apportionment
20 of the State School Fund and the department may not receive a direct apportionment under ORS
21 327.008 from the State School Fund for the Oregon Virtual School District.

22 (5) The board may adopt the rules necessary for the administration of the Oregon Virtual School
23 District and shall adopt rules to establish:

24 (a) The procedure and criteria to be used for the selection of online courses to be offered
25 through the Oregon Virtual School District;

26 (b) The qualifications of students who may access online courses through the Oregon Virtual
27 School District;

28 (c) The number of credits for which students may access online courses through the Oregon
29 Virtual School District; and

30 (d) The student-to-teacher ratio for online courses offered through the Oregon Virtual School
31 District.

32 **SECTION 112.** ORS 332.114 is amended to read:

33 332.114. (1) A person who meets the requirements under subsection (3) of this section may re-
34 quest a school district to issue the person a high school diploma if the person resides within the
35 boundaries of the school district or is a resident of this state and attended a high school of the
36 school district.

37 (2) A representative of a deceased person who meets the requirements under subsection (3) of
38 this section may request a school district to issue a high school diploma on behalf of the deceased
39 person if the deceased person resided within the boundaries of the school district at the time of
40 death or was a resident of this state at the time of death and attended a high school of the school
41 district.

42 (3) Notwithstanding the requirements for a high school diploma established under ORS 329.451
43 and by the State Board of Education and school districts, a school district that receives a request
44 under subsection (1) or (2) of this section shall issue a high school diploma to a person if the person:

45 (a) Attended a high school before serving in the Armed Forces of the United States;

1 (b) Did not graduate from a high school because the person was serving in the Armed Forces
2 of the United States;

3 (c) Was discharged or released under honorable conditions from the Armed Forces of the United
4 States;

5 (d) Served in the Armed Forces of the United States as described in subsection (4) of this sec-
6 tion; and

7 (e)(A) Has received a General Educational Development (GED) certificate;

8 (B) Has received a post-secondary degree from a community college, [*state institution of higher*
9 *education*] **public university listed in ORS 352.002** or other generally accredited institution of
10 higher education; or

11 (C) Has received a minimum score on the Armed Services Vocational Aptitude Battery (ASVAB),
12 as established by the Oregon Military Department.

13 (4) The provisions of subsection (3) of this section apply to a person who:

14 (a) Served in the Armed Forces of the United States at any time during:

15 (A) World War I;

16 (B) World War II;

17 (C) The Korean Conflict; or

18 (D) The Vietnam War;

19 (b) Served in the Armed Forces of the United States and was physically present in:

20 (A) Operation Urgent Fury (Grenada);

21 (B) Operation Just Cause (Panama);

22 (C) Operation Desert Shield/Desert Storm (the Persian Gulf War);

23 (D) Operation Restore Hope (Somalia);

24 (E) Operation Enduring Freedom (Afghanistan); or

25 (F) Operation Iraqi Freedom (Iraq); or

26 (c) Served in the Armed Forces of the United States in an area designated as a combat zone by
27 the President of the United States.

28 **SECTION 113.** ORS 332.155 is amended to read:

29 332.155. A district school board:

30 (1) May furnish, equip, repair, lease, purchase and build schoolhouses, including high schools,
31 junior high schools, career and technical education schools, gymnasiums, houses for teachers and
32 other employees, and like buildings; and locate, buy and lease lands for all school purposes. Leases
33 authorized by this section include lease-purchase agreements whereunder the district may acquire
34 ownership of the leased property at a nominal price. Such leases and lease-purchase agreements may
35 be for a term of up to 30 years.

36 (2) May contract for the removal or containment of asbestos substances in school buildings and
37 for repairs made necessary by such removal or containment. Contracts authorized by this section
38 may be for a term exceeding one year.

39 (3) May construct or cooperate in the construction of schools for training of student teachers
40 on state or district owned lands, for any [*state institution of higher education*] **public university**
41 **listed in ORS 352.002 that is** in or contiguous to the district, and to expend district funds in so
42 doing.

43 (4) May acquire personal property by a lease-purchase agreement or contract of purchase for a
44 term exceeding one year. A lease-purchase agreement is one in which the rent payable by the dis-
45 trict is expressly agreed to have been established to reflect the savings resulting from the exemption

1 from taxation, and the district is entitled to ownership of the property at a nominal or other price
2 that is stated or determinable by the terms of the agreement and was not intended to reflect the true
3 value of the property.

4 (5) May lease, sell and convey all property of the district as may not in the judgment of the
5 district school board be required for school purposes.

6 (6) May sell property of the district in transactions whereby the district has the right to lease,
7 occupy or reacquire the property following the sale or have facilities constructed thereon or fur-
8 nished to the specifications of the district. The construction or furnishing of such facilities shall be
9 subject to:

10 (a) ORS chapter 279A, except ORS 279A.125 and 279A.250 to 279A.290;

11 (b) ORS chapter 279B, except ORS 279B.235, 279B.240, 279B.270, 279B.275 and 279B.280; and

12 (c) ORS chapter 279C.005, 279C.100 to 279C.125 and 279C.300 to 279C.470.

13 (7) Shall furnish the schools with supplies, equipment, apparatus and services essential to
14 meeting the requirements of a standard school and may furnish such other supplies, equipment, ap-
15 paratus and services as the board considers advisable.

16 (8) May construct, purchase or lease in cooperation with other school districts or community
17 college districts facilities for secondary career and technical education programs for pupils of more
18 than one district and may furnish or cooperate in furnishing supplies and equipment for such facil-
19 ities, to be financed in the same manner as other school buildings and supplies are financed.

20 (9) May purchase real property upon a contractual basis when the period of time allowed for
21 payment under the contract does not exceed 30 years.

22 (10) May purchase relocatable classrooms and other relocatable structures in installment
23 transactions in which deferred installments of the purchase price are payable over not more than
24 10 years from the date such property is delivered to the district for occupancy and are secured by
25 a security interest in such property. Such transactions may take the form of, but are not limited to,
26 lease-purchase agreements.

27 (11) May enter into rental or lease-purchase agreements covering motor vehicles operated by the
28 district.

29 **SECTION 114.** ORS 336.057 is amended to read:

30 336.057. In all public schools courses of instruction shall be given in the Constitution of the
31 United States and in the history of the United States. These courses shall:

32 (1) Begin not later than the opening of the eighth grade and shall continue in grades 9 through
33 12.

34 (2) Be required in all [*state institutions of higher education*] **public universities listed in ORS**
35 **352.002**, except the Oregon Health and Science University, and in all state and local institutions that
36 provide education for patients or inmates to an extent to be determined by the Superintendent of
37 Public Instruction.

38 **SECTION 115.** ORS 337.500 is amended to read:

39 337.500. As used in ORS 337.500 to 337.506:

40 (1) "Adopter" means any faculty member or academic department or other adopting entity at a
41 higher education institution responsible for considering and choosing course materials to be utilized
42 in connection with accredited courses taught at the institution.

43 (2) "Higher education institution" means:

44 (a) A community college, as defined in ORS 341.005;

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

1 (c) The Oregon Health and Science University;

2 (d) A private institution of higher education located in Oregon; and

3 (e) A bookstore that serves as the primary bookstore for an entity listed in paragraphs (a) to (d)
4 of this subsection.

5 (3) "Special edition" means a bound book that does not constitute a traditional textbook and
6 that may or may not be used for instructional purposes.

7 (4)(a) "Textbook bundle" means a textbook packaged together with other supplemental course
8 materials, including but not limited to workbooks, study guides, online technologies, online course
9 resources, CD-ROMs or other books, to be sold as course material for one price.

10 (b) "Textbook bundle" does not include a textbook that is unusable without the supplemental
11 course materials, materials that cannot be sold separately due to third-party contractual agreements,
12 custom editions or special editions.

13 **SECTION 116.** ORS 337.511 is amended to read:

14 337.511. As used in ORS 337.511 to 337.524:

15 (1) "Alternative format" means any medium or format for the presentation of instructional ma-
16 terials other than standard print that is needed by a post-secondary student with a print disability
17 for a reading accommodation, including but not limited to Braille, large print texts, audio re-
18 cordings, digital texts and digital talking books.

19 (2) "Electronic format" means a medium or format containing digital text.

20 (3) "Instructional material" means a textbook or other material if:

21 (a) The textbook or other material, including additional prints or new editions of previously
22 published instructional material, is published on or after January 1, 2004, and is published primarily
23 for use by students in a course of study in which a post-secondary student with a print disability is
24 enrolled;

25 (b) The textbook or other material is required for a student's success in the course, as deter-
26 mined by the course instructor in consultation with the representative making the request for an
27 electronic format under ORS 337.517 (2);

28 (c) The textbook or other material is required for the course as stated in the course syllabus
29 or other curriculum documents, or the use of the materials by the student is necessary for the
30 completion of course assignments that are used to evaluate the student, such as to determine the
31 student's proficiency level or assign a grade; and

32 (d) Software is commercially available to permit the conversion of an electronic file of the
33 textbook or other material into a format that is compatible with assistive technologies such as
34 speech synthesis software or Braille translation software.

35 (4) "Post-secondary education institution" means:

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

37 (b) A community college operated under ORS chapter 341;

38 (c) The Oregon Health and Science University; or

39 (d) An Oregon-based, generally accredited institution of higher education.

40 (5) "Print disability" means a disability that prevents a student from effectively utilizing print
41 material and may include blindness, other serious visual impairments, specific learning disabilities
42 or the inability to hold a book.

43 (6) "Printed instructional material" means instructional material in book or other printed form.

44 (7) "Publisher" means any person that publishes or manufactures instructional material used by
45 students attending a post-secondary education institution.

1 (8) “Structural integrity” means the inclusion of all of the information provided in printed in-
2 structural material, including but not limited to the text of the material sidebars, the tables of
3 contents, the chapter headings and subheadings, the footnotes, the page numbers, the indexes and
4 the glossaries.

5 (9) “Working day” means a day that is not a Saturday, Sunday or legal holiday.

6 **SECTION 117.** ORS 338.115, as amended by section 2, chapter 53, Oregon Laws 2010, is
7 amended to read:

8 338.115. (1) Statutes and rules that apply to school district boards, school districts or other
9 public schools do not apply to public charter schools. However, the following laws do apply to public
10 charter schools:

11 (a) Federal law;

12 (b) ORS 192.410 to 192.505 (public records law);

13 (c) ORS 192.610 to 192.690 (public meetings law);

14 (d) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);

15 (e) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);

16 (f) ORS 337.150 (textbooks);

17 (g) ORS 339.141, 339.147 and 339.155 (tuition and fees);

18 (h) ORS 659.850, 659.855 and 659.860 (discrimination);

19 (i) ORS 30.260 to 30.300 (tort claims);

20 (j) Health and safety statutes and rules;

21 (k) Any statute or rule that is listed in the charter;

22 (L) The statewide assessment system developed by the Department of Education for mathemat-
23 ics, science and English under ORS 329.485 (2);

24 (m) ORS 329.045 (academic content standards and instruction);

25 (n) Any statute or rule that establishes requirements for instructional time provided by a school
26 during each day or during a year;

27 (o) ORS 339.250 (12) (prohibition on infliction of corporal punishment);

28 (p) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of child abuse and training on pre-
29 vention and identification of child abuse);

30 (q) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-
31 tificate);

32 (r) ORS chapter 657 (Employment Department Law);

33 (s) ORS 339.326;

34 (t) Section 1, chapter 53, Oregon Laws 2010 (consideration for educational services); and

35 (u) This chapter.

36 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules
37 that apply to school district boards, school districts and other public schools may apply to a public
38 charter school.

39 (3) If a statute or rule applies to a public charter school, then the terms “school district” and
40 “public school” include public charter school as those terms are used in that statute or rule.

41 (4) A public charter school may not violate the Establishment Clause of the First Amendment
42 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion
43 based.

44 (5) A public charter school shall maintain an active enrollment of at least 25 students.

45 (6) A public charter school may sue or be sued as a separate legal entity.

1 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities
2 and employees of a sponsor acting in their official capacities are immune from civil liability with
3 respect to all activities related to a public charter school within the scope of their duties or em-
4 ployment.

5 (8) A public charter school may enter into contracts and may lease facilities and services from
6 a school district, education service district, [*state institution of higher education*] **public university**
7 **listed in ORS 352.002**, other governmental unit or any person or legal entity.

8 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-
9 ability.

10 (10) A public charter school may receive and accept gifts, grants and donations from any source
11 for expenditure to carry out the lawful functions of the school.

12 (11) The school district in which the public charter school is located shall offer a high school
13 diploma, a modified diploma, an extended diploma or an alternative certificate to any public charter
14 school student who meets the district's and state's standards for a high school diploma, a modified
15 diploma, an extended diploma or an alternative certificate.

16 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate
17 issued by a public charter school grants to the holder the same rights and privileges as a high
18 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a
19 nonchartered public school.

20 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the
21 sponsor as specified in the charter.

22 (14) A public charter school may receive services from an education service district in the same
23 manner as a nonchartered public school in the school district in which the public charter school is
24 located.

25 **SECTION 118.** ORS 338.115, as amended by section 7, chapter 839, Oregon Laws 2007, section
26 12, chapter 50, Oregon Laws 2008, section 4, chapter 618, Oregon Laws 2009, and section 3, chapter
27 53, Oregon Laws 2010, is amended to read:

28 338.115. (1) Statutes and rules that apply to school district boards, school districts or other
29 public schools do not apply to public charter schools. However, the following laws do apply to public
30 charter schools:

31 (a) Federal law;

32 (b) ORS 192.410 to 192.505 (public records law);

33 (c) ORS 192.610 to 192.690 (public meetings law);

34 (d) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);

35 (e) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);

36 (f) ORS 337.150 (textbooks);

37 (g) ORS 339.141, 339.147 and 339.155 (tuition and fees);

38 (h) ORS 659.850, 659.855 and 659.860 (discrimination);

39 (i) ORS 30.260 to 30.300 (tort claims);

40 (j) Health and safety statutes and rules;

41 (k) Any statute or rule that is listed in the charter;

42 (L) The statewide assessment system developed by the Department of Education for mathemat-
43 ics, science and English under ORS 329.485 (2);

44 (m) ORS 329.045 (academic content standards and instruction);

45 (n) ORS 329.496 (physical education);

1 (o) Any statute or rule that establishes requirements for instructional time provided by a school
2 during each day or during a year;

3 (p) ORS 339.250 (12) (prohibition on infliction of corporal punishment);

4 (q) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of child abuse and training on pre-
5 vention and identification of child abuse);

6 (r) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-
7 tificate);

8 (s) ORS chapter 657 (Employment Department Law);

9 (t) ORS 339.326;

10 (u) Section 1, chapter 53, Oregon Laws 2010 (consideration for educational services); and

11 (v) This chapter.

12 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules
13 that apply to school district boards, school districts and other public schools may apply to a public
14 charter school.

15 (3) If a statute or rule applies to a public charter school, then the terms “school district” and
16 “public school” include public charter school as those terms are used in that statute or rule.

17 (4) A public charter school may not violate the Establishment Clause of the First Amendment
18 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion
19 based.

20 (5) A public charter school shall maintain an active enrollment of at least 25 students.

21 (6) A public charter school may sue or be sued as a separate legal entity.

22 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities
23 and employees of a sponsor acting in their official capacities are immune from civil liability with
24 respect to all activities related to a public charter school within the scope of their duties or em-
25 ployment.

26 (8) A public charter school may enter into contracts and may lease facilities and services from
27 a school district, education service district, [*state institution of higher education*] **public university**
28 **listed in ORS 352.002**, other governmental unit or any person or legal entity.

29 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-
30 ability.

31 (10) A public charter school may receive and accept gifts, grants and donations from any source
32 for expenditure to carry out the lawful functions of the school.

33 (11) The school district in which the public charter school is located shall offer a high school
34 diploma, a modified diploma, an extended diploma or an alternative certificate to any public charter
35 school student who meets the district’s and state’s standards for a high school diploma, a modified
36 diploma, an extended diploma or an alternative certificate.

37 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate
38 issued by a public charter school grants to the holder the same rights and privileges as a high
39 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a
40 nonchartered public school.

41 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the
42 sponsor as specified in the charter.

43 (14) A public charter school may receive services from an education service district in the same
44 manner as a nonchartered public school in the school district in which the public charter school is
45 located.

1 **SECTION 119.** ORS 339.885 is amended to read:

2 339.885. (1) No secret society of any kind, including a fraternity or sorority, shall be permitted
3 in any public school.

4 (2) The district school board may order the suspension or expulsion of any pupil who belongs
5 to a secret society.

6 (3) This section does not apply to any [*institution of higher education under the jurisdiction of the*
7 *State Board of Higher Education*] **public university listed in ORS 352.002.**

8 **SECTION 120.** ORS 340.005 is amended to read:

9 340.005. For purposes of this chapter:

10 (1) “Accelerated college credit program” has the meaning given that term by rules adopted by
11 the State Board of Education.

12 (2) “At-risk student” means:

13 (a) A student who qualifies for a free or reduced lunch program; or

14 (b) An at-risk student as defined by rules adopted by the board if the board has adopted rules
15 to define an at-risk student.

16 (3) “Duplicate course” means a course with a scope that is identical to the scope of another
17 course.

18 (4)(a) “Eligible post-secondary course” means any nonsectarian course or program offered
19 through an eligible post-secondary institution if the course or program may lead to high school
20 completion, a certificate, professional certification, associate degree or baccalaureate degree.

21 (b) “Eligible post-secondary course” does not include a duplicate course offered at the student’s
22 resident school.

23 (c) “Eligible post-secondary course” includes:

24 (A) Academic courses;

25 (B) Career and technical education courses; and

26 (C) Distance education courses.

27 (5) “Eligible post-secondary institution” means:

28 (a) A community college;

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

30 (c) The Oregon Health and Science University.

31 (6)(a) “Eligible student” means a student who is enrolled in an Oregon public school and who:

32 (A) Is 16 years of age or older at the time of enrollment in a course under the Expanded Options
33 Program;

34 (B)(i) Is in grade 11 or 12 at the time of enrollment in a course under the Expanded Options
35 Program; or

36 (ii) Is not in grade 11 or 12, because the student has not completed the required number of
37 credits, but who has been allowed by the school district to participate in the program;

38 (C) Has developed an educational learning plan as described in ORS 340.025; and

39 (D) Has not successfully completed the requirements for a high school diploma as established
40 by ORS 329.451, the State Board of Education and the school district board.

41 (b) “Eligible student” does not include a foreign exchange student enrolled in a school under a
42 cultural exchange program.

43 (7) “Expanded Options Program” means the program created under this chapter.

44 (8) “Scope” means depth and breadth of course content as evidenced through a planned course
45 statement including content outline, applicable state content standards where appropriate, course

1 goals and student outcomes.

2 **SECTION 121.** ORS 340.085 is amended to read:

3 340.085. The Department of Education shall annually report on the Expanded Options Program
4 to the [*Joint Boards of Education*] **Higher Education Coordinating Commission** and the House and
5 Senate committees relating to education. The report shall include:

6 (1) The types of accelerated college credit programs offered.

7 (2) The number of waivers of requirements granted under the Expanded Options Program and
8 the reasons for issuance of the waivers.

9 (3) The number of college and high school credits earned under the Expanded Options Program.

10 (4) The estimated college tuition cost savings for students participating in the Expanded Options
11 Program.

12 (5) The number of students who had dropped out of high school but returned to high school to
13 participate in the Expanded Options Program and earned a diploma.

14 (6) The number of students who participated in the Expanded Options Program, categorized by
15 ethnicity and financial status.

16 (7) The number of talented and gifted students who participated in the Expanded Options Pro-
17 gram.

18 (8) The level of participation in the Expanded Options Program by rural communities, and the
19 number of students living in rural communities who participated in the program.

20 (9) Recommendations for changes to the Expanded Options Program to better serve students,
21 including changes to the age limit restrictions for eligible students.

22 (10) Recommendations for funding changes to better serve students who wish to participate in
23 the Expanded Options Program.

24 (11) The number of appeals of students under ORS 340.030 to the Superintendent of Public In-
25 struction or the superintendent's designee and the disposition of the students' appeals.

26 (12) The number of small school districts with more eligible students who wish to participate in
27 the program than are allowed under the credit hour caps established in ORS 340.080.

28 **SECTION 122.** ORS 341.009 is amended to read:

29 341.009. The Legislative Assembly finds that:

30 (1) The community college is an educational institution that is intended to fill the institutional
31 gap in education by offering broad, comprehensive programs in academic subjects and in career and
32 technical education subjects. It is primarily designed to provide associate or certificate degree pro-
33 grams for some, serve a transitional purpose for others who will continue baccalaureate or other
34 college work, provide the ability to enter the workforce immediately and serve to determine future
35 educational needs for other students. It can provide means for continuation of academic education,
36 career and technical education or the attainment of entirely new skills as demands for old skills and
37 old occupations are supplanted by new technologies. It may also provide the means to coordinate
38 courses and programs with high schools to accommodate successful transition to college degree
39 programs.

40 (2) Each community college should be so located as to be within commuting time of a substantial
41 majority of its students. As an economical method of providing education close to the student's
42 home, the community college should remain a commuting institution.

43 (3) The community college should establish its organizational patterns to maintain a unique
44 quality of flexibility and the ability to change to meet changing needs.

45 (4) The community college is a post-high-school institution under the general supervision of the

1 State Board of Education. It should not be a “starter” institution intended to evolve into a four-year
2 baccalaureate institution. It should be concerned with programs terminating before reaching the
3 baccalaureate degree.

4 (5) The community college should continue to be prohibited by law from becoming a
5 baccalaureate degree granting institution.

6 (6) Admission to the community college should be open to high school graduates or to [*non-high*
7 *school graduates*] **persons who have not graduated from high school** who can profit from the in-
8 struction offered.

9 (7) There should be close cooperation between those directing the community college program
10 and those responsible for higher education, so that lower-division college transfer programs of the
11 community college will provide adequate preparation for entering baccalaureate degree granting
12 programs, and so that students will be able to transfer with a minimum of difficulty.

13 (8) The community college should offer as comprehensive a program as the needs and resources
14 of the area that it serves dictate. Cost to student and quality of instruction in established private
15 institutions should be among the factors in determining necessary duplication of effort.

16 (9) It should be the policy of the community college to open its facilities and make available its
17 resources to the high schools of its area on a sound contractual basis, for appropriate secondary
18 or transitional courses, either academic or as part of career and technical education, when it is
19 within its ability to provide facilities and it is determined that the high school cannot or does not
20 offer them.

21 (10) Programs designed to meet the needs of the area served should be based on the actual ed-
22 ucational and service needs of the district. Specific career and technical education courses should
23 be related not only to the employment opportunities of the area but of the state and nation as well.
24 Such determination should be made in consultation with representatives of labor, business, industry,
25 agriculture and other interested groups.

26 (11) The State Board of Education should be responsible for coordinating the community college
27 program of the state and should have general supervisory responsibilities for that program. **With**
28 **the advice of the Higher Education Coordinating Commission**, the State Board of Education
29 should prepare estimates and make the requests for legislative appropriations for a reasonable and
30 consistent basis of support and establish standards for the distribution of that support.

31 (12) The initiative for the establishment of new community colleges should come from the lo-
32 calities to be served, as a response to demonstrated educational needs of an area. However, these
33 localities must not only be willing to assume the responsibility for the institutions but must be able
34 to provide resources needed for an adequate educational and service program.

35 (13) The governing board of the community college should be charged with the policy-making
36 function. With respect to educational programming, the governing board should in cooperation with
37 the State Board of Education:

38 (a) Identify educational needs of the district; and

39 (b) Bring together the resources necessary to meet the needs.

40 (14) The state should maintain a policy of substantial state participation in community college
41 building costs and the maintenance of an adequate level of state support for operation. However,
42 no state funds should be appropriated for buildings such as dormitories or athletic facilities for
43 spectator sports. The district should provide a substantial portion of the funds for capital improve-
44 ment as well as for operation of a community college.

45 (15) State appropriations for community colleges shall be made separately from those for other

1 segments of education.

2 (16) The formula for the distribution of funds for operating costs should reflect the heavier op-
3 erating costs and capital outlay for certain career and technical education courses. Federal funds
4 received for career and technical education, adult basic education, workforce development or other
5 federal initiatives should be used for those purposes only and be distributed separately from funds
6 appropriated by the state and should be exempted from the computations of the present distribution
7 formula for operating costs.

8 (17) The cost of education to the individual should be sufficiently low to permit students of
9 low-income families to attend. This is particularly true of tuition costs. However, students should
10 pay an amount sufficient to provide an incentive to profit from the instructional program offered.

11 (18) Any eligible Oregon resident should have the right to attend a community college even
12 though not residing in a district operating one, subject to the right of the governing board to limit
13 the size of classes and to give preference to students residing in the district. Local school districts
14 and education service districts should have the authority to negotiate the terms and conditions with
15 the governing boards for the enrollment of students residing in such areas.

16 **SECTION 123.** ORS 341.527 is amended to read:

17 341.527. (1) Community colleges in Oregon shall admit students from other states at the same
18 tuition rate assessed against Oregon residents who are residents of the community college district
19 if:

20 (a) The state in which the student resides agrees to pay and pays its per capita state aid for
21 comparable students in the state to the community college;

22 (b) The state in which the students reside agrees to permit and permits one-for-one full-time
23 enrollment exchange arrangements that allow an equal number of Oregon residents to be admitted
24 to community colleges or comparable institutions in the state at the same tuition rate assessed
25 against residents of the state and community colleges or comparable institutions in the state in
26 which the students reside agree to admit and admit approved Oregon residents without assessing
27 nonresident tuition; or

28 (c) The board of the community college determines out-of-state residents are essential to pro-
29 viding the critical mass to offer programs that would otherwise be unavailable to Oregon residents.

30 (2) The Department of Community Colleges and Workforce Development shall enter into agree-
31 ments with such other states as are willing to agree to the provisions of this section to establish
32 reimbursement procedures or one-for-one exchange procedures.

33 (3) In cases described in subsection (1)(a) of this section, the Department of Community Colleges
34 and Workforce Development shall pay from funds available therefor to the state that agrees to pay
35 and does pay its per capita state aid to eligible Oregon community colleges to the credit of the
36 community college or comparable institution educating the Oregon resident an amount equal to the
37 amount that would be available under ORS 341.626 if the Oregon resident were enrolled in a com-
38 munity college in this state. From these same funds, the Department of Community Colleges and
39 Workforce Development shall pay to the Oregon community colleges admitting approved one-for-one
40 exchange students as provided by subsection (1)(b) of this section, from other states, an amount
41 equal to the amount that would be available under ORS 341.626 as if the enrolled one-for-one stu-
42 dents were Oregon residents. The Department of Community Colleges and Workforce Development
43 shall not reimburse Oregon community colleges who admit students from other states under sub-
44 section (1)(c) of this section.

45 (4) If a state that has entered into the agreement to pay the per capita state aid to eligible

1 Oregon community colleges as described in subsections (1) and (2) of this section does not make any
 2 payment agreed to, the agreement terminates after the affected community college notifies the [*State*
 3 *Board of Education*] **Higher Education Coordinating Commission** of the lack of payment. The
 4 termination is effective 30 days after the state board notifies the appropriate agency of the other
 5 state that the agreement is terminated if no payment is received by the end of the academic period
 6 for which tuition is assessed and no payment is received at that time. The agreement may be rein-
 7 stated by mutual consent of the parties.

8 (5) The [*State Board of Education*] **Higher Education Coordinating Commission** shall adopt
 9 rules governing attendance in community colleges or comparable institutions in other states for
 10 purposes of the reimbursement authorized under subsections (1) and (2) of this section to assure that
 11 Oregon residents shall not be the object of such reimbursement if they can obtain the same educa-
 12 tion within the state without undue hardship.

13 **SECTION 124.** ORS 341.531 is amended to read:

14 341.531. (1) A student at a community college who is a member of the military and who is or-
 15 dered to federal or state active duty for more than 30 consecutive days has the following rights:

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

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

19 (B) Receive a grade of incomplete and, upon release from active duty, complete the course in
 20 accordance with the community college's practice for completion of incomplete courses; or

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

23 (b) The right to a credit described in ORS 341.532 for all amounts paid for room, board, tuition
 24 and fees;

25 (c) If the student elects to withdraw from the community college, the right to be readmitted and
 26 reenrolled at the community college within one year after release from active duty without a re-
 27 quirement of redetermination of admission eligibility; and

28 (d) The right to continuation of scholarships and grants awarded to the student that were funded
 29 by the community college or the [*Oregon Student Assistance Commission*] **Higher Education Coor-
 30 dinating Commission** before the student was ordered to active duty.

31 (2) If the student elects to withdraw from a course under subsection (1)(a)(A) of this section, the
 32 community college may not:

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

34 (b) Give the student a failing grade or a grade of incomplete or make any other negative anno-
 35 tation on the student's record; or

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

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

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

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

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

1 (4) Boards of education of community college districts shall adopt rules for the administration
2 of this section.

3 (5) As used in this section, “member of the military” means a person who is a member of:

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

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

7 **SECTION 125.** ORS 342.144 is amended to read:

8 342.144. (1) As used in this section, “American Indian tribe” means an Indian tribe as that term
9 is defined in ORS 97.740.

10 (2) The Legislative Assembly declares that teaching American Indian languages is essential to
11 the proper education of American Indian children.

12 (3) The Teacher Standards and Practices Commission shall establish an American Indian lan-
13 guages teaching license.

14 (4) Each American Indian tribe may develop a written and oral test that must be successfully
15 completed by an applicant for an American Indian languages teaching license in order to determine
16 whether the applicant is qualified to teach the tribe’s native language. When developing the test, the
17 tribe shall determine:

18 (a) Which dialects will be used on the test;

19 (b) Whether the tribe will standardize the tribe’s writing system; and

20 (c) How the teaching methods will be evaluated in the classroom.

21 (5) The test shall be administered at an appropriate location that does not create hardship for
22 the tribal members administering the test.

23 (6) The commission may not require an applicant to hold a specific academic degree, to complete
24 a specific amount of education or to complete a teacher education program to receive an American
25 Indian languages teaching license.

26 (7)(a) An American Indian languages teaching license qualifies the holder to accept a teaching
27 position in a school district, public charter school, education service district, community college or
28 *[state institution of higher education]* **public university listed in ORS 352.002.**

29 (b) A holder of an American Indian languages teaching license who does not also have a
30 teaching license issued under ORS 342.125 may not teach in a school district or education service
31 district any subject other than the American Indian language the holder of the license is approved
32 to teach by the tribe.

33 (c) A holder of an American Indian languages teaching license who does not also have a
34 teaching license or registration issued under ORS 342.125 may not teach in a public charter school
35 any subject other than the American Indian language the holder of the license is approved to teach
36 by the tribe.

37 (8)(a) As used in this subsection, “technical assistance program” means a program provided to
38 an American Indian languages teacher by a licensed teacher with three or more years of teaching
39 experience. A technical assistance program may include direct classroom observation and consulta-
40 tion, assistance in instructional planning and preparation, support in implementation and delivery
41 of classroom instruction, and other assistance intended to enhance the professional performance and
42 development of the American Indian languages teacher.

43 (b) The holder of an American Indian languages teaching license who does not also have an
44 administrative license, teaching license or registration issued under ORS 342.125 and who is em-
45 ployed by a school district, public charter school or education service district shall participate in

1 a technical assistance program with a person holding a teaching license issued by the commission
 2 under ORS 342.125. The technical assistance program shall meet the guidelines specified in ORS
 3 329.815 (2) to (4).

4 (9) An American Indian languages teaching license shall be valid for three years and may be
 5 renewed upon application from the holder of the license.

6 **SECTION 126.** ORS 342.147 is amended to read:

7 342.147. (1) After considering recommendations of the State Board of Education, the Teacher
 8 Standards and Practices Commission shall establish by rule standards for approval of teacher edu-
 9 cation institutions and teacher education programs. Public teacher education institutions shall be
 10 approved for programs of more than four years' duration only if teacher education programs which
 11 are reasonably attainable in a four-year period are also available in the system of higher education
 12 and are designed to culminate in a baccalaureate degree that qualifies its graduates for entry-level
 13 teaching licenses.

14 (2) The commission shall establish rules that allow teacher education programs leading to
 15 graduate degrees to commence prior to the student's completion of baccalaureate degree require-
 16 ments and that allow the combined use of undergraduate and graduate level course work in
 17 achieving program completion.

18 (3) Whenever any teacher education institution or program is denied approved status or has
 19 such status withdrawn, such denial or withdrawal must be treated as a contested case within the
 20 meaning of ORS chapter 183.

21 (4) Nothing in this section is intended to grant any authority to the commission relating to
 22 granting [of] degrees or establishing degree requirements that are within the authority of the State
 23 Board of Higher Education or any [institutions under its jurisdiction] **of the public universities**
 24 **listed in ORS 352.002**, or that are within the authority of the governing board of any private in-
 25 stitution of higher education.

26 **SECTION 127.** ORS 342.360 is amended to read:

27 342.360. (1) The membership of the Teacher Standards and Practices Commission shall consist
 28 of:

29 (a) Four elementary teachers;

30 (b) Four junior or senior high school teachers;

31 (c) One elementary school administrator;

32 (d) One junior or senior high school administrator;

33 (e) One superintendent of city schools;

34 (f) One county superintendent or a superintendent employed by an education service district
 35 board;

36 (g) One member from the faculty of an approved private teacher education institution in Oregon;

37 (h) One member from the faculty of a [state institution of higher education] **public university**
 38 **listed in ORS 352.002;**

39 (i) One member who is also a member of a district school board; and

40 (j) Two members of the general public.

41 (2) Except for those members appointed under subsection (1)(i) and (j) of this section, members
 42 must have been actively engaged in teaching, supervising or administering in the public schools or
 43 in approved teacher education institutions in Oregon for the period of five years immediately pre-
 44 ceding appointment. Acting as an elected representative of teachers, supervisors or administrators
 45 shall be considered teaching, supervising or administering for the purposes of the five-year experi-

1 ence requirement. In addition, members appointed under subsection (1)(a) to (f) of this section must
 2 hold valid Oregon teaching or administrative licenses other than restricted teaching or administra-
 3 tive licenses.

4 (3)(a) Throughout the term for which appointed, one of the members appointed under subsection
 5 (1)(a) to (j) of this section must hold a teaching license with an endorsement in some aspect of spe-
 6 cial education or have demonstrated knowledge or experience in special education.

7 (b) As used in this subsection, “special education” means specially designed education to meet
 8 the goals of the individual education program of a child with a disability including regular classroom
 9 instruction, instruction in physical education, home instruction, related services and instruction in
 10 hospitals, institutions and special schools.

11 **SECTION 128.** ORS 342.390 is amended to read:

12 342.390. (1) The Teacher Standards and Practices Commission shall meet at least once every six
 13 months at a place, day and hour determined by the commission. The commission shall also meet at
 14 such other times and places as are specified by the call of the chairperson or of a majority of the
 15 members of the commission.

16 (2) A member of the commission who is employed at a public school or by a private teacher
 17 education institution or by a [*state institution of higher education*] **public university listed in ORS**
 18 **352.002** shall receive no compensation for services as a member; but subject to any other applicable
 19 law regulating travel and other expenses for state officers, the member shall receive actual and
 20 necessary travel and other expenses incurred in the performance of official duties as provided by
 21 ORS 292.495 (2).

22 (3) A member of the commission who serves on the commission in the capacity of a district
 23 school board member or as a member of the general public shall be entitled to compensation and
 24 expenses as provided in ORS 292.495 (1) and (2).

25 **SECTION 129.** ORS 342.443 is amended to read:

26 342.443. (1) The Education and Workforce Policy Advisor shall report biennially to the Legisla-
 27 tive Assembly longitudinal data on the number and percentage of:

28 (a) Minority students enrolled in community colleges;

29 (b) Minority students applying for admission to public [*four-year institutions of higher*
 30 *education*] **universities listed in ORS 352.002;**

31 (c) Minority students accepted in public [*four-year institutions of higher education*] **universities;**

32 (d) Minority students graduated from public [*four-year institutions of higher education*] **univer-**
 33 **sities;**

34 (e) Minority candidates seeking to enter public teacher education programs in this state;

35 (f) Minority candidates admitted to public teacher education programs;

36 (g) Minority candidates who have completed approved public teacher education programs;

37 (h) Minority candidates receiving Oregon teaching licenses based on preparation in this state
 38 and preparation in other states;

39 (i) Minority teachers who are newly employed in the public schools in this state; and

40 (j) Minority teachers already employed in the public schools.

41 (2) The advisor also shall report comparisons of minorities’ and nonminorities’ scores on basic
 42 skills, pedagogy and subject matter tests.

43 (3) The Oregon University System, the Department of Education, the Teacher Standards and
 44 Practices Commission, community colleges and school districts shall cooperate with the advisor in
 45 collecting data and preparing the report.

1 **SECTION 130.** ORS 344.259 is amended to read:

2 344.259. (1) The State Board of Education shall coordinate continuing education in lower divi-
3 sion, developmental, adult self-improvement, professional and technical education for agencies under
4 its regulatory authority. The State Board of Higher Education shall coordinate continuing education
5 in upper division and graduate education for *[institutions]* **public universities** under its jurisdiction.

6 (2) When significantly adverse impact is alleged by one or more of the agencies listed in this
7 subsection, the affected parties jointly shall provide for written agreements. These agreements shall
8 allocate responsibility for planning and providing continuing education or off-campus instruction in
9 specific areas or by specific types. The agencies are:

- 10 (a) The State Board of Education.
- 11 (b) The State Board of Higher Education.
- 12 (c) Community college districts.
- 13 (d) Independent colleges.
- 14 (e) Proprietary schools.

15 (3) In the event the affected parties fail to reach a written agreement within 120 days following
16 receipt of written notice of the allegation, either party may request the Education and Workforce
17 Policy Advisor to review and to recommend resolution.

18 (4) Nothing in this section prohibits the offering of upper division or graduate programs within
19 30 miles of the campus of the Oregon University System *[institution]* **university** offering the pro-
20 gram, or the offering of lower division programs within 30 miles of the campus offering the program
21 in areas outside a community college district. Such programs are entitled to the same college credit
22 and financial support as programs offered on the campus of the *[institution]* **university**.

23 **SECTION 131.** ORS 344.557 is amended to read:

24 344.557. (1) The Department of Human Services may refer a person for vocational training only
25 to the following schools or programs:

- 26 (a) A school that has accreditation recognized by the United States Department of Education.
- 27 (b) A school that has been approved by the *[Oregon Student Assistance Commission through the*
28 *Office of Degree Authorization]* **Higher Education Coordinating Commission** to offer and confer
29 degrees in Oregon.
- 30 (c) A community college.
- 31 (d) A *[state institution of higher education within the Oregon University System]* **public university**
32 **listed in ORS 352.002.**
- 33 (e) The Oregon Health and Science University.
- 34 (f) A career school licensed under ORS 345.010 to 345.450.
- 35 (g) An apprenticeship program that is registered with the State Apprenticeship and Training
36 Council.

37 (2) This section does not apply to vocational rehabilitation training.

38 **SECTION 132.** ORS 345.015 is amended to read:

39 345.015. ORS 345.010 to 345.450 do not apply to:

- 40 (1) Instruction or training solely avocational or recreational in nature or to institutions offering
41 such education exclusively.
- 42 (2) Instruction or training sponsored or offered by a bona fide trade, business, professional or
43 fraternal organization or by a business solely for the organization's membership or the business's
44 employees.
- 45 (3) Instruction or training sponsored, offered or contracted by organizations, institutions or

1 agencies, if the instruction or training is advertised or promoted to be in the nature of professional
2 self-improvement or personal self-improvement and the instruction or training is not:

3 (a) Advertised or promoted as leading to or fulfilling the requirements for licensing, certif-
4 ication, accreditation or education credentials; or

5 (b) Leading to an occupation, employment or other activity for which a person may reasonably
6 expect financial compensation.

7 (4) Courses offered in hospitals that meet standards prescribed by the American Medical Asso-
8 ciation or national accrediting associations for nursing.

9 (5) Courses, instruction or training offered for a limited number of hours, as defined by rule of
10 the State Board of Education.

11 (6) Schools offering only courses of an advanced training or continuing educational nature when
12 offered solely to licensed practitioners and people previously qualified or employed in the profession
13 for which a course is being offered.

14 (7) Schools that the Superintendent of Public Instruction determines are adequately regulated
15 by other means that guarantee the school meets the standards of ORS 345.325.

16 (8) Schools offering only review instruction to prepare a student to take an examination to enter
17 a profession, where the student has completed prior training related to the profession.

18 (9) Schools described in ORS 348.597 and, except as provided in ORS 345.017, schools approved
19 by the [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission** to
20 confer or offer to confer academic degrees under ORS 348.606.

21 (10) Any parochial or denominational institution providing instruction or training relating solely
22 to religion and that does not grant degrees.

23 **SECTION 133.** ORS 345.017 is amended to read:

24 345.017. When a school that is licensed under ORS 345.010 to 345.450 is approved by the [*Oregon*
25 *Student Assistance Commission through the Office of Degree Authorization*] **Higher Education Co-**
26 **ordinating Commission** to confer or offer to confer an academic degree under ORS 348.606 and the
27 school continues to offer a course or program that does not lead to an academic degree:

28 (1) The school must continue to be licensed as a career school and meet the requirements of
29 ORS 345.010 to 345.450 until:

30 (a) All courses or programs offered by the school are approved by the commission; and

31 (b) All students who were first enrolled in the school when the school was licensed as a career
32 school have:

33 (A) Completed the course or program for which the student contracted with the career school;

34 or

35 (B) Terminated enrollment in the career school for any reason.

36 (2) A student who is enrolled in a course or program for which a school must be licensed under
37 ORS 345.010 to 345.450 is eligible for moneys from the Tuition Protection Fund established under
38 ORS 345.110 if the student:

39 (a) Qualifies for moneys under rules adopted by the State Board of Education under ORS
40 345.110; and

41 (b) Was first admitted to the school when the school was licensed as a career school under ORS
42 345.010 to 345.450.

43 (3) When a course or program that did not lead to an academic degree is approved by the
44 **Higher Education Coordinating Commission** to lead to an academic degree, the regulatory au-
45 thority for that course or program transfers to the commission upon the approval.

1 **SECTION 134.** ORS 348.005 is amended to read:

2 348.005. (1) The Legislative Assembly finds that:

3 (a) The State of Oregon can achieve its full economic and social potential only if all Oregonians
4 have the opportunity to contribute to the full extent of their capabilities and only when financial
5 barriers to their educational goals are removed;

6 (b) All Oregonians who meet the appropriate admissions requirements should be able to attend
7 any community college, [*state institution of higher education*] **public university listed in ORS**
8 **352.002** or independent not-for-profit institution of post-secondary education regardless of individual
9 economic or social circumstances;

10 (c) The interests of this state are best served when public subsidies supporting college students
11 are distributed fairly, equitably and consciously to ensure maximum access and choice for all
12 Oregonians at the least cost to the taxpayers;

13 (d) Need-based student financial aid is an effective, efficient and essential means of assisting
14 Oregonians who are unable to afford the full cost of higher education;

15 (e) Student financial aid allows Oregonians with limited resources to select academic programs
16 based on their interests, aptitudes and career goals;

17 (f) Student financial aid encourages and permits capable and promising Oregonians to persist in
18 their education and training within this state; and

19 (g) By assisting Oregonians in this manner, student financial aid contributes to the quality of
20 life of each Oregonian and to the social, cultural and economic well-being of all Oregonians.

21 (2) It is the intention of the Legislative Assembly to establish financial assistance programs to
22 enable qualified Oregonians who need student aid to obtain post-secondary education in Oregon's
23 community colleges, [*state institutions of higher education*] **public universities** or independent not-
24 for-profit institutions of post-secondary education.

25 **SECTION 135.** ORS 348.040 is amended to read:

26 348.040. As used in ORS 348.040 to 348.070, unless the context requires otherwise:

27 [(1) "*Commission*" means the Oregon Student Assistance Commission.]

28 [(2)] (1) "Eligible student" means a person who is a resident of this state, as determined by the
29 [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission**, at the time
30 of application for a loan under ORS 348.040 to 348.070:

31 (a) Who is enrolled in or has applied for enrollment in a qualified school;

32 (b) Who has demonstrated a satisfactory level of achievement in the high school or other school
33 on the record of which the application for enrollment is based or in which the applicant is enrolled;
34 and

35 (c) Who can show the necessity for financial assistance in order to continue the applicant's ed-
36 ucation.

37 [(3)] (2) "Qualified school" means a school within this state which is a:

38 (a) Four-year, nonprofit, generally accredited institution of higher education;

39 (b) Accredited public or private community college or education center, or one recognized by a
40 state educational agency;

41 (c) Career school that is approved by the Superintendent of Public Instruction;

42 (d) Medical or dental program offered by the Oregon Health and Science University;

43 (e) Veterinary program offered by Oregon State University; or

44 (f) Institution which is, in the opinion of the commission, comparable to such institutions, col-
45 leges, centers or schools.

1 **(3) “Qualified school” may include an institution, college, center or school not located in**
 2 **this state if the commission certifies that the course is not available in this state.**

3 *[(4) When the commission certifies that the course is not available within this state, a qualified*
 4 *school may include an institution, college, center or school not located in this state.]*

5 **SECTION 136.** ORS 348.050 is amended to read:

6 348.050. (1) Upon approval of the loan application of an eligible student by the [*Oregon Student*
 7 *Assistance Commission*] **Higher Education Coordinating Commission**, the Department of State
 8 Lands may loan an amount from the Common School Fund to the student in compliance with ORS
 9 348.040 to 348.070. The loan shall be evidenced by a written obligation but no additional security
 10 shall be required. Notwithstanding any provision in this section, the department may require
 11 cosigners on the loans.

12 (2) Loans granted under ORS 348.040 to 348.070 to eligible students by the department shall:

13 (a) Not exceed \$1,000 in a single academic year to an undergraduate student.

14 (b) Not exceed \$4,000 in a single academic year to a graduate or professional student.

15 (c) Not exceed \$16,000 for all loans made to a student under ORS 348.040 to 348.070.

16 (3) Payment of interest shall be as follows:

17 (a) Medical and dental student borrowers at the Oregon Health and Science University and
 18 veterinary student borrowers at Oregon State University shall be assessed at least six percent in-
 19 terest per annum on the unpaid balance from the date of the note. Interest payments by these
 20 borrowers shall be deferred until they cease to be enrolled. During the interest deferment period,
 21 the [*Oregon Student Assistance*] commission shall pay the department the negotiated rate of interest
 22 on an annual basis. The borrower shall reimburse the [*Oregon Student Assistance*] commission for
 23 these interest payments as provided in subsection (4) of this section. These borrowers shall com-
 24 mence direct payment of accruing interest to the department at the time they cease to be enrolled.

25 (b) All other borrowers are required to pay at least seven percent interest per annum on the
 26 unpaid balance from the date of the loan as provided in subsection (4) of this section.

27 (c) The [*Oregon Student Assistance*] commission shall pay annually to the department a maximum
 28 of three percent per annum on the unpaid balance of all medical, dental and veterinary student
 29 borrower loans. The rate of this special payment may vary annually and will be negotiated by the
 30 [*Oregon Student Assistance*] commission and the department.

31 (d) The interest rates to be charged the borrower for the school year as stated in paragraphs
 32 (a) and (b) of this subsection shall be negotiated by the department and the [*Oregon Student Assist-*
 33 *ance*] commission.

34 (4)(a) Repayment of the principal and accruing and deferred interest on loans shall be com-
 35 menced not later than 12 months after the student’s graduation or other termination of the student’s
 36 education.

37 (b) Notwithstanding any other provision of this section, medical, dental and veterinary student
 38 borrowers who enter approved post-graduate study programs shall commence repayment of the
 39 principal and the accruing and deferred interest on loans no later than 12 months following the
 40 completion of the post-graduate study program or 60 months **from when the loan was originally**
 41 **granted**, whichever is sooner.

42 (c) Repayment shall be completed in a maximum of 120 months from the time repayment is
 43 commenced. However, nothing in this section is intended to prevent repayment without penalty at
 44 an earlier date than provided in this section or to prohibit the department, with the consent of the
 45 [*Oregon Student Assistance*] commission, from extending the repayment period to a date other than

1 permitted by this subsection.

2 (5) Notwithstanding any other provision of this section, the department may loan an amount
3 from the Common School Fund to a student under guaranteed programs authorized by the Higher
4 Education Act of 1965, as amended, commonly known as the Guaranteed Student Loan Program and
5 the Parent's Loans for Undergraduate Students Program. Neither the limitations on amounts set
6 forth in subsection (2) of this section nor the subsidies authorized by subsection (3) of this section
7 apply to such loans. ORS 327.484 does not apply to such loans.

8 **SECTION 137.** ORS 348.070 is amended to read:

9 348.070. To assist the [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
10 **Commission** and the Department of State Lands in determining the qualification of schools, the
11 Superintendent of Public Instruction shall maintain a listing of career schools offering professional
12 and technical training that meets the occupational needs of the student.

13 **SECTION 138.** ORS 348.095 is amended to read:

14 348.095. From funds available therefor, the [*Oregon Student Assistance Commission*] **Higher**
15 **Education Coordinating Commission** shall reimburse the Department of State Lands for any loss
16 resulting from default of a student loan under ORS 348.040 to 348.070. Funds appropriated under
17 ORS 348.050 to pay interest to the department on loans to medical, dental and veterinary students
18 shall also be available to reimburse the department for any loss resulting from default of a student
19 loan under ORS 348.040 to 348.070.

20 **SECTION 139.** ORS 348.115 is amended to read:

21 348.115. (1) In addition to any other financial aid provided by law, the [*Oregon Student Assist-*
22 *ance Commission*] **Higher Education Coordinating Commission**, pursuant to rule, may award loans
23 to a qualified resident of this state upon the resident's acceptance and entry into a baccalaureate
24 or associate degree nursing program at a post-secondary institution in Oregon. The loans may be
25 forgiven upon fulfillment of the requirements of subsection (4) of this section.

26 (2) The loans authorized by subsection (1) of this section:

27 (a) Shall be made based on achievement, ability, need and motivation;

28 (b) Shall be made on an annual basis subject to renewal upon satisfactory performance for the
29 duration of the nursing program; and

30 (c) Shall be made in annual amounts not to exceed 50 percent of the sum of tuition, fees and
31 room and board for each participating student.

32 (3) Priority in awarding loans shall be given to:

33 (a) A resident employed in the health care field at the time of application; and

34 (b) A resident who agrees to practice in an area where there is a critical shortage of nurses,
35 as determined annually by the Oregon State Board of Nursing in consultation with the Office of
36 Rural Health.

37 (4) The resident receiving a loan under this section must agree to practice nursing at least
38 half-time in an area described in subsection (3)(b) of this section or in an area of specialty that is
39 underserved for one calendar year for each academic year for which the loan is received. If the
40 resident does not fulfill the practice requirement within five years of graduation, the amount re-
41 ceived shall be considered a loan, repayable as provided in ORS 348.117, for each year for which the
42 practice requirement is not met.

43 **SECTION 140.** ORS 348.117, as amended by section 13, chapter 42, Oregon Laws 2010, is
44 amended to read:

45 348.117. (1) Student borrowers under ORS 348.115 shall be required to pay at least seven percent

1 interest per annum on the unpaid balance from the date of the loan as provided in subsection (5)
2 of this section.

3 (2) Repayment of the principal and accruing and deferred interest on loans shall be commenced
4 not later than 12 months after the student's completion of the nursing program or other termination
5 of the student's education.

6 (3) Repayment of loans shall be deferred upon application therefor for up to three years during
7 which:

8 (a) The student borrower is enrolled as at least a half-time student in a subsequent nursing
9 program leading to a nursing degree higher than that attained in the initial program; or

10 (b) The student borrower shows inability to locate suitable employment.

11 (4) Repayment commences under the usual terms if the student borrower ceases to be employed
12 as a nurse in this state before completing the practice requirements set forth in ORS 348.115 (4).

13 (5) Repayment shall be completed in a maximum of 120 months from the time repayment is
14 commenced. However, nothing in this subsection is intended to prevent repayment without penalty
15 at an earlier date than provided in this subsection or to prohibit the [*Oregon Student Assistance*
16 *Commission*] **Higher Education Coordinating Commission** from extending the repayment period
17 to a date other than specified by this subsection.

18 (6) A student who borrows under ORS 348.115 shall have 100 percent of principal and accrued
19 interest on loans under this section, ORS 348.115, 353.450, 442.470, 442.520 and 656.256 canceled if
20 it can be documented that, within five years of graduation:

21 (a) The student has completed one calendar year of full-time employment as a nurse in the State
22 of Oregon for each academic year in which a loan was received; or

23 (b) The student has completed two calendar years of half-time employment as a nurse in the
24 State of Oregon for each academic year in which a loan was received.

25 (7) A student who borrows under this section, ORS 348.115, 353.450, 442.470, 442.520 and 656.256
26 and completes at least one calendar year of the practice obligation described in subsection (6) of this
27 section shall have the amount of principal and accrued interest on loans under this section, ORS
28 348.115, 353.450, 442.470, 442.520 and 656.256 canceled for each calendar year of qualifying practice
29 that is:

30 (a) For full-time practice, equal to the principal and accrued interest on the loan borrowed for
31 the comparable academic year of award; or

32 (b) For half-time practice, equal to half of the principal and accrued interest on the loan bor-
33 rowed for the comparable academic year of the award.

34 (8) Repayment of any remaining principal and interest shall be waived upon the death or total
35 and permanent disability of the student borrower.

36 **SECTION 141.** 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*] **public uni-**
41 **versity listed in ORS 352.002;**

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*] **Higher Education Coordinating Commission** ; and

5 (c) Is making satisfactory academic progress as defined by rule of the commission.

6 **SECTION 142.** ORS 348.183 is amended to read:

7 348.183. The Legislative Assembly recognizes:

8 (1) That an investment in educational opportunities for all Oregonians is an investment in a
9 strong and stable economy and greater personal opportunities;

10 (2) That the single largest barrier to attending an institution of higher education is lack of fi-
11 nances;

12 (3) That keeping higher education affordable requires a shared effort and partnership by stu-
13 dents, family, the federal government, state government and private philanthropy;

14 (4) The broad and diverse range of quality post-secondary educational services provided by
15 Oregon's institutions of higher education, including Oregon's community colleges, [*state institutions*]
16 **public universities** and independent not-for-profit institutions of higher education; [*and*]

17 (5) The positive effects on Oregon's citizens, families and economy of encouraging talented and
18 hardworking students to stay in Oregon to pursue a post-secondary education[.]; **and**

19 **(6) That, in order to maintain affordable tuition at Oregon's public universities and**
20 **community colleges, the Legislative Assembly, through the Joint Committee on Ways and**
21 **Means, should review tuition affordability on the basis of standards, including the Higher**
22 **Education Price Index, median family income and state appropriations made to public uni-**
23 **versities and community colleges in this state. This review by the Legislative Assembly on**
24 **maximum tuition and fee increases should occur biennially.**

25 **SECTION 143.** ORS 348.186 is amended to read:

26 348.186. (1) In addition to any other form of student financial aid authorized by law, the [*Oregon*
27 *Student Assistance Commission*] **Higher Education Coordinating Commission** shall award, to the
28 extent funds are made available, an Oregon Achievement Grant to any qualified student who:

29 (a) Commences at least half-time study toward a degree at the eligible post-secondary institution
30 within three years of high school graduation; and

31 (b) While a resident of Oregon, has scored at or above a level **determined by the commission**
32 on a nationally recognized college admissions test [*as determined by the Oregon Student Assistance*
33 *Commission*].

34 (2) Any qualified student receiving an Oregon Achievement Grant under subsection (1) of this
35 section must use the grant for the purpose of study in an eligible program, as defined by rule of the
36 [*Oregon Student Assistance*] commission, at an eligible post-secondary institution.

37 (3) The [*Oregon Student Assistance*] commission may not award an Oregon Achievement Grant
38 to a qualified student who is enrolled in a course of study required for and leading to a degree in
39 theology, divinity or religious education.

40 (4) Each Oregon Achievement Grant shall be renewed yearly provided that the recipient has
41 maintained satisfactory progress **as determined by the commission** toward a first associate or
42 baccalaureate degree [*as determined by the Oregon Student Assistance Commission*].

43 (5) Notwithstanding subsection (4) of this section, no Oregon Achievement Grant shall be re-
44 newed after a qualified student has reached the number of credit hours required to graduate with
45 a baccalaureate degree at the institution the student is attending.

1 **SECTION 144.** ORS 348.205 is amended to read:

2 348.205. (1) The Oregon Opportunity Grant program is established within the [*Oregon Student*
3 *Assistance Commission*] **Higher Education Coordinating Commission.**

4 (2) Under the program, the cost of education of a qualified student shall be shared by the stu-
5 dent, the family of the student, the federal government and the state.

6 (3) The [*commission*] **Higher Education Coordinating Commission** shall determine the cost of
7 education of a qualified student based on the type of eligible post-secondary institution the student
8 is attending. The cost of education equals:

9 (a) For a student attending a community college, the average cost of education of attending a
10 community college in this state;

11 (b) For a student attending [*an institution*] **a public university** under the direction of the State
12 Board of Higher Education, the average cost of education of attending [*an institution*] **a public**
13 **university** under the direction of the [*board*] **State Board of Higher Education;**

14 (c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institu-
15 tion of higher education, the average cost of education of attending a community college in this
16 state; and

17 (d) For a student attending the Oregon Health and Science University or a four-year Oregon-
18 based, generally accredited, not-for-profit institution of higher education, the average cost of edu-
19 cation of attending [*an institution*] **a public university** under the direction of the [*board*] **State**
20 **Board of Higher Education.**

21 (4)(a) The **Higher Education Coordinating** Commission shall determine the amount of the stu-
22 dent share. The student share shall be based on:

23 (A) The type of eligible post-secondary institution the student is attending;

24 (B) The number of hours of work that the **Higher Education Coordinating** Commission deter-
25 mines may be reasonably expected from the student; and

26 (C) The amount of loans that the **Higher Education Coordinating** Commission determines
27 would constitute a manageable debt burden for the student.

28 (b) The student shall determine how to cover the student share through income from work,
29 loans, savings and scholarships.

30 (c) The student share for a student who attends a community college may not exceed the amount
31 that the **Higher Education Coordinating** Commission determines a student may earn based on the
32 number of hours of work reasonably expected from the student under paragraph (a) of this sub-
33 section.

34 (d) The student share for a student who attends an eligible post-secondary institution that is not
35 a community college may not exceed the sum of the amount that the **Higher Education Coordi-**
36 **nating** Commission determines a student may receive as loans plus the amount a student may earn
37 based on the number of hours of work reasonably expected from the student under paragraph (a)
38 of this subsection.

39 (5) The **Higher Education Coordinating** Commission shall determine the amount of the family
40 share. The family share shall be based on the resources of the family.

41 (6) The **Higher Education Coordinating** Commission shall determine the amount of the federal
42 share based on how much the student or the student's family is expected to receive from the federal
43 government as grants, loans, tax credits or other student assistance.

44 (7)(a) The **Higher Education Coordinating** Commission shall determine the amount of the state
45 share. The state share shall be equal to the cost of education reduced by the student share, family

1 share and amount received by the student from the federal government.

2 (b) The **Higher Education Coordinating** Commission shall establish a minimum amount that a
3 student may receive as a state share. If the **Higher Education Coordinating** Commission deter-
4 mines that the amount of the state share of a student is below the minimum amount, the student
5 may not receive the state share.

6 (c) In determining the amount of the state share, the **Higher Education Coordinating** Com-
7 mission shall consider the total amount available to award as grants to all qualified students. If the
8 **Higher Education Coordinating** Commission must reduce the amount of the state share under this
9 paragraph, the commission may not reduce the amount of the state share awarded to students in the
10 low income range in a greater proportion than the amount that the state share for students in other
11 income ranges is reduced.

12 **SECTION 145.** 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*] **Higher Education Coordinating Commission** may award scholarships at Eastern
15 Oregon University to resident undergraduate students applying for enrollment in the university or
16 who are pursuing courses therein. The number of students who receive scholarships under this
17 subsection may not exceed two and one-half percent of the number of students who are enrolled at
18 the university. The scholarships shall be awarded upon the basis of a record of high intellectual
19 standing and deportment in the school or institution where the applicant has received or is receiving
20 preparatory training, the necessity for financial assistance and other qualifications of such nature
21 that the awarding of scholarships will operate not only to the advantage of the applicant but to the
22 people of Oregon. A scholarship awarded under this subsection may not exceed in value the amount
23 of the tuition and other fees, including the fees that are levied against the recipient of the scholar-
24 ship by the State Board of Higher Education at the university.

25 (2) The **Higher Education Coordinating** Commission may award tuition and fee-exempting
26 scholarships to students from foreign nations who are enrolled in [*state institutions of higher educa-*
27 *tion*] **public universities listed in ORS 352.002**. A student may not receive a scholarship under this
28 subsection that exceeds the amount of tuition and fees owed by the student.

29 (3) The value of scholarships awarded each year under subsection (2) of this section may not
30 exceed in aggregate an amount equal to 10 percent of the amount of tuition and fees paid in the
31 preceding year to the Oregon University System by students enrolled in [*state institutions of higher*
32 *education*] **public universities listed in ORS 352.002** who were not Oregon residents.

33 **SECTION 146.** ORS 348.230 is amended to read:

34 348.230. (1) In addition to any other financial aid provided by law, the [*Oregon Student Assist-*
35 *ance Commission*] **Higher Education Coordinating Commission** may award to qualified residents
36 of this state scholastic grants in any eligible post-secondary institution.

37 (2) A qualified applicant is one who has an achievement of high intellectual standing and
38 deportment in the school or institution on the records of which the application is based, and who
39 demonstrates, to the satisfaction of the commission, that the applicant has superior capacity to
40 profit by post-high-school education.

41 (3) If the recipient of a grant under this section meets the standards for renewal of that grant,
42 the grant may be renewed, upon application of the recipient, until the recipient has received a total
43 of four undergraduate years under this section or until the recipient has completed an undergradu-
44 ate course of study, whichever is less.

45 (4) Nothing in subsection (3) of this section shall be construed to mean that the commission may

1 not increase or reduce the amount of the grant upon application for renewal.

2 (5) No grant shall be made to any student enrolled in a course of study required for and leading
3 to a degree in theology, divinity or religious education.

4 **SECTION 147.** ORS 348.250, as amended by section 1, chapter 20, Oregon Laws 2010, is
5 amended to read:

6 348.250. (1) Grants established under ORS 348.230 and 348.260 shall be awarded by the [*Oregon*
7 *Student Assistance Commission*] **Higher Education Coordinating Commission** in the manner pro-
8 vided in this section.

9 (2) Persons interested in obtaining a grant established under ORS 348.230 and 348.260 may apply
10 to the commission for a grant.

11 (3) The commission shall screen or cause to be screened the applications and shall determine for
12 each available grant the person best qualified to receive that grant. A qualified applicant is eligible
13 to receive a grant established under ORS 348.230 and 348.260 if:

14 (a) The applicant's financial need is such that in the opinion of the commission financial aid is
15 warranted; and

16 (b) The applicant plans to be a student at the eligible post-secondary institution where the grant
17 is to be used.

18 (4) The commission shall not discriminate for or against any applicant for a grant.

19 (5) Nothing in ORS 348.210 to 348.260, 348.505 to 348.615, 348.696 and 348.992 shall be construed
20 to require any institution to admit a grant recipient or to attempt to control or influence the poli-
21 cies of the institution.

22 (6) Whenever funds are not available to award grants to all qualified students, the commission
23 may give priority to applicants who are or plan to be full-time students at the eligible post-secondary
24 institution where the grant is to be used. A student shall be considered to be a full-time student if
25 the combination of credit hours at more than one eligible post-secondary institution equals full-time
26 attendance, according to the institution disbursing the grant funds.

27 (7) As used in this section, "discriminate" has the meaning given "discrimination" in ORS
28 659.850.

29 **SECTION 148.** ORS 348.260 is amended to read:

30 348.260. (1) In addition to any other form of student financial aid authorized by law, the [*Oregon*
31 *Student Assistance Commission*] **Higher Education Coordinating Commission** may award Oregon
32 Opportunity Grants to qualified students.

33 (2) The amount of a grant shall equal the state share of a qualified student's cost of education
34 as determined by the commission under ORS 348.205.

35 (3) Grant funds necessary to meet matching requirements for federal funds under the Leveraging
36 Educational Assistance Partnership Program and Special Leveraging Educational Assistance Part-
37 nership Program of the United States Department of Education may also be used to award grants
38 to qualified students in any eligible post-secondary institution approved by the commission.

39 (4) Grants may be awarded under this section to qualified students enrolled for any term, in-
40 cluding summer term. The commission may prescribe a specific date by which a student must apply
41 to the commission to qualify for a grant only if the commission determines that the total amount
42 available to award as the state share to all qualified students is not sufficient to cover the total
43 state share amount scheduled to be awarded to all students.

44 (5) If a qualified student receiving a grant under this section meets the standards for renewal
45 of the grant, the grant may be renewed upon application until the qualified student has received the

1 equivalent of four full-time undergraduate years of grant funding for an eligible program as defined
2 by the commission.

3 (6) A qualified student who receives a grant under this section must attend the eligible post-
4 secondary institution upon which the grant application is based unless the commission authorizes
5 the grant to be used at a different eligible post-secondary institution. A qualified student who re-
6 ceives a grant under this section may attend more than one eligible post-secondary institution if the
7 grant application was based on the qualified student attending more than one eligible post-secondary
8 institution.

9 (7) The commission may not make a grant to any qualified student enrolled in a course of study
10 required for and leading to a degree in theology, divinity or religious education.

11 **SECTION 149.** ORS 348.265 is amended to read:

12 348.265. (1) In addition to any other form of student financial aid authorized by law, the [*Oregon*
13 *Student Assistance Commission*] **Higher Education Coordinating Commission** may award grants
14 to qualified residents of this state who are enrolled in the professional medical, nursing or dental
15 programs at the Oregon Health and Science University.

16 (2) A qualified applicant for a grant under this section is one who plans to attend the Oregon
17 Health and Science University but whose financial capacity and that of the applicant's family to
18 contribute to the educational costs are not adequate to meet such costs, as determined by the
19 [*Oregon Student Assistance*] commission.

20 (3) Grants may be received by a student each year of attendance depending on the continuing
21 need of the student for such grant.

22 (4) No grant awarded under this section shall exceed the amount of the difference between the
23 award year tuition and fees assessed and the tuition and fees assessed for that program in the aca-
24 demic year 1976-1977.

25 **SECTION 150.** ORS 348.270 is amended to read:

26 348.270. (1) In addition to any other scholarships provided by law, the [*Oregon Student Assist-*
27 *ance Commission*] **Higher Education Coordinating Commission** shall award scholarships in any
28 [*state institution under the State Board of Higher Education*] **public university listed in ORS**
29 **352.002**, in the Oregon Health and Science University, in any community college operated under
30 ORS chapter 341, or in any Oregon-based regionally accredited independent institution, to any stu-
31 dent applying for enrollment or who is enrolled therein, who is:

32 (a) The natural child, adopted child or stepchild of any public safety officer who, in the line of
33 duty, was killed or so disabled, as determined by the [*Oregon Student Assistance Commission*] **Higher**
34 **Education Coordinating Commission**, that the income of the public safety officer is less than that
35 earned by public safety officers performing duties comparable to those performed at the highest rank
36 or grade attained by the public safety officer; or

37 (b) A former foster child who enrolls in an institution of higher education as an undergraduate
38 student not later than three years from the date the student was removed from the care of the De-
39 partment of Human Services, the date the student graduated from high school or the date the stu-
40 dent received the equivalent of a high school diploma, whichever date is earliest.

41 (2) Scholarships awarded under this section to students who are dependents of public safety of-
42 ficers or who are former foster children shall equal the amount of tuition and all fees levied by the
43 institution against the recipient of the scholarship. However, scholarships awarded to students who
44 attend independent institutions shall not exceed the amount of tuition and all fees levied by the
45 University of Oregon.

1 (3) If the student who is the dependent of a deceased public safety officer continues to remain
2 enrolled in a [*state institution of higher education*] **public university listed in ORS 352.002** or a
3 community college or an independent institution within the State of Oregon, the student shall be
4 entitled to renewal of the scholarship until the student has received the equivalent of four years of
5 undergraduate education and four years of post-graduate education.

6 (4) If the student who is a former foster child or who is the dependent of a public safety officer
7 with a disability continues to remain enrolled in a [*state institution of higher education*] **public uni-**
8 **versity listed in ORS 352.002** or a community college or an independent institution within the State
9 of Oregon, the student shall be entitled to renewal of the scholarship until the student has received
10 the equivalent of four years of undergraduate education.

11 (5) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission**
12 may require proof of the student's relationship to a public safety officer described in subsection (1)
13 of this section or proof that the student is a former foster child.

14 (6) As used in this section:

15 (a) "Former foster child" means an individual who, for a total of 12 or more months while be-
16 tween the ages of 16 and 21, was a ward of the court pursuant to ORS 419B.100 (1)(b) to (e) and in
17 the legal custody of the Department of Human Services for out-of-home placement.

18 (b) "Public safety officer" means:

19 (A) A firefighter or police officer as those terms are defined in ORS 237.610.

20 (B) A member of the Oregon State Police.

21 **SECTION 151.** ORS 348.280 is amended to read:

22 348.280. The [*Oregon Student Assistance Commission*] **Higher Education Coordinating Com-**
23 **mission** shall:

24 (1) Determine which students are eligible to receive scholarships under ORS 348.270.

25 (2) Grant the appropriate scholarships under ORS 348.270.

26 (3) Make necessary rules for application and distribution of the benefits available under ORS
27 348.270 and this section.

28 (4) Establish rules and procedures necessary to carry out the provisions of ORS 348.270 and this
29 section, including but not limited to the usual and customary rules for analyzing financial need.

30 (5) In awarding scholarships pursuant to its authority under ORS 348.520, give priority to stu-
31 dents who are eligible to receive scholarships under ORS 348.270.

32 **SECTION 152.** ORS 348.282 is amended to read:

33 348.282. As used in this section and ORS 348.283:

34 (1) "Armed Forces of the United States" means:

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

36 (b) The reserves of the Army, Navy, Air Force, Marine Corps and Coast Guard of the United
37 States; and

38 (c) The Oregon National Guard and a National Guard of any other state or territory.

39 (2) "Public post-secondary institution" means:

40 (a) A [*state institution*] **public university** under the direction of the State Board of Higher Ed-
41 ucation; and

42 (b) A community college operated under ORS chapter 341.

43 (3) "Veteran" has the meaning given that term in ORS 408.225.

44 **SECTION 153.** ORS 348.283 is amended to read:

45 348.283. (1) There is established within the [*Oregon Student Assistance Commission*] **Higher**

1 **Education Coordinating Commission** the Oregon Troops to Teachers program. Through the pro-
2 gram, the commission shall pay for all of the resident tuition charges of a veteran imposed by a
3 public post-secondary institution, provided the veteran:

- 4 (a) Was discharged from the Armed Forces of the United States;
- 5 (b) Is a resident of Oregon; and
- 6 (c) Agrees to teach:

7 (A) In an Oregon school district or public charter school classified as serving a high poverty
8 area for not less than three years; or

9 (B) In the area of mathematics, science or special education for not less than four years.

10 (2) An award under subsection (1) of this section shall be used for the purpose of paying resident
11 tuition. The commission may not award funds under subsection (1) of this section for the purpose
12 of paying for books, supplies, housing, food or any other costs associated with attending a public
13 post-secondary institution.

14 (3) The commission shall adopt rules necessary for the implementation and administration of this
15 section in consultation with the Department of Education and the Oregon University System.

16 **SECTION 154.** ORS 348.290 is amended to read:

17 348.290. The [*Oregon Student Assistance Commission*] **Higher Education Coordinating Com-**
18 **mission** shall apply the interest on the amount transferred to the Oregon Student Assistance Fund
19 under section 4, chapter 377, Oregon Laws 1985, to provide financial aid, as defined in ORS 348.505,
20 to students to study barbering, hairdressing, manicure and esthetics at eligible post-secondary
21 schools.

22 **SECTION 155.** ORS 348.310 is amended to read:

23 348.310. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
24 **Commission** is authorized to make loans to all qualified applicants, from the fund created in ORS
25 348.390 (1), to assist in financing the cost of a program of study leading to the degree of Doctor of
26 Medicine or to the degree of Doctor of Osteopathic Medicine.

27 (2) The [*Oregon Student Assistance*] commission shall:

28 (a) Develop criteria for the preparation of applications and procedures for the submission,
29 evaluation, priority selection and award of loans provided for in ORS 348.310 to 348.390;

30 (b) Determine the number and amount of loans and loan renewals; and

31 (c) Adopt such rules as may be necessary to implement ORS 348.310 to 348.390.

32 **SECTION 156.** ORS 348.320 is amended to read:

33 348.320. (1) A person shall be eligible for a loan under ORS 348.310 to 348.390 if the person is:

34 (a) A bona fide resident of this state;

35 (b) Accepted for enrollment, or is a student in good standing in the professional medical program
36 at an accredited medical school located in the United States or in an accredited school of
37 osteopathic medicine;

38 (c) As a result of personal financial resources, unable to pursue a program of study in the ab-
39 sence of a loan or would be unable to do so without great hardship; and

40 (d) Desirous of practicing medicine in a rural community in this state, and in an area which
41 meets the qualifications of a medical shortage area.

42 (2) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall apply to the
43 [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission**.

44 (3) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall agree in
45 writing to practice medicine in a medical shortage area as defined by the Oregon Health Authority,

1 for a period equal to the period covered by the loan, but no less than two years.

2 **SECTION 157.** ORS 348.330 is amended to read:

3 348.330. In addition to any other financial aid provided by law, the [*Oregon Student Assistance*
4 *Commission*] **Higher Education Coordinating Commission** may grant loans in the following
5 amounts:

6 (1) Persons in their first or second year of study, or the equivalent thereof, are eligible for an
7 amount not to exceed \$5,000 per academic year.

8 (2) Persons in their third or fourth year of study, or the equivalent thereof, are eligible for an
9 amount not to exceed \$7,500 per academic year.

10 **SECTION 158.** ORS 348.340 is amended to read:

11 348.340. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
12 **Commission** is further authorized to establish and administer cost-sharing loan fund programs
13 which provide for assistance, in conjunction with community agencies or organizations, selected and
14 approved by the commission in a rural community in the state having a population of fewer than
15 7,500 persons. Participation in such a program shall be on a matching funds basis between the Rural
16 Medical Education Loan Fund and the approved community agency and shall fund the educational
17 costs, fees and charges of a specific, eligible student, who shall be approved by the participating
18 community and the [*Oregon Student Assistance*] commission.

19 (2) Funds provided from the Rural Medical Education Loan Fund under subsection (1) of this
20 section shall not exceed 75 percent of the total amount calculated to be necessary to fund one per-
21 son for one year, in an approved school as determined by the [*Oregon Student Assistance*] commis-
22 sion.

23 (3) The eligibility requirements for persons participating in the program established in sub-
24 section (1) of this section shall be the same as the requirements for eligibility in the loan program
25 under ORS 348.320.

26 (4) Upon completion of the program of study and training for licensure, the person receiving
27 funds under this section shall not be required to repay such funds if the person practices medicine
28 in the community providing the matching funds. The person shall practice medicine one year for
29 each year that funds were provided, but in no event shall the person practice less than two years.

30 **SECTION 159.** ORS 348.350 is amended to read:

31 348.350. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
32 **Commission** is authorized to establish and administer a cost-sharing program to train intern and
33 residency physicians as may be arranged by contract with an accredited training hospital within this
34 state. The cost sharing shall be limited to general practice internships and family practice residen-
35 cies. The commission may pay up to \$18,000 to an institution for each intern or resident position
36 which is reserved for training students who are planning to enter medical practice in rural areas.

37 (2) Funds for programs established under subsection (1) of this section shall be paid from the
38 Rural Medical Education Loan Fund.

39 (3) No money appropriated under this section shall be used for any program at the Oregon
40 Health and Science University. The center shall be required to give priority admissions to recipients
41 under ORS 348.310 to 348.390 in its family practice residency programs.

42 **SECTION 160.** ORS 348.360 is amended to read:

43 348.360. Each loan granted under ORS 348.330 and 348.340 is renewable annually. The [*Oregon*
44 *Student Assistance Commission*] **Higher Education Coordinating Commission** shall renew the
45 loans upon application by the recipient when the commission finds that the applicant has success-

1 fully completed the required work for the preceding academic year and is a student in good stand-
 2 ing, is a resident of this state and is in a financial condition that warrants the continuation of such
 3 aid.

4 **SECTION 161.** ORS 348.370 is amended to read:

5 348.370. (1) Persons receiving funds under ORS 348.310 to 348.390 shall not be required to repay
 6 the funds if the person practices medicine in a rural community in this state having a population
 7 of fewer than 7,500 persons and which meets the qualifications of a medical shortage area.

8 (2) The fund recipient shall practice medicine in the area designated under subsection (1) of this
 9 section at the rate of one year for each year the funds were provided to that recipient, but in no
 10 event shall any recipient practice medicine in an area less than two years.

11 (3) Any person receiving funds under ORS 348.310 to 348.390 who fails to complete the course
 12 of study, shall be required to repay the amount received to the Rural Medical Education Loan Fund.
 13 Ten percent interest shall be charged on the unpaid balance, accrued from the date the loan was
 14 granted.

15 (4) Any person receiving funds under ORS 348.310 to 348.390 who completes the course of study
 16 and requirements for licensure but fails to fulfill the obligations required by the loan, shall repay
 17 the amount received to the Rural Medical Education Loan Fund. Ten percent interest shall be
 18 charged on the unpaid balance, accrued from the date the loan was granted. Additionally, a penalty
 19 fee, equal to 25 percent of the total amount of funds received shall be assessed against the person.
 20 No interest shall accrue on the penalty.

21 (5) Any funds received by the Rural Medical Education Loan Fund under subsections (3) to (6)
 22 of this section shall be used by the [*Oregon Student Assistance Commission*] **Higher Education**
 23 **Coordinating Commission** for the purpose of carrying out the provisions of ORS 348.310 to 348.390.

24 (6) The [*Oregon Student Assistance*] commission may waive any interest or penalty assessed un-
 25 der subsections (3) to (6) of this section in case of undue hardship.

26 **SECTION 162.** ORS 348.390 is amended to read:

27 348.390. (1) There is established in the State Treasury a fund, separate and distinct from the
 28 General Fund, to be known as the Rural Medical Education Loan Fund, which may be invested in
 29 the same manner as the Oregon Student Assistance Fund. This fund may receive funds from state
 30 and private sources for the purpose of making loans to student residents of this state who are de-
 31 termined to be eligible to receive funds under ORS 348.310 to 348.390. Interest earned by the fund
 32 shall be credited to the fund.

33 (2) All funds for and relating to loans received by the [*Oregon Student Assistance Commission*]
 34 **Higher Education Coordinating Commission**, including repayments, interest and penalties, for the
 35 Rural Medical Education Loan Fund, except moneys appropriated from the State Treasury for a
 36 specified period of time, are continuously appropriated to the Rural Medical Education Loan Fund
 37 for the purposes for which the fund was created.

38 **SECTION 163.** ORS 348.394 is amended to read:

39 348.394. As used in ORS 348.394 to 348.406:

40 (1) "Eligible post-secondary institution" means:

41 (a) A [*state institution under the direction of the State Board of Higher Education*] **public uni-**
 42 **versity** listed in ORS 352.002;

43 (b) A community college as defined in ORS 341.005; or

44 (c) A generally accredited, not-for-profit institution of higher education.

45 (2) "Participant" means a student who receives a grant under ORS 348.401.

1 **SECTION 164.** ORS 348.427 is amended to read:

2 348.427. (1) To encourage community service participation among students in institutions of
3 higher education, there is established a higher education community service voucher program within
4 the [*Oregon Student Assistance Commission.*] **Higher Education Coordinating Commission.** The
5 commission shall allocate the amount available to it for the purposes under ORS 348.427 to 348.436
6 by awarding the institution's share of the amount to each institution of higher education in this
7 state that is eligible for or whose students are eligible for financial aid under Title IV, Part B, of
8 the Higher Education Act of 1965 as amended. The institution's share shall be based on the pro-
9 portion of its enrollment of full-time students to the enrollment of full-time students in all insti-
10 tutions of higher education in this state.

11 (2) An institution of higher education in this state that receives an amount under subsection (1)
12 of this section shall award amounts from the institution's share to various academic departments in
13 the institution. Vouchers awarded to eligible voucher recipients shall be in \$35 denominations for
14 each eight hours of eligible community service. Priority shall be given to otherwise eligible appli-
15 cants who have applied previously but not been awarded a place in the voucher program.

16 (3) In order to be eligible, a voucher recipient must perform approved services for at least 20
17 hours per week in one term for a state or local government entity or a nonprofit social service
18 agency recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code of 1986.
19 However, a voucher recipient shall not be assigned duties that are performed by a public employee
20 if the assignment would displace the public employee. A voucher recipient may be assigned within
21 the institution to assist in maintaining the program authorized by ORS 348.427 to 348.436.

22 (4) A voucher recipient is eligible for the voucher awards for only one term as an undergraduate
23 student. In addition to the vouchers, the recipient shall receive graded academic credit to be de-
24 termined by the institution. However, participation in the program does not replace any practicum
25 or internship required for a degree.

26 **SECTION 165.** ORS 348.429 is amended to read:

27 348.429. (1) In addition to any other student assistance provided by the law, the [*Oregon Student*
28 *Assistance Commission*] **Higher Education Coordinating Commission** shall award vouchers to eli-
29 gible students participating in the program.

30 (2) The total of all vouchers earned by a student under this section in one term shall not exceed
31 an amount equal to the average tuition and associated fees charged annually to full-time resident
32 undergraduate students by [*institutions under the jurisdiction of the State Board of Higher*
33 *Education*] **public universities listed in ORS 352.002.**

34 (3) Vouchers shall be provided in \$35 denominations for each eight hours of eligible community
35 service.

36 (4) The commission shall:

37 (a) Determine and approve which community service organizations and services within the pro-
38 grams of such organizations are eligible for participation in the program.

39 (b) Accept the students that the institutions consider eligible for vouchers under ORS 348.427
40 to 348.436.

41 (c) Provide payment for vouchers presented by the program students at eligible institutions.

42 (d) Establish procedures necessary to carry out the provisions of ORS 348.427 to 348.436, in-
43 cluding adopting necessary rules.

44 (5) Funds received in redemption of the vouchers granted pursuant to ORS 348.427 to 348.436
45 shall not be considered personal income for the purposes of ORS 316.037.

1 (6) The vouchers authorized by ORS 348.427 to 348.436 shall first become available when funds
2 are available therefor from sources other than the General Fund, as determined by the commission.

3 **SECTION 166.** ORS 348.436 is amended to read:

4 348.436. There is established in the State Treasury a fund, separate and distinct from the Gen-
5 eral Fund, to be known as the Community Service Voucher Fund, which may be invested in the same
6 manner as the Oregon Student Assistance Fund. This fund may receive moneys from federal, state
7 or private sources for the purpose of providing payment for the redemption of vouchers authorized
8 by ORS 348.427 to 348.436 and for the administration of the community service voucher program.
9 This fund, including the interest earnings thereon, if any, is continuously appropriated to the
10 [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission** for those
11 purposes for which such funds were provided to or received or collected by the commission.

12 **SECTION 167.** ORS 348.444 is amended to read:

13 348.444. (1) There is created the Nursing Faculty Loan Repayment Program, to be administered
14 by the [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission**. The
15 purpose of the program is to provide loan repayments on behalf of nurse educators at nursing
16 schools in Oregon who have earned a master's or doctoral degree from an accredited nursing edu-
17 cation program.

18 (2) The commission shall by rule adopt, in consultation with the Oregon State Board of Nursing
19 and the Oregon Center for Nursing, criteria for participation in the Nursing Faculty Loan Repay-
20 ment Program.

21 **SECTION 168.** ORS 348.448 is amended to read:

22 348.448. (1) To be eligible to participate in the Nursing Faculty Loan Repayment Program, a
23 nurse educator or prospective nurse educator shall submit a letter of interest to the [*Oregon Student*
24 *Assistance Commission*] **Higher Education Coordinating Commission**.

25 (2) At the end of each school year in which a nurse practices as a nurse educator in Oregon,
26 the commission shall pay an amount not to exceed the lesser of 20 percent of the total of the nurse's
27 outstanding qualifying loans or \$10,000 as adjusted under subsection (4) of this section.

28 (3) The commission may make the annual payments under this section for up to:

29 (a) Three years for a nurse educator who has earned a master's degree; or

30 (b) Five years for a nurse educator who has earned a doctoral degree.

31 (4)(a) The commission shall adjust annually the maximum dollar amount allowed under sub-
32 section (2) of this section by multiplying that amount by a cost-of-living adjustment as specified in
33 this subsection.

34 (b) The cost-of-living adjustment applied to the maximum dollar amount allowed under sub-
35 section (2) of this section shall be equal to the ratio of the seasonally adjusted United States City
36 Average Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Sta-
37 tistics of the United States Department of Labor for April of that calendar year divided by the value
38 of the same index for April 2009.

39 (c) If the value of the dollar amount determined under paragraph (a) of this subsection is not a
40 multiple of \$100, the commission shall round the dollar amount to the next lower multiple of \$100.

41 **SECTION 169.** ORS 348.500 is amended to read:

42 348.500. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
43 **Commission** may establish Access to Student Assistance Programs in Reach of Everyone (ASPIRE)
44 to provide information about financial aid and education and training options beyond high school
45 to students in Oregon secondary schools. The goals of the programs are to:

1 (a) Provide mentoring and resources to help students access education and training beyond high
2 school;

3 (b) Help high schools build a sustainable community of volunteer mentors; and

4 (c) Educate students and families about the scholarship application process and other options
5 for paying for post-secondary education.

6 (2) The programs shall bring together students, school staff, community volunteers and parents
7 to help students overcome obstacles to their continuing education. The programs may provide
8 training, technical assistance and other resources to Oregon high schools on how to establish a
9 volunteer-based program. Adult volunteers who are trained through the program may provide men-
10 toring, training and encouragement to students about post-secondary options and financial aid.

11 **SECTION 170.** ORS 348.505 is amended to read:

12 348.505. As used in ORS 348.500 to 348.695:

13 (1) "Commission" means the [*Oregon Student Assistance Commission*] **Higher Education Coor-**
14 **minating Commission.**

15 (2) "Financial aid" includes loans, grants, scholarships, work opportunities and other forms of
16 financial aid to assist students in completing their post-high-school education.

17 **SECTION 171.** ORS 348.520 is amended to read:

18 348.520. The [*Oregon Student Assistance Commission*] **Higher Education Coordinating Com-**
19 **mission** shall:

20 (1) Make available to qualified persons financial aid from financial sources available to the
21 commission.

22 (2) Determine qualifications of persons to receive financial aid.

23 (3) Maintain reports and records on persons applying for and receiving financial aid from the
24 commission.

25 (4) Withhold any financial aid if the recipient thereof fails to maintain the standards established
26 for receipt of that aid.

27 (5) Recommend to the Legislative Assembly not less than once every biennium matters relating
28 to the establishment, administration, modification, transfer, reduction or cancellation of financial
29 aid.

30 (6) Prior to implementing changes to the Oregon Opportunity Grant program, report to the
31 Legislative Assembly or the Emergency Board any proposed change:

32 (a) That increases or decreases the total amount awarded as Oregon Opportunity Grants that
33 was approved as part of the budget enacted by the Legislative Assembly for the commission; and

34 (b) To the methodology used to determine the student share, family share or state share under
35 ORS 348.205.

36 (7) Encourage the establishment of financial aid programs by private agencies.

37 (8) Collect and disseminate information pertaining to all types of available financial aid.

38 (9) Review the administrative practices and evaluate the effectiveness of all public and private
39 post-secondary financial aid programs in Oregon.

40 (10) Disburse state appropriations for financial aid in such a manner as to maximize its role in
41 cooperative coordination of financial aid programs.

42 **SECTION 172.** ORS 348.530 is amended to read:

43 348.530. The [*Oregon Student Assistance Commission*] **Higher Education Coordinating Com-**
44 **mission, in its implementation of the administration of financial aid to higher education**
45 **students in this state,** may:

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

3 (2) Receive gifts of any type, including gifts of stock and real property, for the purpose of es-
4 tablishing, continuing and increasing financial aid.

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

7 (4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and
8 other reasonable expenses, including refund of overpayment of fees, which are related to and nec-
9 essary for making and protecting guaranteed loans and recovering moneys and loans and manage-
10 ment of property acquired in connection with such loans.

11 (5) Sue and be sued.

12 (6) Pursuant to ORS chapter 183, adopt such rules as may be necessary to carry out the pro-
13 visions of ORS 348.040 to 348.280, 348.500 to 348.695 and 348.992.

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

15 (8) Establish a State of Oregon scholar program to recognize students with outstanding aca-
16 demic achievement and other demonstrated attributes. The students will not necessarily receive fi-
17 nancial aid.

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

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

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

26 **SECTION 173.** ORS 348.563 is amended to read:

27 348.563. For the purpose of requesting a state or nationwide criminal records check under ORS
28 181.534, the [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission**
29 may require the fingerprints of a person who:

30 (1)(a) Is employed or applying for employment by the commission; or

31 (b) Provides services or seeks to provide services to the commission as a contractor or volun-
32 teer; and

33 (2) Is, or will be, working or providing services in a position:

34 (a) In which the person has direct access to facilities where students reside or to persons under
35 18 years of age, elderly persons or persons with disabilities;

36 (b) In which the person is providing information technology services and has control over, or
37 access to, information technology systems that would allow the person to harm the information
38 technology systems or the information contained in the systems;

39 (c) In which the person has access to information, the disclosure of which is prohibited by state
40 or federal laws, rules or regulations or information that is defined as confidential under state or
41 federal laws, rules or regulations; or

42 (d) That has payroll functions or in which the person has responsibility for receiving, receipting
43 or depositing money or negotiable instruments, for billing, collections or other financial transactions
44 or for purchasing or selling property or has access to property held in trust or to private property
45 in the temporary custody of the state.

1 **SECTION 174.** ORS 348.570 is amended to read:

2 348.570. (1) There is established in the State Treasury a fund, separate and distinct from the
3 General Fund, to be known as the Oregon Student Assistance Fund for investment as provided by
4 ORS 293.701 to 293.820 and for the payment of the expenses of the [*Oregon Student Assistance*
5 *Commission*] **Higher Education Coordinating Commission** in carrying out the purposes of ORS
6 348.210 to 348.250, 348.505 to 348.615, 348.696 and 348.992. Interest earned by the fund shall be
7 credited to the fund.

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

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

18 (b) The account shall consist of:

19 (A) Funds appropriated to the [*Oregon Student Assistance Commission*] **Higher Education Co-**
20 **ordinating Commission** for deposit into the account;

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

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

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

26 (4) There is established in the State Treasury a fund, separate and distinct from the General
27 Fund, to be known as the Former Foster Youth Scholarship Fund. Moneys received from appropri-
28 ations, donations and grants shall be credited to the fund. Moneys in the fund are continuously ap-
29 propriated to the [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
30 **Commission** for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying
31 out the provisions of ORS 348.270 (1)(b). Interest earned by the fund shall be credited to the fund.

32 (5) There is established in the State Treasury a fund, separate and distinct from the General
33 Fund, to be known as the ASPIRE Program Fund. Moneys received from donations and grants shall
34 be credited to the ASPIRE Program Fund. Moneys in the fund are continuously appropriated to the
35 [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission** for the
36 purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions
37 of ORS 348.500. Interest earned by the fund shall be credited to the fund.

38 (6)(a) There is established in the State Treasury the Nursing Faculty Loan Repayment Fund,
39 separate and distinct from the General Fund. Interest earned on the Nursing Faculty Loan Repay-
40 ment Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the
41 [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission** for carrying
42 out ORS 348.440 to 348.448. The Nursing Faculty Loan Repayment Fund consists of:

43 (A) Moneys appropriated to the commission for the Nursing Faculty Loan Repayment Program
44 created in ORS 348.444; and

45 (B) Grants, gifts or donations received by the commission for the program.

1 (b) Any unexpended funds in the fund at the end of a biennium shall be retained in the fund and
2 may be expended in subsequent biennia.

3 **SECTION 175.** ORS 348.580 is amended to read:

4 348.580. (1) Subject to the terms of the governing instruments and applicable law, the [*Oregon*
5 *Student Assistance Commission*] **Higher Education Coordinating Commission** may enter into
6 agreements with one or more community foundations in Oregon to assume the management of the
7 privately funded student aid programs of the commission. The commission may transfer to the com-
8 munity foundation any or all gifts or scholarship grants received by the commission from any private
9 donor.

10 (2) All gifts or scholarship grant funds received by the commission that are not transferred to
11 community foundations pursuant to subsection (1) of this section shall be placed in the hands of the
12 State Treasurer, who is designated as the custodian thereof and who may hold, in the manner pro-
13 vided by law, the principal and interest on the gifts and grants. Funds may be withdrawn period-
14 ically by the commission to provide for administrative expenditures and make payments upon
15 scholarships awarded by the commission.

16 (3) As used in this section, “community foundation” means an organization that is:

17 (a) A community trust or foundation within the meaning of section 170 of the Internal Revenue
18 Code of 1986 and section 1.170A-9(e)(10) of the Treasury Regulations thereunder;

19 (b) Exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986;
20 and

21 (c) Not a private foundation within the meaning of section 509 of the Internal Revenue Code of
22 1986.

23 **SECTION 176.** ORS 348.590 is amended to read:

24 348.590. All funds for and relating to student aid programs received by the [*Oregon Student As-*
25 *istance Commission*] **Higher Education Coordinating Commission** pursuant to federal grant or
26 from any other source, except moneys appropriated from the State Treasury for a specified period
27 of time, [*hereby*] are continuously appropriated to the **Higher Education Coordinating Commission**
28 for the purposes for which [*such*] **the** funds were provided and received by the commission.

29 **SECTION 177.** ORS 348.592 is amended to read:

30 348.592. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
31 **Commission** may obtain loan cancellation insurance for any person holding a loan under this sec-
32 tion and ORS 348.505 to 348.530 and 348.570.

33 (2) Such insurance shall insure the life of the student who borrows under this section and ORS
34 348.505 to 348.530 and 348.570 for the amount of the principal and interest due on the loan and the
35 State of Oregon shall be named as the beneficiary. If the borrower dies before repaying the loan, the
36 insurance shall be used to pay the balance of the loan and the commission shall issue a satisfaction
37 of the obligation.

38 (3) The Oregon Department of Administrative Services shall procure bids for the purchasing of
39 insurance in compliance with the laws governing the purchase and furnishing of services to state
40 agencies.

41 **SECTION 178.** ORS 348.597 is amended to read:

42 348.597. (1) Except as provided in subsection (2) of this section, ORS 348.594 to 348.615 apply to
43 all schools that operate in this state.

44 (2) ORS 348.594 to 348.615 do not apply to:

45 (a) An Oregon community college;

1 (b) A [state institution of higher education within the Oregon University System] **public university**
2 **listed in ORS 352.002;**

3 (c) The Oregon Health and Science University;

4 (d) A school, or a separately accredited campus of a school, if the school:

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

7 (B) Conferred degrees in this state under the same control for at least five consecutive years;
8 and

9 (C) Is accredited by a regional accrediting association or its national successor;

10 (e) A school that, on the date preceding July 15, 2005, was a school described in ORS 348.594
11 (2)(d); or

12 (f) A school that is exempt from ORS 348.594 to 348.615 under ORS 348.604.

13 **SECTION 179.** ORS 348.601 is amended to read:

14 348.601. The [*Office of*] Degree Authorization Account is established separate and distinct from
15 the General Fund. All moneys received by the [*office, other than appropriations from the General*
16 *Fund,*] **Higher Education Coordinating Commission under ORS 348.603, 348.606 and 348.609**
17 shall be deposited into the account and are continuously appropriated to the [*Oregon Student As-*
18 *istance*] **Higher Education Coordinating Commission** to carry out the duties, functions and powers
19 of the [*office*] **commission under ORS 348.594 to 348.615.**

20 **SECTION 180.** ORS 348.603 is amended to read:

21 348.603. (1) The [*Oregon Student Assistance Commission, through the Office of Degree Authori-*
22 *zation,*] **Higher Education Coordinating Commission** shall:

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

24 (b) Authorize approved degree-granting schools to offer nondegree programs leading to a certif-
25 icate or diploma;

26 (c) Validate claims of degree possession;

27 (d) Terminate substandard or fraudulent degree activities;

28 (e) Terminate activities of diploma mills operating in or from Oregon;

29 (f) Except as provided in subsection (4) of this section, terminate the operation in or from
30 Oregon of post-secondary accrediting bodies that are not recognized by the United States Depart-
31 ment of Education or by the commission; and

32 (g) Review proposed new publicly funded post-secondary programs and locations.

33 (2)(a) Following review of a proposed new publicly funded post-secondary program or location
34 that is not a career pathways certificate of completion program described in ORS 348.611, the com-
35 mission shall recommend resolution to the appropriate governing boards and mediate between the
36 boards to seek a negotiated resolution if:

37 (A) There is a detrimental duplication of programs; or

38 (B) The program or location would have a significantly adverse impact on one or more other
39 segments of education.

40 (b) If the boards do not resolve the issue raised under paragraph (a) of this subsection within
41 90 days of the date when the issue was recommended to the boards for mediation, the commission
42 shall have final authority for approval or disapproval of the program or location. If the boards do
43 not resolve the issue, the commission shall approve or disapprove the program or location within
44 180 days of the date when the review began.

45 (c) If the boards do not resolve the issue, the commission shall approve the program or location

1 if the commission finds that the program or location meets an unmet workforce need in the state.

2 (d) The commission shall establish by rule a fair and neutral decision-making process in con-
3 sultation with representatives designated by the State Board of Education, the State Board of
4 Higher Education, associations representing Oregon independent colleges, associations representing
5 Oregon career colleges, and the governing boards of otherwise unrepresented post-secondary
6 schools.

7 (3) The commission, by rule, may impose a fee on any school or person requesting information
8 from the commission. The amount of the fee shall be established to recover designated expenses in-
9 curred by the commission in carrying out the administration of ORS 348.594 to 348.615. Any fees
10 collected under this subsection shall be deposited in the [Office of] Degree Authorization Account
11 established under ORS 348.601.

12 (4) Subsection (1)(f) of this section does not apply to a body the role of which is to accredit
13 schools that offer only associate, bachelor's or master's degrees with titles in theology or religious
14 occupations or, if the schools also offer doctoral degrees, offer doctoral degrees only in theology or
15 religious occupations that have been approved by a federally recognized accrediting organization.

16 **SECTION 181.** ORS 348.604 is amended to read:

17 348.604. Upon application from a school, as defined in ORS 348.594, the [*Oregon Student Assist-*
18 *ance Commission, through the Office of Degree Authorization,*] **Higher Education Coordinating**
19 **Commission** shall grant an exemption from ORS 348.594 to 348.615 to the school if the school:

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

21 (2) Offers only associate, bachelor's or master's degrees with titles in theology or religious oc-
22 cupations, or, if the school also offers doctoral degrees, offers doctoral degrees in theology or reli-
23 gious occupations that have been approved by a federally recognized accrediting organization;

24 (3) Teaches students with faculty members who:

25 (a) Hold degrees:

26 (A) From a school that, at the time of the conferral of the degrees, was accredited by a federally
27 recognized accrediting organization, held an exemption under this section, or was a school described
28 in ORS 348.594 (2)(d) on the date preceding July 15, 2005;

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

31 (C) That are not honorary degrees; or

32 (b) Possess sufficient compensatory qualifications to substitute for academic degrees in the fields
33 in which the faculty members teach;

34 (4) Offers a curriculum:

35 (a) Of a duration and level that is comparable to the curriculums offered by schools that are
36 not exempt under this section; and

37 (b) That, with higher degrees, increases the difficulty of the work expected of students;

38 (5) Requires students to complete academic assignments and to demonstrate learning appropriate
39 to the curriculum;

40 (6) Awards credit toward degrees proportionate to the work done by students;

41 (7) Offers admission:

42 (a) To a student:

43 (A) With a high school diploma or an equivalent credential; or

44 (B) Who completed the equivalent of a high school education through home study; and

45 (b) Based on evidence that the student can reasonably expect to complete a degree and benefit

1 from the education offered;

2 (8) Provides or arranges for faculty members and students to have access to information that
3 supports instruction and stimulates research or independent study in all areas of the curriculum;

4 (9) Provides accurate and appropriate credit transcripts to students of the school and accurate
5 and appropriate diplomas to graduates of the school;

6 (10) Charges tuition by the credit hour or other fixed rate for instruction during an academic
7 term and does not charge tuition or fees for the award of a degree or charge a single fee for an
8 entire degree program;

9 (11) Provides the oversight required by the commission [*through the office*] over a faculty mem-
10 ber or administrator who has:

11 (a) Been convicted of a felony; or

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

13 (12) Provides facilities that permit private communication between faculty members and stu-
14 dents;

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

16 (14) Provides clear and accurate information to students about the school's expectations of stu-
17 dents in the school's courses;

18 (15) Ensures that a student who is pursuing a degree is making continuous progress toward the
19 degree;

20 (16) Before a student enrolls in the school, informs the student that a school to which the stu-
21 dent might transfer retains the discretion whether to accept the transfer of credits earned at the
22 school;

23 (17) Provides official transcripts of faculty members to the [*office*] **commission**; and

24 (18) Pays the fee imposed by ORS 348.607.

25 **SECTION 182.** ORS 348.605 is amended to read:

26 348.605. (1) A school that obtains an exemption under ORS 348.604 or that, on the date preceding
27 July 15, 2005, was a school described in ORS 348.594 (2)(d) may not:

28 (a) Award more than 25 percent of the credit toward a degree for noninstructional activities,
29 such as challenge examinations and professional or life experiences;

30 (b) Represent that the school is:

31 (A) Approved by the State of Oregon; or

32 (B) Accredited by an organization unless the organization is recognized as an accreditor by the
33 United States Department of Education; or

34 (c) Pay a faculty member a commission or otherwise base a faculty member's compensation on
35 the faculty member's recruitment of students to the school.

36 (2) A school that obtains an exemption under ORS 348.604 or that, on the date preceding July
37 15, 2005, was a school described in ORS 348.594 (2)(d) shall:

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

39 (b) Notify the [*Office of Degree Authorization*] **Higher Education Coordinating Commission** if
40 a faculty member or administrator at the school has:

41 (A) Been convicted of a felony; or

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

43 (c) Place in any course catalog that is available to students or to the public a notice that states:
44 "(Name of school) has been granted exempt status by the State of Oregon to offer theological and/or
45 religious occupations degrees.";

1 (d) If the school closes, return to students tuition payments for the current term on a prorated
2 basis;

3 (e) If the school provides placement services to a student, describe the placement services
4 clearly and accurately to the student and avoid giving unrealistic expectations of placement to the
5 student; and

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

7 (A) Ensure that the administrator possesses the academic degree that the administrator claims
8 to possess; and

9 (B) Require that the degree is from a school that, at the time of the conferral of the degree,
10 was accredited by a federally recognized accrediting organization, held an exemption under this
11 section, or was a school described in ORS 348.594 (2)(d) on the date preceding July 15, 2005.

12 **SECTION 183.** ORS 348.606 is amended to read:

13 348.606. (1) A school may not confer or offer to confer any academic degree upon a person, or
14 provide services purporting to lead to a degree in whole or in part, without first obtaining approval
15 from the [*Oregon Student Assistance Commission through the Office of Degree Authorization*] **Higher**
16 **Education Coordinating Commission**. The commission shall adopt by rule standards and proce-
17 dures for the approval of schools.

18 (2)(a) The commission, by rule, may impose a fee on any school applying for approval to confer
19 or offer to confer a degree upon a person or to provide academic credit applicable to a degree. The
20 fee is nonrefundable.

21 (b) The amount of the fee shall be established to recover designated expenses incurred by the
22 commission in carrying out the administration of ORS 348.594 to 348.615, and may not exceed the
23 following amounts adjusted for inflation annually, beginning on July 1, 2007, pursuant to the in-
24 crease, if any, from the preceding year in the U.S. City Average Consumer Price Index for All Urban
25 Consumers (All Items) as published by the Bureau of Labor Statistics of the United States Depart-
26 ment of Labor:

27 (A) For a doctoral degree, \$5,500.

28 (B) For a master's degree, \$4,150.

29 (C) For a bachelor's degree, \$4,150.

30 (D) For an associate degree, \$2,750.

31 (E) For a certificate or for any partial degree program, \$1,000.

32 (c) In addition to the base fee described in paragraph (b) of this subsection, the commission may
33 assess the actual costs related to the use of experts to evaluate programs leading to professional
34 licensure by the state, if such costs exceed 10 percent of the base fee.

35 (d) Any fees collected under this subsection shall be deposited in the [*Office of*] Degree Author-
36 ization Account established under ORS 348.601.

37 **SECTION 184.** ORS 348.607 is amended to read:

38 348.607. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
39 **Commission** may, by rule, impose a fee on a school that applies for an exemption under ORS
40 348.604. The amount of the fee may not exceed the lesser of:

41 (a) The actual cost to the commission of determining the school's compliance with the require-
42 ments for an exemption under ORS 348.604; or

43 (b) Fifty percent of the fee that the commission would impose on the school under ORS 348.606
44 (2) if the school were applying for approval to offer a bachelor's degree.

45 (2) Except as provided in ORS 348.604 or 348.608 or section 6, chapter 546, Oregon Laws 2005,

1 the commission may not impose requirements for a religious exemption from ORS 348.594 to 348.615.

2 **SECTION 185.** ORS 348.608 is amended to read:

3 348.608. (1) Each year, on a date prescribed by the [*Office of Degree Authorization*] **Higher Ed-**
4 **ucation Coordinating Commission**, a school that obtains an exemption under ORS 348.604 or a
5 school that, on the date preceding July 15, 2005, was a school described in ORS 348.594 (2)(d), shall
6 submit to the [*office*] **commission** a statement that reads: "(Name of School) hereby certifies that
7 the school remains in compliance with all conditions for a religious exemption from ORS 348.594 to
8 348.615."

9 (2) A school that obtains an exemption under ORS 348.604 or a school that, on the date pre-
10 ceding July 15, 2005, was a school described in ORS 348.594 (2)(d) remains exempt unless the
11 [*office*] **commission** suspends or revokes the exemption.

12 (3) The [*office*] **commission** may suspend or revoke an exemption if:

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

15 (b) The [*office*] **commission** has received a complaint from a student or former student of the
16 school that the school is failing to comply with a condition for exemption under ORS 348.604, the
17 [*office*] **commission** determines that the complaint is valid, the school has been provided with notice
18 and opportunity to cure as required by subsection (4) of this section and the school fails to comply
19 with the condition listed in the notice; or

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

22 (4) The [*Oregon Student Assistance Commission, through the office,*] **commission** shall provide
23 notice of and 90 days to cure a school's:

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

25 (b) Failure to maintain compliance with a condition for exemption under ORS 348.604 if the
26 [*office*] **commission** has received a complaint from a student or former student of the school that
27 the school is failing to comply with a condition for exemption under ORS 348.604 and the [*office*]
28 **commission** has determined the complaint is valid; or

29 (c) Violation of ORS 348.605.

30 (5) A school may appeal the denial, suspension or revocation of an exemption to the commission.

31 (6) A school may appeal [*to the commission the office's*] **the commission's** decision that a faculty
32 member does not possess sufficient compensatory qualifications to substitute for an academic degree
33 in the field in which the faculty member teaches.

34 (7) The commission shall conduct an appeal under this section as a contested case under ORS
35 chapter 183.

36 (8)(a) If a school appeals the denial, suspension or revocation of an exemption and the commis-
37 sion upholds the denial, suspension or revocation, the commission shall provide the school 90 days
38 to cure the grounds for the denial, suspension or revocation. If the school does not cure the grounds
39 for the denial, suspension or revocation within 90 days after the commission upholds the denial,
40 suspension or revocation, then the denial, suspension or revocation becomes effective 90 days after
41 the issuance of the decision on the appeal by the commission.

42 (b) If a school does not appeal the denial, suspension or revocation of an exemption to the
43 commission and the school does not cure the grounds for the denial, suspension or revocation within
44 the period of time to appeal the decision to the commission, then the denial, suspension or revoca-
45 tion becomes effective upon the expiration of the period of time to appeal.

1 **SECTION 186.** ORS 348.609 is amended to read:

2 348.609. (1) A person may not claim or represent that the person possesses any academic degree
3 unless the degree has been awarded to or conferred upon the person by a school that:

4 (a) Has accreditation recognized by the United States Department of Education or the foreign
5 equivalent of such accreditation;

6 (b) Has been approved by the [*Oregon Student Assistance Commission through the Office of De-*
7 *gree Authorization*] **Higher Education Coordinating Commission** to offer and confer degrees in
8 Oregon;

9 (c) Is described in ORS 348.597; or

10 (d) Is located in the United States and has been found by the commission to meet standards of
11 academic quality comparable to those of an institution located in the United States that has ac-
12 creditation, recognized by the United States Department of Education, to offer degrees of the type
13 and level claimed by the person.

14 (2)(a) A person who has been awarded a degree from a school other than a school described in
15 subsection (1) of this section may claim or represent that the person possesses an academic degree
16 if:

17 (A) The person has been awarded a degree from a school that has the legal authority to issue
18 degrees in the jurisdiction where the degree is issued; and

19 (B) The claim or representation is accompanied by a disclaimer that states: “(Name of school)
20 does not have accreditation recognized by the United States Department of Education and has not
21 been approved by the [*Office of Degree Authorization*] **Higher Education Coordinating Commis-**
22 **sion.**”

23 (b) A disclaimer allowed under this subsection shall be made in any resume, letterhead, business
24 card, announcement or advertisement in which the person is claiming or representing to have an
25 academic degree from a school that does not meet the requirements of subsection (1) of this section.

26 (c) A person may not use a disclaimer described in this subsection for a degree received from
27 a diploma mill.

28 (d) This subsection does not alter any requirement for obtaining a license, admission into a
29 school, teaching or employment or for other areas in which a degree from an accredited school is
30 required.

31 (3) The [*Oregon Student Assistance*] commission shall adopt, by rule, standards and procedures
32 for responding to complaints about degree claims and for validation of degree claims. Failure of a
33 person to provide documentation of a claimed degree shall be prima facie evidence that the claim
34 of such person to such degree is a violation of this section.

35 (4) The [*Oregon Student Assistance*] commission, by rule, may impose a fee on any school or
36 person requesting validation of degree claims. The amount of the fee shall be established to recover
37 designated expenses incurred by the commission in carrying out the administration of ORS 348.594
38 to 348.615. Any fees collected under this subsection shall be deposited in the [*Office of*] Degree Au-
39 thorization Account established under ORS 348.601.

40 (5)(a) The [*Oregon Student Assistance Commission, through the Office of Degree Authorization,*]
41 **commission** may cause a civil suit to be instituted in the circuit court for legal or equitable rem-
42 edies, including injunctive relief, to ensure compliance with this section. The commission may re-
43 cover attorney fees and court costs for any such action.

44 (b) The commission shall adopt a schedule of civil penalties for violations of this section. A civil
45 penalty shall not exceed \$1,000 per violation.

1 (c) In addition to any action or penalty provided by law, any person who violates this section
2 shall incur a civil penalty in an amount prescribed by the schedule adopted by the commission. Any
3 civil penalty imposed under this subsection shall be imposed in the manner provided in ORS 183.745.
4 All penalties recovered under this subsection shall be paid into the State Treasury and credited to
5 the General Fund.

6 (6) The provisions of this section do not apply to a person who is a graduate of a veterinary
7 college, or a veterinary department of a university or college, of good standing and repute, as de-
8 termined by the Oregon State Veterinary Medical Examining Board.

9 **SECTION 187.** ORS 348.611 is amended to read:

10 348.611. (1) As used in this section:

11 (a) "Career pathways certificate of completion program" means a certification program that:

12 (A) Is offered at a community college;

13 (B) Provides a specified proficiency in specific skills to meet an identified employment need;

14 (C) Is provided in a grouping of 12 to 44 quarter credits, or an equivalent number of credits;

15 (D) Is wholly contained within an associate degree program or a similar certification program
16 of 45 or more quarter credits, or an equivalent number of credits, that was reviewed and approved
17 as provided by ORS 348.603 (2); and

18 (E) Satisfies the requirements for a career pathways certificate of completion program, as pre-
19 scribed by the Department of Community Colleges and Workforce Development.

20 (b) "Program authority" means:

21 (A) The governing body of a community college; or

22 (B) The designee of the governing body of a community college that has authority related to the
23 offering of a career pathways certificate of completion program at the community college.

24 (2)(a) At least 30 business days prior to a community college seeking final approval from the
25 State Board of Education to offer a new career pathways certificate of completion program, the
26 program authority shall provide notice of intent to offer the program to the Department of Com-
27 munity Colleges and Workforce Development. The notice of intent must be in the form required by
28 the department and may be provided electronically.

29 (b) Upon receiving a notice of intent described in paragraph (a) of this subsection, the depart-
30 ment shall immediately provide electronic notice to any private institution that may be affected by
31 the offering of a new career pathways certificate of completion program.

32 (3) A private institution that objects to the offering of a career pathways certificate of com-
33 pletion program must provide a notice of objection to the program authority within 12 business days
34 of receiving the notice of intent under subsection (2) of this section.

35 (4) If a program authority receives a notice of objection as provided by subsection (3) of this
36 section, the program authority must:

37 (a) Within three business days after the last date by which a private institution may provide a
38 notice of objection, offer all private institutions that provided a notice of objection the opportunity
39 to participate in a meeting described in subsection (5) of this section; and

40 (b) Postpone the seeking of final approval from the State Board of Education for the career
41 pathways certificate of completion program until the requirements of subsection (6) of this section
42 have been satisfied.

43 (5)(a) A community college that provided a notice of intent under subsection (2) of this section
44 and a private institution that provided a notice of objection under subsection (3) of this section shall
45 participate in a meeting for the purpose of avoiding detrimental duplication or a significantly ad-

1 verse impact by:

- 2 (A) Identifying opportunities for collaboration in programs;
- 3 (B) Forming agreements or partnerships for offering programs; or
- 4 (C) Developing ideas for modifying programs.

5 (b) The program authority or the private institution may invite the [*Oregon Student Assistance*
6 *Commission*] **Higher Education Coordinating Commission** or any other third party to join a
7 meeting or to act as a mediator of a meeting.

8 (6) A program authority may seek final approval from the State Board of Education for a pro-
9 gram following a postponement described in subsection (4) of this section if:

10 (a) An agreement is reached between the program authority and all of the private institutions
11 that participated in the meeting described in subsection (5) of this section; or

12 (b) The program authority and the private institutions that participated in the meeting described
13 in subsection (5) of this section are unable to reach an agreement within 15 business days.

14 (7) Notwithstanding the timelines prescribed by subsections (3), (4) and (6) of this section, the
15 program authority and the private institutions may mutually agree to adjust the timelines.

16 **SECTION 188.** ORS 348.612 is amended to read:

17 348.612. The [*Oregon Student Assistance Commission*] **Higher Education Coordinating Com-**
18 **mission** may revoke or suspend any approval given to a school under ORS 348.606 for proper cause
19 after a hearing. Such hearing shall be held only after the school has been given 20 days' notice in
20 writing of the time and place of such hearing. Hearings shall be held in accordance with the rules
21 of the commission adopted under ORS 348.530.

22 **SECTION 189.** ORS 348.615 is amended to read:

23 348.615. If the [*Oregon Student Assistance Commission*] **Higher Education Coordinating Com-**
24 **mission** refuses to grant approval to a school to confer degrees or revokes the approval to confer
25 degrees, the refusal or revocation shall be subject to the right of review by an action brought in the
26 circuit court of the county in which the school is located. Such review shall be tried as an action
27 not triable by right to a jury.

28 **SECTION 190.** ORS 348.616 is amended to read:

29 348.616. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
30 **Commission** shall develop and adopt rules that provide the minimum criteria that an employer must
31 meet in order for the employer's scholarship program for employees and dependents to be certified
32 as eligible for the employee and dependent scholarship program tax credit provided under ORS
33 348.621. The commission shall adopt rules to determine:

34 (a) The types of educational programs, institutions and expenses related to the programs and
35 institutions for which scholarships may be offered to employees and dependents, and scholarship
36 moneys expended on their behalf;

37 (b) The types of employees and dependents to whom scholarships must be offered;

38 (c) The minimum and maximum annual dollar amounts of a scholarship that would be a qualified
39 scholarship under ORS 315.237;

40 (d) The minimum annual number of hours of instruction that a scholarship beneficiary must
41 commit to in order to be eligible for a scholarship; and

42 (e) Such other requirements as the commission may provide.

43 (2) An employer must employ at least four full-time equivalent employees but no more than 250
44 employees in order to be certified as eligible for the employee and dependent scholarship program
45 tax credit under ORS 348.621.

1 (3) An employer seeking to claim the tax credit provided under ORS 315.237 must apply to the
2 [*Oregon Student Assistance*] commission for both employee and dependent scholarship program cer-
3 tification under ORS 348.618 and tax credit certification under ORS 348.621.

4 **SECTION 191.** ORS 348.618 is amended to read:

5 348.618. (1) An application for employee and dependent scholarship program certification shall
6 be filed by the employer establishing the program. The application shall be filed with the [*Oregon*
7 *Student Assistance Commission*] **Higher Education Coordinating Commission** at least three
8 months prior to the close of the first tax year for which a tax credit under ORS 315.237 will be
9 claimed.

10 (2) The application shall be filed on a form prescribed by the commission and shall contain the
11 information required by the commission, including:

12 (a) The date on which the proposed employee and dependent scholarship program will first be
13 available to the employer's employees and their dependents;

14 (b) The total number of employees of the employer;

15 (c) The total number of employees who will be eligible, or whose dependents will be eligible, to
16 participate in the program;

17 (d) The criteria to be used by the employer in determining the eligibility of an employee or an
18 employee's dependent for a scholarship under the program; and

19 (e) The annual limit, if any, on the amount of funds to be used for scholarships under the pro-
20 gram.

21 (3) The commission shall certify an application that describes an employee and dependent
22 scholarship program that is in compliance with the rules adopted by the commission under ORS
23 348.616 (1) and (2), if made by an employer that meets the employment requirements of ORS 348.616
24 (1) and (2).

25 (4) The commission shall certify or reject an application within 60 days of receipt of the appli-
26 cation and shall notify the employer of the commission's determination.

27 (5) An employer whose application has been rejected by the commission shall be afforded an
28 opportunity to amend the application to address the commission's objections to the original appli-
29 cation.

30 (6) In the case of an employer whose proposed employee and dependent scholarship program has
31 been certified by the commission, the commission shall send a letter of program certification to the
32 employer. The letter of program certification shall set forth or incorporate by reference the state-
33 ments made in the application being certified.

34 (7) A letter of program certification issued under this section shall remain valid until the em-
35 ployer changes the terms of eligibility for a scholarship under the program, changes the minimum
36 or maximum amount of a scholarship under the program or ceases to be an employer.

37 **SECTION 192.** ORS 348.621 is amended to read:

38 348.621. (1) An application for tax credit certification shall be filed by an employer that has
39 obtained program certification under ORS 348.618 or that has applied for program certification and
40 is awaiting such certification by the [*Oregon Student Assistance Commission*] **Higher Education**
41 **Coordinating Commission**.

42 (2) The application for tax credit certification shall be filed by the employer with the commis-
43 sion. The application shall be filed at the time prescribed by the commission, but no later than Oc-
44 tober 1 of the calendar year in which begins the tax year for which a credit under ORS 315.237 will
45 be claimed.

1 (3) The application shall be filed on a form prescribed by the commission and shall contain the
2 information required by the commission, including the amount of scholarship moneys the employer
3 has provided or intends to provide to employees or dependents during the calendar year for which
4 tax credit certification is being sought and the number of employees employed by the employer for
5 the calendar year.

6 (4) The commission shall consider applications in the chronological order in which the applica-
7 tions are received and shall approve applications to the extent the amount set forth in the applica-
8 tion, when added to the total amount already certified by the commission for the calendar year
9 under this section, does not exceed \$1 million.

10 (5) An employer may not receive tax credit certification:

11 (a) For an amount that is greater than \$1 million;

12 (b) If the employer employs fewer than four full-time equivalent employees for the calendar year;

13 or

14 (c) If the employer employs more than 250 employees for the calendar year.

15 (6) The commission shall send written notice of the amount of the tax credit certification, or
16 written notice that no amount is being certified, to the employer and to the Department of Revenue
17 within 60 days of the date an application is filed under this section.

18 (7) The employer shall keep the written certification in the employer's records for at least five
19 years and shall furnish the certification to the Department of Revenue if requested.

20 **SECTION 193.** ORS 348.625 is amended to read:

21 348.625. As used in ORS [348.570 and] 348.625 to 348.695:

22 (1) "Alternative student loan program" means a program established by the [*Oregon Student*
23 *Assistance Commission*] **Higher Education Coordinating Commission** to fund loans to eligible
24 students, or to qualifying parents of eligible students, to help meet expenses of eligible students of
25 attending post-secondary educational institutions; provided, however, that alternative student loan
26 program loans may be made only to students who have applied for student financial aid under Title
27 IV, Part B of the Higher Education Act of 1965, as amended, and have received information on their
28 eligibility for programs under that Act, or the parents of students who have made such application
29 and received such information.

30 (2) "Eligible student" means a student enrolled in an eligible post-secondary educational insti-
31 tution located in Oregon or a student who is an Oregon resident and who is enrolled in an eligible
32 post-secondary educational institution located outside of Oregon. The commission shall determine,
33 among other things, what constitutes enrollment and which post-secondary educational institutions
34 are eligible institutions under the alternative student loan program.

35 (3) "Lender" means an insured institution as defined in ORS 706.008 that is authorized to do
36 business in Oregon and which has entered into an agreement with the commission to originate,
37 service and administer alternative student loans in the manner authorized by ORS 348.570 and
38 348.625 to 348.695.

39 **SECTION 194.** ORS 348.630 is amended to read:

40 348.630. (1) Loans may be made under the alternative student loan program to an eligible stu-
41 dent or to a parent of an eligible student.

42 (2) Loans made under the alternative student loan program shall not exceed the eligible costs
43 of education as determined by the [*Oregon Student Assistance Commission*] **Higher Education Co-**
44 **ordinating Commission**, minus other financial aid received, or \$10,000, whichever is less, for any
45 eligible student during a single calendar year. Total loans made for any eligible student under the

1 alternative student loan program shall not exceed \$40,000.

2 (3) Under the alternative student loan program, borrowers shall undergo a credit check by the
3 lender or by the commission and shall be creditworthy or provide a creditworthy cosigner.

4 **SECTION 195.** ORS 348.635 is amended to read:

5 348.635. In consultation with private sector lenders, the [*Oregon Student Assistance*
6 *Commission*] **Higher Education Coordinating Commission** shall establish the terms and conditions,
7 including but not limited to maturities and repayment provisions, of student loans for which the
8 commission shall provide funding. The commission may also set standards of academic achievement
9 which borrowers must maintain to receive loans.

10 **SECTION 196.** ORS 348.640 is amended to read:

11 348.640. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
12 **Commission** shall provide funding to lenders pursuant to contracts which shall provide, among
13 other things, the terms and conditions under which private sector lenders, using funding made
14 available by the commission, shall originate, service and administer loans pursuant to the alterna-
15 tive student loan program. Lenders shall receive and process loan applications from borrowers,
16 perform credit analysis, approve or deny loan requests, and for loans which are approved, originate,
17 document, administer and service such loans. The commission shall make provision for payment to
18 lenders of the reasonable costs of origination, servicing and administration of loans. Payment may
19 be made directly by borrowers or by the commission, as the commission may determine.

20 (2) Loans shall be structured in such a manner that anticipated payments of principal and in-
21 terest shall permit timely repayment of the revenue bonds to be issued by the State of Oregon pur-
22 suant to ORS 348.570 and 348.625 to 348.695. As a condition of participation in the alternative
23 student loan program by private sector lenders, the commission shall procure from each such lender
24 a guarantee or letter of credit insuring that the commission shall receive full and timely repayment
25 of principal of and interest due on loans originated, serviced and administered by the lender. The
26 commission shall provide by contract for payment by the commission or by borrowers, as the com-
27 mission may determine, of the reasonable costs of such guarantees or letters of credit. It is the in-
28 tention of ORS 348.570 and 348.625 to 348.695 that participating private sector lenders, not the
29 commission, shall bear the entire risk of loss, nontimely repayment or nonpayment of alternative
30 student loan program loans.

31 **SECTION 197.** ORS 348.655 is amended to read:

32 348.655. In consultation with the [*Oregon Student Assistance Commission*] **Higher Education**
33 **Coordinating Commission**, the State Treasurer may issue revenue bonds in an amount not to ex-
34 ceed \$30 million annually, the proceeds of which shall be used to provide funding for loans to be
35 made pursuant to the alternative student loan program. Interest on the bonds shall be exempt from
36 personal income taxation by the State of Oregon.

37 **SECTION 198.** ORS 348.660 is amended to read:

38 348.660. (1) If the State Treasurer, in consultation with the [*Oregon Student Assistance Commis-*
39 *sion*] **Higher Education Coordinating Commission**, determines that revenue bonds should be is-
40 sued under ORS 348.570 and 348.625 to 348.695:

41 (a) The State Treasurer, in consultation with the commission, may authorize and issue in the
42 name of the State of Oregon revenue bonds secured by revenues from repayment of loans to finance
43 or refinance in whole or part the costs of the loan program. Refunding bonds may be issued to re-
44 finance such revenue bonds.

45 (b) The State Treasurer, in consultation with the commission, shall designate the underwriter,

1 trustee and bond counsel and enter into appropriate agreements with each to carry out the pro-
2 visions of ORS 348.570 and 348.625 to 348.695.

3 (2) Any trustee designated by the State Treasurer, in consultation with the commission, must
4 agree to furnish financial statements and audit reports for each bond issue.

5 (3) In determining whether to issue revenue bonds under ORS 348.570 and 348.625 to 348.695, the
6 State Treasurer, in consultation with the commission, shall consider:

7 (a) The bond market for the types of bonds proposed for issuance.

8 (b) The terms and conditions of the proposed issue.

9 (c) Such other relevant factors as the State Treasurer, in consultation with the commission,
10 considers necessary to protect the financial integrity of the state.

11 **SECTION 199.** ORS 348.665 is amended to read:

12 348.665. Bonds authorized under ORS 348.570 and 348.625 to 348.695 shall be issued in accord-
13 ance with the provisions of ORS chapter 286A. The State Treasurer, in consultation with the
14 [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission**, may estab-
15 lish special accounts or subaccounts in the Alternative Student Loan Program Fund created by ORS
16 348.570 and may pledge the assets or the revenues, or any portion thereof, of the alternative student
17 loan program.

18 **SECTION 200.** ORS 348.670 is amended to read:

19 348.670. The administrative expenses of the State Treasurer and the [*Oregon Student Assistance*
20 *Commission*] **Higher Education Coordinating Commission** shall be charged against bond proceeds
21 or repayment revenues.

22 **SECTION 201.** ORS 348.675 is amended to read:

23 348.675. The State Treasurer, in consultation with the [*Oregon Student Assistance Commission*]
24 **Higher Education Coordinating Commission**, shall have the power, whenever refunding is con-
25 sidered expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be re-
26 funded have or have not matured. The refunding bonds may be exchanged for bonds to be refunded
27 and the proceeds applied to the purchase, redemption or payment of such bonds.

28 **SECTION 202.** ORS 348.685 is amended to read:

29 348.685. The official action authorizing the issuance of bonds under ORS 348.570 and 348.625 to
30 348.695 may contain covenants, notwithstanding that such covenants may limit the exercises of
31 powers conferred by ORS 348.570 and 348.625 to 348.695 in the following respects and in such other
32 respects as the state, acting through the State Treasurer, in consultation with the [*Oregon Student*
33 *Assistance Commission*] **Higher Education Coordinating Commission**, or the designee thereof may
34 decide:

35 (1) The use and disposition of the revenues from repayment;

36 (2) The creation and maintenance of special accounts or subaccounts in the Alternative Student
37 Loan Program Fund created by ORS 348.570 and the regulation, use and disposition thereof;

38 (3) The purpose or purposes to which the proceeds of sale of bonds may be applied and the use
39 and disposition of such proceeds;

40 (4) The events of default and the rights and liabilities arising thereon and the terms and condi-
41 tions upon which the holders of any bonds may bring any suit or action on such bonds or on any
42 coupons appurtenant thereto;

43 (5) The issuance of other or additional bonds or instruments payable from or constituting a
44 charge against the revenues from repayment;

45 (6) The keeping of books of account and the inspection and audit thereof;

1 (7) The terms and conditions upon which any or all of the bonds shall become or may be de-
2 clared due before maturity and the terms and conditions upon which such declaration and its con-
3 sequences may be waived;

4 (8) The rights, liabilities, powers and duties arising upon the breach of any covenants, conditions
5 or obligations;

6 (9) The appointing of and vesting in a trustee or trustees of the right to hold or dispose of any
7 funds, accounts, revenues or assets of the alternative student loan program, to receive or assign any
8 pledge thereof or to enforce any covenants made to secure or to pay the bonds, the powers and
9 duties of such trustee or trustees, and the limitation of the liabilities of the trustee or trustees;

10 (10) The terms and conditions upon which the holder or holders of the bonds, or the holders of
11 any proportion or percentage of them, may enforce any covenants made under ORS 348.570 and
12 348.625 to 348.695; and

13 (11) A procedure by which the terms of any official action authorizing bonds or of any other
14 contract with bondholders, including but not limited to an indenture of trust or similar instrument,
15 may be amended or abrogated, and the amount of bonds the holders of which may consent thereto,
16 and the manner in which such consent may be given.

17 **SECTION 203.** ORS 348.690 is amended to read:

18 348.690. (1) Revenue bonds issued under ORS 348.570 and 348.625 to 348.695:

19 (a) Shall not be payable from nor charged upon any funds other than the revenue pledged to the
20 payment thereof, except as provided in this section, nor shall the state be subject to any liability
21 thereon. No holder or holders of such bonds shall ever have the right to compel any exercise of the
22 taxing power of the state to pay any such bonds or the interest thereon, nor to enforce payment
23 thereof against any property of the state.

24 (b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of
25 the state other than the Alternative Student Loan Program Fund created by ORS 348.570, any ac-
26 count or subaccount thereof or student loans, if any, owned or acquired by the [*Oregon Student*
27 *Assistance Commission*] **Higher Education Coordinating Commission** pursuant to the alternative
28 student loan program.

29 (2) Each bond issued under ORS 348.570 and 348.625 to 348.695 shall recite in substance that the
30 bond, including interest thereon, is payable solely from the revenue pledged to the payment thereof.
31 No such bond shall constitute a debt of the state or a lending of the credit of the state within the
32 meaning of any constitutional or statutory limitation. However, nothing in ORS 348.570 and 348.625
33 to 348.695 is intended to impair the rights of holders of bonds to enforce covenants made for the
34 security thereof as provided in ORS 348.685.

35 **SECTION 204.** ORS 348.696 is amended to read:

36 348.696. Pursuant to section 4 (4)(d), Article XV of the Oregon Constitution, the Education Sta-
37 bility Fund is established separate and distinct from the General Fund. Except for earnings on
38 moneys in the school capital matching subaccount, moneys in the fund shall be invested as provided
39 in ORS 293.701 to 293.790. All declared earnings on moneys in the fund shall be transferred and are
40 appropriated continuously as follows:

41 (1) 75 percent to the Oregon Education Fund established by ORS 348.716; and

42 (2) 25 percent to the [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
43 **Commission** for the Oregon Opportunity Grant program under ORS 348.260.

44 **SECTION 205.** ORS 348.890 is amended to read:

45 348.890. [(1) *The State Board of Higher Education and the State Board of Education shall hold*

1 *at least one meeting annually as the Joint Boards of Education for the purpose of coordinating their*
 2 *activities and reaching joint agreement on matters of education policy and opportunities of mutual in-*
 3 *terest to the two boards and to the populations served by the boards.]*

4 [(2) *Bylaws to be adopted by the members shall determine procedures for setting meeting dates,*
 5 *locations, chairperson rotation, agendas and staff support.]*

6 [(3)] (1) The [*Joint Boards of Education*] **Higher Education Coordinating Commission** shall
 7 provide policy direction to implement regional partnership proposals and any other joint program
 8 or activity approved by [*both boards*] **the State Board of Education and the State Board of**
 9 **Higher Education.**

10 (4) Notwithstanding [*ORS 351.070 (3)(c)*] **section 20 (3) of this 2011 Act**, the Department of
 11 Community Colleges and Workforce Development and the Oregon University System may use ap-
 12 propriations from the General Fund to implement agreements approved by the [*Joint Boards of Ed-*
 13 *ucation*] **Higher Education Coordinating Commission** that provide direct aid to a student, or other
 14 incentives that encourage shared use of facilities, programs and other resources of [*state institutions*
 15 *of higher education*] **public universities listed in ORS 352.002** and community colleges.

16 **SECTION 206.** ORS 348.900 is amended to read:

17 348.900. (1) The Employment Department, in consultation with health care industry employers,
 18 shall perform a statewide and regional needs assessment for health care occupations to identify
 19 emerging occupations and occupations for which there is high demand or a shortage of workers. The
 20 assessment shall be performed as necessary on a periodic basis, as determined by the department,
 21 in consultation with industry employers. To perform the needs assessment, the department may
 22 consider any reliable data sources available to the department.

23 (2) Based on the needs assessment, the [*Joint Boards of Education*] **Higher Education Coordi-**
 24 **nating Commission** shall inform **the** community colleges, [*state institutions of higher education*
 25 *within the Oregon University System*] **public universities listed in ORS 352.002**, Oregon Health and
 26 Science University and health care industry employers of the identified statewide needs and invite
 27 the development of health care education programs that are responsive to those needs.

28 (3) When approving health care education programs, the State Board of Education, the State
 29 Board of Higher Education and the Oregon Health and Science University Board of Directors shall
 30 use the statewide needs assessment to evaluate whether a program fulfills statewide needs. If a
 31 board determines there is a statewide need, the board shall facilitate the:

32 (a) Coordination of new health care education programs and existing health care education
 33 programs that are similar to the new health care education programs to address the statewide need;
 34 and

35 (b) Alignment of health care education programs relating to statewide access, student
 36 transferability between programs, course articulation and common student learning outcomes for
 37 health care education programs.

38 (4) In the development and approval of health care education programs, community colleges,
 39 [*state institutions of higher education*] **public universities**, Oregon Health and Science University,
 40 the State Board of Education, the State Board of Higher Education and the Oregon Health and
 41 Science University Board of Directors shall consider issues related to statewide access, student
 42 transferability between programs, course articulation and common student learning outcomes for
 43 health care education programs. The **community** colleges, [*institutions*] **public universities**,
 44 **Oregon Health and Science** University and boards shall continue to provide and improve upon an
 45 effective articulation and transfer framework for students in Oregon's post-secondary sectors.

1 **SECTION 207.** ORS 348.910 is amended to read:

2 348.910. (1) As used in this section, “applied baccalaureate degree” means a bachelor’s degree
3 designed to incorporate applied associate courses and degrees with additional coursework empha-
4 sizing higher-order thinking skills and advanced technical knowledge and skills.

5 (2) The [*Joint Boards of Education*] **Higher Education Coordinating Commission** shall develop
6 a plan for offering applied baccalaureate degree programs at community colleges and [*state insti-*
7 *tutions of higher education*] **the public universities listed in ORS 352.002**. The [*boards*] **commis-**
8 **sion** shall consider the following types of programs for the purpose of offering some of these types
9 and the possibility of combinations of these types:

10 (a) A career ladder program that requires a substantial number of upper level courses in the
11 same technical area of study as the student’s applied associate degree;

12 (b) An inverse program that reverses the traditional curriculum sequence by adding general
13 education courses in the student’s third and fourth years to the associate degree courses taken in
14 the student’s first and second years;

15 (c) A management ladder program that combines associate degree requirements with applied
16 management skills coursework; and

17 (d) A work experience program that combines general education and technical coursework with
18 direct, supervised work experience in a relevant field.

19 (3) The [*Joint Boards of Education*] plan must include the following elements:

20 (a) The method by which the applied baccalaureate degree programs will be created, including
21 any necessary accreditation by the relevant accrediting agency;

22 (b) The criteria for approving the degree and course options offered by [*state institutions of*
23 *higher education*] **the public universities listed in ORS 352.002** and community colleges;

24 (c) The articulation agreements between community colleges and [*state institutions of higher ed-*
25 *ucation*] **the public universities listed in ORS 352.002** necessary to ensure that the applied
26 baccalaureate degree programs are as widely available as possible;

27 (d) The resources required to implement the applied baccalaureate degree program;

28 (e) The timeline necessary to implement the applied baccalaureate degree program; and

29 (f) A recommendation as to whether community colleges should be allowed to offer applied
30 baccalaureate degrees.

31 (4) The [*Joint Boards of Education*] **commission** shall submit a report, along with proposed
32 legislation, to the interim committee of the Legislative Assembly related to higher education prior
33 to November 1, 2010. The [*boards*] **commission** shall provide progress reports on the plan to the
34 interim committee.

35 (5) The Oregon University System, the Department of Education and the Department of Com-
36 munity Colleges and Workforce Development shall provide staff support to the [*Joint Boards of Ed-*
37 *ucation*] **commission** in the preparation of the reports required by this section.

38 **SECTION 208.** ORS 351.065 is amended to read:

39 351.065. (1) The State Board of Higher Education may, for each [*institution, division and de-*
40 *partment*] **public university or office, department or activity** under its control, adopt rules and
41 specific orders by or through the [*institutional executive of each institution*] **president of each public**
42 **university** governing access to personnel records of the [*institution, division or department, which*]
43 **public university or office, department or activity that** are less than 25 years old.

44 (2) Rules adopted under subsection (1) of this section shall require that personnel records be
45 subjected to restrictions on access unless upon a finding by the [*institutional executive*] **president**

1 **of the public university** that the public interest in maintaining individual rights to privacy in an
 2 adequate educational environment would not suffer by disclosure of such records. Access to such
 3 records may be limited to designated classes of information or persons, or to stated times and con-
 4 ditions, or to both, but cannot be limited for records more than 25 years old.

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

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

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

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

17 [(d)] (7) Letters and other information submitted in confidence to the board or its [*institutions,*
 18 *schools or departments*] **public universities, offices, departments or activities** prior to July 1,
 19 1975, shall be maintained in the files designated. However, if a faculty member requests access to
 20 those files, the anonymity of the contributor of letters and other information obtained prior to July
 21 1, 1975, shall be protected. The full text shall be made available except that portions of the text
 22 [*which*] **that** would serve to identify the contributor shall be excised by a faculty committee. Only
 23 the names of the contributors and the excised portions of the documents may be kept in a file other
 24 than the three prescribed by [*paragraph (a) of this subsection*] **subsection (4) of this section.**

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

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

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

45 [(4)] (11) No rule or order promulgated pursuant to this section limits the authority of the [*in-*

stitution, division or department] **public universities, offices, departments or activities under the control of the board** to prepare, without identification of individual persons who have not consented thereto, statistical or demographic reports from personnel records.

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

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

SECTION 209. ORS 351.067 is amended to read:

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

(a) Consulting;

(b) Appearances and speeches;

(c) Intellectual property conceived, reduced to practice or originated and therefore owned within the Oregon University System;

(d) Providing services or other valuable consideration for a private corporation, individual, or entity, whether paid in cash or in-kind, stock or other equity interest, or anything of value regardless of whether there is a licensing agreement between the Oregon University System and the private entity; and

(e) Performing public duties paid by private organizations, including institution corporate affiliates, [which augment] **that augments** an officer's or employee's publicly funded salary. Such income shall be authorized and received in accordance with policies and rules established by the board.

(2) The board may not authorize compensation, as [defined] **described** in subsection (1) of this section, that, in the board's judgment, does not comport with the mission of [the institution] **a public university listed in ORS 352.002** and the Oregon University System or substantially interferes with an officer's or employee's duties to the Oregon University System.

(3) Any compensation described and authorized under subsection (1) of this section is considered official compensation or reimbursement of expenses for purposes of ORS 244.040 and is not considered an honorarium prohibited by ORS 244.042. If authorization or receipt of the compensation creates a potential conflict of interest, the officer or employee shall report the potential conflict in writing in accordance with rules of the [state] board. The disclosure is a public record subject to public inspection.

(4) The [state] board shall adopt by rule standards governing employee outside employment and activities, including potential conflict of interest, as defined by [state] board rule and consistent with ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing potential or actual conflict of interest complaints.

SECTION 210. ORS 351.072 is amended to read:

351.072. (1) Notwithstanding ORS chapter 183, the following actions may be taken by the State Board of Higher Education or the [educational institutions] **public universities** under its control

1 without compliance with the rulemaking 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]* **university** publications. However, student
8 loan service charges, charges levied as penalties for prohibited conduct, general tuition, building
9 fees, incidental fees, health service fees and residence hall and housing charges shall be adopted in
10 accordance with 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]* **public universities** under its
13 control shall be reduced to writing and made available to interested persons upon request.

14 **SECTION 211.** ORS 351.077 is amended to read:

15 351.077. (1) Pursuant to ORS 342.447, the *[office of the]* Chancellor of the Oregon University
16 System shall ensure the implementation of the plans developed for recruitment of minority teachers.

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

21 **SECTION 212.** ORS 351.088 is amended to read:

22 351.088. Notwithstanding ORS chapter 183, the State Board of Higher Education or any *[state*
23 *institution of higher education under the jurisdiction of the board]* **public university listed in ORS**
24 **352.002** may, by rule, establish adjudicative procedures that are consistent with federal and state
25 constitutional requirements and other provisions of law. The adjudicative procedures shall be con-
26 sistent with ORS 183.413 to 183.497 and 183.502 whenever the type of hearing or procedure required
27 is substantially of the character that would necessitate the procedures required by ORS 183.413 to
28 183.470.

29 **SECTION 213.** ORS 351.097 is amended to read:

30 351.097. (1) The payment of salary or compensation of the officers, teachers, instructors and
31 other employees of the Oregon University System, where such salary or compensation is payable out
32 of the State Treasury and is fixed by law or the State Board of Higher Education at a definite rate
33 per hour, day, week, month or year, shall be made weekly, biweekly, semimonthly or monthly with
34 any necessary adjustments, as provided in this section.

35 (2) With the approval of the board, the Chancellor of the Oregon University System shall make
36 out, certify and transmit to the board at the end of each pay period a payroll, duly verified by the
37 chancellor or other designated officer and approved by the proper auditing committee or officer,
38 showing the names of the several officers, teachers, instructors and other employees during the
39 preceding payroll period, the rate of compensation of each by the hour, day, week, month or year,
40 the time employed, the amount due and any other facts the board requires. The board, if it approves
41 the payroll, shall draw a warrant on the State Treasurer for the aggregate amount allowed in favor
42 of the chancellor, who shall immediately pay over the moneys received to the several parties enti-
43 tled thereto and take receipts therefor, which shall be transmitted to the board.

44 (3) Notwithstanding subsection (2) of this section *[or any other law]* and pursuant to ORS
45 293.330, the State Board of Higher Education may authorize the chancellor to designate a person

1 employed by and located at each [*institution of higher education*] **public university** under the juris-
 2 diction of the board to implement and administer the payroll system selected by the board to pay
 3 employees designated by the board. The person shall be under bond to the State of Oregon.

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

8 **SECTION 214.** ORS 351.117 is amended to read:

9 351.117. (1) If the State Board of Higher Education determines that enrollment is sufficient to
 10 make an American Sign Language class economically viable and if qualified instructors are avail-
 11 able, the board may offer to students courses for credit in American Sign Language at [*any institu-*
 12 *tion of higher education within the Oregon University System*] **a public university**. Such courses shall
 13 satisfy any second language elective requirement.

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

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

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

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

21 **SECTION 215.** ORS 351.160 is amended to read:

22 351.160. (1) The State Board of Higher Education may undertake the construction of any build-
 23 ing or structure for higher education when, in the judgment of the board, it appears that the build-
 24 ing or structure will be wholly self-liquidating and self-supporting from revenues to accrue from the
 25 operation thereof and from gifts, grants or building fees, and from unobligated revenues of buildings
 26 or projects of like character. The board may enter into contracts for the erection, improvement,
 27 repair, equipping and furnishing of buildings and structures for dormitories, housing, boarding, off-
 28 street motor vehicle parking facilities and other purposes for higher education pursuant to Article
 29 XI-F(1) of the Oregon Constitution, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505.

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

35 **SECTION 216.** ORS 351.203 is amended to read:

36 351.203. (1) The State Board of Higher Education shall cooperate with the Education and
 37 Workforce Policy Advisor in the development of a state comprehensive education plan including
 38 post-secondary education and in review of the board's programs and budget. The board shall submit
 39 in timely fashion to the advisor such data as is appropriate in a form prescribed by the advisor.

40 (2) The board shall cooperate with the mediation process administered by the [*Oregon Student*
 41 *Assistance Commission*] **Higher Education Coordinating Commission** pursuant to ORS 348.603
 42 and, if a negotiated resolution cannot be reached by mediation, comply with the decisions of the
 43 commission regarding proposed new post-secondary programs and proposed new post-secondary lo-
 44 cations, including those proposed by Oregon Health and Science University in cooperation with the
 45 [*board*] **State Board of Higher Education** under ORS 353.440.

1 **SECTION 217.** ORS 351.205 is amended to read:

2 351.205. The State Board of Higher Education may allow interchange of members of the faculties
3 of *[institutions of higher learning]* **public universities listed in ORS 352.002** with faculty members
4 of comparable institutions of other states or countries for a period of one year. Such exchange ser-
5 vice shall, for all purposes, be deemed continued service with the Oregon *[institution]* **public uni-**
6 **versity** covered, with salary paid to the absent faculty member accordingly. Salary for the visiting
7 faculty member shall not be paid by the Oregon *[institution]* **public university** covered.

8 **SECTION 218.** ORS 351.230 is amended to read:

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

18 **SECTION 219.** ORS 351.300 is amended to read:

19 351.300. The Legislative Assembly finds that in order to avoid unnecessary disruption at public
20 *[institutions of higher education]* **universities listed in ORS 352.002** and in order to provide assur-
21 ance that the *[institutions]* **public universities** share in the benefits of any major reform in the
22 Oregon tax system, it is necessary to stabilize funding for *[such institutions]* **the Oregon University**
23 **System** over a longer period than is customary with biennial budgeting.

24 **SECTION 220.** ORS 351.310 is amended to read:

25 351.310. (1) The State Board of Higher Education shall control the use, distribution and dis-
26 bursement of all funds, appropriations and taxes now or hereafter in possession, levied and collected,
27 received or appropriated for the use, benefit, support and maintenance of *[institutions, departments*
28 *or activities of higher education]* **the public universities listed in ORS 352.002 and offices, de-**
29 **partments and activities under the control of the board**, including the authorization of individ-
30 uals to sign vouchers for the disbursement of funds for the various *[institutions,]* **public universities,**
31 **offices, departments and activities.**

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

39 **SECTION 221.** ORS 351.320 is amended to read:

40 351.320. The State Board of Higher Education may prorate all expenses not otherwise provided
41 for, incurred under authority of ORS 351.040, 351.050, *[351.090 to]* **351.100**, 351.110, 351.130 and
42 351.310 to the *[institutions]* **public universities** under its control, and pay the same from the funds
43 available for the general expenses of those *[institutions]* **universities.**

44 **SECTION 222.** ORS 351.340 is amended to read:

45 351.340. All sums of money provided by law for the support and maintenance of *[institutions and*

1 *activities of higher learning*] **the public universities listed in ORS 352.002 and offices, depart-**
 2 **ments and activities under the control of the State Board of Higher Education** may be used
 3 for the payment of salaries of instructors and employees, current expenses, construction of addi-
 4 tional buildings, purchase of lands, purchase of equipment, purchase of library books and periodicals,
 5 purchase of laboratory supplies and apparatus[,] **and** making necessary repairs and, in general, for
 6 the payment of all such expenses connected with the management of [*such institutions and activities*
 7 *of higher learning*] **the public universities and offices, departments and activities**, as the board
 8 may from time to time determine. However, such [*money*] **moneys** in the instruction budget of the
 9 board shall not be used to support hobby or recreation courses.

10 **SECTION 223.** ORS 351.590 is amended to read:

11 351.590. (1) An account in the Oregon University System Fund established by ORS 351.506 is
 12 designated for the purpose of receiving all revenue from incidental fees, optional fees, health ser-
 13 vices fees and all operating revenue from intercollegiate athletics, student unions and educational
 14 activities.

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

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

23 **SECTION 224.** ORS 351.628 is amended to read:

24 351.628. (1) There is established in the General Fund an account to be known as the Higher
 25 Education Academic Modernization Account. Funds in the account shall be used at [*state institutions*
 26 *of higher education within the Oregon University System*] **public universities listed in ORS 352.002**
 27 for academic modernization, capital repair, deferred maintenance and making facilities compliant
 28 with building and safety codes.

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

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

39 **SECTION 225.** ORS 351.642 is amended to read:

40 351.642. (1) As used in this section:

41 (a) "Active member of the Armed Forces of the United States" includes officers and enlisted
 42 personnel of the Armed Forces of the United States who:

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

45 (B) Reside in this state while serving as members of the crew of a ship that has an Oregon port

1 or shore establishment as its home port or permanent station; or

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

4 (b) "Armed Forces of the United States" includes:

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

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

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

9 (c) "Dependent children" includes any children of an active member of the Armed Forces of the
10 United States who:

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

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

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

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

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

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

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

30 **SECTION 226.** ORS 351.643 is amended to read:

31 351.643. (1) A student [*at a state institution of higher education*] **at a public university listed**
32 **in ORS 352.002** who is a member of the military and who is ordered to federal or state active duty
33 for more than 30 consecutive days has the following rights:

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

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

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

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

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

44 (c) If the student elects to withdraw from the [*state institution of higher education*] **public uni-**
45 **versity**, the right to be readmitted and reenrolled at the [*state institution of higher education*] **public**

1 **university** within one year after release from active duty without a requirement of redetermination
2 of admission eligibility; and

3 (d) The right to continuation of scholarships and grants awarded to the student that were funded
4 by the [*state institution of higher education*] **public university** or the [*Oregon Student Assistance*
5 *Commission*] **Higher Education Coordinating Commission** before the student was ordered to ac-
6 tive duty.

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

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

10 (b) Give the student a failing grade or a grade of incomplete or make any other negative anno-
11 tation on the student's record; or

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

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

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

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

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

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

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

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

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

27 **SECTION 227.** ORS 351.644 is amended to read:

28 351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b) shall be based on:

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

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

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

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

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

40 (B) As a monetary payment.

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

45 (3) A student who elects to claim the credit by the method described in subsection (1)(c)(A) of

1 this section must use the credit or change the method of claiming the credit under subsection (2)
2 of this section within one year after release from active duty.

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

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

9 **SECTION 228.** ORS 351.646 is amended to read:

10 351.646. A [*state institution of higher education*] **public university** listed in ORS 352.002 shall
11 give credit for education and training obtained by a person while serving in the Armed Forces of
12 the United States, as defined in ORS 351.642. The education and training for which credit may be
13 given must meet the standards adopted by the State Board of Higher Education by rule.

14 **SECTION 229.** ORS 351.647 is amended to read:

15 351.647. The Legislative Assembly finds that:

16 (1) It is in the interest of this state and its people that Oregon residents have access to the
17 post-secondary institutions in the Northwest which best provide for the educational needs of those
18 students;

19 (2) The people of Oregon and their post-secondary institutions benefit through the provision of
20 access to Oregon colleges and universities for students from the state of Washington and from the
21 enhanced economic and cultural well-being of the northwest region;

22 (3) The state should reduce or eliminate the nonresident tuition barriers which might exist be-
23 tween the states of Oregon and Washington to restrict or inhibit enrollment of residents of one of
24 these states in a community college or public college or university in the other state;

25 (4) The general policy statement on reduction of admission and tuition barriers between the
26 states of Oregon and Washington shall not apply to students at the Oregon Health and Science
27 University, where enrollment priority shall continue to be given to qualified Oregon residents; and

28 (5) The State Board of Higher Education and the [*State Board of Education*] **Higher Education**
29 **Coordinating Commission** shall develop plans to carry out the intent of this policy within the ap-
30 propriations available, and shall report to the appropriate legislative review agency before imple-
31 menting the plan.

32 **SECTION 230.** ORS 351.649 is amended to read:

33 351.649. (1) For the purposes of this section:

34 (a) "Public institution of higher education" means:

35 (A) A community college;

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

37 (C) The Oregon Health and Science University.

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

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

45 (d) "Student media adviser" means a person who is employed, appointed or designated by a

1 public institution of higher education to supervise, or provide instruction relating to, school-
2 sponsored media.

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

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

7 (a) Is libelous or slanderous;

8 (b) Constitutes an unwarranted invasion of privacy;

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

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

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

12 (B) The violation of school policies; or

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

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

23 **SECTION 231.** ORS 351.653 is amended to read:

24 351.653. (1) In addition to any interstate agreements entered into under ORS 351.647, the Gov-
25 ernor shall encourage interstate agreements with Washington, Idaho and California. Such agree-
26 ments shall be in accordance with ORS 190.410 to 190.440 and shall:

27 (a) Provide for full-time equivalent reimbursement to this state for any students from another
28 state who enroll in an Oregon public post-secondary institution pursuant to the agreement;

29 (b) Provide that only students who reside in counties that share a common border with this state
30 may participate in any program developed pursuant to such an agreement; and

31 (c) Provide that the county government or other similar county-wide public organization of any
32 county involved in the agreement shall provide or arrange to provide a portion of the costs of at-
33 tendance for participating students.

34 (2) Any public post-secondary institution entering into an interstate agreement under this sec-
35 tion shall send a copy of the agreement to the Governor and the [*State Board of Education*] **Higher**
36 **Education Coordinating Commission.**

37 (3) The provisions of this section shall not apply to interstate agreements entered into pursuant
38 to ORS 351.647.

39 **SECTION 232.** ORS 351.656 is amended to read:

40 351.656. (1) As used in this section:

41 (a) "Child" means a child, adopted child or stepchild of a service member.

42 (b) "Eligible post-secondary institution" means:

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

44 (B) The Oregon Health and Science University.

45 (c) "Qualified student" means a child, a spouse or an unremarried surviving spouse of a service

1 member.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 **SECTION 233.** ORS 351.658 is amended to read:

38 351.658. (1) The State Board of Higher Education shall direct each [*state institution of higher*
39 *education*] **public university listed in ORS 352.002** to waive tuition for any course audited by an
40 Oregon resident 65 years of age or older if:

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

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

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

45 (2) [*A state institution of higher education*] **The public university** may charge the student at-

1 tending under subsection (1) of this section fees associated with the course being audited.

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

4 **SECTION 234.** ORS 351.700 is amended to read:

5 351.700. As used in ORS 351.704 and 351.708, “public institution of higher education” means:

6 (1) A community college; or

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

8 **SECTION 235.** ORS 351.840 is amended to read:

9 351.840. (1) The State Board of Higher Education and the Oregon Health and Science University
10 Board of Directors may contract with the Western Interstate Commission for Higher Education to
11 furnish educational service in their respective Oregon *[institutions]* **public universities** to out-of-
12 state students.

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

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

25 **SECTION 236.** ORS 351.870 is amended to read:

26 351.870. (1) The Legislative Assembly finds and declares that basic research is fundamental to
27 the continuation and expansion of applied research and is thus a necessary ingredient in economic
28 growth. The Legislative Assembly further finds that basic research is itself an important activity
29 which should be promoted.

30 (2) It is the policy of this state that basic research is an appropriate and necessary activity of
31 our public universities. Further, the State of Oregon has an obligation with other states and the
32 federal government to encourage and finance basic research if the state and nation are to be active
33 participants in a future which will require ever increasing levels of knowledge and understanding.

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

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

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

44 **SECTION 237.** ORS 351.885 is amended to read:

45 351.885. (1) With the advice and recommendations of the Council for Research Policy Recom-

1 mendations established by ORS 351.880, the State Board of Higher Education shall adopt policies
2 and procedures for the administration of the account designated by ORS 351.875.

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

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

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

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

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

13 (e) Methods of [*assuring*] **ensuring** nondiscriminatory access to the account designated by ORS
14 351.875.

15 **SECTION 238.** ORS 352.004 is amended to read:

16 352.004. The president of each [*state institution of higher education*] **public university** within the
17 Oregon University System is also president of the faculty. The president is also the executive and
18 governing officer of the [*institution*] **public university**, except as otherwise provided by statute **or**
19 **action of the State Board of Higher Education**. Subject to the supervision of the [*State*] board
20 [*of Higher Education*], the president of the [*institution*] **public university** has authority to control
21 and give general directions to the practical affairs of the [*institution*] **public university**.

22 **SECTION 239.** ORS 352.008 is amended to read:

23 352.008. In consultation with the Oregon Health Authority, each [*state institution of higher edu-*
24 *cation*] **public university listed in ORS 352.002** shall adopt a comprehensive alcohol and drug abuse
25 policy and implementation plan.

26 **SECTION 240.** ORS 352.015 is amended to read:

27 352.015. (1) [*Every institution under the jurisdiction of the State Board of Higher Education*] **Each**
28 **public university listed in ORS 352.002** shall convene a physical access committee to identify
29 barriers to access by persons with disabilities on the campus of each [*institution*] **public**
30 **university**. The committee shall include, but not be limited to:

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

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

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

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

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

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

43 (3) In preparing [*budget*] **funding** requests for each biennium, each [*institution under the juris-*
44 *isdiction of the State Board of Higher Education*] **public university** shall include amounts for capital
45 improvement that will be applied to the substantial reduction and eventual elimination of barriers

1 to access by persons with disabilities as identified by the physical access committee.

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

5 **SECTION 241.** ORS 352.017 is amended to read:

6 352.017. (1) As used in this section, “personally identifiable information” means a student’s So-
7 cial Security number and gender or a student’s Social Security number and date of birth.

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

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

13 (b) **Shall** provide any alternative method of disbursement of funds at no additional cost to a
14 student who does not elect to receive those services from a private contractor;

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

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

20 **SECTION 242.** ORS 352.021 is amended to read:

21 352.021. (1) As used in this section, “internment camp” means a relocation center to which
22 persons were ordered evacuated by Presidential Executive Order 9066, signed on February 19, 1942.

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

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

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

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

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

37 **SECTION 243.** ORS 352.223 is amended to read:

38 352.223. (1) As used in this section:

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

40 (A) Radiologic science;

41 (B) Nuclear medicine;

42 (C) Sonography;

43 (D) Vascular technology;

44 (E) Dental hygiene;

45 (F) Respiratory care;

1 (G) Clinical laboratory sciences; and

2 (H) Emergency medical technician education.

3 (b) "Allied health education programs" does not include any undergraduate or graduate nursing
4 program administered by Oregon Health and Science University.

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

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

9 (a) Provide continued development of bachelor's degree level education programs in areas of
10 allied health;

11 (b) Facilitate the creation of new partnerships between the health care industry and community
12 colleges, private institutions of higher education and [*state institutions of higher education*] **public**
13 **universities listed in ORS 352.002** in order to increase the number of students and graduates in
14 allied health education programs;

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

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

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

23 **SECTION 244.** ORS 352.360 is amended to read:

24 352.360. (1) The State Board of Higher Education may enact such regulations as the board deems
25 convenient or necessary to provide for the policing, control and regulation of traffic and parking
26 of vehicles on the property of any [*institution of higher education under the jurisdiction of the*
27 *board*] **public university listed in ORS 352.002**. The regulations may provide for the registration
28 of vehicles, the designation of parking areas[,] and the assessment and collection of reasonable fees
29 and charges for parking[, *and shall be filed in accordance with the provisions of ORS chapter 183*].
30 The board may require that before a quarterly or yearly parking privilege for any vehicle is granted
31 to any full-time or part-time student to use board property, the student must show that the vehicle
32 is operated by a student holding a valid [*driver's*] **driver** license, that the vehicle is currently reg-
33 istered and that the student driving the vehicle is insured under a motor vehicle liability insurance
34 policy that meets the requirements described under ORS 806.080 or that the student or owner of the
35 vehicle has provided the Department of Transportation with other satisfactory proof of compliance
36 with the financial responsibility requirements of this state.

37 (2) The regulations enacted pursuant to subsection (1) of this section shall be enforced admin-
38 istratively under procedures adopted by the board for each [*institution of higher education under the*
39 *jurisdiction of the board*] **public university**. Administrative and disciplinary sanctions may be im-
40 posed upon students, faculty and staff for violation of the regulations, including but not limited to,
41 a reasonable monetary penalty which may be deducted from student deposits, and faculty or staff
42 salaries or other funds in the possession of the [*institution*] **public university**. The board shall pro-
43 vide opportunity for hearing for the determination of controversies in connection with imposition
44 of fines or penalties. The board may prescribe procedures for such hearings despite the provisions
45 of ORS 183.413 to 183.470. Persons other than students, faculty or staff may voluntarily submit to

1 the hearing procedures prescribed by the board, and shall be bound by the results of the hearing.
 2 The powers granted to the board by this section are supplemental to the existing powers of the
 3 board with respect to the government of activities of students, faculty and staff and the control and
 4 management of property under its jurisdiction.

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

8 (4) All fees and charges for parking privileges and violations are deposited in a designated ac-
 9 count in the Oregon University System Fund established by ORS 351.506 for the purpose of defraying
 10 the costs of constructing bicycle racks and bicycle lanes and of traffic control, enforcement of traffic
 11 and parking regulations[,] and maintenance and operation of parking facilities and for the purpose
 12 of acquiring and constructing additional parking facilities for vehicles at the various [*institutions,*
 13 *departments or*] **public universities and offices, departments and** activities under the control of
 14 the board. Fees and charges may also be credited to the account in the Oregon University System
 15 Fund designated by ORS 351.460. Parking fees shall be established at levels no greater than those
 16 required to finance the construction, operation and maintenance of parking facilities on the same
 17 campus of the [*state institution of higher education on*] **public university for** which the parking is
 18 provided. Notwithstanding ORS 351.072, parking fees or changes in fees shall be adopted by rule
 19 of the [*state*] board subject to the procedure for rules adopted in ORS chapter 183.

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

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

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

38 **SECTION 245.** ORS 352.370 is amended to read:

39 352.370. (1) As used in this section, "school of higher education" means:

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

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

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

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

5 **SECTION 246.** ORS 352.375 is amended to read:

6 352.375. (1) A [*state institution of higher education*] **public university** listed in ORS 352.002 or
 7 a community college shall charge an enrolled student who is not a resident of this state and who
 8 is attending classes as an undergraduate on a public university or community college campus in this
 9 state tuition and fees no greater than the resident rate plus 50 percent of the difference between the
 10 resident rate and the nonresident rate if the student served in the Armed Forces of the United
 11 States and was relieved or discharged from that service under honorable conditions.

12 (2) Every [*state institution of higher education*] **public university** listed in ORS 352.002 and
 13 community college in this state shall participate to the fullest extent allowed in the federal educa-
 14 tional assistance programs under the Supplemental Appropriations Act of 2008 (P.L. 110-252) so as
 15 to reduce the overall tuition rate for students eligible for tuition rate reduction under subsection (1)
 16 of this section to the resident tuition rate.

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

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

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

29 **SECTION 247.** ORS 352.380 is amended to read:

30 352.380. (1) As used in this section, "minority" means:

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

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

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

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

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

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

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

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

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

45 (b) Interview one or more qualified minority applicants when hiring a head coach or athletic

1 director, unless the *[institution]* **public university** was unable to identify a qualified minority appli-
 2 cant who was willing to interview for the position. It is an affirmative defense to a claim of a vio-
 3 lation of this paragraph that the *[institution]* **public university**, in good faith, was unable to identify
 4 a qualified minority applicant who was willing to interview for the position.

5 **SECTION 248.** ORS 352.380, as amended by section 3, chapter 780, Oregon Laws 2009, is
 6 amended to read:

7 352.380. Each *[institution under the jurisdiction of the State Board of Higher Education]* **public**
 8 **university listed in ORS 352.002** shall consider and maintain affirmative action plans and goals
 9 when reductions in faculty and staff are required as a result of:

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

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

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

14 **SECTION 249.** ORS 352.385 is amended to read:

15 352.385. (1) The State Board of Higher Education may, at the request of *[any institution]* **a public**
 16 **university** under its control, authorize *[that institution]* **the university** to commission one or more
 17 of its employees as special campus security officers. *[However,]* The total number of special campus
 18 security officers commissioned at the *[institutions]* **public universities** in the Oregon University
 19 System *[shall]* **may** not exceed 50. Special campus security officers shall have stop and frisk au-
 20 thority as set forth in ORS 131.605 to 131.625 and probable cause arrest authority and the accom-
 21 panying immunities as set forth in ORS 133.310 and 133.315 when acting in the scope of their
 22 employment as defined by the State Board of Higher Education. Special campus security officers
 23 shall not be authorized to carry firearms as police officers and, except as provided in subsection (3)
 24 of this section, shall not be considered police officers for purposes of ORS 181.610, 238.005, 243.005
 25 or 243.736.

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

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

30 **SECTION 250.** ORS 352.390 is amended to read:

31 352.390. (1) The State Board of Higher Education shall cause to have prepared and submitted
 32 to the Legislative Assembly a program and time schedule for the establishment of regional services
 33 institutes at appropriate *[state institutions of higher education]* **public universities**. The program
 34 shall include academic curriculum and practical training appropriate to train students in various
 35 aspects of economic and community services planning, with particular emphasis on economic ser-
 36 vices planning for areas of the state that have common geographic, economic and social character-
 37 istics but that do not have sufficient population to qualify as metropolitan statistical areas.

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

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

5 **SECTION 251.** ORS 352.510 is amended to read:

6 352.510. The interest that may accrue on an account arising from the sale of lands for [*insti-*
 7 *tutions of higher education*] **public universities** that were donated to the state by Act of Congress
 8 of February 14, 1859, may be deposited in and credited to an account in the Oregon University
 9 System Fund established by ORS 351.506 for the purpose of the maintenance, use and support of the
 10 University of Oregon. No part of the interest may be expended otherwise than in the payment of the
 11 salaries of the president, professors and teachers of the University of Oregon and other current
 12 expenses of the University of Oregon. If at the close of any fiscal year an amount equal to or greater
 13 than \$500 of the interest remains unexpended after the full payment of the salaries and expenses for
 14 the fiscal year, the amount shall be added to and become a part of the principal of the account. The
 15 State Board of Higher Education or the faculty or other officers of the University of Oregon may
 16 not pledge the faith or credit of the University of Oregon in excess of the interest annually accruing
 17 on the account, together with the receipts from tuitions and other sources during the current year.

18 **SECTION 252.** ORS 352.669 is amended to read:

19 352.669. The Legislative Assembly declares that all state agencies[, *in particular state institutions*
 20 *of higher education,*] **and the Oregon University System** should pursue policies and engage in
 21 practices that enhance the vitality of independent higher education in Oregon and should cooperate
 22 with the state's independent institutions.

23 **SECTION 253.** ORS 352.720 is amended to read:

24 352.720. As used in ORS 352.710 to 352.760, unless the context requires otherwise:

25 [(1) "*Commission*" means the *Oregon Student Assistance Commission*.]

26 [(2)] (1) "Private and independent institutions of higher education" or "institution" means any
 27 nonpublic and nonprofit college or university in the State of Oregon accredited by the Northwest
 28 Association of Schools and Colleges and any chiropractic college located in this state and accredited
 29 by the Commission on Accreditation of the Council on Chiropractic Education, or its successor.

30 [(3)] (2) "Nonsectarian educational services" means the providing of instruction in secular sub-
 31 jects.

32 [(4)] (3) "Secular subjects" means any course which is presented in the curriculum of a private
 33 and independent institution of higher education which is not hobby or recreational in nature or
 34 which does not advocate the religious teachings or the morals or forms of worship of any sect.

35 **SECTION 254.** ORS 352.730 is amended to read:

36 352.730. (1) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
 37 **Commission** may enter into contracts with private and independent institutions of higher education
 38 for the performance of nonsectarian educational services to assist the state in providing educational
 39 opportunities for Oregon students.

40 (2) The commission may accept grants, gifts, bequests, and devises of real and personal property
 41 to carry out the purposes of ORS 352.710 to 352.760.

42 (3) No funds disbursed pursuant to ORS 352.710 to 352.760 shall be used by any recipient for any
 43 religious purpose.

44 **SECTION 255.** ORS 352.740 is amended to read:

45 352.740. Payments to private and independent institutions of higher education under contracts

1 entered into under ORS 352.730 shall be determined by the [*Oregon Student Assistance Commission*]
 2 **Higher Education Coordinating Commission** on a uniform rate for every 45 quarter hours, or
 3 equivalent, of approved and registered course work in nonsectarian subjects completed by under-
 4 graduate students enrolled in the institutions who are residents of Oregon, and shall not exceed the
 5 actual cost to the institution of providing such educational services. This uniform rate shall apply
 6 to the estimated 45-hour units for each institution upon which the legislative appropriation is based
 7 for that year, or the actual 45-hour units for each institution, whichever is the lesser. Any remaining
 8 funds shall be distributed among those institutions whose actual 45-hour units exceed the estimate.
 9 The distribution to each institution shall be according to the uniform rate established for the
 10 45-hour units or an amount equal to the ratio that the excess units bear to 45. However, if insuffi-
 11 cient funds are available for such a distribution, then the distribution shall be according to the ratio
 12 that the total number of 45-hour units in excess of the estimate bears to the total amount of funds
 13 remaining undistributed, multiplied by the number of excess 45-hour units, if any, at each institution.

14 **SECTION 256.** ORS 352.750 is amended to read:

15 352.750. In accordance with any applicable provisions of ORS chapter 183, the [*Oregon Student*
 16 *Assistance Commission*] **Higher Education Coordinating Commission** may make such reasonable
 17 rules and regulations as are necessary or proper to carry out ORS 352.710 to 352.760.

18 **SECTION 256a.** ORS 353.080 is amended to read:

19 353.080. Oregon Health and Science University shall file with the Legislative Assembly, **the**
 20 **Higher Education Coordinating Commission** and the Governor, not later than April 15 of each
 21 year, a report of the university's activities and operations for the preceding year.

22 **SECTION 257.** ORS 353.200 is amended to read:

23 353.200. (1) A student at the Oregon Health and Science University who is a member of the
 24 military and who is ordered to federal or state active duty for more than 30 consecutive days has
 25 the following rights:

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

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

29 (B) Receive a grade of incomplete and, upon release from active duty, complete the course in
 30 accordance with the practice of the university for completion of incomplete courses; or

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

33 (b) The right to a credit described in ORS 353.202 for all amounts paid for room, board, tuition
 34 and fees;

35 (c) If the student elects to withdraw from the university, the right to be readmitted and
 36 reenrolled at the university within one year after release from active duty without a requirement
 37 of redetermination of admission eligibility; and

38 (d) The right to continuation of scholarships and grants awarded to the student that were funded
 39 by the university or the [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
 40 **Commission** before the student was ordered to active duty.

41 (2) If the student elects to withdraw from a course under subsection (1)(a)(A) of this section, the
 42 university may not:

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

44 (b) Give the student a failing grade or a grade of incomplete or make any other negative anno-
 45 tation on the student's record; or

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

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

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

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

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

11 (4) The Oregon Health and Science University Board of Directors shall adopt rules for the ad-
12 ministration of this section.

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

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

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

17 **SECTION 258.** ORS 353.260 is amended to read:

18 353.260. (1) Oregon Health and Science University may adopt policies governing access to uni-
19 versity personnel records that are less than 25 years old.

20 (2) Policies adopted under subsection (1) of this section shall require that personnel records be
21 subjected to restrictions on access unless the president of the university finds that the public in-
22 terest in maintaining individual rights to privacy in an adequate educational environment would not
23 suffer by disclosure of such records. Access to such records may be limited to designated classes
24 of information or persons, or to stated times and conditions, or to both, but cannot be limited for
25 records more than 25 years old.

26 (3) No rule or order adopted pursuant to this section shall deny to a faculty member full access
27 to the member's personnel file or records kept by the university, except as provided in subsection
28 (4)(d) and (e) of this section.

29 (4)(a) The files relating to the evaluation of a faculty member shall be kept in designated,
30 available locations.

31 (b) Any evaluation received by telephone shall be documented in each of the faculty member's
32 files by means of a written summary of the conversation with the names of the conversants identi-
33 fied.

34 (c) A faculty member shall be entitled to submit, for placement in the files, evidence rebutting,
35 correcting, amplifying or explaining any document contained therein and other material that the
36 member believes might be of assistance in the evaluation process.

37 (d) Letters and other information for a faculty member of the university submitted in confidence
38 to the State Board of Higher Education or its [*institutions*] **public universities or offices**, schools
39 or departments prior to July 1, 1975, shall be maintained in the files designated by paragraph (a)
40 of this subsection. However, if a faculty member requests access to those files, the anonymity of
41 the contributor of letters and other information obtained prior to July 1, 1975, shall be protected.
42 The full text shall be made available, except that portions of the text that would serve to identify
43 the contributor shall be excised by a faculty committee. Only the names of the contributors and the
44 excised portions of the documents may be kept in a file other than the files designated by paragraph
45 (a) of this subsection.

1 (e) Confidential letters and other information submitted to or solicited by the university after
 2 July 1, 1995, and prior to the employment of a prospective faculty member are exempt from the
 3 provisions of this paragraph. However, if the member is employed by the university, the confidential
 4 preemployment materials shall be placed in the files designated by paragraph (a) of this subsection.
 5 If a faculty member requests access to the member's files, the anonymity of the contributor of con-
 6 fidential preemployment letters and other preemployment information shall be protected. The full
 7 text shall be made available, except that portions of the text that would serve to identify the con-
 8 tributor shall be excised and retained in a file other than the files designated by paragraph (a) of
 9 this subsection.

10 (f) Classroom survey evaluations by students of a faculty member's classroom or laboratory
 11 performance shall be anonymous. The record of tabulated reports shall be placed in at least one
 12 of the files designated by paragraph (a) of this subsection. All survey instruments used to obtain
 13 evaluation data shall be returned to the faculty member.

14 (g) The university, when evaluating its employed faculty members, shall not solicit or accept
 15 letters, documents or other materials, given orally or in written form, from individuals or groups
 16 who wish their identity kept anonymous or the information they provide kept confidential.

17 (5) No policy or order adopted pursuant to this section limits the authority of the university to
 18 prepare, without identification of individual persons who have not consented thereto, statistical or
 19 demographic reports from personnel records.

20 (6) Any category of personnel records specifically designated as confidential pursuant to valid
 21 policies or orders as provided in this section shall not be deemed a public record for the purposes
 22 of ORS 192.420.

23 (7) As used in this section, "personnel records" means records containing information kept by
 24 the university concerning a faculty member and furnished by the faculty member or by others about
 25 the faculty member at the member's or at the university's request, including but not limited to in-
 26 formation concerning discipline, membership activity, employment performance or other personal
 27 records of individual persons.

28 **SECTION 259.** ORS 353.440 is amended to read:

29 353.440. The Legislative Assembly finds that:

30 (1) [*Institutions*] **Public universities** in the Oregon University System and other educational
 31 sectors have academic programs that are related to or integrated with the programs of Oregon
 32 Health and Science University.

33 (2) It is in the best interest of the state that a coordinated approach be taken to these related
 34 and integrated academic programs.

35 (3) In order to best ensure the continued harmony of such academic programs, the **Oregon**
 36 **Health and Science** University and the Oregon University System shall coordinate such programs
 37 and shall advise each other of the following proposed changes to such academic programs:

38 (a) Creation or significant revision, such as a merger or closure, of degree programs;

39 (b) Creation or significant revision, such as a merger or closure, of schools; and

40 (c) Creation or significant revision of major academic policies.

41 (4) **The Oregon Health and Science University and the Higher Education Coordinating**
 42 **Commission shall coordinate and advise each other of the following types of proposed**
 43 **changes to their related or integrated academic programs:**

44 (a) **Coordination of strategic plans for achieving higher education goals;**

45 (b) **Seeking advice and input from each other on modifications to statutory educational**

1 **missions;**

2 (c) **Working to develop a statewide educational data system;**

3 (d) **Collaborating as necessary on the creation of any new degree programs; and**

4 (e) **Notifying each other and commenting on tuition rate changes.**

5 [(4)] (5) In order to further the coordination described by this section, **Oregon Health and**
6 **Science** University officers shall maintain a role in the appropriate committees of the State Board
7 of Higher Education, **the Higher Education Coordinating Commission** and the Oregon University
8 System.

9 **SECTION 260.** ORS 353.600 is amended to read:

10 353.600. As used in ORS 353.600 to 353.612:

11 (1) "Committee" means the Oregon Nursing Shortage Coalition Committee created in ORS
12 353.606.

13 (2) "Post-secondary education institution" means:

14 (a) A [*state institution under the direction of the State Board of Higher Education*] **public uni-**
15 **versity listed in ORS 352.002;**

16 (b) A community college operated under ORS chapter 341;

17 (c) A school or division of Oregon Health and Science University; or

18 (d) An Oregon-based, generally accredited, not-for-profit private institution of higher education.

19 **SECTION 261.** ORS 353.603 is amended to read:

20 353.603. (1) Oregon Health and Science University shall distribute grants to post-secondary ed-
21 ucation institutions to support nursing education programs based on the selections of the Oregon
22 Nursing Shortage Coalition Committee and in accordance with appropriate university policies and
23 procedures. If the university is not able to distribute a grant to a post-secondary education institu-
24 tion selected by the committee, the university shall report to the committee the reason for not dis-
25 tributing the grant.

26 (2) Grants distributed under this section to a community college or [*state institution of higher*
27 *education*] **a public university listed in ORS 352.002** may be based on an intergovernmental
28 agreement entered into by Oregon Health and Science University and the college or [*institution*]
29 **public university.**

30 (3) Oregon Health and Science University may not use more than five percent of the amount
31 received from the Nursing Education Grant Fund established in ORS 353.612 for the grant program
32 in any biennium for administrative expenses incurred in administering ORS 353.600 to 353.612.

33 (4) Oregon Health and Science University may accept contributions of funds and assistance from
34 the United States Government or its agencies, or from any other source, public or private, and agree
35 to conditions placed on the funds not inconsistent with the purposes of ORS 353.600 to 353.612. The
36 university shall use funds and assistance received under this subsection for grants distributed under
37 this section or for administering ORS 353.600 to 353.612.

38 (5) Oregon Health and Science University shall deposit moneys received by the university for
39 purposes of ORS 353.600 to 353.612 in the Nursing Education Grant Fund. The total amount of
40 grants distributed under this section may not exceed the amount of moneys available for distribution
41 in the fund.

42 **SECTION 262.** ORS 357.004 is amended to read:

43 357.004. As used in ORS 357.001 to 357.200, unless the context requires otherwise:

44 (1) "Depository library" means a library that is designated as such under ORS 357.095.

45 (2)(a) "Issuing agency" means state government, as that term is defined in ORS 174.111.

1 (b) "Issuing agency" does not include the State Board of Higher Education or any [institution,
2 division or department] **public university or office, department or activity** under the control of
3 the board.

4 (3)(a) "Public document" means informational matter produced for public distribution or access
5 regardless of format, medium, source or copyright, originating in or produced with the imprint of,
6 by the authority of or at the total or partial expense of any state agency. "Public document" in-
7 cludes informational matter produced on computer diskettes, CD-ROMs, computer tapes, the Internet
8 or in other electronic formats.

9 (b) "Public document" does not include:

10 (A) Correspondence, forms, interoffice or intraoffice memoranda;

11 (B) Legislative bills;

12 (C) Oregon Revised Statutes or any edition thereof; or

13 (D) Reports and publications of the Oregon Supreme Court, the Oregon Court of Appeals and
14 the Oregon Tax Court.

15 **SECTION 263.** ORS 399.245 is amended to read:

16 399.245. As used in ORS 399.245 to 399.265:

17 [(1) "Commission" means the Oregon Student Assistance Commission.]

18 [(2)] (1) "Qualified applicant" means an Oregon resident who:

19 (a) Is a member of the Oregon National Guard;

20 (b) Maintains minimum academic standards at the qualified institution of higher education;

21 (c) Meets participation standards in the Oregon National Guard as prescribed by the Oregon
22 Military Department;

23 (d) Is a full-time student; and

24 (e) Serves one year in the Oregon National Guard for each year a scholarship is granted.

25 [(3)] (2) "Qualified institution of higher education" means any two-year or four-year, nonprofit,
26 generally accredited institution of higher education located in this state, including community col-
27 leges and accredited schools of nursing located in this state.

28 [(4)] (3) "Scholarship" means a scholarship equal in value to \$800 to be used to pay the educa-
29 tional expenses of the applicant at a qualified institution of higher education during the period for
30 which the scholarship is granted, of which no more than 100 scholarships shall be awarded annually.

31 **SECTION 264.** ORS 399.255 is amended to read:

32 399.255. (1) Subject to the availability of funds, the Oregon Military Department shall contract
33 with the [Oregon Student Assistance Commission] **Higher Education Coordinating Commission** to
34 disburse to qualified applicants, awards made to the applicants on behalf of the Oregon National
35 Guard Scholarship Program as determined by the Oregon Military Department.

36 (2) If the qualified applicant who receives a scholarship under ORS 399.245 to 399.265 meets the
37 standards of the Oregon Military Department for renewal of the scholarship, the scholarship may
38 be renewed upon application until the applicant has received a scholarship for a total of four
39 undergraduate years.

40 (3) A qualified applicant who receives a scholarship under ORS 399.245 to 399.265 must attend
41 the qualified institution of higher education upon which the scholarship application was based unless
42 the commission authorizes the scholarship to be used at a different institution.

43 (4) No scholarship shall be made to any student enrolled in a course of study required for or
44 leading to a degree in theology, divinity or religious education.

45 **SECTION 265.** ORS 399.265 is amended to read:

1 399.265. A qualified applicant may be awarded a scholarship under ORS 399.245 to 399.265 before
2 completing the national guard service requirement. However, if an applicant fails to fulfill the ser-
3 vice requirement, the applicant shall pay to the [*Oregon Student Assistance Commission*] **Higher**
4 **Education Coordinating Commission** the amount of the scholarship received plus interest for each
5 year for which a scholarship was awarded but for which the service requirement was not met.

6 **SECTION 266.** ORS 399.275 is amended to read:

7 399.275. (1) As used in this section and ORS 399.280:

8 (a) "Eligible post-secondary institution" has the meaning given that term in ORS 348.180.

9 (b) "Surviving family member" means a spouse or dependent of a member of the Oregon National
10 Guard who is killed while on active duty.

11 (2) Subject to the availability of funds, the Oregon Military Department may contract with the
12 [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission** to:

13 (a) Disburse to eligible post-secondary institutions the dollar amount of tuition waivers author-
14 ized by this section and approved for payment by the department; and

15 (b) Provide to the department a compilation of the total dollar amount of the tuition waivers
16 approved for each academic term included in the contract.

17 (3) The department shall regularly provide to the commission the names of members of the
18 Oregon National Guard and surviving family members for whom tuition waivers may be approved.

19 (4) Any member of the Oregon National Guard or surviving family member who registers for
20 classes at an eligible post-secondary institution may receive a tuition waiver of up to 100 percent
21 of the resident tuition charges imposed by that institution, except that in the case of a not-for-profit
22 independent institution, the tuition waiver may not exceed 100 percent of the resident tuition at
23 Oregon State University.

24 (5)(a) A member of the Oregon National Guard may receive the tuition waiver authorized by this
25 section at any time if the member maintains satisfactory performance with the Oregon National
26 Guard and pursues a course of study in the eligible post-secondary institution in a manner that
27 satisfies the usual requirements of the institution.

28 (b) A surviving family member may receive the tuition waiver authorized by this section if the
29 surviving family member pursues a course of study in the eligible post-secondary institution in a
30 manner that satisfies the usual requirements of the institution.

31 (c) The member of the Oregon National Guard or surviving family member is responsible for
32 payment of the balance of the tuition charges not provided for by the tuition waiver program.

33 (6) When determining to whom the tuition waivers shall be granted, priority shall be given to
34 those members of the Oregon National Guard who have previously received tuition waivers while
35 serving in the Oregon National Guard and surviving family members who have previously received
36 tuition waivers.

37 (7) The department shall apply qualifications and limitations to the tuition waiver program that
38 are consistent with efficient and effective program management as determined by the Adjutant
39 General.

40 **SECTION 267.** ORS 408.095 is amended to read:

41 408.095. (1) As used in this section, "community college" has the meaning given that term in
42 ORS 341.005.

43 (2) There is created in the Department of Veterans' Affairs the Campus Veterans' Service Offi-
44 cers Program.

45 (3) The purpose of the program is to provide educational outreach to veterans to help ensure

1 that they obtain maximum state and federal benefits.

2 (4) The department shall appoint a sufficient number of campus veterans' service officers to en-
3 sure that each Oregon community college and each [institution] **public university** in the Oregon
4 University System, as described in ORS 352.002, is provided veterans' services.

5 (5) Each community college and [institution] **public university** in the Oregon University System
6 shall provide office space that may be used for the provision of veterans' services.

7 (6) The department may adopt rules to implement the Campus Veterans' Service Officers Pro-
8 gram.

9 **SECTION 268.** ORS 411.894 is amended to read:

10 411.894. (1) The Oregon JOBS Individual Education Account is established to improve the posi-
11 tion of JOBS Plus participants in the workforce by increasing their access to continuing education.
12 Employer contributions to the account under this section shall be used to pay for education ex-
13 penses for the individual as provided in subsection (2) of this section.

14 (2)(a) After the participant has participated in the JOBS Plus Program for 30 days, the employer
15 shall pay, in addition to the participant wage, one dollar for each participant hour worked into the
16 participant's individual education account. Contributions to such an account shall be tax deferred
17 or tax-exempt to the extent permitted by federal and state law.

18 (b) Any participant for whom an Oregon JOBS Individual Education Account contribution is
19 made shall be eligible for access to education benefits from that participant's individual education
20 account for up to five years after the participant has left the JOBS Plus Program and has held a
21 full-time, unsubsidized job for at least 30 days.

22 (c) When any participant has qualified for use of that participant's individual education account,
23 an amount equal to that participant's individual education account balance shall be transferred to
24 the [Oregon Student Assistance Commission] **Higher Education Coordinating Commission** for that
25 participant's use. Only one individual education account shall be created for any participant. Each
26 account shall be administered by the commission and shall be used for continuing education and
27 training for the participant and the participant's immediate family.

28 (3)(a) The commission may use any interest earned by an individual education account trans-
29 ferred to the commission under this section for payment of expenses incurred by the commission in
30 carrying out its duties under this section.

31 (b) The Department of Human Services shall transfer any interest earned by the Oregon JOBS
32 Individual Education Account to the General Fund for general governmental purposes. The depart-
33 ment shall transfer the interest no later than the close of each fiscal year in which the interest is
34 earned.

35 (4) Any unexpended or unobligated moneys remaining in an individual education account five
36 years after the participant has left the JOBS Plus Program are appropriated and transferred to the
37 **Higher Education Coordinating Commission** for the Oregon Opportunity Grant program on that
38 date.

39 **SECTION 269.** ORS 418.658 is amended to read:

40 418.658. (1) The program director of the Oregon Youth Conservation Corps shall establish a
41 separate program known as the Oregon Community Stewardship Corps. In addition to the estab-
42 lished purposes of the Oregon Youth Conservation Corps, the purpose of the Oregon Community
43 Stewardship Corps is to promote community service activities throughout the state for a broad cross
44 section of Oregon disadvantaged and at-risk youth through programs that also include appropriate
45 educational and job training opportunities for participants.

1 (2) In addition to projects submitted under ORS 418.660 (1), projects of the Oregon Community
2 Stewardship Corps may include, but shall not be limited to:

- 3 (a) Child care services.
- 4 (b) Elderly and disabled care services.
- 5 (c) Literacy education programs.
- 6 (d) Recycling and other waste reduction services.

7 (3) The Oregon Community Stewardship Corps shall offer employment and educational opportu-
8 nities of at least three but not more than 12 months' duration for selected participants.

9 (4) Under rules adopted by the State Board of Education, participants who successfully complete
10 any 12-month program under this section shall be eligible for \$1,500 in tuition vouchers that can be
11 used at any career school or post-secondary educational institution that is qualified to receive as-
12 sistance through the [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
13 **Commission**.

14 (5) All Oregonians who are at least 13 years of age and under 25 years of age are eligible to
15 participate in the program. To ensure that Oregon Community Stewardship Corps participants rep-
16 resent a broad cross section of Oregonians, special emphasis shall be given to recruiting school
17 dropouts and other disadvantaged and at-risk youth, according to criteria established by the Oregon
18 Youth Conservation Corps Advisory Committee.

19 (6) To the extent practicable, the program director shall enlist state and federal agencies, local
20 government, nonprofit organizations and private businesses, and any combination of such entities,
21 to act as sponsors for programs administered under this section. Selection of sponsors shall be based
22 on criteria that include the following:

23 (a) The availability of other resources on a matching basis, including contributions from private
24 sources, other federal, state and local agencies, and moneys available through the federal Workforce
25 Investment Act of 1998 (29 U.S.C. 2801 et seq.);

26 (b) The provision of related educational and job training programs to participants, including but
27 not limited to school and college coursework, General Educational Development (GED) tests equiv-
28 alency training, project-related education and professional training;

29 (c) Assurances that proposed projects will not displace existing employees or duplicate existing
30 private or government programs; and

31 (d) Assurances that proposed projects are devoted to the enhancement of the community and are
32 not based in maintenance activities and that these projects meet an identified need.

33 (7) In consultation with the advisory committee and the Commissioner for Community College
34 Services, the program director shall make grants for programs administered under this section.

35 **SECTION 270.** ORS 431.690, as amended by section 1, chapter 27, Oregon Laws 2010, and sec-
36 tion 6, chapter 62, Oregon Laws 2010, is amended to read:

37 431.690. (1) As used in this section, "place of public assembly" means a single building that has
38 50,000 square feet or more of indoor floor space and where:

39 (a)(A) The public congregates for purposes such as deliberation, shopping, entertainment,
40 amusement or awaiting transportation; or

41 (B) Business activities are conducted; and

42 (b) At least 50 individuals congregate on a normal business day.

43 (2) Notwithstanding ORS 431.680 (3), the owner of a place of public assembly shall have on the
44 premises at least one automated external defibrillator.

45 (3) Notwithstanding subsection (2) of this section:

1 (a) A community college or a [*state institution of higher education*] **public university** listed in
2 ORS 352.002 shall have at least one automated external defibrillator on the campus of the commu-
3 nity college or [*institution*] **public university**; and

4 (b) If the campus of the community college or [*institution of higher education*] **public university**
5 contains more than one place of public assembly, the community college or [*institution*] **public uni-**
6 **versity** shall ensure that at least one automated external defibrillator is readily available to each
7 place of public assembly.

8 (4) Subsection (2) of this section does not apply to a building primarily used for worship or ed-
9 ucation associated with worship.

10 **SECTION 271.** ORS 433.090 is amended to read:

11 433.090. As used in ORS 433.090 to 433.102:

12 (1) “Authorized user” means a person or entity authorized to provide information to or to re-
13 ceive information from an immunization registry or immunization tracking and recall system under
14 ORS 433.090 to 433.102. “Authorized user” includes, but is not limited to, licensed health care pro-
15 viders, health care institutions, insurance carriers, the Oregon medical assistance program, parents
16 or guardians of children under 18 years of age, clients 18 years of age or older, post-secondary ed-
17 ucation institutions, schools, children’s facilities, local health departments, the Oregon Health Au-
18 thority and agents of the authority.

19 (2) “Children’s facility” has the meaning given that term in ORS 433.235.

20 (3) “Client” means any person registered with any Oregon immunization tracking and recall
21 system.

22 (4) “Immunization record” includes but is not limited to the following:

- 23 (a) Any immunization received;
- 24 (b) Date immunization was received;
- 25 (c) Complication or side effect associated with immunization;
- 26 (d) Date and place of birth of a client;
- 27 (e) Hospital where a client was born;
- 28 (f) Client’s name; and
- 29 (g) Mother’s name.

30 (5) “Immunization registry” means any listing of clients and information relating to their im-
31 munization status, without regard to whether the registry is maintained in this state or elsewhere.

32 (6) “Immunization tracking and recall record” includes but is not limited to the client’s name,
33 address of the parent or guardian of the client, telephone number, insurance carrier, health care
34 provider and other information needed to send reminder cards to, place telephone calls to or per-
35 sonally contact the client or the parent or the guardian of a client for the purposes of informing the
36 client, parent or guardian that the client is late in receiving the recommended immunizations.

37 (7) “Local health department” has the meaning given that term in ORS 433.235.

38 (8) “Parent or guardian” has the meaning given the term “parent” in ORS 433.235.

39 (9) “Post-secondary education institution” means:

40 (a) A [*state institution of higher education under the jurisdiction of the State Board of Higher*
41 *Education*] **public university listed in ORS 352.002**;

42 (b) A community college operated under ORS chapter 341;

43 (c) A school or division of Oregon Health and Science University; or

44 (d) An Oregon-based, generally accredited, private institution of higher education.

45 (10) “Provider” means a physician or a health care professional who is acting within the scope

1 of his or her licensure and responsible for providing immunization services or for coordinating im-
2 munization services within a clinic, public health site, school or other immunization site.

3 (11) "School" has the meaning given that term in ORS 433.235.

4 (12) "Tracking and recall system" means a system attached to an immunization registry designed
5 to contact clients listed in the immunization registry for the purposes of assisting in the completion
6 of the immunization series in a timely manner.

7 **SECTION 272.** ORS 442.535 is amended to read:

8 442.535. As used in ORS 442.540 and 442.545:

9 [(1) "Commission" means the Oregon Student Assistance Commission.]

10 [(2)] (1) "Nurse" means any person who is licensed under ORS 678.010 to 678.410 as a registered
11 nurse.

12 [(3)] (2) "Nursing critical shortage area" means a locality or practice specialty identified as such
13 by the Oregon State Board of Nursing, in consultation with the Office of Rural Health, under ORS
14 442.540.

15 [(4)] (3) "Qualifying loan" means any loan made to a nursing student under:

16 (a) Programs under Title IV, parts B, D and E, of the Higher Education Act of 1965, as amended;

17 or

18 (b) The Nursing Student Loan and Health Education Assistance Loan programs administered by
19 the United States Department of Health and Human Services.

20 **SECTION 273.** ORS 442.540 is amended to read:

21 442.540. (1) There is created the Nursing Services Program, to be administered by the [*Oregon*
22 *Student Assistance Commission*] **Higher Education Coordinating Commission** pursuant to rules
23 adopted by the commission. The purpose of the program is to provide loan repayments on behalf of
24 nurses who agree to practice in nursing critical shortage areas.

25 (2) To be eligible to participate in the program, a nurse or prospective nurse shall submit a
26 letter of interest to the commission. Applicants who are selected for participation according to cri-
27 teria adopted by the commission under subsection (3) of this section shall sign a letter of agreement
28 stipulating that the applicant agrees to abide by the terms of the program described in ORS 442.545.

29 (3) The commission shall by rule adopt, in consultation with the Oregon State Board of Nursing
30 and the Office of Rural Health, criteria for participation in the program.

31 (4) The Oregon State Board of Nursing by rule shall annually identify, in consultation with the
32 Office of Rural Health, those areas that are considered nursing critical shortage areas.

33 (5) Amounts paid to the [*commission*] **Higher Education Coordinating Commission** as penal-
34 ties under ORS 442.545 shall be credited and deposited in the Nursing Services Account created
35 under ORS 348.570. The [*commission*] **Higher Education Coordinating Commission**, in consultation
36 with the Oregon State Board of Nursing, by rule shall allow waiver of all or part of any fees or
37 penalties owed to the [*commission*] **Higher Education Coordinating Commission** due to circum-
38 stances that prevent a nurse from fulfilling a service obligation under ORS 442.545.

39 **SECTION 274.** ORS 442.545 is amended to read:

40 442.545. (1) A nurse or prospective nurse applicant who is a graduate of an accredited nursing
41 program with a baccalaureate or associate degree and who wishes to participate in the Nursing
42 Services Program established under ORS 442.540 shall agree that:

43 (a) For each year of nursing school, the applicant designates an agreed amount, not to exceed
44 \$8,800 or the amount determined under subsection (2) of this section, as a qualifying loan for the
45 program.

1 (b) In the four years following the execution of a Nursing Services Program agreement with the
2 [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission**, a nurse
3 agrees to practice for at least two full years in a nursing critical shortage area in Oregon.

4 (c) For not less than two nor more than four years that the nurse practices in a nursing critical
5 shortage area, the commission shall annually pay:

6 (A) For full-time practice, an amount equal to 25 percent of the total of all qualifying loans made
7 to the nurse.

8 (B) For half-time practice, an amount equal to 12.5 percent of the total of all qualifying loans
9 made to the nurse.

10 (d) If the nurse does not complete the full service obligation set forth in paragraphs (b) and (c)
11 of this subsection, the commission shall collect 100 percent of any payments made by the commission
12 to the nurse under the Nursing Services Program. In addition, the commission shall assess against
13 the nurse a penalty equal to 50 percent of the qualifying loans and interest paid by the commission.

14 (2)(a) On July 1 of each year, beginning in 2002 and ending in 2007, the [*Oregon Student As-*
15 *istance Commission*] **Higher Education Coordinating Commission** shall adjust the maximum dol-
16 lar amount allowed under subsection (1)(a) of this section as a qualifying loan by multiplying the
17 amount by a cost-of-living adjustment as specified in this subsection.

18 (b) The cost-of-living adjustment applied on July 1 each year by the commission shall be equal
19 to the ratio of the seasonally adjusted United States City Average Consumer Price Index for All
20 Urban Consumers as published by the Bureau of Labor Statistics of the United States Department
21 of Labor for April of the calendar year divided by the value of the same index for April 2001.

22 (c) Beginning on July 1, 2008, the commission shall use the cost-of-living adjustment calculated
23 for July 1, 2007.

24 (d) If the value of the dollar amount determined under paragraph (a) of this subsection is not a
25 multiple of \$100, the commission shall round the dollar amount to the next lower multiple of \$100.

26 **SECTION 275.** ORS 461.543 is amended to read:

27 461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery
28 Account is continuously appropriated to and shall be used by the State Board of Higher Education
29 to fund sports programs at [*state institutions of higher education*] **public universities listed in ORS**
30 **352.002**. Seventy percent of the revenues in the fund shall be used to fund nonrevenue producing
31 sports and 30 percent shall be used for revenue producing sports. Of the total amount available in
32 the fund, at least 50 percent shall be made available for women's athletics.

33 (2) The [*State*] board [*of Higher Education*] shall allocate moneys in the Sports Lottery Account
34 among the [*institutions of higher education under its jurisdiction*] **public universities**, giving due
35 consideration to:

36 (a) The athletic conference to which the [*institution*] **public university** belongs and the relative
37 costs of competing in that conference.

38 (b) The level of effort being made by the [*institution*] **public university** to generate funds and
39 support from private sources.

40 (3) As used in subsections (1) to (3) of this section, "revenue producing sport" is a sport that
41 produces net revenue over expenditures during a calendar year or if its season extends into two
42 calendar years, produces net revenue over expenditures during the season.

43 (4) An amount equal to one percent of the moneys transferred to the Administrative Services
44 Economic Development Fund from the State Lottery Fund shall be allocated from the Administrative
45 Services Economic Development Fund to the Sports Lottery Account.

1 (5) The amounts received by the Sports Lottery Account shall be allocated as follows:

2 (a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but
3 not to exceed \$8 million annually, adjusted annually pursuant to the Consumer Price Index, as de-
4 fined in ORS 327.006.

5 (b) Twelve percent for the purpose of scholarships, to be distributed equally between scholar-
6 ships based on academic merit and scholarships based on need, as determined by rule of the [State]
7 board [of Higher Education], but not to exceed \$1,090,909 annually.

8 (c) All additional money to the [Oregon Student Assistance Commission] **Higher Education Co-**
9 **ordinating Commission** for the Oregon Opportunity Grant program under ORS 348.260.

10 **SECTION 276.** ORS 541.375 is amended to read:

11 541.375. (1) Any person, tribe, watershed council, soil and water conservation district, commu-
12 nity college, [state institution of higher education] **public university listed in ORS 352.002**, inde-
13 pendent not-for-profit institution of higher education or political subdivision of this state that is not
14 a state agency may submit a request for funding for or for advice and assistance in developing a
15 project under ORS 541.351 to 541.415. A state agency or federal agency may apply for funding under
16 this section only as a coapplicant with one of the other eligible entities.

17 (2) The request under subsection (1) of this section shall be filed in the manner, be in the form
18 and contain the information required by the Oregon Watershed Enhancement Board.

19 (3) The board may establish a grant program through soil and water conservation districts or-
20 ganized under ORS 568.210 to 568.808 and 568.900 to 568.933 that provides funds for local imple-
21 mentation of watershed enhancement, education and monitoring efforts.

22 (4) The board may fund implementation of action plans based on a watershed assessment that
23 addresses water quality and aquatic resources of the watershed.

24 (5) A project may use mechanical, vegetative or structural methods including, but not limited
25 to, management techniques, erosion control, streambank stabilization, forest, range or crop land
26 treatment, site specific in-stream structures, acquisitions or leases of land or water rights from a
27 willing owner, watershed assessments, landowner incentives and action plan development, imple-
28 mentation and monitoring.

29 (6) The actions of a soil and water conservation district carried out pursuant to a grant program
30 established by the board under subsection (3) of this section shall not be subject to review and ap-
31 proval by the Natural Resources Division under ORS 561.400.

32 (7) The Oregon Watershed Enhancement Board shall approve for funding only those projects
33 that:

34 (a) Are based on sound principles of watershed management;

35 (b) Use methods most adapted to the project locale;

36 (c) Meet the criteria established by the board under ORS 541.396; and

37 (d) Contribute to either:

38 (A) The improved health of a stream, lake or reservoir and toward the achievement of standards
39 that satisfy the requirements of the Federal Water Pollution Control Act (P.L. 92-500), as amended;
40 or

41 (B) The restoration of wildlife, habitat or native fish.

42 (8) The Oregon Watershed Enhancement Board may fund a project for the restoration of a
43 riparian area or associated upland that is carried out in conjunction with a storage structure.
44 However, the board shall not approve funding for any proposed project that consists solely of con-
45 struction of a storage structure for out-of-stream use.

1 (9) The Oregon Watershed Enhancement Board may fund projects involving the acquisition of
2 lands and waters, or interests therein from willing sellers, for the purpose of maintaining or re-
3 storing watersheds, habitat and native salmonids. Interests in these lands and waters may be held
4 by local, state and federal agencies, tribes, not-for-profit land conservation organizations and trusts,
5 [state institutions of higher education] **public universities listed in ORS 352.002**, independent not-
6 for-profit institutions of higher education or political subdivisions of this state, as long as the entity
7 continues to use the land or water for the purposes specified under section 4b, Article XV of the
8 Oregon Constitution.

9 (10) If the Oregon Watershed Enhancement Board approves funding for a project under this
10 section that requires the applicant to obtain a permit or license from a local, state or federal agency
11 or governing body, the board shall not disburse any funds to the applicant until the applicant pre-
12 sents evidence that the agency has granted the permit or license.

13 **SECTION 277.** ORS 634.660 is amended to read:

14 634.660. Each of the following state agencies [*or services*] shall implement integrated pest man-
15 agement practices when carrying out the agency's duties related to pest control:

16 (1) State Department of Agriculture, including the control of noxious weeds.

17 (2) State Department of Fish and Wildlife.

18 (3) Department of Transportation.

19 (4) State Parks and Recreation Department.

20 (5) State Forestry Department.

21 (6) Department of Corrections.

22 (7) Oregon Department of Administrative Services.

23 (8) The Department of State Lands.

24 (9) Each [*Oregon institution of higher education*] **public university listed in ORS 352.002**, for
25 the [*institution's*] **public university's** own building and grounds maintenance.

26 **SECTION 278.** ORS 657.665 is amended to read:

27 657.665. (1) Except as provided in subsections (2) to (4) of this section, all information in the
28 records of the Employment Department pertaining to the administration of the unemployment in-
29 surance, employment service and labor market information programs:

30 (a) Is confidential and for the exclusive use and information of the Director of the Employment
31 Department in administering the unemployment insurance, employment service and labor market
32 information programs in Oregon.

33 (b) May not be used in any court action or in any proceeding pending in the court unless the
34 director or the state is a party to the action or proceeding or unless the proceeding concerns the
35 establishment, enforcement or modification of a support obligation and support services are being
36 provided by the Division of Child Support or the district attorney pursuant to ORS 25.080.

37 (c) Is exempt from disclosure under ORS 192.410 to 192.505.

38 (2) The Employment Department shall disclose information:

39 (a) To any claimant or legal representative, at a hearing before an administrative law judge, to
40 the extent necessary for the proper presentation of an unemployment insurance claim.

41 (b) Upon request to the United States Secretary of Labor. The Employment Department shall
42 disclose the information in a form and containing the information that the United States Secretary
43 of Labor may require. The information disclosed is confidential and may not be used for any other
44 purpose.

45 (c) Pursuant to section 303(a)(7) of the Social Security Act, upon request to any agency of the

1 United States charged with the administration of public works or assistance through public em-
2 ployment. Under this paragraph, the Employment Department shall disclose the name, address, or-
3 dinary occupation and employment status of each recipient of unemployment insurance benefits and
4 a statement of the recipient's right to further benefits under this chapter. The information disclosed
5 is confidential and may not be used for any other purpose.

6 (d) Pursuant to section 303(c)(1) of the Social Security Act, to the Railroad Retirement Board.
7 Under this paragraph, the Employment Department shall disclose unemployment insurance records.
8 The information disclosed is confidential and may not be used for any other purpose. The costs of
9 disclosing information under this paragraph shall be paid by the board.

10 (e) Pursuant to section 303(d) of the Social Security Act, upon request to officers and employees
11 of the United States Department of Agriculture and to officers or employees of any state Supple-
12 mental Nutrition Assistance Program agency for the purpose of determining an individual's eligibil-
13 ity for or the amount of supplemental nutrition assistance. The information disclosed is confidential
14 and may not be used for any other purpose. The costs of disclosing information under this paragraph
15 shall be paid by the United States Department of Agriculture.

16 (f) Pursuant to section 303(e)(1) and (2)(A)(ii) of the Social Security Act, to state or local child
17 support enforcement agencies enforcing child support obligations under Title IV-D of the Social Se-
18 curity Act for the purposes of establishing child support obligations, locating individuals owing child
19 support obligations and collecting child support obligations from those individuals. The information
20 disclosed is confidential and may not be used for any other purpose. The costs of disclosing infor-
21 mation under this paragraph shall be paid by the child support enforcement agency.

22 (g) Pursuant to sections 303(f) and 1137 of the Social Security Act, to agencies participating in
23 the income and eligibility verification system for the purpose of verifying an individual's eligibility
24 for benefits, or the amount of benefits, under unemployment insurance, temporary assistance for
25 needy families, Medicaid, the Supplemental Nutrition Assistance Program, Supplemental Security
26 Income, child support enforcement or Social Security programs. The information disclosed is confi-
27 dential and may not be used for any other purpose. The costs of disclosing information under this
28 paragraph shall be paid by the requesting agency.

29 (h) Pursuant to section 303(h) of the Social Security Act and section 3304(a)(16)(B) of the Federal
30 Unemployment Tax Act, to the United States Department of Health and Human Services National
31 Directory of New Hires. The information disclosed is confidential and may not be used for any other
32 purpose. The costs of disclosing information under this paragraph shall be paid by the United States
33 Department of Health and Human Services.

34 (i) Pursuant to section 303(i) of the Social Security Act, to officers and employees of the United
35 States Department of Housing and Urban Development and to representatives of a public housing
36 agency for the purpose of determining an individual's eligibility for benefits, or the amount of ben-
37 efits, under a housing assistance program of the United States Department of Housing and Urban
38 Development. The information disclosed is confidential and may not be used for any other purpose.
39 The costs of disclosing information under this paragraph shall be paid by the United States De-
40 partment of Housing and Urban Development or the public housing agency.

41 (j) Pursuant to regulations of the United States Secretary of Health and Human Services issued
42 under section 3304(a)(16)(A) of the Federal Unemployment Tax Act, and except as required by sec-
43 tion 303 of the Social Security Act, to the state, a political subdivision or a federally recognized
44 Indian tribe that has signed an agreement with the Department of Human Services to administer
45 Part A of Title IV of the Social Security Act for the purpose of determining an individual's eligibility

1 for assistance, or the amount of assistance, under a program funded under Part A of Title IV of the
2 Social Security Act. The information disclosed is confidential and may not be used for any other
3 purpose.

4 (k) Upon request, to the United States Attorney's Office. Under this paragraph, the Employment
5 Department may disclose an individual's employment and wage information in response to a federal
6 grand jury subpoena or for the purpose of collecting civil and criminal judgments, including
7 restitution and special assessment fees. The information disclosed is confidential and may not be
8 used for any other purpose. The costs of disclosing information under this paragraph shall be paid
9 by the United States Attorney's Office.

10 (3) The Employment Department may disclose information secured from employing units:

11 (a) To agencies of this state, federal agencies and local government agencies to the extent nec-
12 essary to properly carry out governmental planning, performance measurement, program analysis,
13 socioeconomic analysis and policy analysis functions performed under applicable law. The informa-
14 tion disclosed is confidential and may not be disclosed by the agencies in any manner that would
15 identify individuals, claimants, employees or employing units. If the information disclosed under this
16 paragraph is not prepared for the use of the Employment Department, the costs of disclosing the
17 information shall be paid by the agency requesting the information.

18 (b) As part of a geographic information system. Points on a map may be used to represent eco-
19 nomic data, including the location, employment size class and industrial classification of businesses
20 in Oregon. Information presented as part of a geographic information system may not give specific
21 details regarding a business's address, actual employment or proprietary information. If the infor-
22 mation disclosed under this paragraph is not prepared for the use of the Employment Department,
23 the costs of disclosing the information shall be paid by the party requesting the information.

24 (c) In accordance with ORS 657.673.

25 (4) The Employment Department may:

26 (a) Disclose information to public employees in the performance of their duties under state or
27 federal laws relating to the payment of unemployment insurance benefits, the provision of employ-
28 ment services and the provision of labor market information.

29 (b) At the discretion of the Director of the Employment Department and subject to an intera-
30 gency agreement, disclose information to public officials in the performance of their official duties
31 administering or enforcing laws within their authority and to the agents or contractors of public
32 officials. The public official shall agree to assume responsibility for misuse of the information by
33 the official's agent or contractor.

34 (c) Disclose information pursuant to an informed consent, received from an employer or claim-
35 ant, to disclose the information.

36 (d) Disclose information to partners under the federal Workforce Investment Act of 1998 for the
37 purpose of administering state workforce programs under the Act. The information disclosed is
38 confidential and may not be used for any other purpose. The costs of disclosing information under
39 this paragraph shall be paid by the requesting partner.

40 (e) Disclose the names and addresses of employing units to the Bureau of Labor and Industries
41 for the purpose of disseminating information to employing units. The names and addresses disclosed
42 are confidential and may not be used for any other purpose. If the information disclosed under this
43 paragraph is not prepared for the use of the Employment Department, the costs of disclosing the
44 information shall be paid by the bureau.

45 (f) Disclose information to the Commissioner of the Bureau of Labor and Industries for the

1 purpose of performing duties under ORS 279C.800 to 279C.870, 658.005 to 658.245 or 658.405 to
2 658.503 or ORS chapter 652, 653 or 659A. The information disclosed may include the names and ad-
3 dresses of employers and employees and payroll data of employers and employees. The information
4 disclosed is confidential and may not be used for any other purpose. If the information disclosed
5 under this paragraph is not prepared for the use of the Employment Department, the costs of dis-
6 closing the information shall be paid by the bureau.

7 (g) Disclose information required under ORS 657.660 (3) and (4) to the Public Employees Re-
8 tirement System for the purpose of determining the eligibility of members of the retirement system
9 for disability retirement allowances under ORS chapter 238. The information disclosed is confiden-
10 tial and may not be used for any other purpose. The costs of disclosing information under this par-
11 agraph shall be paid by the Public Employees Retirement System.

12 (h) Disclose to the Oregon Business Development Commission information required by the com-
13 mission in performing its duty under ORS 285A.050 to verify changes in employment levels following
14 direct employer participation in Oregon Business Development Department programs or indirect
15 participation through municipalities under ORS 285B.410 to 285B.482. The information disclosed to
16 the commission may include an employer's employment level, total subject wages payroll and whole
17 hours worked. The information disclosed is confidential and may not be used for any other purpose.
18 The commission may not disclose the information in any manner that would identify an employing
19 unit or employee except to the extent necessary to carry out the commission's duty under ORS
20 285A.050. If the information disclosed under this paragraph is not prepared for the use of the Em-
21 ployment Department, the costs of disclosing the information shall be paid by the commission.

22 (i) Disclose information to the Department of Revenue for the purpose of performing its duties
23 under ORS 293.250 or under the revenue and tax laws of this state. The information disclosed may
24 include the names and addresses of employers and employees and payroll data of employers and
25 employees. The information disclosed is confidential and may not be disclosed by the Department
26 of Revenue in any manner that would identify an employing unit or employee except to the extent
27 necessary to carry out the department's duties under ORS 293.250 or in auditing or reviewing any
28 report or return required or permitted to be filed under the revenue and tax laws administered by
29 the department. The Department of Revenue may not disclose any information received to any pri-
30 vate collection agency or for any other purpose. If the information disclosed under this paragraph
31 is not prepared for the use of the Employment Department, the costs of disclosing the information
32 shall be paid by the Department of Revenue.

33 (j) Disclose information to the Department of Consumer and Business Services for the purpose
34 of performing its duties under ORS chapters 654 and 656. The information disclosed may include the
35 name, address, number of employees and industrial classification code of an employer and payroll
36 data of employers and employees. The information disclosed is confidential and may not be disclosed
37 by the Department of Consumer and Business Services in any manner that would identify an em-
38 ploying unit or employee except to the extent necessary to carry out the department's duties under
39 ORS chapters 654 and 656, including administrative hearings and court proceedings in which the
40 Department of Consumer and Business Services is a party. If the information disclosed under this
41 paragraph is not prepared for the use of the Employment Department, the costs of disclosing the
42 information shall be paid by the Department of Consumer and Business Services.

43 (k) Disclose information to the Construction Contractors Board for the purpose of performing
44 its duties under ORS chapter 701. The information disclosed to the board may include the names and
45 addresses of employers and status of their compliance with this chapter. If the information disclosed

1 under this paragraph is not prepared for the use of the Employment Department, the costs of dis-
2 closing the information shall be paid by the board.

3 (L) Disclose information to the State Fire Marshal to assist the State Fire Marshal in carrying
4 out duties under ORS 453.307 to 453.414. The information disclosed may include the name, address,
5 telephone number and industrial classification code of an employer. The information disclosed is
6 confidential and may not be disclosed by the State Fire Marshal in any manner that would identify
7 an employing unit except to the extent necessary to carry out duties under ORS 453.307 to 453.414.
8 If the information disclosed under this paragraph is not prepared for the use of the Employment
9 Department, the costs of disclosing the information shall be paid by the office of the State Fire
10 Marshal.

11 (m) Disclose information to the [*Oregon Student Assistance Commission*] **Higher Education Co-**
12 **ordinating Commission** for the purpose of performing the commission's duties under ORS chapter
13 348 and Title IV of the Higher Education Act of 1965. The information disclosed may include the
14 names and addresses of employers and employees and payroll data of employers and employees. The
15 information disclosed is confidential and may not be disclosed by the commission in any manner that
16 would identify an employing unit or employee except to the extent necessary to carry out the
17 commission's duties under ORS chapter 348 or Title IV of the Higher Education Act of 1965. If the
18 information disclosed under this paragraph is not prepared for the use of the Employment Depart-
19 ment, the costs of disclosing the information shall be paid by the commission.

20 (n) Disclose information to the Department of Transportation to assist the Department of
21 Transportation in carrying out the duties of the Department of Transportation relating to collection
22 of delinquent and liquidated debts, including taxes, under ORS 184.610 to 184.666, 184.670 to 184.733
23 and 805.263, ORS chapter 319 and the Oregon Vehicle Code. The information disclosed may include
24 the names and addresses of employers and employees and payroll data of employers and employees.
25 The information disclosed is confidential and may not be disclosed by the Department of Transpor-
26 tation in any manner that would identify an employing unit or employee except to the extent nec-
27 essary to carry out the Department of Transportation's duties relating to collection of delinquent
28 and liquidated debts or in auditing or reviewing any report or return required or permitted to be
29 filed under the revenue and tax laws administered by the Department of Transportation. The De-
30 partment of Transportation may not disclose any information received to any private collection
31 agency or for any other purpose. If the information disclosed under this paragraph is not prepared
32 for the use of the Employment Department, the costs of disclosing the information shall be paid by
33 the Department of Transportation.

34 (o) Disclose to any person establishment level information secured pursuant to this chapter from
35 federal, state and local government employing units. If the information disclosed under this para-
36 graph is not prepared for the use of the Employment Department, the costs of disclosing the infor-
37 mation shall be paid by the party requesting the information.

38 (p) Disclose to any person the industrial classification code assigned to an employing unit. If the
39 information disclosed under this paragraph is not prepared for the use of the Employment Depart-
40 ment, the costs of disclosing the information shall be paid by the party requesting the information.

41 (5) Any officer appointed by or any employee of the Director of the Employment Department
42 who discloses confidential information, except with the authority of the director, pursuant to rules
43 or as otherwise required by law, may be disqualified from holding any appointment or employment
44 with the Employment Department.

45 (6) Any person or any officer or employee of an entity to whom information is disclosed by the

1 Employment Department under this section who divulges or uses the information for any purpose
 2 other than that specified in the provision of law or agreement authorizing the use or disclosure may
 3 be disqualified from performing any service under contract or disqualified from holding any ap-
 4 pointment or employment with the state agency that engaged or employed that person, officer or
 5 employee. The Employment Department may immediately cancel or modify any information sharing
 6 agreement with an entity when a person or an officer or employee of that entity discloses confi-
 7 dential information, other than as specified in law or agreement.

8 **SECTION 279.** ORS 659.855 is amended to read:

9 659.855. (1) Any public elementary or secondary school determined by the Superintendent of
 10 Public Instruction or any community college determined by the Commissioner for Community Col-
 11 lege Services to be in noncompliance with provisions of ORS 659.850 and this section shall be sub-
 12 ject to appropriate sanctions, which may include withholding of all or part of state funding, as
 13 established by rule of the State Board of Education.

14 (2) Any public [*institution of higher education*] **university listed in ORS 352.002** determined by
 15 the Chancellor of the Oregon University System to be in noncompliance with provisions of ORS
 16 659.850 and this section shall be subject to appropriate sanctions, which may include withholding
 17 of all or part of state funding, as established by rule of the State Board of Higher Education.

18 (3) Any public charter school determined by the sponsor of the school or the superintendent
 19 [*of Public Instruction*] to be in noncompliance with the provisions of ORS 659.850 and this section
 20 shall be subject to appropriate sanctions, which may include the withholding of all or part of state
 21 funding by the sponsor or superintendent, as established by rule of the State Board of Education.

22 **SECTION 280.** ORS 660.312 is amended to read:

23 660.312. (1) The Governor shall be responsible for a coordinated and comprehensive response to
 24 education and workforce issues. The Governor shall appoint an Education and Workforce Policy
 25 Advisor, who serves at the pleasure of the Governor. The advisor shall, with the advice of such
 26 advisory committees as may be appointed or assigned, advise the Governor on policy, planning and
 27 coordination for education and workforce development in Oregon.

28 (2) The duties of the advisor shall include:

29 (a) Guiding the development of state-level policy related to education and workforce issues;

30 (b) Providing general direction and serving as a liaison between state and local efforts in edu-
 31 cation, training and workforce development;

32 (c) Ensuring, through collaboration with the leadership of local workforce investment boards
 33 and regional workforce committees, the alignment of statewide, local and regional strategic plans,
 34 and the periodic reporting of performance in the implementation of such plans; and

35 (d) Consulting with local workforce investment boards and regional workforce committees on the
 36 development and implementation of a workforce performance measurement system.

37 (3) In the performance of duties, the advisor shall collectively involve state agencies, including
 38 but not limited to:

39 (a) The Department of Education;

40 (b) The Oregon University System;

41 (c) The Oregon Business Development Department;

42 (d) The Department of Community Colleges and Workforce Development;

43 (e) The Employment Department;

44 (f) The Department of Human Services;

45 (g) The Bureau of Labor and Industries;

1 (h) The Department of Corrections;

2 (i) The [*Oregon Student Assistance Commission*] **Higher Education Coordinating Commission**;

3 and

4 (j) The Teacher Standards and Practices Commission.

5 (4) The advisor shall seek input from key interested parties to help guide policy development,
6 including but not limited to representatives of:

7 (a) Businesses and industry organizations;

8 (b) Labor and labor organizations;

9 (c) Local education providers;

10 (d) Local government;

11 (e) Student, teacher, parent and faculty organizations;

12 (f) Community-based organizations;

13 (g) Public-private partnership organizations;

14 (h) Independent nonprofit and proprietary post-secondary colleges and schools; and

15 (i) Regional workforce committees, local workforce investment boards and regional investment
16 boards.

17 (5) The advisor shall meet, on a regularly scheduled basis, with the local workforce investment
18 boards, regional workforce committees and such others as necessary to ensure that local interests
19 are represented. The advisor shall seek input, advice and feedback on policy issues affecting state,
20 regional and local education and workforce development from interested parties and other commit-
21 tees formed under ORS 660.306, 660.312 and 660.315.

22 (6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary to carry out the duties
23 of the advisor.

24 **SECTION 281.** ORS 660.315 is amended to read:

25 660.315. (1) The Governor shall designate regional workforce committees to advise the Governor,
26 local workforce investment boards that represent federally recognized workforce areas containing
27 multiple regions, and county elected officials on regional and local needs for workforce development.
28 The committees shall also prepare plans for achieving regional goals and coordinate the provision
29 of services within regions. The committees shall have private and public sector members. However,
30 a majority of the members of each committee shall represent the private sector and include business
31 and labor representatives. The chairperson of each committee shall be a private sector member and
32 be elected by the committee.

33 (2) The private sector committee members shall play a critical role in workforce development,
34 including but not limited to:

35 (a) Identifying current and future workforce needs;

36 (b) Providing feedback on public sector programs;

37 (c) Assisting public agencies in changing programs to be more effective in meeting private sector
38 needs; and

39 (d) Being a partner in addressing workforce needs.

40 (3) Private sector members of a committee created under this section shall be appointed by
41 county commissioners and, in the region that includes the City of Portland, the Mayor of Portland.
42 The members of the committee shall reflect the broadest feasible representation from the groups
43 described in ORS 660.312 (4)(a) to (h).

44 (4) The public sector representatives on the committee are representatives who receive re-
45 sources and deliver education and workforce programs within the labor market area. Public sector

1 members shall include the broadest feasible representation from, but not be limited to, the following:

2 (a) The Department of Human Services;

3 (b) School districts, education service districts, community colleges, [*state institutions of higher*
4 *education*] **public universities listed in ORS 352.002** and Oregon Health and Science University;

5 (c) The Oregon Business Development Department and local economic development entities;

6 (d) The Employment Department;

7 (e) The federal Act programs; and

8 (f) Other public sector partners.

9 (5) A region may recommend to the Governor an alternate structure for its regional committee,
10 based on regional determination and mutually agreed to by the current public and private sector
11 members of the regional workforce committee and the chief elected officials. The alternate structure
12 must retain a private sector chairperson, appointments of the private sector members as provided
13 in subsection (3) of this section, and substantive public and private sector and other stakeholder
14 participation through formalized methods, such as standing committees.

15 (6) A regional workforce committee shall develop and implement a strategic regional workforce
16 plan that responds to the current and future workforce needs of the regional labor market.

17 (7) The strategic regional workforce plan shall:

18 (a) Consider the supply and demand outlook for the region;

19 (b) Identify and prioritize initiatives and resources, both public and private, to meet the regional
20 workforce needs;

21 (c) Articulate and include the coordination of both public and private resources in addressing
22 the workforce needs and goals; and

23 (d) Ensure the most appropriate use of resource investments.

24 (8) The regional workforce committee shall create or enhance the workforce program delivery
25 system to meet the strategic priorities of the region and any strategic priorities of a federally re-
26 cognized workforce area that includes that region.

27 (9) Within each region, or within overlapping regions, regional workforce committees, local
28 workforce investment boards and regional investment boards shall coordinate their planning efforts
29 to ensure that the strategic efforts and resource allocation of economic and workforce development
30 of an area are consistent. Regional workforce committees and regional investment boards will ex-
31 tend opportunities to other entities engaged in economic and workforce development programs and
32 services to participate in their joint or integrated strategic planning.

33 (10)(a) A local workforce investment board that represents a multiregional workforce area shall
34 hold regional workforce committees in the area accountable for any policy and operational respon-
35 sibilities under 2832(d) of the federal Act that is delegated to the committees in accordance with
36 state policy and local workforce investment board policy.

37 (b) A regional workforce committee within a multiregional workforce area is accountable to the
38 local workforce investment board for any policy and operational responsibilities carried out under
39 the federal Act on behalf of the board.

40 (c) As it relates to regional responsibilities under this section, a regional workforce committee
41 may, through a vote of the committee, determine the methodology for delegating the responsibilities
42 of the regional workforce committee to a local workforce investment board representing the multi-
43 regional workforce area.

44 **SECTION 282.** ORS 660.358 is amended to read:

45 660.358. (1) The State Workforce Investment Board, in consultation with the Governor, the Ed-

1 ucation and Workforce Policy Advisor and other parties deemed appropriate by the board and after
2 consideration of the clean energy and energy efficiency policies of this state, shall develop a plan
3 for a green jobs growth initiative to promote the development of emerging technologies and inno-
4 vations that lead to, create or sustain family wage green jobs.

5 (2) The plan for the initiative developed by the board shall:

6 (a) Identify industries that are high demand green industries based on current and projected
7 creation of family wage green jobs and the potential for career pathways created for such jobs.

8 (b) Use the needs of identified high demand green industries as the basis for the planning of
9 workforce development activities that promote the development of emerging green technologies and
10 innovations. These activities include, but are not limited to, such efforts undertaken by community
11 colleges, the *[institutions]* **public universities** of the Oregon University System, designated signature
12 research centers, registered apprenticeship programs and other private sector training programs.

13 (c) Leverage and align existing public workforce development programs and other public and
14 private resources to the goal of recruiting, supporting, educating and training of targeted popu-
15 lations of workers.

16 (d) Require the board to work collaboratively with stakeholders from business, labor and low
17 income advocacy groups in the regional economy to develop and implement the initiative.

18 (e) Link adult basic and remedial education programs with job training for skills necessary for
19 green jobs.

20 (f) Require the board to collaborate with employers and labor organizations to identify skills and
21 competencies necessary for green job career pathways.

22 (g) Ensure that support services are integrated with education and training for green jobs and
23 that such services are provided by organizations with direct access to and experience with targeted
24 populations.

25 **SECTION 283.** ORS 678.425 is amended to read:

26 678.425. The Oregon Center for Nursing and the Oregon Healthcare Workforce Institute may
27 serve in advisory capacities to the State Workforce Investment Board, the *[Joint Boards of Educa-*
28 *tion]* **Higher Education Coordinating Commission** and other related entities. The Oregon Center
29 for Nursing may advise on education and workforce development issues affecting nursing. The
30 Oregon Healthcare Workforce Institute may advise on education and workforce development issues
31 affecting doctors, dentists and other allied health professionals. The Oregon Center for Nursing and
32 the Oregon Healthcare Workforce Institute may work together to develop comprehensive solutions
33 to the healthcare workforce shortages in Oregon.

34 **SECTION 284.** ORS 679.020 is amended to read:

35 679.020. (1) A person may not practice dentistry without a license.

36 (2) Only a person licensed as a dentist by the Oregon Board of Dentistry may own, operate,
37 conduct or maintain a dental practice, office or clinic in this state.

38 (3) The restrictions of subsection (2) of this section, as they relate to owning and operating a
39 dental office or clinic, do not apply to a dental office or clinic owned or operated by any of the
40 following:

41 (a) A labor organization as defined in ORS 243.650 and 663.005 (6), or to any nonprofit organ-
42 ization formed by or on behalf of such labor organization for the purpose of providing dental ser-
43 vices. Such labor organization must have had an active existence for at least three years, have a
44 constitution and bylaws, and be maintained in good faith for purposes other than providing dental
45 services.

1 (b) The School of Dentistry of the Oregon Health and Science University.

2 (c) [*Institutions of higher education*] **Public universities** listed in ORS 352.002.

3 (d) Local governments.

4 (e) Institutions or programs accredited by the Commission on Dental Accreditation of the
5 American Dental Association to provide education and training.

6 (f) Nonprofit corporations organized under Oregon law to provide dental services to rural areas
7 and medically underserved populations of migrant, rural community or homeless individuals under
8 42 U.S.C. 254b or 254c or health centers qualified under 42 U.S.C. 1396d(l)(2)(B) operating in com-
9 pliance with other applicable state and federal law.

10 (g) Nonprofit charitable corporations as described in section 501(c)(3) of the Internal Revenue
11 Code and determined by the Oregon Board of Dentistry as providing dental services by volunteer
12 licensed dentists to populations with limited access to dental care at no charge or a substantially
13 reduced charge.

14 (4) For the purpose of owning or operating a dental office or clinic, an entity described in sub-
15 section (3) of this section must:

16 (a) Name an actively licensed dentist as its dental director, who shall be subject to the pro-
17 visions of ORS 679.140 in the capacity as dental director. The dental director, or an actively licensed
18 dentist designated by the director, shall have responsibility for the clinical practice of dentistry,
19 which includes, but is not limited to:

20 (A) Diagnosis of conditions within the human oral cavity and its adjacent tissues and structures.

21 (B) Prescribing drugs that are administered to patients in the practice of dentistry.

22 (C) The treatment plan of any dental patient.

23 (D) Overall quality of patient care that is rendered or performed in the practice of dentistry.

24 (E) Supervision of dental hygienists, dental assistants or other personnel involved in direct pa-
25 tient care and the authorization for procedures performed by them in accordance with the standards
26 of supervision established by statute or by the rules of the board.

27 (F) Other specific services within the scope of clinical dental practice.

28 (G) Retention of patient dental records as required by statute or by rule of the board.

29 (H) Ensuring that each patient receiving services from the dental office or clinic has a dentist
30 of record.

31 (b) Maintain current records of the names of licensed dentists who supervise the clinical activ-
32 ities of dental hygienists, dental assistants or other personnel involved in direct patient care utilized
33 by the entity. The records must be available to the board upon written request.

34 (5) Subsections (1) and (2) of this section do not apply to a limited access permit dental hygienist
35 who renders services authorized by a limited access permit issued by the board pursuant to ORS
36 680.200.

37 (6) Nothing in this chapter precludes a person or entity not licensed by the board from:

38 (a) Ownership or leasehold of any tangible or intangible assets used in a dental office or clinic.
39 These assets include real property, furnishings, equipment and inventory but do not include dental
40 records of patients related to clinical care.

41 (b) Employing or contracting for the services of personnel other than licensed dentists.

42 (c) Management of the business aspects of a dental office or clinic that do not include the clin-
43 ical practice of dentistry.

44 (7) If all of the ownership interests of a dentist or dentists in a dental office or clinic are held
45 by an administrator, executor, personal representative, guardian, conservator or receiver of the es-

1 tate of a former shareholder, member or partner, the administrator, executor, personal represen-
 2 tative, guardian, conservator or receiver may retain the ownership interest for a period of 12 months
 3 following the creation of the ownership interest. The board shall extend the ownership period for
 4 an additional 12 months upon 30 days' notice and may grant additional extensions upon reasonable
 5 request.

6 **SECTION 285.** ORS 680.515 is amended to read:

7 680.515. (1) Subject to the provisions of ORS 676.612, upon application accompanied by payment
 8 of required fees, the Oregon Health Licensing Agency shall issue a license to practice denture
 9 technology to any applicant who submits proof satisfactory to the agency that the applicant has
 10 completed all requirements for licensure, which include, but are not limited to:

11 (a) Providing to the agency official transcripts verifying completion of an associate degree pro-
 12 gram in denture technology, or the equivalent in formal, post-secondary education, approved by the
 13 agency in consultation with the [*Oregon Student Assistance Commission*] **Higher Education Coor-**
 14 **ordinating Commission** and the Department of Education. The educational program shall include
 15 pertinent courses in anatomy, including histology, microbiology, physiology, pharmacology,
 16 pathology emphasizing periodontology, dental materials, medical emergencies, geriatrics, profes-
 17 sional ethics, clinical denture technology and denture laboratory technology;

18 (b) Providing to the agency documentation of 1,000 hours of supervised clinical practice in
 19 denture technology, completed while enrolled in or after having completed a course of study offered
 20 in a post-secondary educational institution, or through equivalent supervised experience, as deter-
 21 mined by the agency in consultation with the [*Oregon Student Assistance*] **Higher Education Co-**
 22 **ordinating Commission** and the Department of Education; and

23 (c) Passing a written and a practical examination prescribed, recognized or approved by the
 24 State Board of Denture Technology. An applicant who fails the practical examination must com-
 25 plete additional hours of clinical and laboratory training in an approved work experience program,
 26 as determined by the [*board*] **State Board of Denture Technology**, to qualify for reexamination.

27 (2) Notwithstanding subsection (1)(a) of this section, the [*board*] **State Board of Denture**
 28 **Technology** may accept educational training obtained in any other state or country if, upon review
 29 of satisfactory evidence, the agency determines that the educational program in the other state or
 30 country meets the educational standards prescribed under this section.

31 **SECTION 286.** ORS 684.040 is amended to read:

32 684.040. (1) Any person applying for a license to practice chiropractic in this state shall make
 33 application to the State Board of Chiropractic Examiners, upon such form and in such manner as
 34 may be provided by the board. The application must be accompanied by nonrefundable fees of:

35 (a) \$150; and

36 (b) The amount established by the board by rule under ORS 181.534.

37 (2) Each applicant shall furnish to the board:

38 (a) Evidence satisfactory to the board of the applicant's good moral character.

39 (b) A certificate of proficiency in the fundamental sciences (Part I, taken subsequent to January
 40 1, 1971) issued to the applicant by the National Board of Chiropractic Examiners.

41 (c) Evidence of successful completion of at least two years of liberal arts and sciences study, in
 42 any college or university accredited by either the Northwest Association of Schools and Colleges
 43 or a like regional association or in any college or university in Oregon approved for granting de-
 44 grees by the [*Oregon Student Assistance Commission*] **Higher Education Coordinating**
 45 **Commission.**

1 (d) A diploma and transcript, certified by the registrar, or other documents satisfactory to the
2 [board] **State Board of Chiropractic Examiners** evidencing graduation from a chiropractic school
3 or college approved by the board under the board's academic standards, or from a school accredited
4 by the Council on Chiropractic Education or its successor agency, under standards that are ac-
5 cepted and adopted biennially by the board in the version applied to that school by the accrediting
6 agency.

7 (e) A statement of any other health care provider license in this state held by the applicant,
8 with identifying information required by the [board] **State Board of Chiropractic Examiners**.

9 (3) The [board] **State Board of Chiropractic Examiners** may waive the requirements of sub-
10 section (2)(c) of this section for any applicant for a license to practice chiropractic if the applicant
11 is licensed in another state and practiced chiropractic in that state, but the applicant must pass the
12 examination authorized by ORS 684.050 or by ORS 684.052.

13 **SECTION 287.** ORS 685.060 is amended to read:

14 685.060. (1) The minimum educational requirements for a license under the provisions of this
15 chapter are:

16 (a) At least two years' satisfactory liberal arts and sciences study, or either, in a college or
17 university accredited by either the Northwest Association of Schools and Colleges or a like regional
18 association or in a college or university in Oregon approved for granting degrees by the [*Oregon*
19 *Student Assistance Commission*] **Higher Education Coordinating Commission** as evidenced by
20 certificate or transcript of credits from the college or university; and

21 (b) Graduation from an accredited naturopathic school or college.

22 (2)(a) The areas of study required of an applicant for a license to practice naturopathic medicine
23 in this state include basic sciences, clinical sciences and any naturopathic subjects specified by the
24 Oregon Board of Naturopathic Medicine by rule.

25 (b) The [board] **Oregon Board of Naturopathic Medicine** may not include major surgery as a
26 required area of study under paragraph (a) of this subsection.

27 **SECTION 288.** ORS 696.182 is amended to read:

28 696.182. (1) The Real Estate Agency, with advice from real estate professionals and educators,
29 shall prescribe rules for certifying real estate continuing education providers.

30 (2) The agency shall include in the rules that an applicant for certification under this section
31 must be:

32 (a) A main or branch office of a real estate broker or principal real estate broker registered
33 with the agency under ORS 696.026;

34 (b) A title or escrow company conducting business in this state;

35 (c) A real estate trade association or a trade association in a related field;

36 (d) A real estate multiple listing service;

37 (e) A private career school approved by the agency to teach continuing education courses;

38 (f) An accredited community college or an accredited [*state institution of higher education*] **public**
39 **university listed in ORS 352.002;**

40 (g) A distance learning provider approved by the agency; or

41 (h) Another provider approved by the Real Estate Board.

42 (3) The agency, in consultation with real estate professionals and educators, shall provide by
43 rule:

44 (a) A broad list of course topics that are eligible for continuing education credit required by
45 ORS 696.174; and

1 (b) Learning objectives for each course topic.

2 (4) The list of course topics developed by the agency under subsection (3) of this section must
3 allow for changes in the real estate profession.

4 (5) The minimum length of each course is one hour. A continuing education provider or course
5 instructor may allow a break of no more than 10 minutes for each hour of instruction.

6 **SECTION 289.** ORS 743.550 is amended to read:

7 743.550. (1) Student health insurance is subject to ORS 743.537, 743.540, 743.543, 743.546 and
8 743.549, except as provided in this section.

9 (2) Coverage under a student health insurance policy may be mandatory for all students at the
10 institution, voluntary for all students at the institution, or mandatory for defined classes of students
11 and voluntary for other classes of students. As used in this subsection, "classes" refers to under-
12 graduates, graduate students, domestic students, international students or other like classifications.
13 Any differences based on a student's nationality may be established only for the purpose of com-
14 plying with federal law in effect when the policy is issued.

15 (3) When coverage under a student health insurance policy is mandatory, the policyholder may
16 allow any student subject to the policy to decline coverage if the student provides evidence ac-
17 ceptable to the policyholder that the student has similar health coverage.

18 (4) A student health insurance policy may provide for any student to purchase optional supple-
19 mental coverage.

20 (5) Student health insurance coverage for athletic injuries may:

21 (a) Exclude coverage for injuries of students who have not obtained medical release for a similar
22 injury; and

23 (b) Be provided in excess of or in addition to any other coverage under any other health insur-
24 ance policy, including a student health insurance policy.

25 (6) A student health insurance policy may provide that coverage under the policy is secondary
26 to any other health insurance for purposes of guidelines established under ORS 743.552.

27 (7) A student health insurance policy may provide, on request by the policyholder, that all or
28 any portion of any indemnities provided by such policy on account of hospital, nursing, medical or
29 surgical services may, at the insurer's option, be paid directly to the hospital or person rendering
30 such services. However, the amount of any such payment shall not exceed the amount of benefit
31 provided by the policy with respect to the service or billing of the provider of aid. The amount of
32 such payments pursuant to one or more assignments shall not exceed the amount of expenses in-
33 curred on account of such hospitalization or medical or surgical aid.

34 (8) An insurer providing student health insurance as primary coverage may negotiate and enter
35 into contracts for alternative rates of payment with providers and offer the benefit of such alterna-
36 tive rates to insureds who select such providers. An insurer may utilize such contracts by offering
37 a choice of plans at the time an insured enrolls, one of which provides benefits only for services by
38 members of a particular provider organization with whom the insurer has an agreement. If an in-
39 sured chooses such a plan, benefits are payable only for services rendered by a member of that
40 provider organization, unless such services were requested by a member of such organization or are
41 rendered as the result of an emergency.

42 (9) Payments made under subsection (8) of this section shall discharge the insurer's obligation
43 with respect to the amount of insurance paid.

44 (10) An insurer shall provide each student health insurance policyholder with a current roster
45 of institutional and professional providers under contract to provide services at alternative rates

1 under the group policy and shall also make such lists available for public inspection during regular
2 business hours at the insurer's principal office within this state.

3 (11) As used in this section, "student health insurance" means that form of health insurance
4 under a policy issued to a college, school or other institution of learning, a school district or dis-
5 tricts, or school jurisdictional unit, or recognized student government at [*an institution of higher*
6 *education within the Oregon University System*] **a public university listed in ORS 352.002**, or to the
7 head, principal or governing board of any such educational unit, who or which shall be deemed the
8 policyholder, that is available exclusively to students at the college, school or other institution.

9 **SECTION 290.** ORS 759.445 is amended to read:

10 759.445. (1) There is established in the State Treasury, separate and distinct from the General
11 Fund, the Connecting Oregon Communities Fund. Moneys in the fund shall consist of amounts de-
12 posited in the fund under ORS 759.405 and any other moneys deposited by a telecommunications
13 carrier that elects to be subject to ORS 759.405 and 759.410, including amounts deposited pursuant
14 to a performance assurance plan implemented by a telecommunications carrier in connection with
15 an application under 47 U.S.C. 271, as in effect on January 1, 2002. Interest earned on moneys in the
16 fund shall accrue to the fund. Moneys in the fund may be invested as provided in ORS 293.701 to
17 293.820. Moneys in the fund shall be used to provide access to advanced telecommunications tech-
18 nology in elementary schools and high schools, colleges and universities, community colleges, public
19 television corporations, rural health care providers, public libraries and other eligible persons.

20 (2) Two dedicated accounts shall be established within the Connecting Oregon Communities
21 Fund for purposes of supporting education and public access to advanced telecommunications ser-
22 vices. The first \$25 million of the moneys deposited in the Connecting Oregon Communities Fund in
23 both 2000 and 2001 shall be appropriated to the School Technology Account established under sub-
24 section (3) of this section. Except as provided in subsection (8) of this section, any additional moneys
25 available in the fund shall be appropriated to the Public Access Account established under sub-
26 section (4) of this section.

27 (3) There is established the School Technology Account within the Connecting Oregon Commu-
28 nities Fund. The purpose of the School Technology Account is to improve access to advanced tele-
29 communications services for students attending public school in kindergarten through grade 12.
30 Moneys in the account shall be expended as provided in section 34, chapter 1093, Oregon Laws 1999.

31 (4)(a) There is established the Public Access Account within the Connecting Oregon Communi-
32 ties Fund. The purpose of the Public Access Account is to improve access to advanced telecommu-
33 nications services for community colleges, universities, public libraries and rural health care
34 providers.

35 (b) If funding has not been provided from other sources, the first \$3 million available in the
36 Public Access Account shall be transferred to the Oregon University System for the purpose of
37 funding the Oregon Wide Area Network project to provide and expand Internet access for the
38 Oregon University System. The Oregon University System shall complete an audit of bandwidth
39 utilization and report to the Joint Legislative Committee on Information Management and Technol-
40 ogy during the Seventy-first Legislative Assembly in the manner provided in ORS 192.245.

41 (c) Following the transfer of funds described in paragraph (b) of this subsection, the next \$1
42 million available in the Public Access Account shall be transferred to the Oregon University System
43 for Oregon State University for the purpose of providing virtual access to persons with disabilities.

44 (d) Following the transfer of funds as described in paragraphs (b) and (c) of this subsection, the
45 next \$2 million available in the Public Access Account shall be transferred to the Department of

1 Community Colleges and Workforce Development for distribution to community colleges for the
2 purpose of developing connectivity and distance education programs.

3 (e) Following the transfer of funds described in paragraphs (b) to (d) of this subsection, the next
4 \$4 million available in the Public Access Account shall be transferred to the Oregon University
5 System for video transport and network management services for the Oregon University System.

6 (f) Following the transfer of funds described in paragraphs (b) to (e) of this subsection, the next
7 \$5.5 million available in the Public Access Account shall be transferred to the Oregon Public
8 Broadcasting Corporation for the purpose of digitizing the state television network, using the
9 Oregon Enterprise Network when possible.

10 (g) Following the transfer of funds described in paragraphs (b) to (f) of this subsection, the next
11 \$500,000 available in the Public Access Account shall be transferred to the Southern Oregon Public
12 Television Corporation for the purpose of digitizing the state television network, using the Oregon
13 Enterprise Network when possible.

14 (h) Following the transfer of funds described in paragraphs (b) to (g) of this subsection, a [*state*
15 *institution of higher education, including*] **public university listed in ORS 352.002** or the Oregon
16 Health and Science University[,] may apply for one-time matching funds up to \$1 million from the
17 Public Access Account to endow a telecommunications chair for the purpose of increasing research
18 and development of advanced telecommunications services applications. Only one chair may be en-
19 dowed under this paragraph.

20 (5)(a) The Oregon Business Development Commission shall approve expenditure of any remaining
21 moneys in the Public Access Account consistent with this section and ORS 759.430.

22 (b) Community colleges, [*state institutions of higher education*] **public universities listed in ORS**
23 **352.002**, public libraries, public television corporations and rural health care providers may apply
24 to the Oregon Business Development Commission for funding from the Public Access Account under
25 this subsection.

26 (c) Funds received from the account shall be used for the purchase of advanced telecommuni-
27 cations services, equipment or recurring costs of telecommunications connectivity. Priority shall be
28 given to collaborative projects that improve access to advanced telecommunications services.

29 (d) Funds available in the Public Access Account under this subsection are continuously ap-
30 propriated to the Oregon Business Development Department for the purposes described in this sub-
31 section.

32 (6) Public libraries and rural health care providers must apply for federal universal service
33 support in order to be eligible for a grant from the Public Access Account.

34 (7) The video transport and network management services purchased with funds made available
35 under this section shall be purchased through the Oregon Department of Administrative Services.

36 (8) Any moneys deposited in the Connecting Oregon Communities Fund under subsection (1) of
37 this section pursuant to a performance assurance plan implemented by a telecommunications carrier
38 in connection with an application under 47 U.S.C. 271, as in effect on January 1, 2002, shall be
39 placed in the School Technology Account to be expended as provided in section 34, chapter 1093,
40 Oregon Laws 1999.

41 **SECTION 290a.** Section 2, chapter 971, Oregon Laws 1999, is amended to read:

42 **Sec. 2.** (1) The amendments to ORS 238.005 by section 1, **chapter 971, Oregon Laws 1999**, [*of*
43 *this 1999 Act*] apply only to persons specified in ORS 238.005 [(16)(b)] **(17)(b)** who are employed by
44 the State Forestry Department on [*the effective date of this 1999 Act*] **October 23, 1999**, or who be-
45 come employed by the State Forestry Department after [*the effective date of this 1999 Act*] **October**

1 **23, 1999.**

2 (2) Except as provided in subsection (3) of this section, the amendments to ORS 238.005 by sec-
3 tion 1, **chapter 971, Oregon Laws 1999**, [of this 1999 Act] apply only to service rendered to a par-
4 ticipating public employer on or after [the effective date of this 1999 Act] **October 23, 1999.**

5 (3) Any employee who is employed by the State Forestry Department in a position described in
6 ORS 238.005 [(16)(b)] (17)(b) on [the effective date of this 1999 Act] **October 23, 1999**, may acquire
7 creditable service in the Public Employees Retirement System as a firefighter for service performed
8 by the employee in a position described in ORS 238.005 [(16)(b)] (17)(b) before [the effective date of
9 this 1999 Act] **October 23, 1999**, by paying to the Public Employees Retirement Board an amount
10 determined by the board to represent the full cost to the system of providing credit as a firefighter
11 to the member. The member may acquire credit as a firefighter for all or part of the service in a
12 position described in ORS 238.005 [(16)(b)] (17)(b) performed before [the effective date of this 1999
13 Act] **October 23, 1999**. All amounts required for acquisition of credit as a firefighter under this
14 subsection must be paid at least 90 days before a member's effective date of retirement. The board
15 may by rule allow members to pay amounts required under this subsection in installments in lieu
16 of requiring a single lump sum payment.

17
18 **REPEALS**

19
20 **SECTION 291. ORS 348.510, 348.540, 348.550, 348.560, 348.599, 351.005, 351.007, 351.090,**
21 **351.200 and 351.315 are repealed.**

22
23 **OPERATIVE DATE**

24
25 **SECTION 292. Sections 1 to 29, 30, 30a, 33 and 43 of this 2011 Act, the amendments to**
26 **statutes by sections 31, 32, 34 to 42 and 44 to 290a of this 2011 Act and the repeal of statutes**
27 **by section 291 of this 2011 Act become operative on January 1, 2012.**

28 **SECTION 293. The State Board of Higher Education and the Chancellor of the Oregon**
29 **University System may take any action before the operative date specified in section 292 of**
30 **this 2011 Act that is necessary for the board and the chancellor to exercise, on and after the**
31 **operative date specified in section 292 of this 2011 Act, all of the duties, functions and powers**
32 **conferred on the board and the chancellor by sections 1 to 29, 30, 30a, 33 and 43 of this 2011**
33 **Act, the amendments to statutes by sections 31, 32, 34 to 42 and 44 to 290a of this 2011 Act**
34 **and the repeal of statutes by section 291 of this 2011 Act.**

35
36 **CAPTIONS**

37
38 **SECTION 294. The unit captions used in this 2011 Act are provided only for the conven-**
39 **ience of the reader and do not become part of the statutory law of this state or express any**
40 **legislative intent in the enactment of this 2011 Act.**

41
42 **EMERGENCY DECLARATION**

43
44 **SECTION 295. This 2011 Act being necessary for the immediate preservation of the public**
45 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**

1 **on its passage.**

2
