# SENATE AMENDMENTS TO A-ENGROSSED SENATE BILL 242

By JOINT COMMITTEE ON WAYS AND MEANS

June 15

- On page 1 of the printed A-engrossed bill, line 12, after "348.505," insert "348.510,". 1 In line 13, after "348.530," insert "348.540, 348.550, 348.560,". On page 2, line 10, delete "2, chapter 971, Oregon Laws 1999" and insert "9, chapter 802, Oregon Laws 2007". In line 11, delete "348.510, 348.540, 348.550, 348.560,". 5 Delete lines 30 through 33 and insert: "(2) The Governor shall appoint: "(a) One student at a public university listed in ORS 352.002; "(b) One student at a community college in this state; 10 "(c) At least one member from each congressional district in this state; 11 "(d) At least four members who represent employers in Oregon, at least two of whom represent 12 small employers and at least two of whom represent large employers; and 13 "(e) At least one member who serves on a district school board as defined in ORS 332.002. 14 "(3) The Governor shall solicit recommendations from the Speaker of the House of Representatives for at least three members and from the President of the Senate for at least three members. 15 16 "(4) The Governor may appoint members who satisfy more than one of the qualifications for 17 membership listed in subsection (2) of this section.". 18 In line 34, delete "(4)" and insert "(5)". In line 40, delete "(5)" and insert "(6)". 19 20 In line 42, delete "(6)" and insert "(7)". 21 On page 3, line 1, delete "2013" and insert "2014". In line 2, delete "2014" and insert "2015". 22 In line 3, delete "2015" and insert "2016". 23 24 In line 40, after "352.002" insert ", and for the Oregon Student Access Commission". 25 On page 4, line 27, after "(a)" delete the rest of the line and insert "Ongoing operations of the Oregon Student Access Commission;". 26 27 In line 34, after "(7)" delete the rest of the line and insert "Coordinate with the Oregon Student 28 Access Commission to maximize the effectiveness of student financial assistance programs, including 29 the Oregon Opportunity Grant program under ORS 348.260.".
  - "SECTION 8a. The Higher Education Coordinating Commission may delegate any of the actions listed in section 8 of this 2011 Act to its executive director.".
    - In line 37, delete "OREGON STUDENT ASSISTANCE COMMISSION" and insert "OFFICE OF

"(9) Authorize degrees to be offered in this state in accordance with ORS 348.594 to 348.615, and

After line 35, insert:

adopt any rules to implement that authority.

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1 DEGREE AUTHORIZATION".
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2 Delete lines 39 through 45.

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- On page 5, delete lines 1 through 4 and insert:
- 4 "SECTION 9. (1) The Office of Degree Authorization within the Oregon Student Assistance Commission is abolished.
  - "(2) All the duties, functions and powers of the Office of Degree Authorization are imposed upon, transferred to and vested in the Higher Education Coordinating Commission.
- 8 "SECTION 10. (1) The Office of Degree Authorization shall:
- 9 "(a) Deliver to the Higher Education Coordinating Commission all records and property within 10 the jurisdiction of the Office of Degree Authorization that relate to the duties, functions and powers 11 transferred by section 9 of this 2011 Act; and".
- 12 In line 13, delete "Oregon Student Assistance" and insert "Office of Degree Authorization".
- In line 14, delete the first "Commission".
- In line 17, delete "Oregon Student Assistance Commission and the".
- In line 25, delete "the Oregon Student Assistance Commission or".
- In line 32, delete "the Oregon Student Assistance Commission or".
- 17 In line 34, delete "348.510,".
- 18 In line 35, delete "348.540, 348.550, 348.560 or".
- 19 In line 39, delete "Oregon Student Assistance Commission" and insert "Office of Degree Au-
- thorization, or the Oregon Student Assistance Commission on behalf of the Office of Degree Authorization,".
- In line 44, delete "Oregon Student Assistance Commission and the".
- On page 6, line 2, delete "Oregon Student Assistance Commission" and insert "Office of Degree Authorization".
- 25 In line 5, delete "the Oregon Student Assistance Commission to that commission or".
- 26 In line 6, delete "commission or".
- In line 9, after "15." delete the rest of the line and lines 10 through 14.
- 28 In line 15, delete "(2)".
- 29 In line 20, after "16." delete the rest of the line and lines 21 through 23.
- 30 In line 24, delete "(2)" and insert "(1)".
- 31 In line 28, delete "(3)(a)" and insert "(2)(a)".
- On page 7, line 17, after "(1)" delete the rest of the line.
- 33 In line 18, delete "sion,".
- 34 After line 29, insert:
- "SECTION 20a. The Higher Education Coordinating Commission may set limits on the enrollment fees established by the State Board of Higher Education under section 20 (1) of this 2011 Act.".
- 38 On page 8, line 31, delete "2013" and insert "2015".
- 39 After line 31, insert:
- "SECTION 22a. (1) On or before September 1, 2012, the State Board of Higher Education shall submit a funding request and performance compact for the biennium beginning July 1, 2013, to the Oregon Department of Administrative Services for the Oregon University System.
- 44 "(2) The Governor's biennial budget submitted to the Legislative Assembly for the 45 biennium beginning July 1, 2013, may include the State Board of Higher Education's funding

request submitted to the Oregon Department of Administrative Services for the Oregon University System. Any funding request approved by the Legislative Assembly must specify that the moneys be appropriated to the Oregon Department of Administrative Services for allocation to the Oregon University System.

- "(3) The State Board of Higher Education shall, by rule, establish a framework for the development of the performance compact that must accompany the funding request to the Oregon Department of Administrative Services for the biennium beginning July 1, 2013. The framework must address, among other issues, the issue of tuition affordability for students.
  - "(4) The State Board of Higher Education is authorized to:
- "(a) Request, as part of the funding request under subsection (1) of this section, appropriations for budgetary items, including but not limited to education and general operations, statewide public services, state funded debt service, capital improvements and other special initiatives and investments; and
- "(b) Allocate moneys, from funds appropriated to the board and other available moneys, among the office of the Chancellor of the Oregon University System, public universities listed in ORS 352.002 and offices, departments and activities under the control of the board."

In line 33, after "352.002" delete the rest of the line and line 34 and insert "; and".

After line 41, insert:

"SECTION 23a. The State Board of Higher Education shall forward all mission statements of the public universities listed in ORS 352.002 to the Higher Education Coordinating Commission for approval.".

On page 10, line 25, delete "a debt or".

In line 26, delete "or the Oregon University System".

On page 11, delete lines 31 through 33.

Delete line 45.

On page 12, delete lines 1 through 9 and insert:

"SECTION 29. Except for risk management and insurance functions, the State Board of Higher Education and the Oregon University System shall assume responsibility, in accordance with agreements entered into with the Department of Justice and the State Treasurer, for the indemnity and defense of their officers, agents and employees or other persons designated by the board or the system to carry out or further their missions with regard to claims asserted and actions commenced as of the operative date of this section.

"SECTION 29a. For risk management and insurance functions, the State Board of Higher Education and the Oregon University System shall assume responsibility, in accordance with agreements entered into with the Oregon Department of Administrative Services regarding its risk management function and the manager of the Insurance Fund established in ORS 278.425, for the indemnity and defense of their officers, agents and employees or other persons designated by the board or the system to carry out or further their missions with regard to claims asserted and actions commenced as of the operative date of this section."

In line 10, delete "29a" and insert "29b" and after "Act" insert "or the operative date of section 29a of this 2011 Act".

In line 16, after "Act" insert "or the operative date of section 29a of this 2011 Act, as applicable".

44 In line 18, delete "general obligation bonds of" and insert "bonds issued for".

45 In line 19, after "Act" insert "or the operative date of section 29a of this 2011 Act, as

- 1 applicable".
- 2 In line 26, after "section" insert "or, for liabilities related to risk management or insurance
- functions, arising after the operative date of section 29a of this 2011 Act,".
- 4 In line 30, delete "ORS 351.060 (11)" and insert "section 36a of this 2011 Act".
- 5 On page 13, line 29, delete "January" and insert "July".
- 6 In line 32, delete "2013" and insert "2014".
- 7 In line 33, delete "2014" and insert "2015".
- 8 In line 34, delete "2015" and insert "2016".
- 9 On page 15, delete lines 32 and 33.
- 10 In line 34, delete "(12)" and insert "(11)".
- 11 After line 37, insert:

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- "SECTION 36a. The State Board of Higher Education may purchase any insurance, operate a self-insurance program or otherwise arrange for the equivalent of insurance coverage of any nature.".
- On page 19, line 21, after "180.225" delete the comma and insert "and" and delete "and 279.835 to 279.855".
- 17 In line 24, after the first comma insert "276.073 to 276.090,".
- In line 25, after "279C.870," insert "283.085 to 283.092,".
- 19 On page 20, after line 17, insert:
  - "SECTION 41a. Notwithstanding ORS 351.086 (1) as amended by section 41 of this 2011 Act, ORS chapter 278 and ORS 283.100, 283.110, 283.120, 283.130, 283.140, 283.143, 283.305 to 283.350, 283.415 to 283.425, 283.500 to 283.520 and 283.524 apply to the Oregon University System prior to July 1, 2012."
  - On page 22, after line 21, insert:
- 25 "(3) The Oregon University System shall have custody and control of and shall care for all real 26 property used for public university purposes. Management, maintenance and preservation of all real 27 property used for public university purposes is the responsibility of the Oregon University 28 System.".
- On page 60, after line 40, insert:
- 30 "(PP) Chairperson of the Oregon Student Access Commission.".
- In lines 41 through 43, delete the boldfaced material and restore the bracketed material.
- 32 On <u>page 61</u>, delete line 41.
- 33 On page 62, after line 24, insert:
- 34 "SECTION 81a. ORS 244.050, as amended by section 81 of this 2011 Act, is amended to read:
- 35 "244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
- 36 Government Ethics Commission a verified statement of economic interest as required under this 37 chapter:
- 38 "(a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the 39 Bureau of Labor and Industries, Superintendent of Public Instruction, district attorneys and mem-40 bers of the Legislative Assembly.
- "(b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem judicial officer who does not otherwise serve as a judicial officer.
- 43 "(c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.
- 44 "(d) The Deputy Attorney General.
- 45 "(e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the

- 1 Secretary of the Senate and the Chief Clerk of the House of Representatives.
- 2 "(f) The Chancellor and Vice Chancellors of the Oregon University System and the president
- 3 and vice presidents, or their administrative equivalents, in each public university listed in ORS
- 4 352.002.
- 5 "(g) The following state officers:
- 6 "(A) Adjutant General.
- 7 "(B) Director of Agriculture.
- 8 "(C) Manager of State Accident Insurance Fund Corporation.
- 9 "(D) Water Resources Director.
- 10 "(E) Director of Department of Environmental Quality.
- 11 "(F) Director of Oregon Department of Administrative Services.
- 12 "(G) State Fish and Wildlife Director.
- 13 "(H) State Forester.
- 14 "(I) State Geologist.
- 15 "(J) Director of Human Services.
- 16 "(K) Director of the Department of Consumer and Business Services.
- "(L) Director of the Department of State Lands.
- 18 "(M) State Librarian.
- 19 "(N) Administrator of Oregon Liquor Control Commission.
- 20 "(O) Superintendent of State Police.
- 21 "(P) Director of the Public Employees Retirement System.
- 22 "(Q) Director of Department of Revenue.
- 23 "(R) Director of Transportation.
- 24 "(S) Public Utility Commissioner.
- 25 "(T) Director of Veterans' Affairs.
- 26 "(U) Executive director of Oregon Government Ethics Commission.
- 27 "(V) Director of the State Department of Energy.
- 28 "(W) Director and each assistant director of the Oregon State Lottery.
- 29 "(X) Director of the Department of Corrections.
- 30 "(Y) Director of the Oregon Department of Aviation.
- 31 "(Z) Executive director of the Oregon Criminal Justice Commission.
- 32 "(AA) Director of the Oregon Business Development Department.
- 33 "(BB) Director of the Office of Emergency Management.
- 34 "(CC) Director of the Employment Department.
- 35 "(DD) Chief of staff for the Governor.
- 36 "(EE) Administrator of the Office for Oregon Health Policy and Research.
- 37 "(FF) Director of the Housing and Community Services Department.
- 38 "(GG) State Court Administrator.
- 39 "(HH) Director of the Department of Land Conservation and Development.
- 40 "(II) Board chairperson of the Land Use Board of Appeals.
- 41 "(JJ) State Marine Director.
- 42 "(KK) Executive director of the Oregon Racing Commission.
- 43 "(LL) State Parks and Recreation Director.
- 44 "(MM) Public defense services executive director.
- 45 "(NN) Chairperson of the Public Employees' Benefit Board.

- 1 "(OO) Director of the Department of Public Safety Standards and Training.
- 2 "(PP) Chairperson of the Oregon Student Access Commission.
- 3 "(QQ) Executive director of the Oregon Watershed Enhancement Board.
- 4 "(RR) Director of the Oregon Youth Authority.
- 5 "(SS) Director of the Oregon Health Authority.
- 6 "(h) Any assistant in the Governor's office other than personal secretaries and clerical person-7 nel.
- 8 "(i) Every elected city or county official.
- 9 "(j) Every member of a city or county planning, zoning or development commission.
- 10 "(k) The chief executive officer of a city or county who performs the duties of manager or 11 principal administrator of the city or county.
- 12 "(L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- "(m) Every member of a governing body of a metropolitan service district and the executive officer thereof.
- 15 "(n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- "(o) The chief administrative officer and the financial officer of each common and union high school district, education service district and community college district.
- 18 "(p) Every member of the following state boards and commissions:
- 19 "(A) Board of Geologic and Mineral Industries.
- 20 "(B) Oregon Business Development Commission.
- 21 "(C) State Board of Education.
- 22 "(D) Environmental Quality Commission.
- 23 "(E) Fish and Wildlife Commission of the State of Oregon.
- 24 "(F) State Board of Forestry.
- 25 "(G) Oregon Government Ethics Commission.
- 26 "(H) Oregon Health Policy Board.
- 27 "(I) State Board of Higher Education.
- 28 "(J) Oregon Investment Council.
- 29 "(K) Land Conservation and Development Commission.
- 30 "(L) Oregon Liquor Control Commission.
- 31 "(M) Oregon Short Term Fund Board.
- 32 "(N) State Marine Board.
- 33 "(O) Mass transit district boards.
- 34 "(P) Energy Facility Siting Council.
- 35 "(Q) Board of Commissioners of the Port of Portland.
- 36 "(R) Employment Relations Board.
- 37 "(S) Public Employees Retirement Board.
- 38 "(T) Oregon Racing Commission.
- 39 "(U) Oregon Transportation Commission.
- 40 "(V) Wage and Hour Commission.
- 41 "(W) Water Resources Commission.
- 42 "(X) Workers' Compensation Board.
- 43 "(Y) Oregon Facilities Authority.
- 44 "(Z) Oregon State Lottery Commission.
- 45 "(AA) Pacific Northwest Electric Power and Conservation Planning Council.

- 1 "(BB) Columbia River Gorge Commission.
- 2 "(CC) Oregon Health and Science University Board of Directors.
- 3 "(DD) Capitol Planning Commission.

#### "(EE) Higher Education Coordinating Commission.

- 5 "(q) The following officers of the State Treasurer:
- 6 "(A) Chief Deputy State Treasurer.
- 7 "(B) Chief of staff for the office of the State Treasurer.
- 8 "(C) Director of the Investment Division.
- 9 "(r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725 or 777.915 to 777.953.
- "(s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
  - "(2) By April 15 next after the date an appointment takes effect, every appointed public official on a board or commission listed in subsection (1) of this section shall file with the Oregon Government Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.
  - "(3) By April 15 next after the filing deadline for the primary election, each candidate described in subsection (1) of this section shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.
  - "(4) Within 30 days after the filing deadline for the general election, each candidate described in subsection (1) of this section who was not a candidate in the preceding primary election, or who was nominated for public office described in subsection (1) of this section at the preceding primary election by write-in votes, shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.
  - "(5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the filing deadline for the statewide general election.
  - "(6) If a statement required to be filed under this section has not been received by the commission within five days after the date the statement is due, the commission shall notify the public official or candidate and give the public official or candidate not less than 15 days to comply with the requirements of this section. If the public official or candidate fails to comply by the date set by the commission, the commission may impose a civil penalty as provided in ORS 244.350.".
  - On page 77, line 21, delete "Higher Education Coordinating" and insert "Oregon Student Access".

On page 78, delete lines 13 through 23 and insert:

"SECTION 103. ORS 326.075 is amended to read:

- "326.075. (1) The State Board of Education shall cooperate with the Education and Workforce Policy Advisor in the development of a state comprehensive education plan including elementary, secondary and community college education and in review of the board's programs and budget. The board shall submit in timely fashion to the advisor such data as is appropriate in a form prescribed by the advisor.
- "(2) The board shall cooperate with the mediation process administered by the Oregon Student [Assistance] Access Commission pursuant to ORS 348.603 and, if a negotiated resolution cannot be reached by mediation, comply with the decisions of the commission regarding proposed new post-

- secondary programs and proposed new post-secondary locations.".
- On page 79, delete lines 5 through 45.

- 3 On page 80, delete lines 1 through 33 and insert:
  - "SECTION 106. ORS 329.757 is amended to read:
  - "329.757. (1) There is hereby created an Oregon Teacher Corps program within the Oregon Student [Assistance] Access Commission to encourage the entry of certain qualified persons into the teaching profession through the use of forgivable student loans for those who complete three years of successful teaching in a public school in this state.
  - "(2) All programs in ORS 329.757 to 329.780 are subject to the availability of funds appropriated therefor.

#### "SECTION 107. ORS 329.765 is amended to read:

- "329.765. (1) The Oregon Student [Assistance] Access Commission shall administer the Oregon Teacher Corps program insofar as practicable in the same manner as the loan program under ORS 348.050 is administered and make rules for the selection of qualified applicants.
- "(2) Eligibility for the Oregon Teacher Corps is limited to those prospective teachers whom the Oregon Student [Assistance] Access Commission determines to have graduated, or currently rank, in the top 20 percent of their high school or college class. The commission shall assess each applicant's potential for teaching through such means as essays written by the applicant, letters of recommendations from teachers and others, descriptions of relevant teaching experiences[,] and other appropriate measures. Allowance shall be given for those applicants whom the commission determines to be in at least one of the following categories:
  - "(a) Minority individuals as defined in ORS 200.005;
- "(b) Prospective teachers in scarce endorsement areas, as defined by the Teacher Standards and Practices Commission; or
- "(c) Prospective teachers who agree to teach in remote and difficult to serve school districts in this state.
- "(3) Recipients of loans under ORS 329.757 to 329.780 shall be enrolled at least half-time in an approved teacher education program at an Oregon institution of higher education.

# "SECTION 108. ORS 329.775 is amended to read:

- "329.775. (1) Upon approval of the loan application of an eligible student by the Oregon Student [Assistance] Access Commission, the commission may lend an amount from the Oregon Teacher Corps Account to the student in compliance with this section. The loan shall be evidenced by a written obligation but no additional security shall be required. Notwithstanding any provision in this section, the commission may require cosigners on the loans.
  - "(2) Loans granted under this section to eligible students by the commission shall:
- "(a) Not exceed \$2,000 in a single academic year to an undergraduate student enrolled in a teacher education program leading to a basic or initial license.
- "(b) Not exceed \$4,000 in a single academic year to a graduate student enrolled in a teacher education program leading to a basic or initial license.
  - "(c) Not exceed \$8,000 for all loans made to a student under this section.
- "(3) Borrowers are required to pay at least seven percent interest per annum on the unpaid balance from the date of the loan as provided in subsection (4) of this section.
- "(4)(a) Repayment of the principal and accruing and deferred interest on loans shall be commenced not later than 12 months after the student's completion of the teacher education program or other termination of the student's education. Repayment of loans under ORS 329.765 shall be de-

- layed for the period of time the student is teaching at least half-time in a public school in this state but becomes payable under the usual terms if the student ceases teaching before completing three full years. Repayment of loans shall be delayed up to three years upon application of the borrower showing inability to locate suitable employment.
- "(b) Repayment shall be completed in a maximum of 120 months from the time repayment is commenced. However, nothing in this section is intended to prevent repayment without penalty at an earlier date than provided in this section or to prohibit the commission from extending the repayment period to a date other than permitted by this subsection.
- "(5)(a) An eligible student who receives a loan under this section, preparing to be an elementary or secondary school teacher in this state, is not required to repay a loan made under this section if the student completes:
- "(A) At least three years of equivalent full-time teaching in a public elementary or secondary school within the five-year period following completion of the teacher education program in this state; or
- "(B) At least three years of teaching under a full-time contract working at least three-fourths time in classroom teaching and no more than one-fourth time not in classroom teaching duties during regular school hours in a public elementary or secondary school within the five-year period following completion of the teacher education program in this state, as approved by the [Oregon Student Assistance commission upon written request of the borrower.
- "(b) Repayment of remaining principal and interest shall be waived upon the death or total and permanent disability of the borrower.
  - "SECTION 109. ORS 329.780 is amended to read:
- "329.780. (1) There is established in the State Treasury separate from the General Fund an account to be known as the Oregon Teacher Corps Account into which shall be deposited all repayments of loans with interest to the Oregon Student [Assistance] Access Commission pursuant to ORS 329.775. Any interest accruing to the account shall be credited thereto.
- "(2) Amounts in the account established under subsection (1) of this section are continuously appropriated to the Oregon Student [Assistance] Access Commission for the purposes of ORS 329.757 to 329.780 and the Oregon Opportunity Grant program under ORS 348.260.".
- On page 93, lines 29 and 30, delete the boldfaced material and insert "Oregon Student Access Commission".
- 32 On page 97, lines 27 and 28, delete the boldfaced material and restore the bracketed material 33 and delete "Assistance" and insert "Access".
  - After line 37, insert:

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- "SECTION 131a. ORS 344.557, as amended by section 131 of this 2011 Act, is amended to read: "344.557. (1) The Department of Human Services may refer a person for vocational training only to the following schools or programs:
  - "(a) A school that has accreditation recognized by the United States Department of Education.
- "(b) A school that has been approved by the [Oregon Student Access Commission through the 39 40 Office of Degree Authorization | Higher Education Coordinating Commission to offer and confer degrees in Oregon.
  - "(c) A community college.
- 43 "(d) A public university listed in ORS 352.002.
- 44 "(e) The Oregon Health and Science University.
- "(f) A career school licensed under ORS 345.010 to 345.450. 45

- 1 "(g) An apprenticeship program that is registered with the State Apprenticeship and Training 2 Council.
- 3 "(2) This section does not apply to vocational rehabilitation training.".
- 4 On page 99, delete lines 25 through 45.
- 5 Delete pages 100 through 102.

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- 6 On page 103, delete lines 1 through 5 and insert:
- 7 "SECTION 135. ORS 348.040 is amended to read:
- 8 "348.040. As used in ORS 348.040 to 348.070, unless the context requires otherwise:
- 9 "[(1) 'Commission' means the Oregon Student Assistance Commission.]
- "[(2)] (1) 'Eligible student' means a person who is a resident of this state, as determined by the
  Oregon Student [Assistance] Access Commission, at the time of application for a loan under ORS
  348.040 to 348.070:
  - "(a) Who is enrolled in or has applied for enrollment in a qualified school;
  - "(b) Who has demonstrated a satisfactory level of achievement in the high school or other school on the record of which the application for enrollment is based or in which the applicant is enrolled; and
  - "(c) Who can show the necessity for financial assistance in order to continue the applicant's education.
    - "[(3)] (2) 'Qualified school' means a school within this state [which] that is a:
- 20 "(a) Four-year, nonprofit, generally accredited institution of higher education;
  - "(b) Accredited public or private community college or education center, or one recognized by a state educational agency;
    - "(c) Career school that is approved by the Superintendent of Public Instruction;
  - "(d) Medical or dental program offered by the Oregon Health and Science University;
    - "(e) Veterinary program offered by Oregon State University; or
  - "(f) Institution [which] **that** is, in the opinion of the commission, comparable to such institutions, colleges, centers or schools.
    - "(3) 'Qualified school' may include an institution, college, center or school not located in this state if the commission certifies that the course is not available in this state.
    - "[(4) When the commission certifies that the course is not available within this state, a qualified school may include an institution, college, center or school not located in this state.]
      - "SECTION 136. ORS 348.050 is amended to read:
    - "348.050. (1) Upon approval of the loan application of an eligible student by the Oregon Student [Assistance] Access Commission, the Department of State Lands may loan an amount from the Common School Fund to the student in compliance with ORS 348.040 to 348.070. The loan shall be evidenced by a written obligation but no additional security shall be required. Notwithstanding any provision in this section, the department may require cosigners on the loans.
- 38 "(2) Loans granted under ORS 348.040 to 348.070 to eligible students by the department shall:
  - "(a) Not exceed \$1,000 in a single academic year to an undergraduate student.
  - "(b) Not exceed \$4,000 in a single academic year to a graduate or professional student.
- 41 "(c) Not exceed \$16,000 for all loans made to a student under ORS 348.040 to 348.070.
- 42 "(3) Payment of interest shall be as follows:
- "(a) Medical and dental student borrowers at the Oregon Health and Science University and veterinary student borrowers at Oregon State University shall be assessed at least six percent interest per annum on the unpaid balance from the date of the note. Interest payments by these bor-

rowers shall be deferred until they cease to be enrolled. During the interest deferment period, the Oregon Student [Assistance] Access Commission shall pay the department the negotiated rate of interest on an annual basis. The borrower shall reimburse the [Oregon Student Assistance] commission for these interest payments as provided in subsection (4) of this section. These borrowers shall commence direct payment of accruing interest to the department at the time they cease to be enrolled.

- "(b) All other borrowers are required to pay at least seven percent interest per annum on the unpaid balance from the date of the loan as provided in subsection (4) of this section.
- "(c) The [Oregon Student Assistance] commission shall pay annually to the department a maximum of three percent per annum on the unpaid balance of all medical, dental and veterinary student borrower loans. The rate of this special payment may vary annually and will be negotiated by the [Oregon Student Assistance] commission and the department.
- "(d) The interest rates to be charged the borrower for the school year as stated in paragraphs (a) and (b) of this subsection shall be negotiated by the department and the [Oregon Student Assistance] commission.
- "(4)(a) Repayment of the principal and accruing and deferred interest on loans shall be commenced not later than 12 months after the student's graduation or other termination of the student's education.
- "(b) Notwithstanding any other provision of this section, medical, dental and veterinary student borrowers who enter approved post-graduate study programs shall commence repayment of the principal and the accruing and deferred interest on loans no later than 12 months following the completion of the post-graduate study program or 60 months from when the loan was originally granted, whichever is sooner.
- "(c) Repayment shall be completed in a maximum of 120 months from the time repayment is commenced. However, nothing in this section is intended to prevent repayment without penalty at an earlier date than provided in this section or to prohibit the department, with the consent of the Oregon Student [Assistance] Access Commission, from extending the repayment period to a date other than permitted by this subsection.
- "(5) Notwithstanding any other provision of this section, the department may loan an amount from the Common School Fund to a student under guaranteed programs authorized by the Higher Education Act of 1965, as amended, commonly known as the Guaranteed Student Loan Program and the Parent's Loans for Undergraduate Students Program. Neither the limitations on amounts set forth in subsection (2) of this section nor the subsidies authorized by subsection (3) of this section apply to such loans. ORS 327.484 does not apply to such loans.

#### "SECTION 137. ORS 348.070 is amended to read:

"348.070. To assist the Oregon Student [Assistance] Access Commission and the Department of State Lands in determining the qualification of schools, the Superintendent of Public Instruction shall maintain a listing of career schools offering professional and technical training that meets the occupational needs of the student.

#### "SECTION 138. ORS 348.095 is amended to read:

"348.095. From funds available therefor, the Oregon Student [Assistance] Access Commission shall reimburse the Department of State Lands for any loss resulting from default of a student loan under ORS 348.040 to 348.070. Funds appropriated under ORS 348.050 to pay interest to the department on loans to medical, dental and veterinary students shall also be available to reimburse the department for any loss resulting from default of a student loan under ORS 348.040 to 348.070.

"SECTION 139. ORS 348.115 is amended to read:

"348.115. (1) In addition to any other financial aid provided by law, the Oregon Student [Assistance] Access Commission, pursuant to rule, may award loans to a qualified resident of this state upon the resident's acceptance and entry into a baccalaureate or associate degree nursing program at a post-secondary institution in Oregon. The loans may be forgiven upon fulfillment of the requirements of subsection (4) of this section.

- "(2) The loans authorized by subsection (1) of this section:
- "(a) Shall be made based on achievement, ability, need and motivation;
- "(b) Shall be made on an annual basis subject to renewal upon satisfactory performance for the duration of the nursing program; and
- "(c) Shall be made in annual amounts not to exceed 50 percent of the sum of tuition, fees and room and board for each participating student.
  - "(3) Priority in awarding loans shall be given to:
  - "(a) A resident employed in the health care field at the time of application; and
- "(b) A resident who agrees to practice in an area where there is a critical shortage of nurses, as determined annually by the Oregon State Board of Nursing in consultation with the Office of Rural Health.
- "(4) The resident receiving a loan under this section must agree to practice nursing at least half-time in an area described in subsection (3)(b) of this section or in an area of specialty that is underserved for one calendar year for each academic year for which the loan is received. If the resident does not fulfill the practice requirement within five years of graduation, the amount received shall be considered a loan, repayable as provided in ORS 348.117, for each year for which the practice requirement is not met.
- "SECTION 140. ORS 348.117, as amended by section 13, chapter 42, Oregon Laws 2010, is amended to read:
- "348.117. (1) Student borrowers under ORS 348.115 shall be required to pay at least seven percent interest per annum on the unpaid balance from the date of the loan as provided in subsection (5) of this section.
- "(2) Repayment of the principal and accruing and deferred interest on loans shall be commenced not later than 12 months after the student's completion of the nursing program or other termination of the student's education.
- "(3) Repayment of loans shall be deferred upon application therefor for up to three years during which:
- "(a) The student borrower is enrolled as at least a half-time student in a subsequent nursing program leading to a nursing degree higher than that attained in the initial program; or
  - "(b) The student borrower shows inability to locate suitable employment.
- "(4) Repayment commences under the usual terms if the student borrower ceases to be employed as a nurse in this state before completing the practice requirements set forth in ORS 348.115 (4).
- "(5) Repayment shall be completed in a maximum of 120 months from the time repayment is commenced. However, nothing in this subsection is intended to prevent repayment without penalty at an earlier date than provided in this subsection or to prohibit the Oregon Student [Assistance] Access Commission from extending the repayment period to a date other than specified by this subsection.
- "(6) A student who borrows under ORS 348.115 shall have 100 percent of principal and accrued interest on loans under this section, ORS 348.115, 353.450, 442.470, 442.520 and 656.256 canceled if

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- "(a) The student has completed one calendar year of full-time employment as a nurse in the State of Oregon for each academic year in which a loan was received; or
- "(b) The student has completed two calendar years of half-time employment as a nurse in the State of Oregon for each academic year in which a loan was received.
- "(7) A student who borrows under this section, ORS 348.115, 353.450, 442.470, 442.520 and 656.256 and completes at least one calendar year of the practice obligation described in subsection (6) of this section shall have the amount of principal and accrued interest on loans under this section, ORS 348.115, 353.450, 442.470, 442.520 and 656.256 canceled for each calendar year of qualifying practice that is:
- "(a) For full-time practice, equal to the principal and accrued interest on the loan borrowed for the comparable academic year of award; or
- "(b) For half-time practice, equal to half of the principal and accrued interest on the loan borrowed for the comparable academic year of the award.
- 15 "(8) Repayment of any remaining principal and interest shall be waived upon the death or total 16 and permanent disability of the student borrower.
  - "SECTION 141. ORS 348.180 is amended to read:
- 18 "348.180. As used in this section and ORS 348.183, 348.186, 348.205, 348.230, 348.250 and 348.260:
- 19 "(1) 'Cost of education' includes but is not limited to, tuition, fees and living expenses.
- 20 "(2) 'Eligible post-secondary institution' means:
- "(a) A [state institution under the direction of the State Board of Higher Education] public university listed in ORS 352.002;
  - "(b) A community college operated under ORS chapter 341;
- 24 "(c) The Oregon Health and Science University; or
- 25 "(d) An Oregon-based, generally accredited, not-for-profit institution of higher education.
- 26 "(3) 'Qualified student' means any resident student who plans to attend an eligible post-27 secondary institution and who:
  - "(a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;
- 29 "(b) Is enrolled in an eligible program as defined by rule of the Oregon Student [Assistance]
  30 Access Commission; and
- "(c) Is making satisfactory academic progress as defined by rule of the commission.".
- In line 22, after "income" insert ", enrollment growth".
- 33 In line 24, delete "maximum".
- 34 Delete lines 25 through 45.
- 35 Delete pages 104 through 107.
- 36 On page 108, delete lines 1 through 31 and insert:
- 37 "SECTION 143. ORS 348.186 is amended to read:
- 38 "348.186. (1) In addition to any other form of student financial aid authorized by law, the Oregon 39 Student [Assistance] Access Commission shall award, to the extent funds are made available, an 40 Oregon Achievement Grant to any qualified student who:
- "(a) Commences at least half-time study toward a degree at the eligible post-secondary institution within three years of high school graduation; and
- "(b) While a resident of Oregon, has scored at or above a level **determined by the commission**on a nationally recognized college admissions test [as determined by the Oregon Student Assistance
  Commission].

- "(2) Any qualified student receiving an Oregon Achievement Grant under subsection (1) of this section must use the grant for the purpose of study in an eligible program, as defined by rule of the [Oregon Student Assistance] commission, at an eligible post-secondary institution.
- "(3) The [Oregon Student Assistance] commission may not award an Oregon Achievement Grant to a qualified student who is enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.
- "(4) Each Oregon Achievement Grant shall be renewed yearly provided that the recipient has maintained satisfactory progress, as determined by the commission, toward a first associate or baccalaureate degree [as determined by the Oregon Student Assistance Commission].
- "(5) Notwithstanding subsection (4) of this section, no Oregon Achievement Grant shall be renewed after a qualified student has reached the number of credit hours required to graduate with a baccalaureate degree at the institution the student is attending.

### "SECTION 144. ORS 348.205 is amended to read:

- "348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student [Assistance] Access Commission.
- "(2) Under the program, the cost of education of a qualified student shall be shared by the student, the family of the student, the federal government and the state.
- "(3) The commission shall determine the cost of education of a qualified student based on the type of eligible post-secondary institution the student is attending. The cost of education equals:
- "(a) For a student attending a community college, the average cost of education of attending a community college in this state;
- "(b) For a student attending [an institution] **a public university** under the direction of the State Board of Higher Education, the average cost of education of attending [an institution] **a public university** under the direction of the board;
- "(c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institution of higher education, the average cost of education of attending a community college in this state; and
- "(d) For a student attending the Oregon Health and Science University or a four-year Oregonbased, generally accredited, not-for-profit institution of higher education, the average cost of education of attending an institution under the direction of the board.
- "(4)(a) The commission shall determine the amount of the student share. The student share shall be based on:
  - "(A) The type of eligible post-secondary institution the student is attending;
- "(B) The number of hours of work that the commission determines may be reasonably expected from the student; and
- "(C) The amount of loans that the commission determines would constitute a manageable debt burden for the student.
  - "(b) The student shall determine how to cover the student share through income from work, loans, savings and scholarships.
  - "(c) The student share for a student who attends a community college may not exceed the amount that the commission determines a student may earn based on the number of hours of work reasonably expected from the student under paragraph (a) of this subsection.
  - "(d) The student share for a student who attends an eligible post-secondary institution that is not a community college may not exceed the sum of the amount that the commission determines a student may receive as loans plus the amount a student may earn based on the number of hours of

work reasonably expected from the student under paragraph (a) of this subsection.

- "(5) The commission shall determine the amount of the family share. The family share shall be based on the resources of the family.
- "(6) The commission shall determine the amount of the federal share based on how much the student or the student's family is expected to receive from the federal government as grants, loans, tax credits or other student assistance.
- "(7)(a) The commission shall determine the amount of the state share. The state share shall be equal to the cost of education reduced by the student share, family share and amount received by the student from the federal government.
- "(b) The commission shall establish a minimum amount that a student may receive as a state share. If the commission determines that the amount of the state share of a student is below the minimum amount, the student may not receive the state share.
- "(c) In determining the amount of the state share, the commission shall consider the total amount available to award as grants to all qualified students. If the commission must reduce the amount of the state share under this paragraph, the commission may not reduce the amount of the state share awarded to students in the low income range in a greater proportion than the amount that the state share for students in other income ranges is reduced.

#### "SECTION 145. ORS 348.210 is amended to read:

- "348.210. (1) In addition to any other scholarships provided by law, the Oregon Student [Assistance] Access Commission may award scholarships at Eastern Oregon University to resident undergraduate students applying for enrollment in the university or who are pursuing courses therein. The number of students who receive scholarships under this subsection may not exceed two and one-half percent of the number of students who are enrolled at the university. The scholarships shall be awarded upon the basis of a record of high intellectual standing and deportment in the school or institution where the applicant has received or is receiving preparatory training, the necessity for financial assistance and other qualifications of such nature that the awarding of scholarships will operate not only to the advantage of the applicant but to the people of Oregon. A scholarship awarded under this subsection may not exceed in value the amount of the tuition and other fees, including the fees that are levied against the recipient of the scholarship by the State Board of Higher Education at the university.
- "(2) The commission may award tuition and fee-exempting scholarships to students from foreign nations who are enrolled in [state institutions of higher education] **public universities listed in ORS 352.002**. A student may not receive a scholarship under this subsection that exceeds the amount of tuition and fees owed by the student.
- "(3) The value of scholarships awarded each year under subsection (2) of this section may not exceed in aggregate an amount equal to 10 percent of the amount of tuition and fees paid in the preceding year to the Oregon University System by students enrolled in [state institutions of higher education] public universities listed in ORS 352.002 who were not Oregon residents.

# "SECTION 146. ORS 348.230 is amended to read:

- "348.230. (1) In addition to any other financial aid provided by law, the Oregon Student [Assistance] Access Commission may award to qualified residents of this state scholastic grants in any eligible post-secondary institution.
- "(2) A qualified applicant is one who has an achievement of high intellectual standing and deportment in the school or institution on the records of which the application is based, and who demonstrates, to the satisfaction of the commission, that the applicant has superior capacity to

profit by post-high-school education.

- "(3) If the recipient of a grant under this section meets the standards for renewal of that grant, the grant may be renewed, upon application of the recipient, until the recipient has received a total of four undergraduate years under this section or until the recipient has completed an undergraduate course of study, whichever is less.
- "(4) Nothing in subsection (3) of this section shall be construed to mean that the commission may not increase or reduce the amount of the grant upon application for renewal.
- "(5) No grant shall be made to any student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.
- "SECTION 147. ORS 348.250, as amended by section 1, chapter 20, Oregon Laws 2010, is amended to read:
- "348.250. (1) Grants established under ORS 348.230 and 348.260 shall be awarded by the Oregon Student [Assistance] Access Commission in the manner provided in this section.
- "(2) Persons interested in obtaining a grant established under ORS 348.230 and 348.260 may apply to the commission for a grant.
- "(3) The commission shall screen or cause to be screened the applications and shall determine for each available grant the person best qualified to receive that grant. A qualified applicant is eligible to receive a grant established under ORS 348.230 and 348.260 if:
- "(a) The applicant's financial need is such that in the opinion of the commission financial aid is warranted; and
- "(b) The applicant plans to be a student at the eligible post-secondary institution where the grant is to be used.
  - "(4) The commission shall not discriminate for or against any applicant for a grant.
- "(5) Nothing in ORS 348.210 to 348.260, 348.505 to 348.615, 348.696 and 348.992 shall be construed to require any institution to admit a grant recipient or to attempt to control or influence the policies of the institution.
- "(6) Whenever funds are not available to award grants to all qualified students, the commission may give priority to applicants who are or plan to be full-time students at the eligible post-secondary institution where the grant is to be used. A student shall be considered to be a full-time student if the combination of credit hours at more than one eligible post-secondary institution equals full-time attendance, according to the institution disbursing the grant funds.
  - "(7) As used in this section, 'discriminate' has the meaning given 'discrimination' in ORS 659.850. "SECTION 148. ORS 348.260 is amended to read:
- "348.260. (1) In addition to any other form of student financial aid authorized by law, the Oregon Student [Assistance] Access Commission may award Oregon Opportunity Grants to qualified students.
- "(2) The amount of a grant shall equal the state share of a qualified student's cost of education as determined by the commission under ORS 348.205.
- "(3) Grant funds necessary to meet matching requirements for federal funds under the Leveraging Educational Assistance Partnership Program and Special Leveraging Educational Assistance Partnership Program of the United States Department of Education may also be used to award grants to qualified students in any eligible post-secondary institution approved by the commission.
- "(4) Grants may be awarded under this section to qualified students enrolled for any term, including summer term. The commission may prescribe a specific date by which a student must apply to the commission to qualify for a grant only if the commission determines that the total amount

available to award as the state share to all qualified students is not sufficient to cover the total state share amount scheduled to be awarded to all students.

- "(5) If a qualified student receiving a grant under this section meets the standards for renewal of the grant, the grant may be renewed upon application until the qualified student has received the equivalent of four full-time undergraduate years of grant funding for an eligible program as defined by the commission.
- "(6) A qualified student who receives a grant under this section must attend the eligible post-secondary institution upon which the grant application is based unless the commission authorizes the grant to be used at a different eligible post-secondary institution. A qualified student who receives a grant under this section may attend more than one eligible post-secondary institution if the grant application was based on the qualified student attending more than one eligible post-secondary institution.
- "(7) The commission may not make a grant to any qualified student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

# "SECTION 149. ORS 348.265 is amended to read:

- "348.265. (1) In addition to any other form of student financial aid authorized by law, the Oregon Student [Assistance] Access Commission may award grants to qualified residents of this state who are enrolled in the professional medical, nursing or dental programs at the Oregon Health and Science University.
- "(2) A qualified applicant for a grant under this section is one who plans to attend the Oregon Health and Science University but whose financial capacity and that of the applicant's family to contribute to the educational costs are not adequate to meet such costs, as determined by the [Oregon Student Assistance] commission.
- "(3) Grants may be received by a student each year of attendance depending on the continuing need of the student for such grant.
- "(4) No grant awarded under this section shall exceed the amount of the difference between the award year tuition and fees assessed and the tuition and fees assessed for that program in the academic year 1976-1977.

#### "SECTION 150. ORS 348.270 is amended to read:

- "348.270. (1) In addition to any other scholarships provided by law, the [Oregon Student Assistance] commission shall award scholarships in any [state institution under the State Board of Higher Education] public university listed in ORS 352.002, in the Oregon Health and Science University, in any community college operated under ORS chapter 341, or in any Oregon-based regionally accredited independent institution, to any student applying for enrollment or who is enrolled therein, who is:
- "(a) The natural child, adopted child or stepchild of any public safety officer who, in the line of duty, was killed or so disabled, as determined by the [Oregon Student Assistance] commission, that the income of the public safety officer is less than that earned by public safety officers performing duties comparable to those performed at the highest rank or grade attained by the public safety officer; or
- "(b) A former foster child who enrolls in an institution of higher education as an undergraduate student not later than three years from the date the student was removed from the care of the Department of Human Services, the date the student graduated from high school or the date the student received the equivalent of a high school diploma, whichever date is earliest.
  - "(2) Scholarships awarded under this section to students who are dependents of public safety

- officers or who are former foster children shall equal the amount of tuition and all fees levied by the institution against the recipient of the scholarship. However, scholarships awarded to students who attend independent institutions shall not exceed the amount of tuition and all fees levied by the University of Oregon.
- "(3) If the student who is the dependent of a deceased public safety officer continues to remain enrolled in a [state institution of higher education] public university listed in ORS 352.002 or a community college or an independent institution within the State of Oregon, the student shall be entitled to renewal of the scholarship until the student has received the equivalent of four years of undergraduate education and four years of post-graduate education.
- "(4) If the student who is a former foster child or who is the dependent of a public safety officer with a disability continues to remain enrolled in a [state institution of higher education] public university listed in ORS 352.002 or a community college or an independent institution within the State of Oregon, the student shall be entitled to renewal of the scholarship until the student has received the equivalent of four years of undergraduate education.
- "(5) The [Oregon Student Assistance] commission may require proof of the student's relationship to a public safety officer described in subsection (1) of this section or proof that the student is a former foster child.
  - "(6) As used in this section:

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- "(a) 'Former foster child' means an individual who, for a total of 12 or more months while between the ages of 16 and 21, was a ward of the court pursuant to ORS 419B.100 (1)(b) to (e) and in the legal custody of the Department of Human Services for out-of-home placement.
  - "(b) 'Public safety officer' means:
- "(A) A firefighter or police officer as those terms are defined in ORS 237.610.
- 24 "(B) A member of the Oregon State Police.
- 25 "SECTION 151. ORS 348.280 is amended to read:
- 26 "348.280. The Oregon Student [Assistance] Access Commission shall:
- 27 "(1) Determine which students are eligible to receive scholarships under ORS 348.270.
- 28 "(2) Grant the appropriate scholarships under ORS 348.270.
- 29 "(3) Make necessary rules for application and distribution of the benefits available under ORS 348.270 and this section.
  - "(4) Establish rules and procedures necessary to carry out the provisions of ORS 348.270 and this section, including but not limited to the usual and customary rules for analyzing financial need.
  - "(5) In awarding scholarships pursuant to its authority under ORS 348.520, give priority to students who are eligible to receive scholarships under ORS 348.270.".
  - Delete lines 44 and 45.
- 36 Delete pages 109 and 110.
- On page 111, delete lines 1 through 37 and insert:
- 38 "<u>SECTION 153.</u> ORS 348.283 is amended to read:
- "348.283. (1) There is established within the Oregon Student [Assistance] Access Commission the
  Oregon Troops to Teachers program. Through the program, the commission shall pay for all of the
  resident tuition charges of a veteran imposed by a public post-secondary institution, provided the
  veteran:
- 43 "(a) Was discharged from the Armed Forces of the United States;
- 44 "(b) Is a resident of Oregon; and
- 45 "(c) Agrees to teach:

- "(A) In an Oregon school district or public charter school classified as serving a high poverty area for not less than three years; or
  - "(B) In the area of mathematics, science or special education for not less than four years.
- "(2) An award under subsection (1) of this section shall be used for the purpose of paying resident tuition. The commission may not award funds under subsection (1) of this section for the purpose of paying for books, supplies, housing, food or any other costs associated with attending a public post-secondary institution.
- "(3) The commission shall adopt rules necessary for the implementation and administration of this section in consultation with the Department of Education and the Oregon University System.

### "SECTION 154. ORS 348.290 is amended to read:

"348.290. The Oregon Student [Assistance] Access Commission shall apply the interest on the amount transferred to the Oregon Student Assistance Fund under section 4, chapter 377, Oregon Laws 1985, to provide financial aid, as defined in ORS 348.505, to students to study barbering, hairdressing, manicure and esthetics at eligible post-secondary schools.

#### "SECTION 155. ORS 348.310 is amended to read:

"348.310. (1) The Oregon Student [Assistance] Access Commission is authorized to make loans to all qualified applicants, from the fund created in ORS 348.390 (1), to assist in financing the cost of a program of study leading to the degree of Doctor of Medicine or to the degree of Doctor of Osteopathic Medicine.

- "(2) The [Oregon Student Assistance] commission shall:
- "(a) Develop criteria for the preparation of applications and procedures for the submission, evaluation, priority selection and award of loans provided for in ORS 348.310 to 348.390;
  - "(b) Determine the number and amount of loans and loan renewals; and
  - "(c) Adopt such rules as may be necessary to implement ORS 348.310 to 348.390.
  - "SECTION 156. ORS 348.320 is amended to read:
  - "348.320. (1) A person shall be eligible for a loan under ORS 348.310 to 348.390 if the person is:
  - "(a) A bona fide resident of this state;
- "(b) Accepted for enrollment, or is a student in good standing in the professional medical program at an accredited medical school located in the United States or in an accredited school of osteopathic medicine;
- "(c) As a result of personal financial resources, unable to pursue a program of study in the absence of a loan or would be unable to do so without great hardship; and
- "(d) Desirous of practicing medicine in a rural community in this state, and in an area which meets the qualifications of a medical shortage area.
- "(2) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall apply to the Oregon Student [Assistance] Access Commission.
- "(3) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall agree in writing to practice medicine in a medical shortage area as defined by the Oregon Health Authority, for a period equal to the period covered by the loan, but no less than two years.

### "SECTION 157. ORS 348.330 is amended to read:

- "348.330. In addition to any other financial aid provided by law, the Oregon Student [Assistance] Access Commission may grant loans in the following amounts:
- "(1) Persons in their first or second year of study, or the equivalent thereof, are eligible for an amount not to exceed \$5,000 per academic year.
- "(2) Persons in their third or fourth year of study, or the equivalent thereof, are eligible for an

amount not to exceed \$7,500 per academic year.

### "SECTION 158. ORS 348.340 is amended to read:

"348.340. (1) The Oregon Student [Assistance] Access Commission is further authorized to establish and administer cost-sharing loan fund programs which provide for assistance, in conjunction with community agencies or organizations, selected and approved by the commission in a rural community in the state having a population of fewer than 7,500 persons. Participation in such a program shall be on a matching funds basis between the Rural Medical Education Loan Fund and the approved community agency and shall fund the educational costs, fees and charges of a specific, eligible student, who shall be approved by the participating community and the [Oregon Student Assistance] commission.

- "(2) Funds provided from the Rural Medical Education Loan Fund under subsection (1) of this section shall not exceed 75 percent of the total amount calculated to be necessary to fund one person for one year, in an approved school as determined by the [Oregon Student Assistance] commission.
- "(3) The eligibility requirements for persons participating in the program established in subsection (1) of this section shall be the same as the requirements for eligibility in the loan program under ORS 348.320.
- "(4) Upon completion of the program of study and training for licensure, the person receiving funds under this section shall not be required to repay such funds if the person practices medicine in the community providing the matching funds. The person shall practice medicine one year for each year that funds were provided, but in no event shall the person practice less than two years.

### "SECTION 159. ORS 348.350 is amended to read:

- "348.350. (1) The Oregon Student [Assistance] Access Commission is authorized to establish and administer a cost-sharing program to train intern and residency physicians as may be arranged by contract with an accredited training hospital within this state. The cost sharing shall be limited to general practice internships and family practice residencies. The commission may pay up to \$18,000 to an institution for each intern or resident position which is reserved for training students who are planning to enter medical practice in rural areas.
- "(2) Funds for programs established under subsection (1) of this section shall be paid from the Rural Medical Education Loan Fund.
- "(3) No money appropriated under this section shall be used for any program at the Oregon Health and Science University. The center shall be required to give priority admissions to recipients under ORS 348.310 to 348.390 in its family practice residency programs.

#### "SECTION 160. ORS 348.360 is amended to read:

"348.360. Each loan granted under ORS 348.330 and 348.340 is renewable annually. The Oregon Student [Assistance] Access Commission shall renew the loans upon application by the recipient when the commission finds that the applicant has successfully completed the required work for the preceding academic year and is a student in good standing, is a resident of this state and is in a financial condition that warrants the continuation of such aid.

#### "SECTION 161. ORS 348.370 is amended to read:

- "348.370. (1) Persons receiving funds under ORS 348.310 to 348.390 shall not be required to repay the funds if the person practices medicine in a rural community in this state having a population of fewer than 7,500 persons and which meets the qualifications of a medical shortage area.
- "(2) The fund recipient shall practice medicine in the area designated under subsection (1) of this section at the rate of one year for each year the funds were provided to that recipient, but in

no event shall any recipient practice medicine in an area less than two years.

- "(3) Any person receiving funds under ORS 348.310 to 348.390 who fails to complete the course of study, shall be required to repay the amount received to the Rural Medical Education Loan Fund. Ten percent interest shall be charged on the unpaid balance, accrued from the date the loan was granted.
- "(4) Any person receiving funds under ORS 348.310 to 348.390 who completes the course of study and requirements for licensure but fails to fulfill the obligations required by the loan, shall repay the amount received to the Rural Medical Education Loan Fund. Ten percent interest shall be charged on the unpaid balance, accrued from the date the loan was granted. Additionally, a penalty fee, equal to 25 percent of the total amount of funds received shall be assessed against the person. No interest shall accrue on the penalty.
- "(5) Any funds received by the Rural Medical Education Loan Fund under subsections (3) to (6) of this section shall be used by the Oregon Student [Assistance] Access Commission for the purpose of carrying out the provisions of ORS 348.310 to 348.390.
- "(6) The [Oregon Student Assistance] commission may waive any interest or penalty assessed under subsections (3) to (6) of this section in case of undue hardship.

### "SECTION 162. ORS 348.390 is amended to read:

- "348.390. (1) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Rural Medical Education Loan Fund, which may be invested in the same manner as the Oregon Student Assistance Fund. This fund may receive funds from state and private sources for the purpose of making loans to student residents of this state who are determined to be eligible to receive funds under ORS 348.310 to 348.390. Interest earned by the fund shall be credited to the fund.
- "(2) All funds for and relating to loans received by the Oregon Student [Assistance] Access Commission, including repayments, interest and penalties, for the Rural Medical Education Loan Fund, except moneys appropriated from the State Treasury for a specified period of time, are continuously appropriated to the Rural Medical Education Loan Fund for the purposes for which the fund was created."
  - Delete pages 112 through 116.

- On page 117, delete lines 1 through 40 and insert:
- "SECTION 164. ORS 348.427 is amended to read:
- "348.427. (1) To encourage community service participation among students in institutions of higher education, there is established a higher education community service voucher program within the Oregon Student [Assistance] Access Commission. The commission shall allocate the amount available to it for the purposes under ORS 348.427 to 348.436 by awarding the institution's share of the amount to each institution of higher education in this state that is eligible for or whose students are eligible for financial aid under Title IV, Part B, of the Higher Education Act of 1965 as amended. The institution's share shall be based on the proportion of its enrollment of full-time students to the enrollment of full-time students in all institutions of higher education in this state.
- "(2) An institution of higher education in this state that receives an amount under subsection (1) of this section shall award amounts from the institution's share to various academic departments in the institution. Vouchers awarded to eligible voucher recipients shall be in \$35 denominations for each eight hours of eligible community service. Priority shall be given to otherwise eligible applicants who have applied previously but not been awarded a place in the voucher program.
  - "(3) In order to be eligible, a voucher recipient must perform approved services for at least 20

- hours per week in one term for a state or local government entity or a nonprofit social service agency recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code of 1986. However, a voucher recipient shall not be assigned duties that are performed by a public employee if the assignment would displace the public employee. A voucher recipient may be assigned within the institution to assist in maintaining the program authorized by ORS 348.427 to 348.436.
- "(4) A voucher recipient is eligible for the voucher awards for only one term as an undergraduate student. In addition to the vouchers, the recipient shall receive graded academic credit to be determined by the institution. However, participation in the program does not replace any practicum or internship required for a degree.

### "SECTION 165. ORS 348.429 is amended to read:

- "348.429. (1) In addition to any other student assistance provided by the law, the Oregon Student [Assistance] Access Commission shall award vouchers to eligible students participating in the program.
- "(2) The total of all vouchers earned by a student under this section in one term shall not exceed an amount equal to the average tuition and associated fees charged annually to full-time resident undergraduate students by [institutions under the jurisdiction of the State Board of Higher Education] public universities listed in ORS 352.002.
- "(3) Vouchers shall be provided in \$35 denominations for each eight hours of eligible community service.
  - "(4) The commission shall:

- "(a) Determine and approve which community service organizations and services within the programs of such organizations are eligible for participation in the program.
- "(b) Accept the students that the institutions consider eligible for vouchers under ORS 348.427 to 348.436.
  - "(c) Provide payment for vouchers presented by the program students at eligible institutions.
- "(d) Establish procedures necessary to carry out the provisions of ORS 348.427 to 348.436, including adopting necessary rules.
- "(5) Funds received in redemption of the vouchers granted pursuant to ORS 348.427 to 348.436 shall not be considered personal income for the purposes of ORS 316.037.
- "(6) The vouchers authorized by ORS 348.427 to 348.436 shall first become available when funds are available therefor from sources other than the General Fund, as determined by the commission.

# "SECTION 166. ORS 348.436 is amended to read:

"348.436. There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Community Service Voucher Fund, which may be invested in the same manner as the Oregon Student Assistance Fund. This fund may receive moneys from federal, state or private sources for the purpose of providing payment for the redemption of vouchers authorized by ORS 348.427 to 348.436 and for the administration of the community service voucher program. This fund, including the interest earnings thereon, if any, is continuously appropriated to the Oregon Student [Assistance] Access Commission for those purposes for which such funds were provided to or received or collected by the commission.

#### **"SECTION 167.** ORS 348.444 is amended to read:

"348.444. (1) There is created the Nursing Faculty Loan Repayment Program, to be administered by the Oregon Student [Assistance] Access Commission. The purpose of the program is to provide loan repayments on behalf of nurse educators at nursing schools in Oregon who have earned a master's or doctoral degree from an accredited nursing education program.

"(2) The commission shall by rule adopt, in consultation with the Oregon State Board of Nursing and the Oregon Center for Nursing, criteria for participation in the Nursing Faculty Loan Repayment Program.

# "SECTION 168. ORS 348.448 is amended to read:

- "348.448. (1) To be eligible to participate in the Nursing Faculty Loan Repayment Program, a nurse educator or prospective nurse educator shall submit a letter of interest to the Oregon Student [Assistance] Access Commission.
- "(2) At the end of each school year in which a nurse practices as a nurse educator in Oregon, the commission shall pay an amount not to exceed the lesser of 20 percent of the total of the nurse's outstanding qualifying loans or \$10,000 as adjusted under subsection (4) of this section.
  - "(3) The commission may make the annual payments under this section for up to:
  - "(a) Three years for a nurse educator who has earned a master's degree; or
  - "(b) Five years for a nurse educator who has earned a doctoral degree.
- "(4)(a) The commission shall adjust annually the maximum dollar amount allowed under subsection (2) of this section by multiplying that amount by a cost-of-living adjustment as specified in this subsection.
- "(b) The cost-of-living adjustment applied to the maximum dollar amount allowed under subsection (2) of this section shall be equal to the ratio of the seasonally adjusted United States City Average Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor for April of that calendar year divided by the value of the same index for April 2009.
- "(c) If the value of the dollar amount determined under paragraph (a) of this subsection is not a multiple of \$100, the commission shall round the dollar amount to the next lower multiple of \$100.

# "SECTION 169. ORS 348.500 is amended to read:

- "348.500. (1) The Oregon Student [Assistance] Access Commission may establish Access to Student Assistance Programs in Reach of Everyone (ASPIRE) to provide information about financial aid and education and training options beyond high school to students in Oregon secondary schools. The goals of the programs are to:
- "(a) Provide mentoring and resources to help students access education and training beyond high school;
  - "(b) Help high schools build a sustainable community of volunteer mentors; and
- "(c) Educate students and families about the scholarship application process and other options for paying for post-secondary education.
- "(2) The programs shall bring together students, school staff, community volunteers and parents to help students overcome obstacles to their continuing education. The programs may provide training, technical assistance and other resources to Oregon high schools on how to establish a volunteer-based program. Adult volunteers who are trained through the program may provide mentoring, training and encouragement to students about post-secondary options and financial aid.

### "SECTION 170. ORS 348.505 is amended to read:

- "348.505. As used in ORS 348.500 to 348.695:
- "(1) 'Commission' means the Oregon Student [Assistance] Access Commission.
- "(2) 'Financial aid' includes loans, grants, scholarships, work opportunities and other forms of financial aid to assist students in completing their post-high-school education.
  - "SECTION 170a. ORS 348.510 is amended to read:
- 45 "348.510. (1) There is created an Oregon Student [Assistance] Access Commission consisting of

seven members, appointed by the Governor.

- "(2) The term of office of a member of the commission is four years, except that the term for a student member shall be two years, and, after confirmation of the appointment by the Senate, the member shall serve at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor to succeed the member whose term is expiring. A successor appointed for a full term shall assume commission member duties on July 1 following the appointment. A member is eligible for reappointment. A student member is limited to reappointment to one two-year term. In case of a vacancy on the commission for any cause, except where the vacancy is caused by the normal expiration of a member's term, the Governor shall make an appointment to become immediately effective for the unexpired term.
- "(3) The appointment of a member of the commission is subject to confirmation by the Senate in the manner provided in ORS 171.562 and 171.565.
- "(4) Two members of the commission shall be students at institutions of higher education or community colleges in Oregon at the time of appointment, with the duly organized and recognized entities of student government at each institution of higher education or community college submitting the name of one student to the Governor to assist the Governor in making the appointments. Other members of the commission shall be [citizens of the] residents of this state chosen for their knowledge of and interest in education, but these other members shall not be persons employed by any institution of higher education or community college located in the state.
- "SECTION 170b. The Oregon Student Access Commission replaces the Oregon Student Assistance Commission. All of the duties, functions and powers of the Oregon Student Assistance Commission are imposed upon, transferred to and vested in the Oregon Student Access Commission. The rights and obligations of the Oregon Student Assistance Commission legally incurred before the operative date specified in section 292a of this 2011 Act are transferred to the Oregon Student Access Commission and for the purposes of succession of these rights and obligations, in addition to the statutory duties, functions and powers, the Oregon Student Access Commission is a continuation of the Oregon Student Assistance Commission.
  - "SECTION 171. ORS 348.520 is amended to read:
  - "348.520. The Oregon Student [Assistance] Access Commission shall:
- "(1) Make available to qualified persons financial aid from financial sources available to the commission.
  - "(2) Determine qualifications of persons to receive financial aid.
- "(3) Maintain reports and records on persons applying for and receiving financial aid from the commission.
- "(4) Withhold any financial aid if the recipient thereof fails to maintain the standards established for receipt of that aid.
- "(5) Recommend to the Legislative Assembly not less than once every biennium matters relating to the establishment, administration, modification, transfer, reduction or cancellation of financial aid.
- "(6) Prior to implementing changes to the Oregon Opportunity Grant program, report to the Legislative Assembly or the Emergency Board any proposed change:
- "(a) That increases or decreases the total amount awarded as Oregon Opportunity Grants that was approved as part of the budget enacted by the Legislative Assembly for the commission; and
- 45 "(b) To the methodology used to determine the student share, family share or state share under

ORS 348.205.

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- "(7) Encourage the establishment of financial aid programs by private agencies.
- "(8) Collect and disseminate information pertaining to all types of available financial aid.
- "(9) Review the administrative practices and evaluate the effectiveness of all public and private post-secondary financial aid programs in Oregon.
- "(10) Disburse state appropriations for financial aid in such a manner as to maximize its role in cooperative coordination of financial aid programs.
- 8 "<u>SECTION 171a.</u> ORS 348.520, as amended by section 171 of this 2011 Act, is amended to read: "348.520. The Oregon Student Access Commission shall:
- "(1) Make available to qualified persons financial aid from financial sources available to the commission.
  - "(2) Determine qualifications of persons to receive financial aid.
  - "(3) Maintain reports and records on persons applying for and receiving financial aid from the commission.
  - "(4) Withhold any financial aid if the recipient thereof fails to maintain the standards established for receipt of that aid.
  - "(5) Recommend to the Legislative Assembly not less than once every biennium matters relating to the establishment, administration, modification, transfer, reduction or cancellation of financial aid.
  - "(6) Prior to implementing changes to the Oregon Opportunity Grant program, report to the **Higher Education Coordinating Commission and the** Legislative Assembly or the Emergency Board any proposed change:
  - "(a) That increases or decreases the total amount awarded as Oregon Opportunity Grants that was approved as part of the budget enacted by the Legislative Assembly for the **Oregon Student Access** Commission; and
  - "(b) To the methodology used to determine the student share, family share or state share under ORS 348.205.
    - "(7) Encourage the establishment of financial aid programs by private agencies.
    - "(8) Collect and disseminate information pertaining to all types of available financial aid.
  - "(9) Review the administrative practices and evaluate the effectiveness of all public and private post-secondary financial aid programs in Oregon.
  - "(10) Disburse state appropriations for financial aid in such a manner as to maximize its role in cooperative coordination of financial aid programs.
    - "SECTION 172. ORS 348.530 is amended to read:
    - "348.530. The Oregon Student [Assistance] Access Commission may:
- 36 "(1) Negotiate for and contract with private and governmental agencies for the establishment 37 of financial aid programs.
  - "(2) Receive gifts of any type, including gifts of stock and real property, for the purpose of establishing, continuing and increasing financial aid.
- 40 "(3) Administer any form of financial aid submitted to and accepted for administration by the commission.
  - "(4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and other reasonable expenses, including refund of overpayment of fees, [which] that are related to and necessary for making and protecting guaranteed loans and recovering moneys and loans and management of property acquired in connection with such loans.

"(5) Sue and be sued.

- "(6) Pursuant to ORS chapter 183, adopt such rules as may be necessary to carry out the provisions of ORS 348.040 to 348.280, 348.500 to 348.695 and 348.992.
  - "(7) Cooperatively coordinate all types of financial aid activities.
- "(8) Establish a State of Oregon scholar program to recognize students with outstanding academic achievement and other demonstrated attributes. The students will not necessarily receive financial aid.
- "(9) Guarantee loans by eligible lending institutions to student residents of the State of Oregon who are enrolled or accepted for enrollment at any eligible institution, nonresident students enrolled or accepted for enrollment in an institution of higher education or community college in Oregon, and parents of those students, under the provisions of the Higher Education Act of 1965 as amended.
- "(10) Deny financial aid to any student owing a refund or in default on financial aid previously made available to that student.
- "(11) Establish and implement any program permitted under federal law to guaranty agencies, including administrative garnishment and wage withholding under Public Law 102-164, section 605.

#### "SECTION 172a. ORS 348.540 is amended to read:

- "348.540. (1) The Oregon Student [Assistance] Access Commission shall select one of its members as chairperson, and another as vice chairperson, for such terms and with such powers and duties necessary for the performance of the functions of such offices as the commission shall determine.
  - "(2) A majority of the commission constitutes a quorum for the transaction of business.
- "(3) The commission shall meet at the call of the chairperson or of a majority of the members of the commission.

# "SECTION 172b. ORS 348.550 is amended to read:

"348.550. A member of the Oregon Student [Assistance] Access Commission is entitled to compensation and expenses as provided in ORS 292.495.

#### "SECTION 172c. ORS 348.560 is amended to read:

"348.560. Subject to any applicable provisions of the State Personnel Relations Law, the Oregon Student [Assistance] Access Commission may employ and fix the compensation of any employees it deems necessary for the effective conduct of the work under its charge. The commission may also arrange with the Oregon University System for use of staff and office space under the jurisdiction of the Oregon University System.

## "SECTION 173. ORS 348.563 is amended to read:

"348.563. For the purpose of requesting a state or nationwide criminal records check under ORS 181.534, the Oregon Student [Assistance] Access Commission may require the fingerprints of a person who:

- "(1)(a) Is employed or applying for employment by the commission; or
- "(b) Provides services or seeks to provide services to the commission as a contractor or volunteer; and
  - "(2) Is, or will be, working or providing services in a position:
- "(a) In which the person has direct access to facilities where students reside or to persons under 18 years of age, elderly persons or persons with disabilities;
  - "(b) In which the person is providing information technology services and has control over, or access to, information technology systems that would allow the person to harm the information technology systems or the information contained in the systems;

- "(c) In which the person has access to information, the disclosure of which is prohibited by state or federal laws, rules or regulations or information that is defined as confidential under state or federal laws, rules or regulations; or
- "(d) That has payroll functions or in which the person has responsibility for receiving, receipting or depositing money or negotiable instruments, for billing, collections or other financial transactions or for purchasing or selling property or has access to property held in trust or to private property in the temporary custody of the state.

# "SECTION 174. ORS 348.570 is amended to read:

- "348.570. (1) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Oregon Student Assistance Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of the expenses of the Oregon Student [Assistance] Access Commission in carrying out the purposes of ORS 348.210 to 348.250, 348.505 to 348.615, 348.696 and 348.992. Interest earned by the fund shall be credited to the fund.
- "(2) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Alternative Student Loan Program Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of expenses of the commission in carrying out the purposes of ORS 348.625 to 348.695. This fund, including the interest earnings on the fund, if any, is continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission.
- "(3)(a) There is established in the General Fund an account to be known as the Nursing Services Account. Funds in the account shall be used for the payment of expenses of the Nursing Services Program created in ORS 442.540.
  - "(b) The account shall consist of:
- "(A) Funds appropriated to the Oregon Student [Assistance] Access Commission for deposit into the account;
  - "(B) Collections and penalties received by the commission under ORS 442.545; and
- "(C) Any donations or grants received by the commission for purposes of the Nursing Services Program.
- "(c) Any funds in the account that are not expended in any biennium shall be retained in the account and may be expended in subsequent biennia.
- "(4) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Former Foster Youth Scholarship Fund. Moneys received from appropriations, donations and grants shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Student [Assistance] Access Commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.270 (1)(b). Interest earned by the fund shall be credited to the fund.
- "(5) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the ASPIRE Program Fund. Moneys received from donations and grants shall be credited to the ASPIRE Program Fund. Moneys in the fund are continuously appropriated to the Oregon Student [Assistance] Access Commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.500. Interest earned by the fund shall be credited to the fund.
- "(6)(a) There is established in the State Treasury the Nursing Faculty Loan Repayment Fund, separate and distinct from the General Fund. Interest earned on the Nursing Faculty Loan Repayment Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the

- Oregon Student [Assistance] Access Commission for carrying out ORS 348.440 to 348.448. The Nursing Faculty Loan Repayment Fund consists of:
- 3 "(A) Moneys appropriated to the commission for the Nursing Faculty Loan Repayment Program 4 created in ORS 348.444; and
  - "(B) Grants, gifts or donations received by the commission for the program.
  - "(b) Any unexpended funds in the fund at the end of a biennium shall be retained in the fund and may be expended in subsequent biennia.

### "SECTION 175. ORS 348.580 is amended to read:

- "348.580. (1) Subject to the terms of the governing instruments and applicable law, the Oregon Student [Assistance] Access Commission may enter into agreements with one or more community foundations in Oregon to assume the management of the privately funded student aid programs of the commission. The commission may transfer to the community foundation any or all gifts or scholarship grants received by the commission from any private donor.
- "(2) All gifts or scholarship grant funds received by the commission that are not transferred to community foundations pursuant to subsection (1) of this section shall be placed in the hands of the State Treasurer, who is designated as the custodian thereof and who may hold, in the manner provided by law, the principal and interest on the gifts and grants. Funds may be withdrawn periodically by the commission to provide for administrative expenditures and make payments upon scholarships awarded by the commission.
  - "(3) As used in this section, 'community foundation' means an organization that is:
- "(a) A community trust or foundation within the meaning of section 170 of the Internal Revenue Code of 1986 and section 1.170A-9(e)(10) of the Treasury Regulations thereunder;
- "(b) Exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986; and
- "(c) Not a private foundation within the meaning of section 509 of the Internal Revenue Code of 1986.

### "SECTION 176. ORS 348.590 is amended to read:

"348.590. All funds for and relating to student aid programs received by the Oregon Student [Assistance] Access Commission pursuant to federal grant or from any other source, except moneys appropriated from the State Treasury for a specified period of time, hereby are continuously appropriated to the commission for the purposes for which such funds were provided and received by the commission.

# "SECTION 177. ORS 348.592 is amended to read:

- "348.592. (1) The Oregon Student [Assistance] Access Commission may obtain loan cancellation insurance for any person holding a loan under this section and ORS 348.505 to 348.530 and 348.570.
- "(2) Such insurance shall insure the life of the student who borrows under this section and ORS 348.505 to 348.530 and 348.570 for the amount of the principal and interest due on the loan and the State of Oregon shall be named as the beneficiary. If the borrower dies before repaying the loan, the insurance shall be used to pay the balance of the loan and the commission shall issue a satisfaction of the obligation.
- "(3) The Oregon Department of Administrative Services shall procure bids for the purchasing of insurance in compliance with the laws governing the purchase and furnishing of services to state agencies.".
- On page 125, delete lines 28 through 45.
- Delete pages 126 through 131.

On page 132, delete lines 1 through 37 and insert:

"SECTION 190. ORS 348.616 is amended to read:

"348.616. (1) The Oregon Student [Assistance] Access Commission shall develop and adopt rules that provide the minimum criteria that an employer must meet in order for the employer's scholar-ship program for employees and dependents to be certified as eligible for the employee and dependent scholarship program tax credit provided under ORS 348.621. The commission shall adopt rules to determine:

- "(a) The types of educational programs, institutions and expenses related to the programs and institutions for which scholarships may be offered to employees and dependents, and scholarship moneys expended on their behalf;
  - "(b) The types of employees and dependents to whom scholarships must be offered;
- "(c) The minimum and maximum annual dollar amounts of a scholarship that would be a qualified scholarship under ORS 315.237;
- "(d) The minimum annual number of hours of instruction that a scholarship beneficiary must commit to in order to be eligible for a scholarship; and
  - "(e) Such other requirements as the commission may provide.
- "(2) An employer must employ at least four full-time equivalent employees but no more than 250 employees in order to be certified as eligible for the employee and dependent scholarship program tax credit under ORS 348.621.
- "(3) An employer seeking to claim the tax credit provided under ORS 315.237 must apply to the [Oregon Student Assistance] commission for both employee and dependent scholarship program certification under ORS 348.618 and tax credit certification under ORS 348.621.

#### "SECTION 191. ORS 348.618 is amended to read:

- "348.618. (1) An application for employee and dependent scholarship program certification shall be filed by the employer establishing the program. The application shall be filed with the Oregon Student [Assistance] Access Commission at least three months prior to the close of the first tax year for which a tax credit under ORS 315.237 will be claimed.
- "(2) The application shall be filed on a form prescribed by the commission and shall contain the information required by the commission, including:
- "(a) The date on which the proposed employee and dependent scholarship program will first be available to the employer's employees and their dependents;
  - "(b) The total number of employees of the employer;
- "(c) The total number of employees who will be eligible, or whose dependents will be eligible, to participate in the program;
- "(d) The criteria to be used by the employer in determining the eligibility of an employee or an employee's dependent for a scholarship under the program; and
- "(e) The annual limit, if any, on the amount of funds to be used for scholarships under the pro-38 gram.
  - "(3) The commission shall certify an application that describes an employee and dependent scholarship program that is in compliance with the rules adopted by the commission under ORS 348.616 (1) and (2), if made by an employer that meets the employment requirements of ORS 348.616 (1) and (2).
  - "(4) The commission shall certify or reject an application within 60 days of receipt of the application and shall notify the employer of the commission's determination.
  - "(5) An employer whose application has been rejected by the commission shall be afforded an

- opportunity to amend the application to address the commission's objections to the original application.
  - "(6) In the case of an employer whose proposed employee and dependent scholarship program has been certified by the commission, the commission shall send a letter of program certification to the employer. The letter of program certification shall set forth or incorporate by reference the statements made in the application being certified.
  - "(7) A letter of program certification issued under this section shall remain valid until the employer changes the terms of eligibility for a scholarship under the program, changes the minimum or maximum amount of a scholarship under the program or ceases to be an employer.

# "SECTION 192. ORS 348.621 is amended to read:

- "348.621. (1) An application for tax credit certification shall be filed by an employer that has obtained program certification under ORS 348.618 or that has applied for program certification and is awaiting such certification by the Oregon Student [Assistance] Access Commission.
- "(2) The application for tax credit certification shall be filed by the employer with the commission. The application shall be filed at the time prescribed by the commission, but no later than October 1 of the calendar year in which begins the tax year for which a credit under ORS 315.237 will be claimed.
- "(3) The application shall be filed on a form prescribed by the commission and shall contain the information required by the commission, including the amount of scholarship moneys the employer has provided or intends to provide to employees or dependents during the calendar year for which tax credit certification is being sought and the number of employees employed by the employer for the calendar year.
- "(4) The commission shall consider applications in the chronological order in which the applications are received and shall approve applications to the extent the amount set forth in the application, when added to the total amount already certified by the commission for the calendar year under this section, does not exceed \$1 million.
  - "(5) An employer may not receive tax credit certification:
  - "(a) For an amount that is greater than \$1 million;
- "(b) If the employer employs fewer than four full-time equivalent employees for the calendar year; or
  - "(c) If the employer employs more than 250 employees for the calendar year.
- "(6) The commission shall send written notice of the amount of the tax credit certification, or written notice that no amount is being certified, to the employer and to the Department of Revenue within 60 days of the date an application is filed under this section.
- "(7) The employer shall keep the written certification in the employer's records for at least five years and shall furnish the certification to the Department of Revenue if requested.

### "SECTION 193. ORS 348.625 is amended to read:

- "348.625. As used in ORS 348.570 and 348.625 to 348.695:
- "(1) 'Alternative student loan program' means a program established by the Oregon Student [Assistance] Access Commission to fund loans to eligible students, or to qualifying parents of eligible students, to help meet expenses of eligible students of attending post-secondary educational institutions; provided, however, that alternative student loan program loans may be made only to students who have applied for student financial aid under Title IV, Part B of the Higher Education Act of 1965, as amended, and have received information on their eligibility for programs under that Act, or the parents of students who have made such application and received such information.

- "(2) 'Eligible student' means a student enrolled in an eligible post-secondary educational institution located in Oregon or a student who is an Oregon resident and who is enrolled in an eligible post-secondary educational institution located outside of Oregon. The commission shall determine, among other things, what constitutes enrollment and which post-secondary educational institutions are eligible institutions under the alternative student loan program.
- "(3) 'Lender' means an insured institution as defined in ORS 706.008 that is authorized to do business in Oregon and which has entered into an agreement with the commission to originate, service and administer alternative student loans in the manner authorized by ORS 348.570 and 348.625 to 348.695.

### "SECTION 194. ORS 348.630 is amended to read:

- "348.630. (1) Loans may be made under the alternative student loan program to an eligible student or to a parent of an eligible student.
- "(2) Loans made under the alternative student loan program shall not exceed the eligible costs of education as determined by the Oregon Student [Assistance] Access Commission, minus other financial aid received, or \$10,000, whichever is less, for any eligible student during a single calendar year. Total loans made for any eligible student under the alternative student loan program shall not exceed \$40,000.
- "(3) Under the alternative student loan program, borrowers shall undergo a credit check by the lender or by the commission and shall be creditworthy or provide a creditworthy cosigner.

# "SECTION 195. ORS 348.635 is amended to read:

"348.635. In consultation with private sector lenders, the Oregon Student [Assistance] Access Commission shall establish the terms and conditions, including but not limited to maturities and repayment provisions, of student loans for which the commission shall provide funding. The commission may also set standards of academic achievement which borrowers must maintain to receive loans.

### "SECTION 196. ORS 348.640 is amended to read:

- "348.640. (1) The Oregon Student [Assistance] Access Commission shall provide funding to lenders pursuant to contracts which shall provide, among other things, the terms and conditions under which private sector lenders, using funding made available by the commission, shall originate, service and administer loans pursuant to the alternative student loan program. Lenders shall receive and process loan applications from borrowers, perform credit analysis, approve or deny loan requests, and for loans which are approved, originate, document, administer and service such loans. The commission shall make provision for payment to lenders of the reasonable costs of origination, servicing and administration of loans. Payment may be made directly by borrowers or by the commission, as the commission may determine.
- "(2) Loans shall be structured in such a manner that anticipated payments of principal and interest shall permit timely repayment of the revenue bonds to be issued by the State of Oregon pursuant to ORS 348.570 and 348.625 to 348.695. As a condition of participation in the alternative student loan program by private sector lenders, the commission shall procure from each such lender a guarantee or letter of credit [insuring] ensuring that the commission shall receive full and timely repayment of principal of and interest due on loans originated, serviced and administered by the lender. The commission shall provide by contract for payment by the commission or by borrowers, as the commission may determine, of the reasonable costs of such guarantees or letters of credit. It is the intention of ORS 348.570 and 348.625 to 348.695 that participating private sector lenders, not the commission, shall bear the entire risk of loss, nontimely repayment or nonpayment of alter-

native student loan program loans.

### "SECTION 197. ORS 348.655 is amended to read:

"348.655. In consultation with the Oregon Student [Assistance] Access Commission, the State Treasurer may issue revenue bonds in an amount not to exceed \$30 million annually, the proceeds of which shall be used to provide funding for loans to be made pursuant to the alternative student loan program. Interest on the bonds shall be exempt from personal income taxation by the State of Oregon.

### "SECTION 198. ORS 348.660 is amended to read:

"348.660. (1) If the State Treasurer, in consultation with the Oregon Student [Assistance] Access Commission, determines that revenue bonds should be issued under ORS 348.570 and 348.625 to 348.695:

- "(a) The State Treasurer, in consultation with the commission, may authorize and issue in the name of the State of Oregon revenue bonds secured by revenues from repayment of loans to finance or refinance in whole or part the costs of the loan program. Refunding bonds may be issued to refinance such revenue bonds.
- "(b) The State Treasurer, in consultation with the commission, shall designate the underwriter, trustee and bond counsel and enter into appropriate agreements with each to carry out the provisions of ORS 348.570 and 348.625 to 348.695.
- "(2) Any trustee designated by the State Treasurer, in consultation with the commission, must agree to furnish financial statements and audit reports for each bond issue.
- "(3) In determining whether to issue revenue bonds under ORS 348.570 and 348.625 to 348.695, the State Treasurer, in consultation with the commission, shall consider:
  - "(a) The bond market for the types of bonds proposed for issuance.
  - "(b) The terms and conditions of the proposed issue.
- "(c) Such other relevant factors as the State Treasurer, in consultation with the commission, considers necessary to protect the financial integrity of the state.

#### "SECTION 199. ORS 348.665 is amended to read:

"348.665. Bonds authorized under ORS 348.570 and 348.625 to 348.695 shall be issued in accordance with the provisions of ORS chapter 286A. The State Treasurer, in consultation with the Oregon Student [Assistance] Access Commission, may establish special accounts or subaccounts in the Alternative Student Loan Program Fund created by ORS 348.570 and may pledge the assets or the revenues, or any portion thereof, of the alternative student loan program.

# "SECTION 200. ORS 348.670 is amended to read:

"348.670. The administrative expenses of the State Treasurer and the Oregon Student [Assistance] Access Commission shall be charged against bond proceeds or repayment revenues.

# "SECTION 201. ORS 348.675 is amended to read:

"348.675. The State Treasurer, in consultation with the Oregon Student [Assistance] Access Commission, shall have the power, whenever refunding is considered expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured. The refunding bonds may be exchanged for bonds to be refunded and the proceeds applied to the purchase, redemption or payment of such bonds.

### "SECTION 202. ORS 348.685 is amended to read:

"348.685. The official action authorizing the issuance of bonds under ORS 348.570 and 348.625 to 348.695 may contain covenants, notwithstanding that such covenants may limit the exercises of powers conferred by ORS 348.570 and 348.625 to 348.695 in the following respects and in such other

respects as the state, acting through the State Treasurer, in consultation with the Oregon Student [Assistance] Access Commission, or the designee thereof may decide:

"(1) The use and disposition of the revenues from repayment;

- "(2) The creation and maintenance of special accounts or subaccounts in the Alternative Student Loan Program Fund created by ORS 348.570 and the regulation, use and disposition thereof;
- "(3) The purpose or purposes to which the proceeds of sale of bonds may be applied and the use and disposition of such proceeds;
- "(4) The events of default and the rights and liabilities arising thereon and the terms and conditions upon which the holders of any bonds may bring any suit or action on such bonds or on any coupons appurtenant thereto;
- "(5) The issuance of other or additional bonds or instruments payable from or constituting a charge against the revenues from repayment;
  - "(6) The keeping of books of account and the inspection and audit thereof;
- "(7) The terms and conditions upon which any or all of the bonds shall become or may be declared due before maturity and the terms and conditions upon which such declaration and its consequences may be waived;
- "(8) The rights, liabilities, powers and duties arising upon the breach of any covenants, conditions or obligations;
- "(9) The appointing of and vesting in a trustee or trustees of the right to hold or dispose of any funds, accounts, revenues or assets of the alternative student loan program, to receive or assign any pledge thereof or to enforce any covenants made to secure or to pay the bonds, the powers and duties of such trustee or trustees, and the limitation of the liabilities of the trustee or trustees;
- "(10) The terms and conditions upon which the holder or holders of the bonds, or the holders of any proportion or percentage of them, may enforce any covenants made under ORS 348.570 and 348.625 to 348.695; and
- "(11) A procedure by which the terms of any official action authorizing bonds or of any other contract with bondholders, including but not limited to an indenture of trust or similar instrument, may be amended or abrogated, and the amount of bonds the holders of which may consent thereto, and the manner in which such consent may be given.
  - "SECTION 203. ORS 348.690 is amended to read:
  - "348.690. (1) Revenue bonds issued under ORS 348.570 and 348.625 to 348.695:
- "(a) Shall not be payable from nor charged upon any funds other than the revenue pledged to the payment thereof, except as provided in this section, nor shall the state be subject to any liability thereon. No holder or holders of such bonds shall ever have the right to compel any exercise of the taxing power of the state to pay any such bonds or the interest thereon, nor to enforce payment thereof against any property of the state.
- "(b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the state other than the Alternative Student Loan Program Fund created by ORS 348.570, any account or subaccount thereof or student loans, if any, owned or acquired by the Oregon Student [Assistance] Access Commission pursuant to the alternative student loan program.
- "(2) Each bond issued under ORS 348.570 and 348.625 to 348.695 shall recite in substance that the bond, including interest thereon, is payable solely from the revenue pledged to the payment thereof. No such bond shall constitute a debt of the state or a lending of the credit of the state within the meaning of any constitutional or statutory limitation. However, nothing in ORS 348.570 and 348.625 to 348.695 is intended to impair the rights of holders of bonds to enforce covenants made

for the security thereof as provided in ORS 348.685.

"SECTION 204. ORS 348.696 is amended to read:

"348.696. Pursuant to section 4 (4)(d), Article XV of the Oregon Constitution, the Education Stability Fund is established separate and distinct from the General Fund. Except for earnings on moneys in the school capital matching subaccount, moneys in the fund shall be invested as provided in ORS 293.701 to 293.790. All declared earnings on moneys in the fund shall be transferred and are appropriated continuously as follows:

- "(1) 75 percent to the Oregon Education Fund established by ORS 348.716; and
- "(2) 25 percent to the Oregon Student [Assistance] Access Commission for the Oregon Opportunity Grant program under ORS 348.260.

#### "SECTION 205. ORS 348.890 is amended to read:

"348.890. (1) The State Board of Higher Education and the State Board of Education shall hold at least one meeting annually as the Joint Boards of Education for the purpose of coordinating their activities and reaching joint agreement on matters of education policy and opportunities of mutual interest to the two boards and to the populations served by the boards.

- "(2) Bylaws to be adopted by the members shall determine procedures for setting meeting dates, locations, chairperson rotation, agendas and staff support.
- "(3) The Joint Boards of Education shall provide policy direction to implement regional partnership proposals and any other joint program or activity approved by both boards.
- "(4) Notwithstanding [ORS 351.070 (3)(c)] section 20 (3) of this 2011 Act, the Department of Community Colleges and Workforce Development and the Oregon University System may use appropriations from the General Fund to implement agreements approved by the Joint Boards of Education that provide direct aid to a student, or other incentives that encourage shared use of facilities, programs and other resources of [state institutions of higher education] public universities listed in ORS 352.002 and community colleges.

"SECTION 205a. ORS 348.890, as amended by section 205 of this 2011 Act, is amended to read: "348.890. [(1) The State Board of Higher Education and the State Board of Education shall hold at least one meeting annually as the Joint Boards of Education for the purpose of coordinating their activities and reaching joint agreement on matters of education policy and opportunities of mutual interest to the two boards and to the populations served by the boards.]

- "[(2) Bylaws to be adopted by the members shall determine procedures for setting meeting dates, locations, chairperson rotation, agendas and staff support.]
- "[(3)] (1) The [Joint Boards of Education] Higher Education Coordinating Commission shall provide policy direction to implement regional partnership proposals and any other joint program or activity approved by [both boards] the State Board of Education and the State Board of Higher Education.
- "(4) Notwithstanding section 20 (3) of this 2011 Act, the Department of Community Colleges and Workforce Development and the Oregon University System may use appropriations from the General Fund to implement agreements approved by the [Joint Boards of Education] **Higher Education Coordinating Commission** that provide direct aid to a student, or other incentives that encourage shared use of facilities, programs and other resources of public universities listed in ORS 352.002 and community colleges.

# "SECTION 206. ORS 348.900 is amended to read:

"348.900. (1) The Employment Department, in consultation with health care industry employers, shall perform a statewide and regional needs assessment for health care occupations to identify

emerging occupations and occupations for which there is high demand or a shortage of workers. The assessment shall be performed as necessary on a periodic basis, as determined by the department, in consultation with industry employers. To perform the needs assessment, the department may consider any reliable data sources available to the department.

- "(2) Based on the needs assessment, the Joint Boards of Education shall inform the community colleges, [state institutions of higher education within the Oregon University System] public universities listed in ORS 352.002, Oregon Health and Science University and health care industry employers of the identified statewide needs and invite the development of health care education programs that are responsive to those needs.
- "(3) When approving health care education programs, the State Board of Education, the State Board of Higher Education and the Oregon Health and Science University Board of Directors shall use the statewide needs assessment to evaluate whether a program fulfills statewide needs. If a board determines there is a statewide need, the board shall facilitate the:
- "(a) Coordination of new health care education programs and existing health care education programs that are similar to the new health care education programs to address the statewide need; and
- "(b) Alignment of health care education programs relating to statewide access, student transferability between programs, course articulation and common student learning outcomes for health care education programs.
- "(4) In the development and approval of health care education programs, community colleges, [state institutions of higher education] public universities, Oregon Health and Science University, the State Board of Education, the State Board of Higher Education and the Oregon Health and Science University Board of Directors shall consider issues related to statewide access, student transferability between programs, course articulation and common student learning outcomes for health care education programs. The community colleges, [institutions,] public universities, Oregon Health and Science University and boards shall continue to provide and improve upon an effective articulation and transfer framework for students in Oregon's post-secondary sectors.
- "SECTION 206a. ORS 348.900, as amended by section 206 of this 2011 Act, is amended to read: "348.900. (1) The Employment Department, in consultation with health care industry employers, shall perform a statewide and regional needs assessment for health care occupations to identify emerging occupations and occupations for which there is high demand or a shortage of workers. The assessment shall be performed as necessary on a periodic basis, as determined by the department, in consultation with industry employers. To perform the needs assessment, the department may consider any reliable data sources available to the department.
- "(2) Based on the needs assessment, the [Joint Boards of Education] Higher Education Coordinating Commission shall inform the community colleges, public universities listed in ORS 352.002, Oregon Health and Science University and health care industry employers of the identified statewide needs and invite the development of health care education programs that are responsive to those needs.
- "(3) When approving health care education programs, the State Board of Education, the State Board of Higher Education and the Oregon Health and Science University Board of Directors shall use the statewide needs assessment to evaluate whether a program fulfills statewide needs. If a board determines there is a statewide need, the board shall facilitate the:
- "(a) Coordination of new health care education programs and existing health care education programs that are similar to the new health care education programs to address the statewide need;

and

- "(b) Alignment of health care education programs relating to statewide access, student transferability between programs, course articulation and common student learning outcomes for health care education programs.
- "(4) In the development and approval of health care education programs, community colleges, public universities, Oregon Health and Science University, the State Board of Education, the State Board of Higher Education and the Oregon Health and Science University Board of Directors shall consider issues related to statewide access, student transferability between programs, course articulation and common student learning outcomes for health care education programs. The community colleges, public universities, Oregon Health and Science University and boards shall continue to provide and improve upon an effective articulation and transfer framework for students in Oregon's post-secondary sectors.

# "SECTION 207. ORS 348.910 is amended to read:

- "348.910. (1) As used in this section, 'applied baccalaureate degree' means a bachelor's degree designed to incorporate applied associate courses and degrees with additional coursework emphasizing higher-order thinking skills and advanced technical knowledge and skills.
- "(2) The Joint Boards of Education shall develop a plan for offering applied baccalaureate degree programs at community colleges and [state institutions of higher education] public universities listed in ORS 352.002. The boards shall consider the following types of programs for the purpose of offering some of these types and the possibility of combinations of these types:
- "(a) A career ladder program that requires a substantial number of upper level courses in the same technical area of study as the student's applied associate degree;
- "(b) An inverse program that reverses the traditional curriculum sequence by adding general education courses in the student's third and fourth years to the associate degree courses taken in the student's first and second years;
- "(c) A management ladder program that combines associate degree requirements with applied management skills coursework; and
- "(d) A work experience program that combines general education and technical coursework with direct, supervised work experience in a relevant field.
  - "(3) The Joint Boards of Education plan must include the following elements:
- "(a) The method by which the applied baccalaureate degree programs will be created, including any necessary accreditation by the relevant accrediting agency;
- "(b) The criteria for approving the degree and course options offered by [state institutions of higher education] public universities listed in ORS 352.002 and community colleges;
- "(c) The articulation agreements between community colleges and [state institutions of higher education] public universities listed in ORS 352.002 necessary to ensure that the applied baccalaureate degree programs are as widely available as possible;
  - "(d) The resources required to implement the applied baccalaureate degree program;
  - "(e) The timeline necessary to implement the applied baccalaureate degree program; and
- 40 "(f) A recommendation as to whether community colleges should be allowed to offer applied 41 baccalaureate degrees.
  - "(4) The Joint Boards of Education shall submit a report, along with proposed legislation, to the interim committee of the Legislative Assembly related to higher education prior to November 1, 2010. The boards shall provide progress reports on the plan to the interim committee.
    - "(5) The Oregon University System, the Department of Education and the Department of Com-

munity Colleges and Workforce Development shall provide staff support to the Joint Boards of Education in the preparation of the reports required by this section.

"SECTION 207a. ORS 348.910, as amended by section 207 of this 2011 Act, is amended to read: "348.910. (1) As used in this section, 'applied baccalaureate degree' means a bachelor's degree designed to incorporate applied associate courses and degrees with additional coursework emphasizing higher-order thinking skills and advanced technical knowledge and skills.

- "(2) The [Joint Boards of Education] **Higher Education Coordinating Commission** shall develop a plan for offering applied baccalaureate degree programs at community colleges and public universities listed in ORS 352.002. The [boards] **commission** shall consider the following types of programs for the purpose of offering some of these types and the possibility of combinations of these types:
- "(a) A career ladder program that requires a substantial number of upper level courses in the same technical area of study as the student's applied associate degree;
- "(b) An inverse program that reverses the traditional curriculum sequence by adding general education courses in the student's third and fourth years to the associate degree courses taken in the student's first and second years;
- "(c) A management ladder program that combines associate degree requirements with applied management skills coursework; and
- "(d) A work experience program that combines general education and technical coursework with direct, supervised work experience in a relevant field.
  - "(3) The [Joint Boards of Education] plan must include the following elements:
- "(a) The method by which the applied baccalaureate degree programs will be created, including any necessary accreditation by the relevant accrediting agency;
- "(b) The criteria for approving the degree and course options offered by public universities listed in ORS 352.002 and community colleges;
- "(c) The articulation agreements between community colleges and public universities listed in ORS 352.002 necessary to ensure that the applied baccalaureate degree programs are as widely available as possible;
  - "(d) The resources required to implement the applied baccalaureate degree program;
  - "(e) The timeline necessary to implement the applied baccalaureate degree program; and
- "(f) A recommendation as to whether community colleges should be allowed to offer applied baccalaureate degrees.
- "(4) The [Joint Boards of Education] **commission** shall submit a report, along with proposed legislation, to the interim committee of the Legislative Assembly related to higher education prior to November 1, 2010. The [boards] **commission** shall provide progress reports on the plan to the interim committee.
- "(5) The Oregon University System, the Department of Education and the Department of Community Colleges and Workforce Development shall provide staff support to the Joint Boards of Education in the preparation of the reports required by this section.".
- On page 140, line 5, delete "Higher Education Coordinating Commission" and insert "Oregon Student Access Commission".
- 42 On page 151, delete lines 35 through 45.

- On page 152, delete lines 1 through 17 and insert:
- 44 "**SECTION 254.** ORS 352.730 is amended to read:
- 45 "352.730. (1) The Oregon Student [Assistance] Access Commission may enter into contracts with

- private and independent institutions of higher education for the performance of nonsectarian educational services to assist the state in providing educational opportunities for Oregon students.
- "(2) The commission may accept grants, gifts, bequests, and devises of real and personal property to carry out the purposes of ORS 352.710 to 352.760.
- "(3) No funds disbursed pursuant to ORS 352.710 to 352.760 shall be used by any recipient for any religious purpose.

# "SECTION 255. ORS 352.740 is amended to read:

"352.740. Payments to private and independent institutions of higher education under contracts entered into under ORS 352.730 shall be determined by the Oregon Student [Assistance] Access Commission on a uniform rate for every 45 quarter hours, or equivalent, of approved and registered course work in nonsectarian subjects completed by undergraduate students enrolled in the institutions who are residents of Oregon, and shall not exceed the actual cost to the institution of providing such educational services. This uniform rate shall apply to the estimated 45-hour units for each institution upon which the legislative appropriation is based for that year, or the actual 45-hour units for each institution, whichever is the lesser. Any remaining funds shall be distributed among those institutions whose actual 45-hour units exceed the estimate. The distribution to each institution shall be according to the uniform rate established for the 45-hour units or an amount equal to the ratio that the excess units bear to 45. However, if insufficient funds are available for such a distribution, then the distribution shall be according to the ratio that the total number of 45-hour units in excess of the estimate bears to the total amount of funds remaining undistributed, multiplied by the number of excess 45-hour units, if any, at each institution.

#### "SECTION 256. ORS 352.750 is amended to read:

"352.750. In accordance with any applicable provisions of ORS chapter 183, the Oregon Student [Assistance] Access Commission may make such reasonable rules and regulations as are necessary or proper to carry out ORS 352.710 to 352.760.".

In lines 39 and 40, delete the boldfaced material and before "before" insert "Oregon Student Access Commission".

On page 156, delete lines 31 through 45.

On page 157, delete lines 1 through 39 and insert:

"SECTION 264. ORS 399.255 is amended to read:

"399.255. (1) Subject to the availability of funds, the Oregon Military Department shall contract with the Oregon Student [Assistance] Access Commission to disburse to qualified applicants, awards made to the applicants on behalf of the Oregon National Guard Scholarship Program as determined by the Oregon Military Department.

- "(2) If the qualified applicant who receives a scholarship under ORS 399.245 to 399.265 meets the standards of the Oregon Military Department for renewal of the scholarship, the scholarship may be renewed upon application until the applicant has received a scholarship for a total of four undergraduate years.
- "(3) A qualified applicant who receives a scholarship under ORS 399.245 to 399.265 must attend the qualified institution of higher education upon which the scholarship application was based unless the commission authorizes the scholarship to be used at a different institution.
- "(4) No scholarship shall be made to any student enrolled in a course of study required for or leading to a degree in theology, divinity or religious education.
  - "SECTION 265. ORS 399.265 is amended to read:
- 45 "399.265. A qualified applicant may be awarded a scholarship under ORS 399.245 to 399.265 be-

fore completing the national guard service requirement. However, if an applicant fails to fulfill the service requirement, the applicant shall pay to the Oregon Student [Assistance] Access Commission the amount of the scholarship received plus interest for each year for which a scholarship was awarded but for which the service requirement was not met.

"SECTION 266. ORS 399.275 is amended to read:

- "399.275. (1) As used in this section and ORS 399.280:
- "(a) 'Eligible post-secondary institution' has the meaning given that term in ORS 348.180.
- "(b) 'Surviving family member' means a spouse or dependent of a member of the Oregon National Guard who is killed while on active duty.
- "(2) Subject to the availability of funds, the Oregon Military Department may contract with the Oregon Student [Assistance] Access Commission to:
- "(a) Disburse to eligible post-secondary institutions the dollar amount of tuition waivers authorized by this section and approved for payment by the department; and
- "(b) Provide to the department a compilation of the total dollar amount of the tuition waivers approved for each academic term included in the contract.
- "(3) The department shall regularly provide to the commission the names of members of the Oregon National Guard and surviving family members for whom tuition waivers may be approved.
- "(4) Any member of the Oregon National Guard or surviving family member who registers for classes at an eligible post-secondary institution may receive a tuition waiver of up to 100 percent of the resident tuition charges imposed by that institution, except that in the case of a not-for-profit independent institution, the tuition waiver may not exceed 100 percent of the resident tuition at Oregon State University.
- "(5)(a) A member of the Oregon National Guard may receive the tuition waiver authorized by this section at any time if the member maintains satisfactory performance with the Oregon National Guard and pursues a course of study in the eligible post-secondary institution in a manner that satisfies the usual requirements of the institution.
- "(b) A surviving family member may receive the tuition waiver authorized by this section if the surviving family member pursues a course of study in the eligible post-secondary institution in a manner that satisfies the usual requirements of the institution.
- "(c) The member of the Oregon National Guard or surviving family member is responsible for payment of the balance of the tuition charges not provided for by the tuition waiver program.
- "(6) When determining to whom the tuition waivers shall be granted, priority shall be given to those members of the Oregon National Guard who have previously received tuition waivers while serving in the Oregon National Guard and surviving family members who have previously received tuition waivers.
- "(7) The department shall apply qualifications and limitations to the tuition waiver program that are consistent with efficient and effective program management as determined by the Adjutant General.".

On page 158, delete lines 9 through 38 and insert:

"SECTION 268. ORS 411.894 is amended to read:

"411.894. (1) The Oregon JOBS Individual Education Account is established to improve the position of JOBS Plus participants in the workforce by increasing their access to continuing education. Employer contributions to the account under this section shall be used to pay for education expenses for the individual as provided in subsection (2) of this section.

"(2)(a) After the participant has participated in the JOBS Plus Program for 30 days, the em-

ployer shall pay, in addition to the participant wage, one dollar for each participant hour worked into the participant's individual education account. Contributions to such an account shall be tax deferred or tax-exempt to the extent permitted by federal and state law.

- "(b) Any participant for whom an Oregon JOBS Individual Education Account contribution is made shall be eligible for access to education benefits from that participant's individual education account for up to five years after the participant has left the JOBS Plus Program and has held a full-time, unsubsidized job for at least 30 days.
- "(c) When any participant has qualified for use of that participant's individual education account, an amount equal to that participant's individual education account balance shall be transferred to the Oregon Student [Assistance] Access Commission for that participant's use. Only one individual education account shall be created for any participant. Each account shall be administered by the commission and shall be used for continuing education and training for the participant and the participant's immediate family.
- "(3)(a) The commission may use any interest earned by an individual education account transferred to the commission under this section for payment of expenses incurred by the commission in carrying out its duties under this section.
- "(b) The Department of Human Services shall transfer any interest earned by the Oregon JOBS Individual Education Account to the General Fund for general governmental purposes. The department shall transfer the interest no later than the close of each fiscal year in which the interest is earned.
- "(4) Any unexpended or unobligated moneys remaining in an individual education account five years after the participant has left the JOBS Plus Program are appropriated and transferred to the commission for the Oregon Opportunity Grant program on that date.".
- On page 159, lines 12 and 13, delete the boldfaced material and before the period insert "Oregon Student Access Commission".
  - On page 161, delete lines 20 through 45.

- On page 162, delete lines 1 through 25 and insert:
- "SECTION 273. ORS 442.540 is amended to read:
- "442.540. (1) There is created the Nursing Services Program, to be administered by the Oregon Student [Assistance] Access Commission pursuant to rules adopted by the commission. The purpose of the program is to provide loan repayments on behalf of nurses who agree to practice in nursing critical shortage areas.
- "(2) To be eligible to participate in the program, a nurse or prospective nurse shall submit a letter of interest to the commission. Applicants who are selected for participation according to criteria adopted by the commission under subsection (3) of this section shall sign a letter of agreement stipulating that the applicant agrees to abide by the terms of the program described in ORS 442.545.
- "(3) The commission shall by rule adopt, in consultation with the Oregon State Board of Nursing and the Office of Rural Health, criteria for participation in the program.
- "(4) The Oregon State Board of Nursing by rule shall annually identify, in consultation with the Office of Rural Health, those areas that are considered nursing critical shortage areas.
- "(5) Amounts paid to the commission as penalties under ORS 442.545 shall be credited and deposited in the Nursing Services Account created under ORS 348.570. The commission, in consultation with the Oregon State Board of Nursing, by rule shall allow waiver of all or part of any fees or penalties owed to the commission due to circumstances that prevent a nurse from fulfilling a service obligation under ORS 442.545.

"SECTION 274. ORS 442.545 is amended to read:

"442.545. (1) A nurse or prospective nurse applicant who is a graduate of an accredited nursing program with a baccalaureate or associate degree and who wishes to participate in the Nursing Services Program established under ORS 442.540 shall agree that:

- "(a) For each year of nursing school, the applicant designates an agreed amount, not to exceed \$8,800 or the amount determined under subsection (2) of this section, as a qualifying loan for the program.
- "(b) In the four years following the execution of a Nursing Services Program agreement with the Oregon Student [Assistance] Access Commission, a nurse agrees to practice for at least two full years in a nursing critical shortage area in Oregon.
- "(c) For not less than two nor more than four years that the nurse practices in a nursing critical shortage area, the commission shall annually pay:
- "(A) For full-time practice, an amount equal to 25 percent of the total of all qualifying loans made to the nurse.
- "(B) For half-time practice, an amount equal to 12.5 percent of the total of all qualifying loans made to the nurse.
- "(d) If the nurse does not complete the full service obligation set forth in paragraphs (b) and (c) of this subsection, the commission shall collect 100 percent of any payments made by the commission to the nurse under the Nursing Services Program. In addition, the commission shall assess against the nurse a penalty equal to 50 percent of the qualifying loans and interest paid by the commission.
- "(2)(a) On July 1 of each year, beginning in 2002 and ending in 2007, the [Oregon Student Assistance] commission shall adjust the maximum dollar amount allowed under subsection (1)(a) of this section as a qualifying loan by multiplying the amount by a cost-of-living adjustment as specified in this subsection.
- "(b) The cost-of-living adjustment applied on July 1 each year by the commission shall be equal to the ratio of the seasonally adjusted United States City Average Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor for April of the calendar year divided by the value of the same index for April 2001.
- 29 "(c) Beginning on July 1, 2008, the commission shall use the cost-of-living adjustment calculated 30 for July 1, 2007.
  - "(d) If the value of the dollar amount determined under paragraph (a) of this subsection is not a multiple of \$100, the commission shall round the dollar amount to the next lower multiple of \$100.".
  - On page 163, lines 8 and 9, delete the boldfaced material and before "for" insert "Oregon Student Access Commission".
    - On page 168, line 11, delete "Higher Education Co-".
  - In line 12, delete "ordinating Commission" and insert "Oregon Student Access Commission".
- On page 170, line 2, delete "Higher Education Coordinating Commission" and insert "Oregon Student Access Commission".
- On page 174, lines 13 and 14, delete the boldfaced material and before "and" insert "Oregon Student Access Commission".
  - In lines 21 and 22, delete the boldfaced material.
- In lines 44 and 45, delete the boldfaced material and before the period insert "Oregon Student Access Commission".
- On page 175, line 19, delete "Higher Education Coordinating Commission" and insert "Oregon

- 1 Student Access Commission".
- On page 178, delete lines 41 through 45.
- 3 On page 179, delete lines 1 through 16 and insert:
- 4 "SECTION 290a. Section 9, chapter 802, Oregon Laws 2007, is amended to read:
- "Sec. 9. Section 8 [of this 2007 Act], chapter 802, Oregon Laws 2007, is repealed on [January
  2, 2012] the effective date of this 2011 Act.".
- 7 In line 20, delete "348.510, 348.540, 348.550, 348.560, 348.599,".
- 8 After line 21, insert:

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- 9 "SECTION 291a. ORS 348.599 is repealed.".
- Delete lines 25 through 34 and insert:
  - "SECTION 292. Sections 1 to 16, 20a, 21, 21a, 23a, 29a and 36a of this 2011 Act, the amendments to statutes by sections 81a, 121 to 123, 131a, 132, 133, 171a, 179 to 189, 205a, 206a, 207a, 216, 229, 231, 256a, 259 and 283 of this 2011 Act and the repeal of ORS 348.599 by section 291a of this 2011 Act become operative on July 1, 2012.
  - "SECTION 292a. Sections 17 to 20, 22a, 23, 24 to 29, 30, 33, 41a, 43 and 170b of this 2011 Act, the amendments to statutes by sections 31, 32, 34 to 36, 37 to 41, 42, 44 to 81, 82 to 120, 124 to 131, 134 to 170a, 171, 172 to 178, 190 to 205, 206, 207, 208 to 215, 217 to 228, 230, 232 to 256, 257, 258, 260 to 282 and 284 to 290a of this 2011 Act and the repeal of ORS 351.005, 351.007, 351.090, 351.200 and 351.315 by section 291 of this 2011 Act become operative on January 1, 2012.
  - "SECTION 293. The State Board of Higher Education and the Chancellor of the Oregon University System may take any action before the operative dates specified in sections 292 and 292a of this 2011 Act that is necessary for the board and the chancellor to exercise, on and after the operative dates specified in sections 292 and 292a of this 2011 Act, all of the duties, functions and powers conferred on the board and the chancellor by sections 1 to 30a, 33, 36a, 41a, 43 and 170b of this 2011 Act, the amendments to statutes by sections 31, 32, 34 to 36, 37 to 41, 42, 44 to 170a and 171 to 290a of this 2011 Act and the repeal of statutes by sections 291 and 291a of this 2011 Act."

SA to A-Eng. SB 242

Page 42