

House Bill 4062

Sponsored by Representative BEYER; Representatives BARNHART, HOLVEY, HOYLE, NATHANSON, Senators BEYER, EDWARDS, PROZANSKI (Pre-session filed.)

SUMMARY

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

Abolishes State Board of Higher Education and transfers functions to Oregon Education Investment Board. Abolishes position of Chancellor of Oregon University System and transfers functions to Chief Education Officer. Repeals sunset provisions relating to Oregon Education Investment Board and Chief Education Officer. Requires Senate confirmation for Chief Education Officer. Authorizes Governor to appoint presidents of public universities, subject to confirmation by Senate. Establishes process for authorizing local university governing boards. Makes conforming language changes.

Becomes operative on July 1, 2012.

Declares emergency, effective on passage.

A BILL FOR AN ACT

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Relating to higher education; creating new provisions; amending ORS 30.264, 30.864, 36.155, 62.720, 182.122, 184.631, 190.510, 190.520, 190.530, 190.540, 190.580, 190.590, 190.610, 196.438, 200.025, 200.055, 238.200, 238.215, 243.107, 243.800, 243.820, 243.850, 243.910, 244.050, 273.573, 273.586, 273.785, 276.610, 276.612, 282.076, 283.310, 284.540, 284.706, 284.711, 285B.168, 291.002, 291.038, 291.055, 291.445, 292.043, 292.044, 293.790, 293.812, 294.311, 320.100, 321.185, 329.489, 337.521, 342.147, 342.447, 343.961, 344.259, 348.010, 348.205, 348.210, 348.282, 348.603, 348.849, 348.890, 348.900, 351.011, 351.015, 351.047, 351.049, 351.052, 351.054, 351.057, 351.060, 351.062, 351.063, 351.064, 351.065, 351.067, 351.070, 351.072, 351.077, 351.085, 351.086, 351.087, 351.088, 351.092, 351.094, 351.096, 351.097, 351.105, 351.110, 351.117, 351.130, 351.140, 351.150, 351.155, 351.160, 351.165, 351.170, 351.180, 351.190, 351.203, 351.205, 351.210, 351.220, 351.230, 351.240, 351.250, 351.260, 351.267, 351.277, 351.282, 351.284, 351.287, 351.310, 351.320, 351.340, 351.345, 351.350, 351.353, 351.356, 351.460, 351.473, 351.476, 351.505, 351.506, 351.590, 351.615, 351.627, 351.633, 351.638, 351.642, 351.643, 351.644, 351.646, 351.647, 351.658, 351.663, 351.666, 351.668, 351.692, 351.697, 351.708, 351.718, 351.735, 351.810, 351.820, 351.830, 351.840, 351.870, 351.875, 351.880, 351.885, 352.002, 352.004, 352.010, 352.021, 352.035, 352.051, 352.230, 352.360, 352.383, 352.385, 352.390, 352.510, 352.530, 352.580, 352.610, 353.040, 353.050, 353.108, 353.260, 353.330, 353.370, 353.440, 354.090, 357.004, 358.575, 366.785, 390.235, 461.543, 468A.245, 471.580, 471.810, 526.215, 526.225, 542.710, 542.720, 561.364, 566.210, 567.025, 567.030, 567.035, 567.205, 567.210, 567.220, 567.230, 567.235, 567.255, 567.260, 567.270, 567.275, 567.325, 567.330, 567.405, 567.410, 567.430, 567.455, 567.475, 567.480, 567.505, 567.510, 567.515, 567.520, 567.575, 567.580, 576.035, 659.850, 659.855, 659.860, 815.080, 820.100, 820.110, 820.120, 820.130, 820.150 and 825.017 and sections 1, 2 and 6, chapter 519, Oregon Laws 2011; repealing ORS 351.020, 351.040, 351.045 and 351.075 and sections 10 and 11, chapter 519, Oregon Laws 2011, and section 33, chapter 637, Oregon Laws 2011; and declaring an emergency.

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

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

**STATE BOARD OF HIGHER EDUCATION;
CHANCELLOR OF OREGON UNIVERSITY SYSTEM**

(Abolishment and Transfer of Duties, Functions and Powers)

SECTION 1. (1) The State Board of Higher Education and the position of Chancellor of the Oregon University System are abolished. On the operative date of this section, the tenure of office of the members of the State Board of Higher Education and the Chancellor of the Oregon University System ceases.

(2) All the duties, functions and powers of the State Board of Higher Education are imposed upon, transferred to and vested in the Oregon Education Investment Board.

(3) All the duties, functions and powers of the Chancellor of the Oregon University System are imposed upon, transferred to and vested in the Chief Education Officer.

SECTION 2. (1) The State Board of Higher Education and the Chancellor of the Oregon University System shall:

(a) Deliver to the Chief Education Officer all records and property within the jurisdiction of the state board or the chancellor that relate to the duties, functions and powers transferred by section 1 of this 2012 Act; and

(b) Transfer to the Chief Education Officer those employees engaged primarily in the exercise of the duties, functions and powers transferred by section 1 of this 2012 Act.

(2) The Chief Education Officer shall take possession of the records and property, and shall take charge of the employees and employ them in the exercise of the duties, functions and powers transferred by section 1 of this 2012 Act, without reduction of compensation but subject to change or termination of employment or compensation as provided by law.

(3) The Governor shall resolve any dispute between the State Board of Higher Education or the Chancellor of the Oregon University System with the Oregon Education Investment Board or the Chief Education Officer relating to transfers of records, property and employees under this section, and the Governor's decision is final.

SECTION 3. (1) The unexpended balances of amounts authorized to be expended by the State Board of Higher Education and the Chancellor of the Oregon University System for the biennium beginning July 1, 2011, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred by section 1 of this 2012 Act are transferred to and are available for expenditure by the Oregon Education Investment Board and the Chief Education Officer for the biennium beginning July 1, 2011, for the purpose of administering and enforcing the duties, functions and powers transferred by section 1 of this 2012 Act.

(2) The expenditure classifications, if any, established by Acts authorizing or limiting expenditures by the State Board of Higher Education and the Chancellor of the Oregon University System remain applicable to expenditures by the Oregon Education Investment Board and the Chief Education Officer under this section.

SECTION 4. The transfer of duties, functions and powers to the Oregon Education Investment Board and the Chief Education Officer by section 1 of this 2012 Act does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the Oregon Education Investment Board or the Chief Education Officer is substituted for the State Board

1 of Higher Education or the Chancellor of the Oregon University System in the action, pro-
 2 ceeding or prosecution.

3 **SECTION 5.** (1) Nothing in sections 1 to 8 of this 2012 Act relieves a person of a liability,
 4 duty or obligation accruing under or with respect to the duties, functions and powers
 5 transferred by sections 1 to 8 of this 2012 Act. The Oregon Education Investment Board or
 6 the Chief Education Officer may undertake the collection or enforcement of any such liabil-
 7 ity, duty or obligation.

8 (2) The rights and obligations of the State Board of Higher Education or the Chancellor
 9 of the Oregon University System legally incurred under contracts, leases and business
 10 transactions executed, entered into or begun before the operative date of section 1 of this
 11 2012 Act are transferred to the Oregon Education Investment Board or the Chief Education
 12 Officer. For the purpose of succession to these rights and obligations, the Oregon Education
 13 Investment Board or the Chief Education Officer is a continuation of the State Board of
 14 Higher Education or the Chancellor of the Oregon University System and not a new author-
 15 ity.

16 **SECTION 6.** Notwithstanding the transfer of duties, functions and powers by section 1
 17 of this 2012 Act, the rules of the State Board of Higher Education in effect on the operative
 18 date of section 1 of this 2012 Act continue in effect until superseded or repealed by rules of
 19 the Oregon Education Investment Board. References in rules of the State Board of Higher
 20 Education to the board or an officer or employee of the board are considered to be references
 21 to the Oregon Education Investment Board or an officer or employee of the board.

22 **SECTION 7.** (1) Whenever, in any uncodified law or resolution of the Legislative Assem-
 23 bly or in any rule, document, record or proceeding authorized by the Legislative Assembly,
 24 reference is made to the State Board of Higher Education or an officer or employee of the
 25 board, the reference is considered to be a reference to the Oregon Education Investment
 26 Board or an officer or employee of the Oregon Education Investment Board.

27 (2) Whenever, in any uncodified law or resolution of the Legislative Assembly or in any
 28 rule, document, record or proceeding authorized by the Legislative Assembly, reference is
 29 made to the Chancellor of the Oregon University System, the reference is considered to be
 30 a reference to the Chief Education Officer.

31 **SECTION 8.** (1) For the purpose of harmonizing and clarifying statutory law, the Legis-
 32 lative Counsel may substitute for words designating the “State Board of Higher Education”
 33 or its officers, wherever they occur in statutory law, words designating the “Oregon Educa-
 34 tion Investment Board” or its officers.

35 (2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel
 36 may substitute for words designating the “Chancellor of the Oregon University System”
 37 wherever they occur in statutory law, words designating the “Chief Education Officer.”

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 39 **OREGON EDUCATION INVESTMENT BOARD;**
 40 **CHIEF EDUCATION OFFICER**

41
 42 **(Duties, Functions and Powers; Appointments by Governor)**
 43

44 **SECTION 9.** Section 1, chapter 519, Oregon Laws 2011, as amended by section 8, chapter 519,
 45 Oregon Laws 2011, is amended to read:

1 **Sec. 1.** (1) The Oregon Education Investment Board is established for the purpose of ensuring
2 that all public school students in this state reach the education outcomes established for the state.
3 The board shall accomplish this goal by overseeing a unified public education system that begins
4 with early childhood services and continues throughout public education from kindergarten to
5 post-secondary education.

6 (2)(a) The board consists of 13 members as follows:

7 (A) The Governor, or the designee of the Governor; and

8 (B) Twelve members who are appointed by the Governor, subject to confirmation by the Senate
9 in the manner provided in ORS 171.562 and 171.565, and who serve at the pleasure of the Governor.

10 (b) When determining who to appoint to the board, the Governor shall:

11 (A) Ensure that each congressional district of this state is represented by at least one member
12 of the board; and

13 (B) Solicit recommendations from the Speaker of the House of Representatives for at least two
14 members and from the President of the Senate for at least two members.

15 (3) The Governor, or the Governor's designee, shall serve as chairperson of the Oregon Educa-
16 tion Investment Board.

17 (4) The duties of the board include:

18 (a) Ensuring that early childhood services are streamlined and connected to public education
19 from kindergarten through grade 12 and that public education from kindergarten through grade 12
20 is streamlined and connected to post-secondary education. To assist the board in fulfilling this duty,
21 the board shall oversee:

22 (A) The Early Learning Council established by section 4 *[of this 2011 Act]*, **chapter 519, Oregon**
23 **Laws 2011.**

24 (B) The Higher Education Coordinating Commission established by *[section 1, chapter 637,*
25 *Oregon Laws 2011]* **ORS 351.715.**

26 (b) Recommending strategic investments in order to ensure that the public education budget is
27 integrated and is targeted to achieve the education outcomes established for the state.

28 (c) Providing an integrated, statewide, student-based data system that monitors expenditures and
29 outcomes to determine the return on statewide education investments. The board shall provide the
30 data system described in this paragraph by:

31 (A) Developing the data system or identifying or modifying an existing data system that ac-
32 complishes the goals of the data system; and

33 (B) Ensuring that the data system is maintained.

34 **(d) Conducting the operations of the Oregon University System established in ORS**
35 **351.011.**

36 (5) An appointed member of the board is entitled to compensation and expenses as provided in
37 ORS 292.495.

38 (6) A majority of the members of the board constitutes a quorum for the transaction of business.

39 (7) The board shall meet at such times and places specified by the call of the chairperson or of
40 a majority of the members of the board.

41 (8) In accordance with applicable provisions of ORS chapter 183, the board may adopt rules
42 necessary for the administration of the laws that the board is charged with administering, including
43 any rules necessary for the oversight of the direction and control of the Higher Education Coordi-
44 nating Commission.

45 **SECTION 10.** Section 2, chapter 519, Oregon Laws 2011, is amended to read:

1 (1) Except as provided in section 14 of this 2012 Act, shall be appointed by the Governor,
 2 who shall consider recommended candidates from the Oregon Education Investment Board
 3 and the faculty of the public university, for a four-year term, subject to confirmation by the
 4 Senate in the manner provided by ORS 171.562 and 171.565;

5 (2) Except as provided in section 14 of this 2012 Act, shall serve at the pleasure of the
 6 Governor;

7 (3) Is also president of the faculty[.] for the public university;

8 (4) [*The president*] Is also the executive and governing officer of the public university, except
 9 as otherwise provided by statute or action of the [*State Board of Higher Education.*] **Oregon Edu-
 10 cation Investment Board; and**

11 (5) Subject to the supervision of the board, [*the president of the public university*] has authority
 12 to control and give general directions to the practical affairs of the public university.

13 **SECTION 13.** The Governor shall appoint a president for each of the public universities
 14 listed in ORS 352.002 within 60 days after the operative date of this 2012 Act.

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 16 **LOCAL BOARDS**
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18 **SECTION 14.** (1) The Oregon Education Investment Board is authorized, upon an affir-
 19 mative vote of a majority of the members of the board, to establish by rule a local board to
 20 discharge specified duties and obligations on behalf of the Oregon Education Investment
 21 Board for one or more of the public universities listed in ORS 352.002.

22 (2) In the event the Oregon Education Investment Board establishes a local board for one
 23 or more of the public universities listed in ORS 352.002, the Oregon Education Investment
 24 Board shall, by rule:

25 (a) Establish the membership and terms of office of the local board. The rules must:

26 (A) Require a majority of the members to be appointed by the Governor and confirmed
 27 by the Senate in the manner provided by ORS 171.562 and 171.565;

28 (B) Include among the membership at least one current member of the Oregon Education
 29 Investment Board, who shall be appointed to the local board by the chairperson of the
 30 Oregon Education Investment Board;

31 (C) Include among the membership at least one member representing the university's
 32 faculty;

33 (D) Include among the membership at least one member who is a student enrolled at the
 34 university; and

35 (E) Allow a minority of the members to be appointed by the local board, once it has been
 36 constituted, to meet specific institutional needs.

37 (b) Specify the duties and obligations delegated to the local board.

38 (c) Establish a mechanism, including but not limited to a performance agreement, to hold
 39 the local board accountable for advancement of the goals of public higher education for
 40 which the Oregon Education Investment Board is responsible.

41 (3) Notwithstanding ORS 352.004:

42 (a) A local board established under this section shall appoint the university's president;
 43 and

44 (b) The university president appointed by the local board shall serve at the pleasure of
 45 the local board.

CONFORMING AMENDMENTS

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3 **SECTION 15.** ORS 30.264 is amended to read:

4 30.264. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may
5 authorize public universities listed in ORS 352.002 to provide liability insurance coverage for stu-
6 dents involved in off-campus experiential activities, including, but not limited to, student teaching,
7 internships, clinical experiences, capstone projects and related activities.

8 (2) If commercial liability insurance coverage is not available to the public universities, students
9 participating in the activities described in subsection (1) of this section shall be considered to be
10 acting within the course and scope of state employment duties for purposes of ORS 30.260 to 30.300.

11 **SECTION 16.** ORS 30.864 is amended to read:

12 30.864. (1) Any person claiming to be aggrieved by the reckless disclosure of personally iden-
13 tifiable information from a student's education records as prohibited by rules of the State Board of
14 Education or the [*State Board of Higher Education*] **Oregon Education Investment Board** may file
15 a civil action in circuit court for equitable relief or, subject to the terms and conditions of ORS
16 30.265 to 30.300, for damages, or both. The court may order such other relief as may be appropriate.

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

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

21 **SECTION 17.** ORS 36.155 is amended to read:

22 36.155. The Dean of the University of Oregon School of Law shall award grants for the purpose
23 of providing dispute resolution services in counties. Grants under this section shall be made from
24 funds appropriated to the Oregon University System on behalf of the University of Oregon School
25 of Law for distribution under this section. The [*State Board of Higher Education*] **Oregon Education**
26 **Investment Board** may adopt rules for the operation of the grant program.

27 **SECTION 18.** ORS 62.720 is amended to read:

28 62.720. (1) All intangible personal property distributable in the course of a voluntary or invol-
29 untary dissolution of a cooperative that is unclaimed by the owner within two years after the date
30 for final distribution is presumed abandoned. Such property shall be subject to the provisions of ORS
31 98.302 to 98.436 and 98.992, except that with respect to agricultural cooperatives, the report of un-
32 claimed property shall be filed with the Department of State Lands as set forth in ORS 98.352. A
33 copy of the report shall also be filed with the [*State Board of Higher Education*] **Oregon Education**
34 **Investment Board**.

35 (2) All unclaimed property specified in the report required by ORS 98.352 shall be delivered
36 within the time specified in ORS 98.362 to the Department of State Lands which shall assume cus-
37 tody and shall be responsible for the safekeeping thereof. The department shall reconcile the report
38 to the delivered funds, deduct the costs as provided for in subsection (3) of this section, and forward
39 the funds to the [*State Board of Higher Education*] **Oregon Education Investment Board** within
40 14 working days of receipt of the funds. Any person who pays or delivers unclaimed property to the
41 Department of State Lands under this section is relieved of all liability to the extent of the value
42 of the property so paid or delivered for any claim which then exists or which thereafter may arise
43 or be made in respect to the property.

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

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

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

5 (4) The provisions of ORS 98.392 to 98.402 are applicable to claims against unclaimed property
 6 delivered to the [*State Board of Higher Education*] **Oregon Education Investment Board** pursuant
 7 to this section. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 8 pay such claims from funds delivered to it pursuant to this section within 30 days of receipt of a
 9 verified copy of a finding and decision of the Department of State Lands made pursuant to ORS
 10 98.396 or a certified copy of a judgment made pursuant to ORS 98.402.

11 (5) As used in this section, an agricultural cooperative is any cooperative in which farmers act
 12 together in producing, processing, preparing for market, handling or marketing the agricultural
 13 products of such farmers, and any cooperative in which farmers act together in purchasing, testing,
 14 grading, processing, distributing and furnishing farm supplies or farm business services.

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

17 **SECTION 19.** ORS 182.122 is amended to read:

18 182.122. (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (9) This section does not apply to:

36 (a) Research and student computer systems used by or in conjunction with the [*State Board of*
 37 *Higher Education*] **Oregon Education Investment Board** or any public university listed in ORS
 38 352.002; and

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

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

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

45 **SECTION 20.** ORS 184.631 is amended to read:

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

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

7 (a) Individuals.

8 (b) Businesses.

9 (c) Nonprofit organizations.

10 (d) The [*State Board of Higher Education*] **Oregon Education Investment Board**.

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

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

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

18 **SECTION 21.** ORS 190.510 is amended to read:

19 190.510. As used in ORS 190.510 to 190.610, unless the context requires otherwise:

20 (1) "Board" means the [*State Board of Higher Education*] **Oregon Education Investment Board**
21 established under [*ORS 351.015*] **section 1, chapter 519, Oregon Laws 2011**.

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

23 **SECTION 22.** ORS 190.520 is amended to read:

24 190.520. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall:

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

30 (b) Annually estimate the number of persons between the ages of 4 and 20 who resided in each
31 county as of October 25. The board shall certify such estimate to the Superintendent of Public In-
32 struction and to the executive officer of the administrative office of each county, as defined in ORS
33 328.001, by January 1 of each year.

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

38 (d) Upon the incorporation of a city, cause to be conducted at the expense of the city an actual
39 count of the population of the city. The board shall prepare a certificate of population based upon
40 such count. If the election of officers of the newly incorporated city is held 40 days or more before
41 the end of the calendar quarter, the certificate shall be prepared before the end of the calendar
42 quarter. If the election is held less than 40 days before the end of the calendar quarter, the certif-
43 icate shall be prepared before the end of the calendar quarter next following the election.

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

SECTION 23. ORS 190.530 is amended to read:

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

SECTION 24. ORS 190.540 is amended to read:

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

(2) After a certificate of population is filed pursuant to ORS 190.520 or 190.530, the population of a city, county or other area as shown in the certificate shall be the official and exclusive basis for determining per capita allocation and payment of funds to such city, county or other area under ORS 366.785 to 366.820 and 471.810 until the filing by the board of a later certificate for such city, county or other area.

SECTION 25. ORS 190.580 is amended to read:

190.580. The [*State Board of Higher Education*] **Oregon Education Investment Board** may adopt such rules and regulations as it considers desirable and expedient in the conduct of its duties under ORS 190.510 to 190.610.

SECTION 26. ORS 190.590 is amended to read:

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

SECTION 27. ORS 190.610 is amended to read:

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

SECTION 28. ORS 196.438 is amended to read:

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

- (a) The Governor or the Governor’s designee, as a nonvoting member;
- (b) The director or the director’s designee of the following agencies, as nonvoting members:
 - (A) Department of Environmental Quality;
 - (B) State Department of Fish and Wildlife;
 - (C) State Department of Geology and Mineral Industries;
 - (D) Department of Land Conservation and Development;
 - (E) Department of State Lands;
 - (F) Parks and Recreation Department;
 - (G) State Department of Agriculture; and
 - (H) On behalf of the [*State Board of Higher Education*] **Oregon Education Investment Board**,

1 the director or director's designee of Oregon State University, Sea Grant College;

2 (c) A member of the governing body of Coos, Curry, Douglas or Lane County to be appointed
3 by the Governor, chosen in consultation with and with the approval of a majority of the members
4 of the governing bodies of Coos, Curry, Douglas and Lane Counties;

5 (d) A member of the governing body of Clatsop, Lincoln or Tillamook County to be appointed
6 by the Governor, chosen in consultation with and with the approval of a majority of the members
7 of the governing bodies of Clatsop, Lincoln and Tillamook Counties;

8 (e) An elected city official from a coastal city bordering the territorial sea to be appointed by
9 the Governor with advice from an Oregon coastal zone management association;

10 (f) A representative of each of the following ocean interests, to be appointed by the Governor,
11 and subject to confirmation by the Senate pursuant to section 4, Article III, Oregon Constitution:

12 (A) Commercial ocean fisheries of the North Coast from Newport north;

13 (B) Commercial ocean fisheries of the South Coast south of Newport;

14 (C) Charter, sport or recreation ocean fisheries of the North Coast from Newport north;

15 (D) Charter, sport or recreation ocean fisheries of the South Coast south of Newport;

16 (E) Ports marine navigation or transportation;

17 (F) Coastal nonfishing recreation interests of surfing, diving, kayaking or windsurfing;

18 (G) A coastal conservation or environmental organization;

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

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

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

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

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

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

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

34 **SECTION 29.** ORS 200.025 is amended to read:

35 200.025. (1) There is created, in the Office of the Governor, the Advocate for Minority, Women
36 and Emerging Small Business who shall be appointed by the Governor.

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

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

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

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

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

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

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

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

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

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

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

15 (d) Maintain an Oregon Opportunity Register and Clearinghouse for information on public
 16 agency and other contract solicitations for professional services, supplies and services and other bid
 17 opportunities, in consultation with the [*State Board of Higher Education*] **Oregon Education In-**
 18 **vestment Board**, the Department of Transportation and other entities;

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

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

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

24 **SECTION 30.** ORS 200.055 is amended to read:

25 200.055. (1) Any disadvantaged, minority, women or emerging small business enterprise is enti-
 26 tled to be certified as such upon application to the Oregon Business Development Department. If the
 27 application is approved by the department, the department shall certify the applicant as a disad-
 28 vantaged, minority, women or emerging small business enterprise. The enterprise shall be considered
 29 so certified by any public contracting agency.

30 (2) In consultation with the [*State Board of Higher Education*] **Oregon Education Investment**
 31 **Board** and the Department of Transportation, and with the approval of the Advocate for Minority,
 32 Women and Emerging Small Business, the Oregon Business Development Department by rule shall
 33 adopt a uniform standard form and procedure designed to provide complete documentation that a
 34 business enterprise is certified as a disadvantaged, minority, women or emerging small business en-
 35 terprise. The department shall compile and make available upon request a list of certified disad-
 36 vantaged, minority, women or emerging small business enterprises.

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

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

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

1 (6) The Oregon Business Development Department by rule may establish a fee not to exceed
2 \$100 for a copy of the list of certified disadvantaged, minority, women and emerging small business
3 enterprises and may assess state agencies for services under ORS 200.005 to 200.075.

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

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

11 **SECTION 31.** ORS 238.200 is amended to read:

12 238.200. (1)(a) An active member of the Public Employees Retirement System shall contribute to
13 the Public Employees Retirement Fund and there shall be withheld from salary of the member six
14 percent of that salary as an employee contribution.

15 (b) Notwithstanding paragraph (a) of this subsection, an employee who is an active member of
16 the system on August 21, 1981, shall contribute to the fund and there shall be withheld from salary
17 of the member, as long as the employee continues to be an active member of the system, four percent
18 of that salary if the salary for a month is less than \$500, or five percent of that salary if the salary
19 for a month is \$500 or more and less than \$1,000. Notwithstanding subsection (2) of this section, for
20 the purpose of computing the percentage of salary to be withheld under this paragraph from a
21 member who is an employee of a school district or of the [*State Board of Higher Education*] **Oregon**
22 **Education Investment Board** whose salary is based on an annual agreement, the agreed annual
23 salary of the member shall be divided into 12 equal installments, and each installment shall be
24 considered as earned and paid in separate, consecutive months, commencing with the first month
25 that payment is actually made under the terms of the salary agreement.

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

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

35 (4) Notwithstanding subsections (1) to (3) of this section, a member of the system, or a partic-
36 ipating employer acting on behalf of the member pursuant to ORS 238.205, is not permitted or re-
37 quired to make employee contributions to the fund for service performed on or after January 1, 2004.
38 This subsection does not affect any contribution for the purpose of unit purchases under ORS
39 238.440 or amounts paid for acquisition of creditable service under ORS 238.105 to 238.175.

40 **SECTION 32.** ORS 238.215 is amended to read:

41 238.215. Notwithstanding any other provision of this chapter:

42 (1) An employee, as defined in ORS 243.910 (2), who is an active member of the system and who
43 has elected, and not canceled that election, to be assisted by the [*State Board of Higher Education*]
44 **Oregon Education Investment Board** under ORS 243.920 (1), shall not contribute to the fund on
45 any part of the annual salary of the employee in excess of \$4,800 at any time during which the [*State*

1 *Board of Higher Education*] **Oregon Education Investment Board** assists the employee under ORS
 2 243.920 (1).

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

5 (a) If the [*State Board of Higher Education*] **Oregon Education Investment Board** is assisting
 6 such employee under ORS 243.920 (1) at the time of retirement, a pension equal to the annuity pro-
 7 vided by the employee's accumulated contributions to the fund.

8 (b) If the [*State Board of Higher Education*] **Oregon Education Investment Board** is not as-
 9 sisting such employee under ORS 243.920 (1) at the time of retirement, but previously so assisted the
 10 employee:

11 (A) For service before the date the [*State Board of Higher Education*] **Oregon Education In-**
 12 **vestment Board** last ceased to assist the employee, a pension equal to the annuity provided by the
 13 employee's accumulated contributions to the fund before that date.

14 (B) For service on and after the date the [*State Board of Higher Education*] **Oregon Education**
 15 **Investment Board** last ceased to so assist the employee, a pension computed as provided in ORS
 16 238.300 (2), but if the employee retires before reaching the normal retirement age, actuarially re-
 17 duced and computed on the then attained age. For the purpose of computing the pension under this
 18 subparagraph, only the number of years of membership of the employee after the day before that
 19 date and only the salary of the employee on which the employee contributes to the fund for those
 20 years shall be considered.

21 (3) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2),
 22 who is an active member of the system, who elected to be assisted by the [*State Board of Higher*
 23 *Education*] **Oregon Education Investment Board** under ORS 243.920 (1) before January 1, 1968,
 24 who canceled that election within the first 60 days of the calendar year 1968 as provided in ORS
 25 243.940 (5) and who does not thereafter elect to be assisted by the [*State Board of Higher*
 26 *Education*] **Oregon Education Investment Board** under ORS 243.920 (1).

27 (4) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2),
 28 who is an active member of the system and has been an active member of the system continuously
 29 since any date before January 1, 1968; who elected to be assisted by the [*State Board of Higher*
 30 *Education*] **Oregon Education Investment Board** under ORS 243.920 (1) before January 1, 1968;
 31 and who cancels that election in any calendar year after 1968, but before the calendar year in which
 32 the employee retires, as provided in ORS 243.940 (5) and does not thereafter elect to be assisted by
 33 the [*State Board of Higher Education*] **Oregon Education Investment Board** under ORS 243.920 (1).
 34 In this case the benefit, whether for service or disability retirement, shall be computed as under
 35 ORS 238.300; however, for service during periods in which the employee was assisted by the [*State*
 36 *Board of Higher Education*] **Oregon Education Investment Board** under ORS 243.920 (1), a year
 37 of membership as used in ORS 238.300 (2) shall be a portion of a year which is represented by a
 38 fraction the numerator of which is \$4,800 and the denominator of which is the salary earned by the
 39 employee in that year. However, in no case shall the fraction be greater than one.

40 **SECTION 33.** ORS 243.107 is amended to read:

41 243.107. A person employed by a public university listed in ORS 352.002 or the Oregon Health
 42 and Science University may be considered an eligible employee for participation in one of the group
 43 benefit plans described in ORS 243.135 if the [*State Board of Higher Education*] **Oregon Education**
 44 **Investment Board**, or the Oregon Health and Science University Board of Directors for Oregon
 45 Health and Science University employees, determines that funds are available therefor and if:

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

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

6 **SECTION 34.** ORS 243.800 is amended to read:

7 243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A or ORS 243.910 to
8 243.945, the [*State Board of Higher Education*] **Oregon Education Investment Board** shall estab-
9 lish and administer an Optional Retirement Plan for administrative and academic employees of the
10 Oregon University System who are eligible for membership in the Public Employees Retirement
11 System. The Optional Retirement Plan must be a qualified plan under the Internal Revenue Code,
12 capable of accepting funds transferred under subsection (7) of this section without the transfer being
13 treated as a taxable event under the Internal Revenue Code, and willing to accept those funds. Re-
14 tirement and death benefits shall be provided under the plan by the purchase of annuity contracts,
15 fixed or variable or a combination thereof, or by contracts for investments in mutual funds.

16 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall select
17 at least two life insurance companies providing fixed and variable annuities and at least two in-
18 vestment companies providing mutual funds, but not more than five companies in total, for the pur-
19 pose of providing benefits under the Optional Retirement Plan. The [*State Board of Higher*
20 *Education*] **Oregon Education Investment Board** shall establish selection criteria for the purpose
21 of this subsection.

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

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

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

29 (b) Continues to be assisted by the [*State Board of Higher Education*] **Oregon Education In-**
30 **vestment Board** under ORS 243.920 if the employee is being so assisted.

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

36 (6)(a) An administrative or academic employee who elects to participate in the Optional Retire-
37 ment Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who
38 is not vested shall be considered by the Public Employees Retirement Board to be a terminated
39 member under the provisions of ORS 238.095 as of the effective date of the election, and the amount
40 credited to the member account of the member shall be transferred directly to the Optional Retire-
41 ment Plan by the Public Employees Retirement Board in the manner provided by subsection (7) of
42 this section.

43 (b) An administrative or academic employee who elects to participate in the Optional Retirement
44 Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is
45 vested shall be considered to be an inactive member by the Public Employees Retirement Board and

1 shall retain all the rights, privileges and options under ORS chapter 238 unless the employee makes
2 a written request to the Public Employees Retirement Board for a transfer of the amounts credited
3 to the member account of the member to the Optional Retirement Plan. A request for a transfer
4 must be made at the time the member elects to participate in the Optional Retirement Plan. Upon
5 receiving the request, the Public Employees Retirement Board shall transfer all amounts credited
6 to the member account of the member directly to the Optional Retirement Plan, and shall terminate
7 all rights, privileges and options of the employee under ORS chapter 238.

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

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

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

42 (f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the Public Employees Retirement
43 Board may not treat any employee as an inactive member under the provisions of this sub-
44 section for the purpose of receiving any benefit under ORS chapter 238 or 238A that requires that
45 the employee be separated from all service with participating public employers and with employers

1 who are treated as part of a participating public employer's controlled group under the federal laws
 2 and rules governing the status of the system and the Public Employees Retirement Fund as a qual-
 3 ified governmental retirement plan and trust.

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

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

11 (9) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall con-
 12 tribute monthly to the Optional Retirement Plan the percentage of salary of each employee partic-
 13 ipating in the plan equal to the percentage of salary that would otherwise have been contributed
 14 as an employer contribution on behalf of the employee to the Public Employees Retirement System,
 15 before any offset under ORS 238.229 (2), if the employee had not elected to participate in the Op-
 16 tional Retirement Plan.

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

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

25 **SECTION 35.** ORS 243.820 is amended to read:

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

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

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

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

40 (3) An employer may make nonelective employer contributions on behalf of an employee who
 41 performs services for an educational institution as premiums for an annuity contract, or to a cus-
 42 todial account for investment in the stock of regulated investment companies as defined in 26 U.S.C.
 43 403(b)(7)(C), for the purpose of obtaining the advantages of 26 U.S.C. 403(b) or any equivalent pro-
 44 vision of federal law. Employer contributions under this subsection are in addition to any employee
 45 contributions under subsection (1) of this section.

(4) As used in this section:

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

(b) “Employer” means the [State Board of Higher Education] **Oregon Education Investment Board**, any other state agency, a community college district, a school district, the Oregon Health and Science University or an education service district employing an individual who performs services for an educational institution.

SECTION 36. ORS 243.850 is amended to read:

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

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

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

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

(3) For the purposes of this section:

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

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

SECTION 37. ORS 243.910 is amended to read:

243.910. As used in ORS 243.910 to 243.945:

(1) “Board” means the [State Board of Higher Education] **Oregon Education Investment Board** for all public universities listed in ORS 352.002, and for the Oregon Health and Science University means the Oregon Health and Science University Board of Directors.

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

(3) “System” means the Public Employees Retirement System established by ORS 238.600.

SECTION 38. ORS 244.050, as amended by section 81a, chapter 637, Oregon Laws 2011, is amended to read:

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

(a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

(b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem

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

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

- 1 (X) Workers' Compensation Board.
- 2 (Y) Oregon Facilities Authority.
- 3 (Z) Oregon State Lottery Commission.
- 4 (AA) Pacific Northwest Electric Power and Conservation Planning Council.
- 5 (BB) Columbia River Gorge Commission.
- 6 (CC) Oregon Health and Science University Board of Directors.
- 7 (DD) Capitol Planning Commission.
- 8 (EE) Higher Education Coordinating Commission.
- 9 (q) The following officers of the State Treasurer:
- 10 (A) Deputy State Treasurer.
- 11 (B) Chief of staff for the office of the State Treasurer.
- 12 (C) Director of the Investment Division.
- 13 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
- 14 or 777.915 to 777.953.
- 15 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
- 16 (2) By April 15 next after the date an appointment takes effect, every appointed public official
- 17 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
- 18 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
- 19 and 244.090.
- 20 (3) By April 15 next after the filing deadline for the primary election, each candidate described
- 21 in subsection (1) of this section shall file with the commission a statement of economic interest as
- 22 required under ORS 244.060, 244.070 and 244.090.
- 23 (4) Within 30 days after the filing deadline for the general election, each candidate described in
- 24 subsection (1) of this section who was not a candidate in the preceding primary election, or who
- 25 was nominated for public office described in subsection (1) of this section at the preceding primary
- 26 election by write-in votes, shall file with the commission a statement of economic interest as re-
- 27 quired under ORS 244.060, 244.070 and 244.090.
- 28 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or
- 29 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections
- 30 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the
- 31 filing deadline for the statewide general election.
- 32 (6) If a statement required to be filed under this section has not been received by the commis-
- 33 sion within five days after the date the statement is due, the commission shall notify the public of-
- 34 ficial or candidate and give the public official or candidate not less than 15 days to comply with the
- 35 requirements of this section. If the public official or candidate fails to comply by the date set by the
- 36 commission, the commission may impose a civil penalty as provided in ORS 244.350.
- 37 **SECTION 39.** ORS 273.573 is amended to read:
- 38 273.573. (1) To aid and advise the State Parks and Recreation Director in the performance of the
- 39 functions related to the Natural Areas Program, the director may establish a natural areas advisory
- 40 committee.
- 41 (2) The advisory committee may assist the State Parks and Recreation Department:
- 42 (a) In the development of policy for the Natural Areas Program through the review and approval
- 43 of the Oregon Natural Areas Plan;
- 44 (b) By reviewing nominations for registration and the voluntary dedication of natural areas, and
- 45 instruments of dedication for such areas;

1 (c) In providing recommendations to the State Parks and Recreation Commission, State Land
2 Board, State Board of Forestry, State Fish and Wildlife Commission, [*State Board of Higher Educa-*
3 *tion*] **Oregon Education Investment Board** and Oregon Transportation Commission regarding
4 areas under their respective jurisdictions that are appropriate for dedication; and

5 (d) In advising the State Parks and Recreation Commission in the adoption of rules that may
6 be considered necessary in carrying out ORS 273.563 to 273.591.

7 (3) Members of the advisory committee are not entitled to compensation, but in the discretion
8 of the director may be reimbursed from funds available to the department for actual and necessary
9 travel and other expenses incurred by them in the performance of their official duties in the manner
10 and amount provided in ORS 292.495.

11 **SECTION 40.** ORS 273.586 is amended to read:

12 273.586. (1) A private individual or organization that is the owner of any registered natural area
13 may voluntarily agree to dedicate that area as a state natural area by executing with the State
14 Parks and Recreation Department an instrument of dedication. The instrument of dedication shall
15 be effective upon its recording in the real property records of the office of the clerk of the county
16 in which any or all of the state natural area is located.

17 (2) Any public agency may dedicate lands under the provisions of ORS 273.563 to 273.591 fol-
18 lowing the providing of opportunity for adequate public notice and hearing by the agency. The
19 Oregon Transportation Commission, the State Fish and Wildlife Commission, the State Board of
20 Forestry, the [*State Board of Higher Education*] **Oregon Education Investment Board**, the State
21 Parks and Recreation Commission and the State Land Board shall, with the advice and assistance
22 of the department, establish procedures for the dedication of state natural areas on land, the title
23 of which is held by the State of Oregon, and which is under that agency's management and control.

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

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

27 (a) The dedication of a state natural area by a public agency may be terminated following the
28 providing of opportunity for adequate public notice and hearing and a finding by that agency of an
29 imperative and unavoidable necessity, or a finding by that agency, with the approval of the depart-
30 ment, that the state natural area is no longer needed according to the guidelines of the Oregon
31 Natural Areas Plan.

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

35 (c) The dedication of a state natural area may be terminated by the State Parks and Recreation
36 Commission upon the advice of the department if the area is no longer needed according to the
37 guidelines of the plan, or has permanently lost its natural character.

38 **SECTION 41.** ORS 273.785 is amended to read:

39 273.785. ORS 273.551 and 273.775 to 273.790 do not apply to:

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

42 (2) Mineral or geothermal resource rights or proceeds from those rights acquired by the State
43 Fish and Wildlife Commission pursuant to an agreement with the federal government under 16 U.S.C.
44 669 to 669i (P.L. 75-415).

45 (3) Mineral or geothermal resource rights or proceeds from those rights if other disposition is

1 required by federal rules or regulations or any agreement entered into at the time of acquisition of
2 the mineral or geothermal resource rights by the state.

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

5 (5) Mineral or geothermal resource rights or proceeds from those rights acquired after January
6 1, 1974, for the state by the Department of Veterans' Affairs pursuant to ORS 88.720, 406.050 (2),
7 407.135 or 407.145. After consultation, the Department of State Lands and the Department of
8 Veterans' Affairs shall enter into an interagency agreement governing consultation between them
9 concerning mineral and geothermal resource values on properties acquired for the state by the De-
10 partment of Veterans' Affairs. The Department of Veterans' Affairs shall adopt rules relating to the
11 release of mineral and geothermal rights on such properties.

12 (6) Mineral or geothermal resource rights or proceeds from those rights given by a donor to any
13 public university or office, department or activity under the control of the [*State Board of Higher*
14 *Education*] **Oregon Education Investment Board** that are acquired or held for the state by the
15 [*State Board of Higher Education*] **board** pursuant to ORS chapters 351 and 567. In managing mineral
16 or geothermal resource leases, the [*State Board of Higher Education*] **board** shall consult with the
17 Department of State Lands in accordance with an interagency agreement established by the de-
18 partment and the [*State Board of Higher Education*] **board** governing consultation between the de-
19 partment and the [*State Board of Higher Education*] **board** and governing management of the mineral
20 or geothermal resources.

21 (7) Mineral or geothermal resource rights or proceeds from those rights acquired and held by
22 the Department of Transportation. In managing mineral or geothermal resource leases, the Depart-
23 ment of Transportation shall enter into an intergovernmental agreement with the Department of
24 State Lands governing consultation between the departments and governing management of the
25 mineral or geothermal resources.

26 **SECTION 42.** ORS 276.610 is amended to read:

27 276.610. There is established a fund in the State Treasury to be known as the State Building
28 Fund which shall be used for the construction, alteration and repair of buildings required for use
29 of institutions and activities under the jurisdiction of the Department of Corrections, the Depart-
30 ment of Human Services, the Oregon Health Authority or the State Board of Education and the
31 [*State Board of Higher Education*] **Oregon Education Investment Board** and for the furnishing and
32 equipping of buildings so constructed, altered or repaired.

33 **SECTION 43.** ORS 276.612 is amended to read:

34 276.612. The Department of Corrections, the Department of Human Services, the Oregon Health
35 Authority and the State Board of Education each shall determine the buildings to be constructed,
36 altered, repaired, furnished and equipped for the use of institutions and activities under their re-
37 spective jurisdictions. The [*State Board of Higher Education*] **Oregon Education Investment**
38 **Board** shall determine the buildings to be constructed, altered, repaired, furnished and equipped for
39 the use of public universities or offices, departments or activities under its jurisdiction.

40 **SECTION 44.** ORS 282.076 is amended to read:

41 282.076. (1) An athletic department of any university under the jurisdiction of the [*State Board*
42 *of Higher Education*] **Oregon Education Investment Board** shall not be required to use state
43 printing services controlled by the Director of the Oregon Department of Administrative Services
44 or the designee of the director as required by ORS 282.020 (1).

45 (2) A state agency that gives to the director prior written notice of its intent to use other

1 printing services shall not be required to use state printing services controlled by the director or
 2 the director's designee as required by ORS 282.020 (1), if the agency can demonstrate that these
 3 other printing services provide better value in the form of lower prices or better responsiveness
 4 than those services already provided by the Oregon Department of Administrative Services.

5 **SECTION 45.** ORS 283.310 is amended to read:

6 283.310. (1) The Oregon Department of Administrative Services shall control and regulate the
 7 acquisition, operation, use, maintenance and disposal of and access to motor vehicles used for:

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

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

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

18 (3) The [*State Board of Higher Education*] **Oregon Education Investment Board** may not au-
 19 thorize or allow the use of any motor vehicle to transport students to an event or activity not di-
 20 rectly related to an officially sanctioned program, as established under ORS 351.277, of a public
 21 university listed in ORS 352.002.

22 (4) The [*State Board of Higher Education*] **Oregon Education Investment Board**, in conjunc-
 23 tion with the Oregon Department of Administrative Services, shall establish by rule vehicle opera-
 24 tion standards and training to promote safe vehicular travel practices in the conduct of all travel
 25 by employees, students and official volunteers at all public universities in the Oregon University
 26 System.

27 **SECTION 46.** ORS 284.540 is amended to read:

28 284.540. (1) There is established the Governor's Council on Oregon's Economy.

29 (2) The members of the council are:

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

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

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

33 (d) The [*president*] **chairperson** of the [*State Board of Higher Education*] **Oregon Education**
 34 **Investment Board**; and

35 (e) Other persons designated by the Governor.

36 (3) The council shall meet quarterly to:

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

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

41 **SECTION 47.** ORS 284.706 is amended to read:

42 284.706. (1) There is created the Oregon Innovation Council consisting of the following voting
 43 members:

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

1 (b) Five members appointed by the Governor who are engaged in the operations of Oregon
2 traded sector industries or Oregon growth businesses.

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

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

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

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

10 (g) The [*Chancellor of the Oregon University System*] **Chief Education Officer**.

11 (h) The Commissioner for Community College Services.

12 (i) The State Treasurer.

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

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

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

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

21 (a) The presiding officer of the Oregon Business Development Commission.

22 (b) The [*president*] **chairperson** of the [*State Board of Higher Education*] **Oregon Education**
23 **Investment Board**.

24 (c) The chairperson of the State Board of Education.

25 (d) An executive officer of an association representing Oregon-based, generally accredited, not-
26 for-profit private institutions of higher education, appointed by the Governor.

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

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

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

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

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

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

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

44 (11) Members of the council who are members of the Legislative Assembly are entitled to com-
45 pensation and expense reimbursement as provided in ORS 171.072.

1 (12) Members of the council who are not members of the Legislative Assembly are entitled to
 2 compensation and expenses incurred by them in the performance of their official duties in the man-
 3 ner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members
 4 of the council who are public officers shall be paid out of funds appropriated to the public agency
 5 that employs the member. Claims for compensation and expenses of members of the council who are
 6 not public officers shall be paid out of funds appropriated to the Oregon Business Development De-
 7 partment for that purpose.

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

12 **SECTION 48.** ORS 284.711 is amended to read:

13 284.711. (1) The Oregon Innovation Council shall provide advice to the Governor, the Legislative
 14 Assembly, research institutions, public agencies that provide economic development and the private
 15 sector on issues related to:

16 (a) Promoting agreements between research institutions and private industry that increase
 17 technology transfer and the commercialization of research;

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

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

22 (d) Developing the entrepreneurial and management capacity critical to the competitiveness of
 23 Oregon traded sector industries or Oregon growth businesses in rapidly growing global markets;

24 (e) Enhancing the international competitiveness of Oregon traded sector industries or Oregon
 25 growth businesses; and

26 (f) Identifying workforce issues for occupations critical to the competitiveness of Oregon traded
 27 sector industries or Oregon growth businesses, including but not limited to scientific, engineering,
 28 information technology, business management and innovation-based economic development occupa-
 29 tions.

30 (2) The Oregon Innovation Council shall advise the Engineering and Technology Industry
 31 Council established in ORS 351.663 on how to coordinate the Engineering and Technology Industry
 32 Council's goals and policies with the state plan developed under ORS 284.715.

33 (3) The council, the Oregon Business Development Commission, the [*State Board of Higher Ed-*
 34 *ucation*] **Oregon Education Investment Board** and the office of the State Treasurer shall coordi-
 35 nate policies and programs related to the duties of the council.

36 (4) Based on the state plan developed under ORS 284.715 and subject to the approval of the
 37 Oregon Business Development Department, the council may distribute moneys in the Oregon Inno-
 38 vation Fund by grant or loan or pursuant to contracts with research institutions, the private sector
 39 and public entities.

40 (5) The council may assess and charge fees for making grants or loans under ORS 284.742.

41 **SECTION 49.** ORS 285B.168 is amended to read:

42 285B.168. (1) The Oregon Business Development Department may make grants available to a
 43 community college district, a community college service district or, with the concurrence of the
 44 Commissioner for Community College Services and the [*Chancellor of the Oregon University System*]
 45 **Chief Education Officer**, a public university listed in ORS 352.002 to assist in the formation, im-

1 improvement and operation of small business development centers. If a community college district, a
 2 community college service district or a public university is unable to adequately provide services
 3 in a specific geographic area, the department may make grants available to other service providers
 4 as determined by the department. The grant application shall include:

5 (a) Plans for providing small business owners and managers individual counseling, to the great-
 6 est extent practicable, in subject areas critical to small business success;

7 (b) A budget for the year for which a grant is requested, including cost apportionment among
 8 the department, small business clients, the community college, the public university or other service
 9 providers and other sources;

10 (c) A plan for evaluating the effect of the program on small business clients served; and

11 (d) A plan for providing collaboration with other state agencies, state-supported organizations
 12 and private sector entities that provide services to small businesses.

13 (2) The grants made under subsection (1) of this section are to be used by the grant recipient
 14 to provide:

15 (a) Small business development center staff and support staff;

16 (b) Expert resource persons from the business community;

17 (c) Other training and business resources as approved by the department in skill areas for
 18 which, or areas of the state where, the grant recipient can demonstrate it does not otherwise have
 19 the capacity or expertise to provide the resources; and

20 (d) Other costs related to providing training, counseling and business resources to small busi-
 21 ness clients.

22 (3) To be eligible for a grant under subsection (1) of this section, the recipient shall be required
 23 to provide funds, in-kind contributions or some combination of funds and contributions, in accord-
 24 ance with rules adopted by the department.

25 (4) Subject to the approval of the department, a grant recipient may subcontract funds received
 26 under this section to any other entity that is eligible to receive funding under this section.

27 (5) The grant recipient shall submit a final report to the department after the distribution of
 28 grant funds and the delivery of services to the proposed business clients. The report shall state
 29 whether the plan and related budget have met the applicable criteria as described in the recipient's
 30 application for the grant period.

31 **SECTION 50.** ORS 291.002 is amended to read:

32 291.002. As used in ORS 291.001 to 291.034, 291.201 to 291.222, 291.232 to 291.260, 291.261,
 33 291.307 and 291.990, unless the context requires otherwise:

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

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

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

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

41 (5) "Legislatively adopted budget" means the budget enacted by the Legislative Assembly during
 42 an odd-numbered year regular session.

43 (6) "Legislatively approved budget" means the legislatively adopted budget as modified by the
 44 Emergency Board meeting in an interim period or by the Legislative Assembly meeting in special
 45 session or in an even-numbered year regular session.

1 (7) “Revolving fund” means a fund in the State Treasury, established by law, from which is paid
 2 the cost of goods or services furnished to or by a state agency, and which is replenished through
 3 charges made for such goods or services or through transfers from other accounts or funds; and
 4 specifically includes funds derived from receipts by the [*State Board of Higher Education*] **Oregon**
 5 **Education Investment Board** of tuition, fees, dormitory earnings, student activity receipts and
 6 sales of products and services incident to education functions.

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

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

11 (b) The Public Defense Services Commission; and

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

14 (9) “State officer” means any elected or appointed state officer, including members of boards and
 15 commissions, except the members and officers of the Legislative Assembly, the courts, the Secretary
 16 of State and the State Treasurer in the performance of the duties of their constitutional offices and
 17 the members of the Public Defense Services Commission.

18 (10) “Trust fund” means a fund in the State Treasury in which designated persons or classes of
 19 persons have a vested beneficial interest or equitable ownership, or which was created or estab-
 20 lished by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated
 21 objects or purposes.

22 **SECTION 51.** ORS 291.038 is amended to read:

23 291.038. (1) The planning, acquisition, installation and use of all information and telecommuni-
 24 cations technology by state government and agencies of state government shall be coordinated so
 25 that statewide plans and activities, as well as those of individual agencies, are addressed in the most
 26 integrated, economic and efficient manner. To provide policy direction for and coordination of in-
 27 formation technology for state government, the Director of the Oregon Department of Administra-
 28 tive Services shall chair and appoint not fewer than five agency executives to an Information
 29 Resources Management Council. The council membership shall include at least two members who
 30 represent the private sector and political subdivisions of the state.

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

39 (3) Rules, policies, plans, standards and specifications must be formulated to ensure that infor-
 40 mation resources fit together in a statewide system capable of providing ready access to information,
 41 computing or telecommunication resources. Plans and specifications the department adopts must be
 42 based on industry standards for open systems to the greatest extent possible. Before adopting rules
 43 described in subsection (2) of this section, the department shall present the proposed rules to the
 44 appropriate legislative committee. The department has the responsibility to review, oversee and en-
 45 sure that state agencies’ planning, acquisition and implementation activities align with and support

1 the statewide information resources management plan. The department is responsible for procuring
2 information technology fairly, competitively and in a manner that is consistent with the
3 department's rules.

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

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

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

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

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

23 (d) The rates and services established and provided under this section are not subject to the
24 Public Utility Commission's regulation or authority.

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

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

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

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

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

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

44 (7) An organization or organizations recognized as tax exempt under section 501(c)(3) of the
45 Internal Revenue Code that primarily conduct activities for the direct good or benefit of the public

1 or community at large in providing educational, economic development, health care, human services,
 2 public safety, library or other public services and have formed an affiliation with one or more fed-
 3 eral, state or local governmental units within this state may apply to the department for designation
 4 as a community of interest. The application must be in the form prescribed by the department and
 5 contain information regarding the governmental affiliation relationship, the tax exempt status of
 6 each organization and the public benefit services to be provided. The department shall establish an
 7 application review and appeal process to ensure that designating the organizations as a community
 8 of interest for the purposes of including the organization in telecommunications contracts under
 9 ORS 283.520 will result in providing educational, medical, library or other services for public benefit.

10 (8) This section does not apply to the [*State Board of Higher Education*] **Oregon Education**
 11 **Investment Board** or any public university listed in ORS 352.002.

12 (9) As used in this section:

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

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

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

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

22 (e) "State-of-the-art services" includes equipment, facilities and the capability to distribute dig-
 23 ital communication signals that transmit voice, data, video and images over a distance.

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

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

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

30 **SECTION 52.** ORS 291.055 is amended to read:

31 291.055. (1) Notwithstanding any other law that grants to a state agency the authority to es-
 32 tablish fees, all new state agency fees or fee increases adopted during the period beginning on the
 33 date of adjournment sine die of a regular session of the Legislative Assembly and ending on the date
 34 of adjournment sine die of the next regular session of the Legislative Assembly:

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

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

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

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

43 (e) Are rescinded on adjournment sine die of the next regular session of the Legislative Assem-
 44 bly as described in this subsection, unless otherwise authorized by enabling legislation setting forth
 45 the approved fees.

1 (2) This section does not apply to:

2 (a) Any tuition or fees charged by the [*State Board of Higher Education*] **Oregon Education**
 3 **Investment Board** and the public universities listed in ORS 352.002.

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

8 (c) Fees or payments required for:

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

11 (B) Assessments and premiums paid to the Oregon Medical Insurance Pool established by ORS
 12 735.614 and 735.625.

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

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

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

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

20 (f) Any intergovernmental charges.

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

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

24 (i) Any charges established by the State Parks and Recreation Director in accordance with ORS
 25 565.080 (3).

26 (j) Assessments on premiums charged by the Department of Consumer and Business Services
 27 pursuant to ORS 731.804 or fees charged by the Division of Finance and Corporate Securities of the
 28 Department of Consumer and Business Services to banks, trusts and credit unions pursuant to ORS
 29 706.530 and 723.114.

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

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

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

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

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

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

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

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

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

4 **SECTION 53.** ORS 291.445 is amended to read:

5 291.445. (1) Before July 1 of each fiscal year, the Oregon Department of Administrative Services
 6 shall request from the appropriate state agency a certificate as prescribed in this section. The re-
 7 quest shall be made by letter to the agency.

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

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

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

21 (3) On or before August 15 of each fiscal year, the administrative division of the Oregon De-
 22 partment of Administrative Services that has primary responsibility for accounting for each general
 23 obligation bond program in which the bond principal and interest is ordinarily to be repaid from
 24 General Fund appropriations shall:

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

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

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

42 (b) If any agency fails to make the certification under subsection (2) or (3) of this section with
 43 respect to any general obligation bond fund program, the Oregon Department of Administrative
 44 Services shall determine the amount of revenue and other funds that are available and the amount
 45 of taxes, if any, that should be levied in addition to the revenues and funds, to pay bond principal

1 and interest under the program for the fiscal year in question. The additional amount so determined
2 shall thereupon constitute a state tax levy on property that shall be apportioned, certified, collected
3 and distributed as if determined and certified as a deficit by the agency. The Oregon Department
4 of Administrative Services shall charge the agency for cost recovery for time spent on that agency's
5 behalf.

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

11 (6) If, for any reason, after the close of any regular session of the Legislative Assembly, it be-
12 comes necessary to reduce General Fund appropriations, General Fund appropriations for a debt
13 service fund of a general obligation bond program described under subsection (3) of this section may
14 not be reduced.

15 (7) For purposes of this section:

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

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

20 (B) The [*State Board of Higher Education*] **Oregon Education Investment Board**, as authorized
21 by Article XI-F(1) of the Oregon Constitution and ORS 351.350 (building projects).

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

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

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

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

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

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

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

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

41 (B) The [*State Board of Higher Education*] **Oregon Education Investment Board**, as authorized
42 by Article XI-G of the Oregon Constitution and ORS 351.345 (higher education and community col-
43 leges).

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

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

SECTION 54. ORS 292.043 is amended to read:

292.043. (1) As used in this section:

(a) “Foundation” means:

(A) A tax exempt organization designated by a rule adopted by a state agency; or

(B) A tax exempt organization designated by the [*State Board of Higher Education*] **Oregon Education Investment Board** to solicit contributions for the support of a public university listed in ORS 352.002.

(b) “Salary and wages” has the meaning given that term in ORS 292.014.

(2) Any state official authorized to disburse funds in payment of salaries or wages of the officers and employees of a state agency, or of the officers, teachers, instructors and other employees of the Oregon University System, is authorized, upon written request of the individual, to deduct each month from the salary or wages of the individual the amount of money designated by the individual for payment to a foundation.

(3) The individual may withdraw the authorization at any time if the individual so notifies such officer in writing.

(4) The moneys so deducted shall be paid over promptly to the foundation designated by the individual. Subject to any rules prescribed by a state agency or the [*State Board of Higher Education*] **Oregon Education Investment Board**, the state official authorized to disburse the funds in payment of salaries and wages may prescribe any procedures necessary to carry out this section.

SECTION 55. ORS 292.044 is amended to read:

292.044. (1) As used in this section:

(a) “Employee” means officers, faculty, teachers, instructors and other employees of the Oregon University System as described in ORS 352.002.

(b) “Nonprofit organization” means an organization described in section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a) of the Internal Revenue Code.

(2) The [*Chancellor of the Oregon University System*] **Chief Education Officer** or a designee of the [*chancellor*] **Chief Education Officer** may approve a written request made by a public university or office, department or activity under the jurisdiction of the [*State Board of Higher Education*] **Oregon Education Investment Board**, in which an employee of the public university or office, department or activity may designate an amount from the salary or wages of the employee for payment to a qualifying nonprofit organization. A request made to the [*chancellor*] **Chief Education Officer** under this section must identify the nonprofit organization to whom payments would be made.

(3) Upon written approval of the [*chancellor*] **Chief Education Officer** or of a designee of the [*chancellor*] **Chief Education Officer** and a written request of an employee of the public university or office, department or activity to which the approval applies, the state official within the Oregon University System authorized to disburse funds in payment of salaries or wages shall deduct from

1 the salary or wages of the employee the amount of money designated by the employee for payment
 2 to the nonprofit organization.

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

5 (5) The [*Chancellor of the Oregon University System*] **Chief Education Officer** or a designee of
 6 the [*chancellor*] **Chief Education Officer** shall prescribe procedures for determining whether an
 7 organization qualifies as a nonprofit organization under this section.

8 **SECTION 56.** ORS 293.790 is amended to read:

9 293.790. (1) Under authority of section 6, Article XI of the Oregon Constitution, the state, sub-
 10 ject to subsection (2) of this section, may hold and dispose of the stock of any company, association
 11 or corporation, including stock already received, that is donated or bequeathed and the state, acting
 12 by and through the [*State Board of Higher Education*] **Oregon Education Investment Board**, sub-
 13 ject to subsection (2) of this section, may invest and reinvest in the stock of any company, associ-
 14 ation or corporation, any funds or moneys of the [*State Board of Higher Education*] **board** that:

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

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

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

20 (2) The state, including any of its agencies having control of, or authority to invest and reinvest
 21 in, any stock described in subsection (1) of this section, in holding, disposing of or investing and
 22 reinvesting in such stock, shall be governed by ORS 130.750 to 130.775, notwithstanding the date of
 23 acquisition of such stock. Moneys received from the disposition of such stock, including dividends,
 24 shall be maintained separate and distinct from the General Fund, and those moneys, including in-
 25 terest earned thereon, are appropriated continuously for the purposes of the donation or bequest and
 26 of the investments and reinvestments authorized by subsection (1) of this section and by ORS
 27 351.130. Except as specifically authorized by law, the state or any of its agencies may not purchase
 28 stock.

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

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

36 **SECTION 57.** ORS 293.812 is amended to read:

37 293.812. As used in ORS 293.811 to 293.817:

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

41 (2) “Doing business” means maintaining equipment, facilities, personnel or any other apparatus
 42 of business or commerce in Sudan, including the ownership or possession of real or personal prop-
 43 erty located in Sudan.

44 (3) “Investment” or “invest” means the commitment of funds or other assets to a company, in-
 45 cluding a loan or other extension of credit made to that company, or the ownership or control of a

1 share or interest in that company or of a bond or other debt instrument issued by that company.

2 (4) "Subject investment funds" means:

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

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

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

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

7 (e) Investment funds of the [*State Board of Higher Education*] **Oregon Education Investment**
8 **Board** available for investment or reinvestment by the Oregon Investment Council.

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

11 **SECTION 58.** ORS 294.311 is amended to read:

12 294.311. As used in ORS 294.305 to 294.565, unless the context requires otherwise:

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

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

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

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

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

27 (6) "Budget document" means the estimates of expenditures and budget resources as set forth
28 on the estimate sheets, tax levy and the financial summary.

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

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

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

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

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

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

44 (13) "Encumbrances" means obligations in the form of purchase orders, contracts or salary
45 commitments which are chargeable to an appropriation and for which a part of the appropriation

1 is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

2 (14) "Ensuing budget period" means the budget period following the current budget period.

3 (15) "Ensuing year" means the fiscal year following the current year.

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

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

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

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

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

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

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

26 (23) "Internal service fund" means a fund properly authorized to finance, on a cost reimburse-
27 ment basis, goods or services provided by one organizational unit of a municipal corporation to
28 other organizational units of the municipal corporation.

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

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

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

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

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

44 (26) "Municipal corporation" means any county, city, port, school district, union high school
45 district, community college district and all other public or quasi-public corporations including a

1 municipal utility or dock commission operated by a separate board or commission. "Municipal cor-
2 poration" includes an intergovernmental entity or council of governments that proposes to impose
3 or imposes ad valorem property taxes.

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

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

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

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

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

17 (32) "Population" means the number of inhabitants of a municipal corporation according to
18 certified estimates of population made by the [*State Board of Higher Education*] **Oregon Education**
19 **Investment Board**.

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

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

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

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

27 (b) Posting through the United States Postal Service by first class mail, postage prepaid, to each
28 street address within the jurisdictional boundaries of the municipal corporation and to each post
29 office box and rural route number belonging to a resident within the jurisdictional boundaries of the
30 municipal corporation.

31 (c) Hand delivery to each street address within the jurisdictional boundaries of the municipal
32 corporation.

33 (36) "Receipts" means cash received unless otherwise qualified.

34 (37) "Reserve for encumbrances" means a reserve representing the segregation of a portion of
35 a fund balance to provide for unliquidated encumbrances.

36 (38) "Revenue" means the gross receipts and receivables of a governmental unit derived from
37 taxes, licenses, fees and from all other sources, but excluding appropriations, allotments and return
38 of principal from investment of surplus funds.

39 (39) "Special revenue fund" means a fund properly authorized and used to finance particular
40 activities from the receipts of specific taxes or other revenues.

41 **SECTION 59.** ORS 320.100 is amended to read:

42 320.100. (1) All moneys received from the taxes imposed under ORS 320.011 and 320.012, includ-
43 ing penalties, shall be paid by the Department of Revenue in the following manner:

44 (a) Seventy-five percent (75%) of the moneys shall be credited, appropriated or remitted as fol-
45 lows:

1 (A) Forty-three and two-tenths percent (43.2%) thereof shall be credited to the General Fund to
2 be available for payment of general governmental expenses.

3 (B) Nine and seven-tenths percent (9.7%) is continuously appropriated to pay the expenses of
4 state and local programs of the Oregon Youth Conservation Corps established under ORS 418.650
5 to 418.663.

6 (C) Forty-seven and one-tenth percent (47.1%) thereof shall be remitted to the county treasurers
7 of the several counties of the state. Each county shall receive such share of the moneys as its pop-
8 ulation, determined by the [*State Board of Higher Education*] **Oregon Education Investment**
9 **Board**, bears to the total population of the counties of the state, as determined by the census last
10 preceding such apportionment.

11 (b) Twenty-five percent (25%) of the moneys shall be continuously appropriated to pay the ex-
12 penses of the state and local programs of the Oregon Youth Conservation Corps established under
13 ORS 418.650 to 418.663.

14 (2) All revenues received under this section by the treasurers of the several counties shall be
15 placed in the general fund of each county to be expended by the county courts or the board of
16 county commissioners of the several counties for general governmental expenses.

17 **SECTION 60.** ORS 321.185 is amended to read:

18 321.185. (1) There hereby is established in the State Treasury in the General Fund an account
19 to be known as the Forest Research and Experiment Account, which account hereby is appropriated
20 continuously to the [*State Board of Higher Education*] **Oregon Education Investment Board** for
21 the purposes of ORS 526.215 and 526.225.

22 (2) The Forest Research and Experiment Account shall consist of allocations from harvest taxes
23 as provided in ORS 321.015 (1).

24 **SECTION 61.** ORS 329.489 is amended to read:

25 329.489. (1) Within the State of Oregon's kindergarten through grade 12 education system, pro-
26 ficiency for students in American Sign Language shall be in accordance with rules adopted by the
27 State Board of Education pursuant to ORS chapter 329 and any other applicable state or federal law.

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

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

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

34 (c) Assist public high schools in identifying local and regional needs and resources available for
35 American Sign Language courses.

36 **SECTION 62.** ORS 337.521 is amended to read:

37 337.521. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may
38 work with publishers, recognized national organizations of publishers, representatives of post-
39 secondary education institutions, the system described in ORS 192.517 and other interested parties
40 to:

41 (a) Develop unified, statewide guidelines consistent with ORS 337.511 to 337.524;

42 (b) Administer ORS 337.511 to 337.524; and

43 (c) Review guidelines annually and revise the guidelines as necessary due to changes in tech-
44 nology or other changes.

45 (2) The guidelines may address the following:

1 (a) The procedures and standards relating to the distribution of files and materials pursuant to
 2 ORS 337.511 to 337.524;

3 (b) Available electronic formats;

4 (c) Procedures for granting exceptions when it is determined that a publisher is not able to
 5 comply with the requirements of ORS 337.511 to 337.524 due to technical, economic or other prac-
 6 tical impediments; and

7 (d) Other matters deemed necessary or appropriate to carry out the purposes of ORS 337.511 to
 8 337.524.

9 (3) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall review
 10 the recommendations, published on or after July 1, 2007, of the Association of American Publishers’
 11 Alternative Formats Solutions Initiative, and determine whether the recommendations should be in-
 12 corporated into ORS 337.511 to 337.524.

13 **SECTION 63.** ORS 342.147 is amended to read:

14 342.147. (1) After considering recommendations of the State Board of Education, the Teacher
 15 Standards and Practices Commission shall establish by rule standards for approval of teacher edu-
 16 cation institutions and teacher education programs. Public teacher education institutions shall be
 17 approved for programs of more than four years’ duration only if teacher education programs which
 18 are reasonably attainable in a four-year period are also available in the system of higher education
 19 and are designed to culminate in a baccalaureate degree that qualifies its graduates for entry-level
 20 teaching licenses.

21 (2) The commission shall establish rules that allow teacher education programs leading to
 22 graduate degrees to commence prior to the student’s completion of baccalaureate degree require-
 23 ments and that allow the combined use of undergraduate and graduate level course work in
 24 achieving program completion.

25 (3) Whenever any teacher education institution or program is denied approved status or has
 26 such status withdrawn, such denial or withdrawal must be treated as a contested case within the
 27 meaning of ORS chapter 183.

28 (4) Nothing in this section is intended to grant any authority to the commission relating to
 29 granting degrees or establishing degree requirements that are within the authority of the [*State*
 30 *Board of Higher Education*] **Oregon Education Investment Board** or any of the public universities
 31 listed in ORS 352.002, or that are within the authority of the governing board of any private insti-
 32 tution of higher education.

33 **SECTION 64.** ORS 342.447 is amended to read:

34 342.447. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 35 require each public teacher education program in this state to prepare a plan with specific goals,
 36 strategies and deadlines for the recruitment, admission, retention and graduation of minority teach-
 37 ers.

38 (2) The [*state*] board shall review the plans for the adequacy and feasibility of the plans and,
 39 after making necessary revisions, shall adopt the plans.

40 (3) The [*state*] board shall adopt rules governing:

41 (a) The contents of the plans;

42 (b) The [*state*] board’s initial and biennial review process, including timetables for revising plans;
 43 and

44 (c) Other matters necessary for carrying out the provisions of ORS 342.433 to 342.449 and
 45 351.077.

SECTION 65. ORS 343.961 is amended to read:

343.961. (1) As used in this section:

(a) “Day treatment program” means a public or private program that provides treatment of children with a mental illness, an emotional disturbance or another mental health issue.

(b) “Eligible day treatment program” means a day treatment program with which the Oregon Health Authority contracts for long term care or treatment. “Eligible day treatment program” does not include residential treatment programs or programs that provide care or treatment to juveniles who are in detention facilities.

(c) “Eligible residential treatment program” means a residential treatment program with which the Oregon Health Authority, the Department of Human Services or the Oregon Youth Authority contracts for long term care or treatment. “Eligible residential treatment program” does not include psychiatric day treatment programs or programs that provide care or treatment to juveniles who are in detention facilities.

(d) “Residential treatment program” means a public or private residential program that provides treatment of children with a mental illness, an emotional disturbance or another mental health issue.

(e) “Student” means a child who is placed in an eligible day treatment program or eligible residential treatment program by a public or private entity or by the child’s parent.

(2) The Department of Education shall be responsible for payment of the costs of education of students in eligible day treatment programs and eligible residential treatment programs by contracting with the school district in which the eligible day treatment program or eligible residential treatment program is located. The costs of education do not include transportation, care, treatment or medical expenses.

(3)(a) The school district in which an eligible day treatment program or eligible residential treatment program is located is responsible for providing the education of a student, including the identification, location and evaluation of the student for the purpose of determining the student’s eligibility to receive special education and related services.

(b) A school district that is responsible for providing an education under this subsection may provide the education:

(A) Directly or through another school district or an education service district; and

(B) In the facilities of an eligible day treatment program or eligible residential treatment program, the facilities of a school district or the facilities of an education service district.

(c) When a student is no longer in an eligible day treatment program or eligible residential treatment program, the responsibilities imposed by this subsection terminate and become the responsibilities of the school district where the student is a resident, as determined under ORS 339.133 and 339.134.

(4) A school district may request the Department of Education to combine several eligible day treatment programs or eligible residential treatment programs into one contract with another school district or an education service district.

(5) The Oregon Health Authority, the Department of Human Services or the Oregon Youth Authority shall give the school district providing the education at an eligible day treatment program or an eligible residential treatment program 14 days’ notice, to the extent practicable, before a student is dismissed from the program.

(6) The Department of Education may make advances to school districts responsible for providing an education to students under this section from funds appropriated for that purpose based on the estimated agreed cost of educating the students per school year. Advances equal to 25 percent

1 of the estimated cost may be made on September 1, December 1 and March 1 of the current year.
 2 The balance may be paid whenever the full determination of cost is made.

3 (7) School districts that provide the education described in this section on a year-round plan
 4 may apply for 25 percent of the funds appropriated for that purpose on July 1, October 1, January
 5 1, and 15 percent on April 1. The balance may be paid whenever the full determination of cost is
 6 made.

7 (8) In addition to the payment methods described in this section, the Department of Education
 8 may:

9 (a) Negotiate interagency agreements to pay for the cost of education in day treatment programs
 10 and residential treatment programs operated under the auspices of the [*State Board of Higher Edu-*
 11 *cation*] **Oregon Education Investment Board**; and

12 (b) Negotiate intergovernmental agreements to pay for the cost of education in day treatment
 13 programs and residential treatment programs operated under the auspices of the Oregon Health and
 14 Science University Board of Directors.

15 **SECTION 66.** ORS 344.259 is amended to read:

16 344.259. (1) The State Board of Education shall coordinate continuing education in lower divi-
 17 sion, developmental, adult self-improvement, professional and technical education for agencies under
 18 its regulatory authority. The [*State Board of Higher Education*] **Oregon Education Investment**
 19 **Board** shall coordinate continuing education in upper division and graduate education for public
 20 universities under its jurisdiction.

21 (2) When significantly adverse impact is alleged by one or more of the agencies listed in this
 22 subsection, the affected parties jointly shall provide for written agreements. These agreements shall
 23 allocate responsibility for planning and providing continuing education or off-campus instruction in
 24 specific areas or by specific types. The agencies are:

- 25 (a) The State Board of Education.
- 26 (b) The [*State Board of Higher Education*] **Oregon Education Investment Board**.
- 27 (c) Community college districts.
- 28 (d) Independent colleges.
- 29 (e) Proprietary schools.

30 (3) In the event the affected parties fail to reach a written agreement within 120 days following
 31 receipt of written notice of the allegation, either party may request the Education and Workforce
 32 Policy Advisor to review and to recommend resolution.

33 (4) Nothing in this section prohibits the offering of upper division or graduate programs within
 34 30 miles of the campus of the Oregon University System university offering the program, or the of-
 35 fering of lower division programs within 30 miles of the campus offering the program in areas out-
 36 side a community college district. Such programs are entitled to the same college credit and
 37 financial support as programs offered on the campus of the university.

38 **SECTION 67.** ORS 348.010 is amended to read:

39 348.010. (1) An account in the Oregon University System Fund established under ORS 351.506
 40 is designated for the purpose of granting student loans under the terms established by the National
 41 Defense Education Act of 1958, as amended, under the terms of the Health Professions Educational
 42 Assistance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as
 43 amended.

44 (2) The account designated under this section consists of:

- 45 (a) All moneys made available to the [*State Board of Higher Education*] **Oregon Education In-**

1 **vestment Board** for student loan purposes by state appropriations and by the federal government
2 under terms of the National Defense Education Act of 1958, as amended, under the terms of the
3 Health Professions Educational Assistance Act of 1963, as amended, and under the terms of the
4 Nurses Training Act of 1964, as amended;

5 (b) Repayments of loans identified in paragraph (a) of this subsection;

6 (c) Interest earned on student loans identified in paragraph (a) of this subsection; and

7 (d) Earnings from investments of the account.

8 (3) The repayment in whole or part of any student loan made under terms of the National De-
9 fense Education Act of 1958, as amended, under the terms of the Health Professions Educational
10 Assistance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as
11 amended, shall be made pursuant to the provisions of the applicable federal statutes and repayment
12 to the account designated under this section shall be made in accordance with applicable federal
13 statutes.

14 (4) Income and interest derived from moneys in the account designated by this section are
15 credited to the account.

16 **SECTION 68.** ORS 348.205 is amended to read:

17 348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student
18 Access Commission.

19 (2) Under the program, the cost of education of a qualified student shall be shared by the stu-
20 dent, the family of the student, the federal government and the state.

21 (3) The commission shall determine the cost of education of a qualified student based on the type
22 of eligible post-secondary institution the student is attending. The cost of education equals:

23 (a) For a student attending a community college, the average cost of education of attending a
24 community college in this state;

25 (b) For a student attending a public university under the direction of the [*State Board of Higher*
26 *Education*] **Oregon Education Investment Board**, the average cost of education of attending a
27 public university under the direction of the board;

28 (c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institu-
29 tion of higher education, the average cost of education of attending a community college in this
30 state; and

31 (d) For a student attending the Oregon Health and Science University or a four-year Oregon-
32 based, generally accredited, not-for-profit institution of higher education, the average cost of edu-
33 cation of attending an institution under the direction of the board.

34 (4)(a) The commission shall determine the amount of the student share. The student share shall
35 be based on:

36 (A) The type of eligible post-secondary institution the student is attending;

37 (B) The number of hours of work that the commission determines may be reasonably expected
38 from the student; and

39 (C) The amount of loans that the commission determines would constitute a manageable debt
40 burden for the student.

41 (b) The student shall determine how to cover the student share through income from work,
42 loans, savings and scholarships.

43 (c) The student share for a student who attends a community college may not exceed the amount
44 that the commission determines a student may earn based on the number of hours of work reason-
45 ably expected from the student under paragraph (a) of this subsection.

1 (d) The student share for a student who attends an eligible post-secondary institution that is not
 2 a community college may not exceed the sum of the amount that the commission determines a stu-
 3 dent may receive as loans plus the amount a student may earn based on the number of hours of
 4 work reasonably expected from the student under paragraph (a) of this subsection.

5 (5) The commission shall determine the amount of the family share. The family share shall be
 6 based on the resources of the family.

7 (6) The commission shall determine the amount of the federal share based on how much the
 8 student or the student's family is expected to receive from the federal government as grants, loans,
 9 tax credits or other student assistance.

10 (7)(a) The commission shall determine the amount of the state share. The state share shall be
 11 equal to the cost of education reduced by the student share, family share and amount received by
 12 the student from the federal government.

13 (b) The commission shall establish a minimum amount that a student may receive as a state
 14 share. If the commission determines that the amount of the state share of a student is below the
 15 minimum amount, the student may not receive the state share.

16 (c) In determining the amount of the state share, the commission shall consider the total amount
 17 available to award as grants to all qualified students. If the commission must reduce the amount of
 18 the state share under this paragraph, the commission may not reduce the amount of the state share
 19 awarded to students in the low income range in a greater proportion than the amount that the state
 20 share for students in other income ranges is reduced.

21 (8)(a) The commission shall adopt rules that prioritize current foster children and former foster
 22 children for receiving Oregon Opportunity Grants when the Oregon Opportunity Grant program
 23 does not have sufficient funding to serve all eligible Oregon students.

24 (b) For the purposes of this subsection, "former foster child" has the meaning given that term
 25 in ORS 351.293.

26 **SECTION 69.** ORS 348.210 is amended to read:

27 348.210. (1) In addition to any other scholarships provided by law, the Oregon Student Access
 28 Commission may award scholarships at Eastern Oregon University to resident undergraduate stu-
 29 dents applying for enrollment in the university or who are pursuing courses therein. The number
 30 of students who receive scholarships under this subsection may not exceed two and one-half percent
 31 of the number of students who are enrolled at the university. The scholarships shall be awarded
 32 upon the basis of a record of high intellectual standing and deportment in the school or institution
 33 where the applicant has received or is receiving preparatory training, the necessity for financial
 34 assistance and other qualifications of such nature that the awarding of scholarships will operate not
 35 only to the advantage of the applicant but to the people of Oregon. A scholarship awarded under
 36 this subsection may not exceed in value the amount of the tuition and other fees, including the fees
 37 that are levied against the recipient of the scholarship by the [*State Board of Higher Education*]
 38 **Oregon Education Investment Board** at the university.

39 (2) The commission may award tuition and fee-exempting scholarships to students from foreign
 40 nations who are enrolled in public universities listed in ORS 352.002. A student may not receive a
 41 scholarship under this subsection that exceeds the amount of tuition and fees owed by the student.

42 (3) The value of scholarships awarded each year under subsection (2) of this section may not
 43 exceed in aggregate an amount equal to 10 percent of the amount of tuition and fees paid in the
 44 preceding year to the Oregon University System by students enrolled in public universities listed in
 45 ORS 352.002 who were not Oregon residents.

1 **SECTION 70.** ORS 348.282 is amended to read:

2 348.282. As used in this section and ORS 348.283:

3 (1) “Armed Forces of the United States” means:

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

5 (b) The reserves of the Army, Navy, Air Force, Marine Corps and Coast Guard of the United
6 States; and

7 (c) The Oregon National Guard and a National Guard of any other state or territory.

8 (2) “Public post-secondary institution” means:

9 (a) A public university under the direction of the [*State Board of Higher Education*] **Oregon**
10 **Education Investment Board**; and

11 (b) A community college operated under ORS chapter 341.

12 (3) “Veteran” has the meaning given that term in ORS 408.225.

13 **SECTION 71.** ORS 348.603, as amended by section 180, chapter 637, Oregon Laws 2011, is
14 amended to read:

15 348.603. (1) The Higher Education Coordinating Commission shall:

16 (a) Authorize approved schools to offer academic degree programs;

17 (b) Authorize approved degree-granting schools to offer nondegree programs leading to a certifi-
18 cate or diploma;

19 (c) Validate claims of degree possession;

20 (d) Terminate substandard or fraudulent degree activities;

21 (e) Terminate activities of diploma mills operating in or from Oregon;

22 (f) Except as provided in subsection (4) of this section, terminate the operation in or from
23 Oregon of post-secondary accrediting bodies that are not recognized by the United States Depart-
24 tment of Education or by the commission; and

25 (g) Review proposed new publicly funded post-secondary programs and locations.

26 (2)(a) Following review of a proposed new publicly funded post-secondary program or location
27 that is not a career pathways certificate of completion program described in ORS 348.611, the com-
28 mission shall recommend resolution to the appropriate governing boards and mediate between the
29 boards to seek a negotiated resolution if:

30 (A) There is a detrimental duplication of programs; or

31 (B) The program or location would have a significantly adverse impact on one or more other
32 segments of education.

33 (b) If the boards do not resolve the issue raised under paragraph (a) of this subsection within
34 90 days of the date when the issue was recommended to the boards for mediation, the commission
35 shall have final authority for approval or disapproval of the program or location. If the boards do
36 not resolve the issue, the commission shall approve or disapprove the program or location within
37 180 days of the date when the review began.

38 (c) If the boards do not resolve the issue, the commission shall approve the program or location
39 if the commission finds that the program or location meets an unmet workforce need in the state.

40 (d) The commission shall establish by rule a fair and neutral decision-making process in con-
41 sultation with representatives designated by the State Board of Education, the [*State Board of*
42 *Higher Education*] **Oregon Education Investment Board**, associations representing Oregon inde-
43 pendent colleges, associations representing Oregon career colleges, and the governing boards of
44 otherwise unrepresented post-secondary schools.

45 (3) The commission, by rule, may impose a fee on any school or person requesting information

1 from the commission. The amount of the fee shall be established to recover designated expenses in-
 2 curred by the commission in carrying out the administration of ORS 348.594 to 348.615. Any fees
 3 collected under this subsection shall be deposited in the Degree Authorization Account established
 4 under ORS 348.601.

5 (4) Subsection (1)(f) of this section does not apply to a body the role of which is to accredit
 6 schools that offer only associate, bachelor's or master's degrees with titles in theology or religious
 7 occupations or, if the schools also offer doctoral degrees, offer doctoral degrees only in theology or
 8 religious occupations that have been approved by a federally recognized accrediting organization.

9 **SECTION 72.** ORS 348.849 is amended to read:

10 348.849. (1) There is established the Oregon 529 College Savings Board to administer ORS
 11 348.841 to 348.873.

12 (2) The board shall consist of:

13 (a) The State Treasurer or a designee of the State Treasurer;

14 (b) A member of the [*State Board of Higher Education*] **Oregon Education Investment Board**,
 15 to be selected by the [*State Board of Higher Education*] **Oregon Education Investment Board**;

16 (c) A representative of accredited private colleges and universities located in this state, who
 17 shall be appointed by the State Treasurer; and

18 (d) Two public members, who by reason of their education and experience are qualified to serve,
 19 and who shall be appointed by the State Treasurer.

20 (3) The State Treasurer shall designate the board chairperson from among the members of the
 21 board. The chairperson shall serve at the pleasure of the State Treasurer.

22 (4)(a) The board member who is a member of the [*State Board of Higher Education*] **Oregon**
 23 **Education Investment Board** shall serve at the pleasure of the [*State Board of Higher Education*]
 24 **Oregon Education Investment Board** but may not serve on the board following the end of the
 25 member's term on the [*State Board of Higher Education*] **Oregon Education Investment Board**.

26 (b) The representative of private colleges and universities and the public members of the board
 27 shall serve at the pleasure of the State Treasurer for a term of office of three years. These members
 28 of the board may be reappointed to subsequent terms.

29 (5) The State Treasurer and the Oregon University System shall provide staff and assistance to
 30 the board in the administration of the Oregon 529 College Savings Network as directed by the board.

31 (6) A member of the board is entitled to compensation and expenses as provided in ORS 292.495.

32 (7) A majority of the members of the board constitutes a quorum for the transaction of business.

33 **SECTION 73.** ORS 348.890, as amended by section 205a, chapter 637, Oregon Laws 2011, is
 34 amended to read:

35 348.890. (1) The Higher Education Coordinating Commission shall provide policy direction to
 36 implement regional partnership proposals and any other joint program or activity approved by the
 37 State Board of Education and the [*State Board of Higher Education*] **Oregon Education Investment**
 38 **Board**.

39 (2) Notwithstanding ORS 351.063 (3), the Department of Community Colleges and Workforce
 40 Development and the Oregon University System may use appropriations from the General Fund to
 41 implement agreements approved by the Higher Education Coordinating Commission that provide di-
 42 rect aid to a student, or other incentives that encourage shared use of facilities, programs and other
 43 resources of public universities listed in ORS 352.002 and community colleges.

44 **SECTION 74.** ORS 348.900, as amended by section 206a, chapter 637, Oregon Laws 2011, is
 45 amended to read:

1 348.900. (1) The Employment Department, in consultation with health care industry employers,
2 shall perform a statewide and regional needs assessment for health care occupations to identify
3 emerging occupations and occupations for which there is high demand or a shortage of workers. The
4 assessment shall be performed as necessary on a periodic basis, as determined by the department,
5 in consultation with industry employers. To perform the needs assessment, the department may
6 consider any reliable data sources available to the department.

7 (2) Based on the needs assessment, the Higher Education Coordinating Commission shall inform
8 the community colleges, public universities listed in ORS 352.002, Oregon Health and Science Uni-
9 versity and health care industry employers of the identified statewide needs and invite the devel-
10 opment of health care education programs that are responsive to those needs.

11 (3) When approving health care education programs, the State Board of Education, the [*State*
12 *Board of Higher Education*] **Oregon Education Investment Board** and the Oregon Health and
13 Science University Board of Directors shall use the statewide needs assessment to evaluate whether
14 a program fulfills statewide needs. If a board determines there is a statewide need, the board shall
15 facilitate the:

16 (a) Coordination of new health care education programs and existing health care education
17 programs that are similar to the new health care education programs to address the statewide need;
18 and

19 (b) Alignment of health care education programs relating to statewide access, student
20 transferability between programs, course articulation and common student learning outcomes for
21 health care education programs.

22 (4) In the development and approval of health care education programs, community colleges,
23 public universities, Oregon Health and Science University, the State Board of Education, the [*State*
24 *Board of Higher Education*] **Oregon Education Investment Board** and the Oregon Health and
25 Science University Board of Directors shall consider issues related to statewide access, student
26 transferability between programs, course articulation and common student learning outcomes for
27 health care education programs. The community colleges, public universities, Oregon Health and
28 Science University and boards shall continue to provide and improve upon an effective articulation
29 and transfer framework for students in Oregon's post-secondary sectors.

30 **SECTION 75.** ORS 351.011 is amended to read:

31 351.011. The Oregon University System is established as a public university system, consisting
32 of the [*office of the Chancellor of the Oregon University System*] **office directed by the Chief Edu-**
33 **cation Officer**, the public universities listed in ORS 352.002 and any related offices, departments
34 or activities. The [*State Board of Higher Education*] **Oregon Education Investment Board**, on be-
35 half of the Oregon University System, shall exercise and carry out all of the powers, rights and
36 duties that are expressly conferred upon the board or that are implied by law or incident to such
37 powers, rights and duties. The Oregon University System is an instrumentality of the state and a
38 government entity performing governmental functions and exercising governmental powers.
39 Notwithstanding the status of the Oregon University System as an instrumentality of the state, the
40 Oregon University System is not eligible to request or receive legal services from the Attorney
41 General and the Department of Justice pursuant to ORS chapter 180, except as otherwise expressly
42 provided by law. The Oregon University System is not considered a unit of local or municipal gov-
43 ernment.

44 **SECTION 76.** ORS 351.015 is amended to read:

45 351.015. The Oregon University System shall be conducted under the control of [*a board of 15*

1 *directors, to be known as the State Board of Higher Education] the Oregon Education Investment*
 2 **Board.** Except as otherwise provided by law, the board has sole authority to govern, set policy and
 3 otherwise manage the affairs of the public universities listed in ORS 352.002. *[The board shall consist*
 4 *of:]*

5 *[(1) Two students who at the time of their appointment to the board are attending different public*
 6 *universities listed in ORS 352.002.]*

7 *[(2) One member of the faculty at Oregon State University, Portland State University or University*
 8 *of Oregon.]*

9 *[(3) One member of the faculty at Eastern Oregon University, Oregon Institute of Technology,*
 10 *Southern Oregon University or Western Oregon University.]*

11 *[(4) Eleven members of the general public who are not students or faculty members at the time of*
 12 *appointment.]*

13 **SECTION 77.** ORS 351.047 is amended to read:

14 351.047. The *[State Board of Higher Education]* **Oregon Education Investment Board** shall:

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

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

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

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

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

23 **SECTION 78.** ORS 351.049 is amended to read:

24 351.049. The *[State Board of Higher Education]* **Oregon Education Investment Board** shall
 25 forward all mission statements of the public universities listed in ORS 352.002 to the Higher Edu-
 26 cation Coordinating Commission for approval.

27 **SECTION 79.** ORS 351.052 is amended to read:

28 351.052. (1) For the purposes of this section, “performance compact” means an agreement be-
 29 tween the *[State Board of Higher Education]* **Oregon Education Investment Board** and the State
 30 of Oregon to achieve certain performance targets in order to enhance the success of Oregon Uni-
 31 versity System students in exchange for consideration of the appropriations sought in a funding re-
 32 quest submitted by the *[State Board of Higher Education]* **Oregon Education Investment Board**
 33 to the Oregon Department of Administrative Services.

34 (2)(a) On or before May 1 of each even-numbered year, the *[State Board of Higher Education]*
 35 **Oregon Education Investment Board** shall submit a draft funding request to the Higher Education
 36 Coordinating Commission for the Oregon University System, applicable to the biennium beginning
 37 on July 1 of the following year. The draft funding request must include a performance compact.

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

41 (c) If the Higher Education Coordinating Commission rejects the draft funding request and per-
 42 formance compact, the commission shall take such action prior to June 15 of the same even-
 43 numbered year. In returning the rejected draft funding request and performance compact to the
 44 *[State Board of Higher Education]* **Oregon Education Investment Board**, the commission shall give
 45 specific direction to the board regarding the changes necessary to earn commission approval.

1 (3) On or before September 1 of each even-numbered year, the [*State Board of Higher*
2 *Education*] **Oregon Education Investment Board** shall submit the funding request and performance
3 compact to the Oregon Department of Administrative Services for the Oregon University System.

4 (4) The Governor's biennial budget submitted to the Legislative Assembly may include the [*State*
5 *Board of Higher Education's*] **Oregon Education Investment Board's** funding request submitted
6 to the Oregon Department of Administrative Services for the Oregon University System. Any fund-
7 ing request approved by the Legislative Assembly must specify that the moneys be appropriated to
8 the Oregon Department of Administrative Services for allocation to the Oregon University System.

9 (5) The funding request must include, in addition to the performance compact, a report on per-
10 formance from the previous biennium's performance compact.

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

15 **SECTION 80.** ORS 351.054 is amended to read:

16 351.054. The [*State Board of Higher Education*] **Oregon Education Investment Board** is au-
17 thorized to:

18 (1) Request, as part of the funding request under ORS 351.052, appropriations for budgetary
19 items, including but not limited to education and general operations, statewide public services, state
20 funded debt service, capital improvements and other special initiatives and investments; and

21 (2) Allocate moneys, from funds appropriated to the board and other available moneys, among
22 the office of the [*Chancellor of the Oregon University System*] **Chief Education Officer**, public uni-
23 versities listed in ORS 352.002 and offices, departments and activities under the control of the board.

24 **SECTION 81.** ORS 351.057 is amended to read:

25 351.057. The [*State Board of Higher Education*] **Oregon Education Investment Board** is not
26 required to seek expenditure limitation approval from the Legislative Assembly to spend any avail-
27 able moneys, including but not limited to moneys from enrollment fees collected pursuant to ORS
28 351.063.

29 **SECTION 82.** ORS 351.060 is amended to read:

30 351.060. The [*State Board of Higher Education*] **Oregon Education Investment Board** may:

31 (1) Control and provide for, subject to the conditions of this section, the custody and occupation
32 of the grounds, buildings, books, papers and documents belonging to each and all of the public uni-
33 versities and offices, departments or activities under the control of the [*State Board of Higher Edu-*
34 *cation*] **board**.

35 (2) Manage, control and apply all property of whatever nature given to or appropriated for the
36 use, support or benefit of any or all of the public universities or offices, departments or activities
37 under the control of the [*State Board of Higher Education*] **board**, according to the terms and con-
38 ditions of such gift or appropriation. Moneys received under this section shall be deposited in a
39 designated account in the Oregon University System Fund established by ORS 351.506. Interest
40 earned by the account shall be credited to the account.

41 (3) Design, acquire, erect, improve, repair, maintain, lease, renovate, demolish, equip, furnish and
42 dispose of buildings, structures and lands necessary for carrying out its powers, rights and duties.

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

45 (a) Given to any of the public universities or offices, departments or activities under the control

1 of the [*State Board of Higher Education*] **board** by private donors, whether such gifts are made to
 2 the [*State Board of Higher Education*] **board** or to the State of Oregon; or

3 (b) Acquired by any other method or from any source by the [*State Board of Higher Education*]
 4 **board** for the benefit of any of the public universities or offices, departments or activities under the
 5 control of the board, except for any structure, equipment or asset encumbered by a certificate of
 6 participation.

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

10 (6) Take and hold mortgages on real and personal property acquired by way of gift or arising
 11 out of transactions entered into in accordance with the powers, rights and duties of the [*State Board*
 12 *of Higher Education*] **board**.

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

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

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

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

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

35 **SECTION 83.** ORS 351.062 is amended to read:

36 351.062. Except for the power to prescribe enrollment fees under ORS 351.063 and the power to
 37 adopt rules, the [*State Board of Higher Education*] **Oregon Education Investment Board** may del-
 38 egate any of the powers, duties or functions of the board to a committee of the board, the
 39 [*Chancellor of the Oregon University System*] **Chief Education Officer** or a president of a public
 40 university listed in ORS 352.002.

41 **SECTION 84.** ORS 351.063 is amended to read:

42 351.063. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 43 set enrollment fees for each public university listed in ORS 352.002. Enrollment fees include tuition
 44 for education and services and any other charges found by the [*State Board of Higher Education*]
 45 **board** to be necessary to carry out the educational program of the Oregon University System.

1 (2) The [*State Board of Higher Education*] **board** shall, by rule, establish a process under which
2 each public university may develop and submit proposed enrollment fees for board consideration.
3 The process must provide for participation of enrolled students and the recognized student govern-
4 ment of the public university.

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

9 **SECTION 85.** ORS 351.064 is amended to read:

10 351.064. The Higher Education Coordinating Commission may set limits on the enrollment fees
11 established by the [*State Board of Higher Education*] **Oregon Education Investment Board** under
12 ORS 351.063 (1).

13 **SECTION 86.** ORS 351.065 is amended to read:

14 351.065. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may,
15 for each public university or office, department or activity under its control, adopt rules and specific
16 orders by or through the president of each public university governing access to personnel records
17 of the public university or office, department or activity that are less than 25 years old.

18 (2) Rules adopted under subsection (1) of this section shall require that personnel records be
19 subjected to restrictions on access unless upon a finding by the president of the public university
20 that the public interest in maintaining individual rights to privacy in an adequate educational en-
21 vironment would not suffer by disclosure of such records. Access to such records may be limited to
22 designated classes of information or persons, or to stated times and conditions, or to both, but can-
23 not be limited for records more than 25 years old.

24 (3) No rule or order promulgated pursuant to this section shall deny to a faculty member full
25 access to the member's personnel file or records kept by the board or its public universities or of-
26 fices, departments or activities, except as provided in subsections (7) and (8) of this section.

27 (4) The number of files relating to the evaluation of a faculty member shall be limited to three,
28 to be kept in designated, available locations.

29 (5) Any evaluation received by telephone shall be documented in each of the faculty member's
30 files by means of a written summary of the conversation with the names of the conversants identi-
31 fied.

32 (6) A faculty member shall be entitled to submit, for placement in the three files, evidence re-
33 butting, correcting, amplifying or explaining any document contained therein and other material that
34 the member believes might be of assistance in the evaluation process.

35 (7) Letters and other information submitted in confidence to the board or its public universities,
36 offices, departments or activities prior to July 1, 1975, shall be maintained in the files designated.
37 However, if a faculty member requests access to those files, the anonymity of the contributor of
38 letters and other information obtained prior to July 1, 1975, shall be protected. The full text shall
39 be made available except that portions of the text that would serve to identify the contributor shall
40 be excised by a faculty committee. Only the names of the contributors and the excised portions of
41 the documents may be kept in a file other than the three prescribed by subsection (4) of this section.

42 (8) Confidential letters and other information submitted to or solicited after July 1, 1975, by the
43 board or its public universities, offices, departments or activities prior to the employment of a pro-
44 spective faculty member are exempt from the provisions of this section. However, if the member is
45 employed by the board or its public universities, offices, departments or activities, the confidential

1 preemployment materials shall be placed in the three authorized files. If a faculty member requests
2 access to the member's files, the anonymity of the contributor of confidential preemployment letters
3 and other preemployment information shall be protected. The full text shall be made available, ex-
4 cept that portions of the text that would serve to identify the contributor shall be excised and re-
5 tained in a file other than the three designated in subsection (4) of this section.

6 (9) Classroom survey evaluation by students of a faculty member's classroom or laboratory per-
7 formance shall be anonymous. The record of tabulated reports shall be placed in at least one of the
8 files designated in subsection (4) of this section. All survey instruments used to obtain evaluation
9 data shall be returned to the faculty member.

10 (10) After July 1, 1975, the board and its public universities, offices, departments or activities,
11 when evaluating its employed faculty members, may not solicit or accept letters, documents or other
12 materials, given orally or in written form, from individuals or groups who wish their identity kept
13 anonymous or the information they provide kept confidential.

14 (11) No rule or order promulgated pursuant to this section limits the authority of the public
15 universities, offices, departments or activities under the control of the board to prepare, without
16 identification of individual persons who have not consented thereto, statistical or demographic re-
17 ports from personnel records.

18 (12) Any category of personnel records specifically designated as confidential pursuant to valid
19 rules or orders pursuant to this section is not a public record for the purposes of ORS 192.420.

20 (13) As used in this section, "personnel records" means records containing information kept by
21 the public university, office, department or activity concerning a faculty member and furnished by
22 the faculty member or by others about the faculty member at the request of the faculty member or
23 the public university, office, department or activity, including, but not limited to, information con-
24 cerning discipline, membership activity, employment performance or other personal records of indi-
25 vidual persons.

26 **SECTION 87.** ORS 351.067 is amended to read:

27 351.067. (1) In carrying out its authority under ORS 351.070, the [*State Board of Higher Educa-*
28 *tion*] **Oregon Education Investment Board** may authorize receipt of compensation for any officer
29 or employee of the Oregon University System from private or public resources, including, but not
30 limited to, income from:

31 (a) Consulting;

32 (b) Appearances and speeches;

33 (c) Intellectual property conceived, reduced to practice or originated and therefore owned within
34 the Oregon University System;

35 (d) Providing services or other valuable consideration for a private corporation, individual, or
36 entity, whether paid in cash or in-kind, stock or other equity interest, or anything of value regard-
37 less of whether there is a licensing agreement between the Oregon University System and the pri-
38 vate entity; and

39 (e) Performing public duties paid by private organizations, including institution corporate affil-
40 iates, that augments an officer's or employee's publicly funded salary. Such income shall be author-
41 ized and received in accordance with policies and rules established by the board.

42 (2) The board may not authorize compensation, as described in subsection (1) of this section,
43 that, in the board's judgment, does not comport with the mission of a public university listed in ORS
44 352.002 and the Oregon University System or substantially interferes with an officer's or employee's
45 duties to the Oregon University System.

1 (3) Any compensation described and authorized under subsection (1) of this section is considered
 2 official compensation or reimbursement of expenses for purposes of ORS 244.040 and is not consid-
 3 ered an honorarium prohibited by ORS 244.042. If authorization or receipt of the compensation cre-
 4 ates a potential conflict of interest, the officer or employee shall report the potential conflict in
 5 writing in accordance with rules of the board. The disclosure is a public record subject to public
 6 inspection.

7 (4) The board shall adopt by rule standards governing employee outside employment and activ-
 8 ities, including potential conflict of interest, as defined by board rule and consistent with ORS
 9 244.020, and the public disclosure thereof, and procedures for reporting and hearing potential or
 10 actual conflict of interest complaints.

11 **SECTION 88.** ORS 351.070 is amended to read:

12 351.070. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall,
 13 by rule, implement a personnel system for the Oregon University System and may engage in collec-
 14 tive bargaining with the employees. All collective bargaining with any certified or recognized ex-
 15 clusive employee representative shall be under the direction and supervision of the [*Chancellor of*
 16 *the Oregon University System*] **Chief Education Officer**. The board and the Oregon University Sys-
 17 tem shall have payroll authority.

18 (2)(a) The board shall establish competitive procedures for the purchasing, procurement and
 19 contracting of goods, services and information technology, for the benefit of the Oregon University
 20 System and all the public universities and offices, departments and activities under the control of
 21 the board. The board may also establish exemptions from the competitive procedures when appro-
 22 priate.

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

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

32 (3) The board may, for each public university listed in ORS 352.002:

33 (a) Appoint and employ a president and the requisite number of employees and prescribe their
 34 compensation and tenure of office or employment.

35 (b) Demand and receive the interest mentioned in ORS 352.510 and all sums due and accruing
 36 for admission and tuition, and apply the same, or so much thereof as is necessary, to the payment
 37 of the compensation referred to in paragraph (a) of this subsection and the other current expenses.

38 (c) Prescribe incidental fees for programs under the supervision or control of the board found
 39 by the board, upon its own motion or upon recommendation of the recognized student government,
 40 to be advantageous to the cultural or physical development of students. Fees realized in excess of
 41 amounts allocated and exceeding required reserves shall be considered surplus incidental fees and
 42 shall be allocated for programs under the control of the board and found to be advantageous to the
 43 cultural or physical development of students by the president upon the recommendation of the re-
 44 cognized student government.

45 (d) Upon recommendation of the recognized student government, collect optional fees for student

1 activities not included in paragraph (c) of this subsection or ORS 351.063 as authorized by the
 2 president. The payment of such optional fees is at the option and selection of the student and is not
 3 a prerequisite of enrollment.

4 (e) Confer, consistent with the mission and programs of each public university and on the rec-
 5 ommendation of the faculty of the public university, such degrees as usually are conferred by public
 6 universities, or as the faculty deems appropriate.

7 (f) Prescribe the qualifications for admission.

8 (4) Subject to such delegation as the board may decide to make to the public universities and
 9 offices, departments and activities under its control, the board, for each public university, office,
 10 department or activity under its control:

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

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

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

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

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

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

21 (A) Dependents of students.

22 (B) Staff.

23 (C) Faculty.

24 (g) Shall prescribe and collect charges.

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

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

35 (6) For all public universities listed in ORS 352.002, the board shall, to the extent feasible and
 36 cost beneficial, develop and implement a common admissions process that permits applicants to be
 37 considered for admission to more than one public university.

38 **SECTION 89.** ORS 351.072 is amended to read:

39 351.072. (1) Notwithstanding ORS chapter 183, the following actions may be taken by the [*State*
 40 *Board of Higher Education*] **Oregon Education Investment Board** or the public universities under
 41 its control without compliance with the rulemaking provisions of ORS chapter 183:

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

45 (b) Adoption of fees or fee schedules relating to charges for symposiums, conferences, short

1 courses, food, books or other retail goods, prices of admission to athletic, entertainment or cultural
2 events or advertising rates in student or university publications. However, student loan service
3 charges, charges levied as penalties for prohibited conduct, general tuition, building fees, incidental
4 fees, health service fees and residence hall and housing charges shall be adopted in accordance with
5 the provisions of ORS chapter 183.

6 (2) Any standards, regulations, policies, practices or fees adopted under this section by the [*State*
7 *Board of Higher Education*] **Oregon Education Investment Board** or by any of the public univer-
8 sities under its control shall be reduced to writing and made available to interested persons upon
9 request.

10 **SECTION 90.** ORS 351.077 is amended to read:

11 351.077. (1) Pursuant to ORS 342.447, the [*Chancellor of the Oregon University System*] **Chief**
12 **Education Officer** shall ensure the implementation of the plans developed for recruitment of mi-
13 nority teachers.

14 (2) The [*chancellor*] **Chief Education Officer** shall report biennially to the [*State Board of*
15 *Higher Education*] **Oregon Education Investment Board** and the Legislative Assembly on the im-
16 plementation and results of the plans. The report may include recommendations on ways in which
17 the Legislative Assembly can assist in increasing the number of minority teachers.

18 **SECTION 91.** ORS 351.085 is amended to read:

19 351.085. The [*Chancellor of the Oregon University System*] **Chief Education Officer** shall exer-
20 cise, under the direction of the [*State Board of Higher Education*] **Oregon Education Investment**
21 **Board**, the administrative and management authority necessary to carry out the policies and direc-
22 tives of the board with respect to the public universities and offices, departments and activities
23 under the control of the board. In carrying out the duties of the [*chancellor*] **Chief Education Of-**
24 **ficer**, the [*chancellor*] **Chief Education Officer** shall:

25 (1) Serve as chief executive officer of the Oregon University System and administrative officer
26 of the [*State Board of Higher Education*] **Oregon Education Investment Board**.

27 (2) Supervise the presidents of the public universities listed in ORS 352.002 [*and recommend the*
28 *terms and conditions of their employment to the board, including but not limited to appointment, com-*
29 *penetration and termination*].

30 (3) Maintain a centralized service program for all public universities and offices, departments
31 and activities under the control of the board, including but not limited to accounting, statistical
32 services, capital construction, management analysis, legal services, academic affairs and educational
33 research.

34 (4) Collect and compile information and statistics relative to the operation of the public uni-
35 versities and offices, departments and activities under the control of the board.

36 (5) Prepare and submit to the board an annual operating budget for all public universities and
37 offices, departments and activities under the control of the board, including but not limited to budget
38 allocations to the public universities and offices, departments and activities.

39 (6) Oversee the preparation and submission to the board of the funding request for the Oregon
40 University System for consideration by the board as the funding request under ORS 351.052.

41 (7) Appoint such personnel as may be necessary for the performance of the duties of the
42 [*chancellor*] **Chief Education Officer**.

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

1 (9) Prepare the agendas for board meetings and provide an analysis of proposals made to the
 2 board, including such alternatives as may be necessary or desirable for their consideration, and
 3 make recommendations thereon.

4 (10) Prepare and submit to the board on or about December 31 of each year an annual report
 5 in which the [*chancellor*] **Chief Education Officer** describes the principal activities of the Oregon
 6 University System during the fiscal year ending June 30.

7 (11) Keep a record of the transactions of the board.

8 (12) Have the custody of all books, papers, documents and other property belonging to the board.

9 (13) Give such instructions as may be necessary to carry out the directives of the board and
 10 forward them to the various institution presidents and heads of offices, departments and activities.

11 (14) Provide for meetings of the presidents and principal executives of the public universities
 12 and offices, departments and activities under the control of the board, at such times as the board
 13 may direct. The meetings shall be open to any member of the board.

14 (15) Perform such other administrative or management assistance and consider other adminis-
 15 trative or management matters as the board may require.

16 **SECTION 92.** ORS 351.086 is amended to read:

17 351.086. (1) Except as otherwise provided in this chapter and ORS chapter 352, the provisions
 18 of ORS chapters 182, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291 and 292 and ORS
 19 180.060, 180.160, 180.210, 180.220, 180.225 and 180.230 do not apply to the Oregon University System.

20 (2) Notwithstanding subsection (1) of this section, ORS 182.100, 182.109, 240.167, 276.073 to
 21 276.090, 279A.065 (2), 279B.055 (3), 279C.380 (1)(a) and (3), 279C.600 to 279C.625, 279C.800, 279C.810,
 22 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865, 279C.870,
 23 283.085 to 283.092, 291.200, 291.201 to 291.222, 291.223, 291.224 (2) and (6), 291.226, 291.272 to 291.278,
 24 291.322 to 291.334, 291.405, 291.407, 291.445, 292.043 and 292.044 apply to the Oregon University
 25 System.

26 (3) Notwithstanding subsection (1) of this section, ORS 273.413 to 273.456 apply to any structure,
 27 equipment or asset owned by the Oregon University System that is encumbered by a certificate of
 28 participation.

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

30 (a) The provisions of ORS chapters 35, 190, 192, 244, 286A, 295 and 297 and ORS 30.260 to 30.460,
 31 184.480, 184.483, 184.486, 184.488, 200.005 to 200.025, 200.045 to 200.090, 200.100 to 200.120, 200.160
 32 to 200.200, 236.605 to 236.640, 243.650 to 243.782, 243.800, 243.820, 243.830, 243.850, 243.910 to 243.945,
 33 307.090 and 307.112 apply to the Oregon University System under the same terms as they apply to
 34 other public bodies other than the State of Oregon.

35 (b) The provisions of ORS 293.115, 293.117, 293.130, 293.169, 293.171, 293.205 to 293.225, 293.250,
 36 293.265 to 293.280, 293.285, 293.295, 293.321, 293.353, 293.375, 293.406, 293.465 to 293.485, 293.490,
 37 293.495, 293.525, 293.701 to 293.820, 293.875, 293.880 and 293.990 apply to the Oregon University
 38 System under the same terms as they apply to state agencies with moneys held by the State Treas-
 39 urer, to the Oregon University System Fund established in ORS 351.506 and to any other moneys
 40 deposited with or held by the State Treasurer for the Oregon University System.

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

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

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

10 **SECTION 93.** ORS 351.087 is amended to read:

11 351.087. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 12 establish policies for the operation of the Oregon University System, consistent with ORS 351.086.

13 (2) For the purpose of clarifying areas of oversight and in accordance with subsection (1) of this
 14 section, wherever the Oregon Department of Administrative Services would otherwise have author-
 15 ity over administrative matters concerning the performance, operating policies or structure of the
 16 Oregon University System, that authority shall be transferred to the [*State Board of Higher Educa-*
 17 *tion*] **Oregon Education Investment Board**.

18 **SECTION 94.** ORS 351.088 is amended to read:

19 351.088. Notwithstanding ORS chapter 183, the [*State Board of Higher Education*] **Oregon Edu-**
 20 **cation Investment Board** or any public university listed in ORS 352.002 may, by rule, establish
 21 adjudicative procedures that are consistent with federal and state constitutional requirements and
 22 other provisions of law. The adjudicative procedures shall be consistent with ORS 183.413 to 183.497
 23 and 183.502 whenever the type of hearing or procedure required is substantially of the character
 24 that would necessitate the procedures required by ORS 183.413 to 183.470.

25 **SECTION 95.** ORS 351.092 is amended to read:

26 351.092. Notwithstanding ORS 293.595, the [*State Board of Higher Education*] **Oregon Education**
 27 **Investment Board** shall control and supervise the acquisition, installation and use of all data pro-
 28 cessing equipment to be used primarily for the purposes of the accounting records and accounting
 29 system of the Oregon University System. The board may authorize use of that equipment for other
 30 purposes to the extent that use for those other purposes does not conflict with use for the primary
 31 purpose of the Oregon University System's accounting records and accounting system.

32 **SECTION 96.** ORS 351.094 is amended to read:

33 351.094. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 34 provide group insurance to employees of the Oregon University System through the Public
 35 Employees' Benefit Board or may elect to provide alternative group health and welfare insurance
 36 benefit plans to employees of the Oregon University System if the same level of benefits is available
 37 at a lower cost than through the Public Employees' Benefit Board.

38 (2) For the purposes of ORS 243.555 to 243.575, if the [*State Board of Higher Education*] **Oregon**
 39 **Education Investment Board** chooses not to participate in the benefit plans offered through the
 40 Public Employees' Benefit Board, the [*State Board of Higher Education*] **Oregon Education In-**
 41 **vestment Board** may have the authority granted to the Public Employees' Benefit Board under ORS
 42 243.555 to 243.575 for the administration of an appropriate expense reimbursement plan.

43 (3) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall offer one
 44 or more deferred compensation plans to employees of the Oregon University System. The Oregon
 45 University System shall, at the discretion of the board, choose whether to offer its employees the

1 state deferred compensation plan established under ORS 243.401 to 243.507 or another deferred
2 compensation plan that the board elects to make available to the employees of the Oregon Univer-
3 sity System.

4 **SECTION 97.** ORS 351.096 is amended to read:

5 351.096. The [*State Board of Higher Education*] **Oregon Education Investment Board** may
6 purchase any insurance, operate a self-insurance program or otherwise arrange for the equivalent
7 of insurance coverage of any nature.

8 **SECTION 98.** ORS 351.097 is amended to read:

9 351.097. (1) The payment of salary or compensation of the officers, teachers, instructors and
10 other employees of the Oregon University System, where such salary or compensation is payable out
11 of the State Treasury and is fixed by law or the [*State Board of Higher Education*] **Oregon Educa-**
12 **tion Investment Board** at a definite rate per hour, day, week, month or year, shall be made weekly,
13 biweekly, semimonthly or monthly with any necessary adjustments, as provided in this section.

14 (2) With the approval of the board, the [*Chancellor of the Oregon University System*] **Chief Ed-**
15 **ucation Officer** shall make out, certify and transmit to the board at the end of each pay period a
16 payroll, duly verified by the [*chancellor*] **Chief Education Officer** or other designated [*officer*] **em-**
17 **ployee** and approved by the proper auditing committee or officer, showing the names of the several
18 officers, teachers, instructors and other employees during the preceding payroll period, the rate of
19 compensation of each by the hour, day, week, month or year, the time employed, the amount due
20 and any other facts the board requires. The board, if it approves the payroll, shall draw a warrant
21 on the State Treasurer for the aggregate amount allowed in favor of the [*chancellor*] **Chief Educa-**
22 **tion Officer**, who shall immediately pay over the moneys received to the several parties entitled
23 thereto and take receipts therefor, which shall be transmitted to the board.

24 (3) Notwithstanding subsection (2) of this section and pursuant to ORS 293.330, the [*State Board*
25 *of Higher Education*] **board** may authorize the [*chancellor*] **Chief Education Officer** to designate a
26 person employed by and located at each public university under the jurisdiction of the board to
27 implement and administer the payroll system selected by the board to pay employees designated by
28 the board. The person shall be under bond to the State of Oregon.

29 (4) When an employee receives payment of salary or compensation in an amount greater than
30 the employee's entitlement, the amount of the overpayment may be deducted from salary or com-
31 pensation earned by the employee. The deduction may be in such form and manner as the [*State*
32 *Board of Higher Education*] **board** may prescribe.

33 **SECTION 99.** ORS 351.105 is amended to read:

34 351.105. In order to carry out the duties described in ORS 352.008, the [*State Board of Higher*
35 *Education*] **Oregon Education Investment Board**, in consultation with the Oregon Health Au-
36 thority and the Alcohol and Drug Policy Commission, shall adopt by rule, as a minimum, de-
37 scriptions of the content of what shall be included in the policy and plan described in ORS 352.008.

38 **SECTION 100.** ORS 351.110 is amended to read:

39 351.110. All relationships and negotiations between the Legislative Assembly and its various
40 committees and a public university listed in ORS 352.002 must be carried on through the office of
41 the [*Chancellor of the Oregon University System*] **Chief Education Officer**. An employee represent-
42 ing any of the public universities may not appear before the Legislative Assembly or any committee
43 except upon the written authority of the [*State Board of Higher Education*] **Oregon Education In-**
44 **vestment Board** or the [*chancellor*] **Chief Education Officer**.

45 **SECTION 101.** ORS 351.117 is amended to read:

1 351.117. (1) If the [*State Board of Higher Education*] **Oregon Education Investment Board** de-
2 termines that enrollment is sufficient to make an American Sign Language class economically viable
3 and if qualified instructors are available, the board may offer to students courses for credit in
4 American Sign Language at a public university. Such courses shall satisfy any second language
5 elective requirement.

6 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** is encouraged
7 to continue to:

8 (a) Coordinate with the State Board of Education to develop curricula for American Sign Lan-
9 guage courses;

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

12 (c) Assist public universities in identifying local and regional needs and resources available for
13 American Sign Language courses.

14 **SECTION 102.** ORS 351.130 is amended to read:

15 351.130. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
16 encourage gifts and donations to the board and the Oregon University System. For purposes of the
17 public universities listed in ORS 352.002, the board, to encourage gifts and donations, shall faithfully
18 devote the gifts or donations to the public university for which the gift or donation is intended.

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

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

32 (4) The interest, income, dividends or profits received on any property or funds of the [*State*
33 *Board of Higher Education*] **Oregon Education Investment Board** or the Oregon University Sys-
34 tem derived from gifts and donations, including legacies, devises, bequests or endowments, are con-
35 tinuously appropriated to the use, maintenance and support of the Oregon University System in the
36 same manner as the principal or corpus of each such gift or donation in accordance with the terms
37 of the gift or donation.

38 (5) As used in this section, “gifts or donations” includes funds donated to the [*State Board of*
39 *Higher Education*] **Oregon Education Investment Board** or the Oregon University System to
40 which by agreement the donor receives consideration in return for the gift or donation or retains
41 a reversionary interest but does not include grant or contract funds received from government
42 sources.

43 **SECTION 103.** ORS 351.140 is amended to read:

44 351.140. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may
45 purchase such real property as in its sole discretion may be necessary for the present or future

1 development of any of the public universities and offices, departments and activities under its con-
 2 trol. The board may enter into contracts of purchase or agreements that the board deems necessary
 3 in carrying out this authorization.

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

8 (3) The [*State Board of Higher Education*] **board** is authorized, without seeking specific approval
 9 from the Legislative Assembly, to purchase real property or undertake capital construction projects
 10 that do not require the use of moneys appropriated from state funds or obtained through general
 11 obligation bonds, for purposes consistent with the promotion and enhancement of public higher ed-
 12 ucation.

13 **SECTION 104.** ORS 351.150 is amended to read:

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

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

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 System.

28 **SECTION 105.** ORS 351.155 is amended to read:

29 351.155. Notwithstanding the applicable provisions of ORS 279.835 to 279.855, 279A.140 to
 30 279A.155, 279A.250 to 279A.290, 279A.990, 279B.200 to 279B.240, 279B.270, 279B.275, 279B.280,
 31 279C.360, 279C.365, 279C.370, 279C.375, 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545,
 32 279C.600 to 279C.625, 279C.650 to 279C.670 and 279C.800 to 279C.870, the [*State Board of Higher*
 33 *Education*] **Oregon Education Investment Board** may, in the management of all forestlands under
 34 its control and supervision, sell the forest products on such lands in the same manner as is provided
 35 in ORS 530.059, and for that purpose the board shall have the same powers with respect to exper-
 36 imental or research projects in the field of forestland management or for forest product utilization
 37 on forestlands under its control as the State Forester has pursuant to the provisions of ORS 530.050
 38 and 530.059.

39 **SECTION 106.** ORS 351.160 is amended to read:

40 351.160. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may
 41 undertake the construction of any building or structure for higher education when the board
 42 conservatively estimates that the Oregon University System will have sufficient revenues to pay the
 43 operating costs and any indebtedness for the building or structure. For purposes of this section,
 44 “revenues” includes all funds available to the board except amounts appropriated by the Legislative
 45 Assembly from the General Fund. The board may enter into contracts for the acquisition, erection,

1 improvement, repair, equipping and furnishing of buildings and structures for dormitories, housing,
2 boarding, off-street motor vehicle parking facilities and other purposes for higher education pursuant
3 to Article XI-F(1) of the Oregon Constitution, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505.

4 (2) The board may also undertake the acquisition or construction of those buildings and struc-
5 tures that the Legislative Assembly has determined will benefit higher education institutions or ac-
6 tivities, and may enter into contracts with persons, firms or corporations for the acquisition,
7 erection, improvement, repair, equipping and furnishing of such buildings and structures pursuant
8 to Article XI-G of the Oregon Constitution and ORS 351.345.

9 **SECTION 107.** ORS 351.165 is amended to read:

10 351.165. No later than March 1 of each odd-numbered year, the [*State Board of Higher*
11 *Education*] **Oregon Education Investment Board** shall submit a report to the Legislative Assembly
12 concerning the status of all previously approved Oregon University System capital construction
13 projects that have not been completed or have been completed within the preceding 24-month period.
14 The report shall include the project title, funding sources, the amount of the original appropriation
15 or expenditure limitation, the amount of unexpected funds, the construction status and the antic-
16 ipated completion date.

17 **SECTION 108.** ORS 351.170 is amended to read:

18 351.170. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may
19 establish rates, charges and fees for use of buildings, structures and projects under its control. The
20 rates and charges shall be sufficient, in the judgment of the board and with other available revenues,
21 as defined in ORS 351.160, to pay the operating costs and any indebtedness for the buildings,
22 structures and projects.

23 (2) The board shall charge and collect from each regular student a building fee at a rate not to
24 exceed \$45 for each regular term, for not less than three terms in each regular academic year, and
25 not to exceed \$67.50 if instruction is on a semester basis, or an equivalent rate of charge when in-
26 struction is on a different basis. The board is authorized to maintain adequate accounts for bonds
27 outstanding. The fee shall be in addition to tuition and other fees charged to students and shall be
28 deposited in the appropriate subaccount of the account maintained in the Oregon University System
29 Fund under ORS 351.460.

30 **SECTION 109.** ORS 351.180 is amended to read:

31 351.180. The [*State Board of Higher Education*] **Oregon Education Investment Board** may
32 cause the buildings, structures or projects referred to in ORS 351.160 and 351.170 and the equipment
33 and furnishings therein and the appurtenances thereto to be insured against fire and other hazards
34 in such sums as will protect the holders of the outstanding bonds issued to finance the cost thereof.
35 Such insurance shall be in lieu of that afforded by the Insurance Fund, without right of insurers, in
36 the event of loss, to subrogation to or contribution from said fund.

37 **SECTION 110.** ORS 351.190 is amended to read:

38 351.190. The [*State Board of Higher Education*] **Oregon Education Investment Board** may ob-
39 tain, by donation, purchase, agreement or condemnation, the title to any land authorized to be ac-
40 quired by ORS 351.345, 351.350 and 351.450. Condemnation proceedings instituted by the board shall
41 be conducted in accordance with ORS chapter 35.

42 **SECTION 111.** ORS 351.203, as amended by section 216, chapter 637, Oregon Laws 2011, is
43 amended to read:

44 351.203. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
45 cooperate with the Education and Workforce Policy Advisor in the development of a state compre-

1 hensive education plan including post-secondary education and in review of the board's programs
2 and budget. The board shall submit in timely fashion to the advisor such data as is appropriate in
3 a form prescribed by the advisor.

4 (2) The board shall cooperate with the mediation process administered by the Higher Education
5 Coordinating Commission pursuant to ORS 348.603 and, if a negotiated resolution cannot be reached
6 by mediation, comply with the decisions of the commission regarding proposed new post-secondary
7 programs and proposed new post-secondary locations, including those proposed by Oregon Health
8 and Science University in cooperation with the [*State Board of Higher Education*] **board** under ORS
9 353.440.

10 **SECTION 112.** ORS 351.205 is amended to read:

11 351.205. The [*State Board of Higher Education*] **Oregon Education Investment Board** may al-
12 low interchange of members of the faculties of public universities listed in ORS 352.002 with faculty
13 members of comparable institutions of other states or countries for a period of one year. Such ex-
14 change service shall, for all purposes, be deemed continued service with the Oregon public univer-
15 sity covered, with salary paid to the absent faculty member accordingly. Salary for the visiting
16 faculty member shall not be paid by the Oregon public university covered.

17 **SECTION 113.** ORS 351.210 is amended to read:

18 351.210. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may
19 sell or otherwise dispose of any worn out, obsolete or otherwise unsuitable equipment, goods, sup-
20 plies, material or information technology, the disposal of which would in the board's judgment be
21 to the financial benefit of the public universities under the board's control. This section does not
22 apply to any equipment, goods, supplies, material or information technology encumbered by a cer-
23 tificate of participation.

24 (2) The proceeds from any sales or disposals made pursuant to authority granted in this section
25 shall be deposited in a designated account in the Oregon University System Fund established by
26 ORS 351.506 and may be expended by the board for any purpose authorized by law in the same
27 manner as the board is authorized to make other expenditures.

28 **SECTION 114.** ORS 351.220 is amended to read:

29 351.220. The [*State Board of Higher Education*] **Oregon Education Investment Board** may ac-
30 quire by gift or by purchase interests in intellectual property of any kind, whether patentable or
31 copyrightable or not, including patents, copyrights, inventions, discoveries, processes and ideas. The
32 board may also agree to aid in the development of property acquired pursuant to ORS 351.220 to
33 351.250 and to pay an assignor of any interest in intellectual property a share of any moneys re-
34 ceived on account of the board's ownership or management of the property.

35 **SECTION 115.** ORS 351.230 is amended to read:

36 351.230. The [*State Board of Higher Education*] **Oregon Education Investment Board** may
37 manage, develop or dispose of, by assignment, sale, lease, license or other action deemed advisable
38 by the board, property acquired under ORS 351.220, and may contract with any person or agency,
39 board, commission or department of this or any other state or with the federal government regarding
40 the management, development or disposition thereof. The board may make gratuitous assignments
41 of such property to any trust or fund, the sole beneficiary of which is the board or any of the public
42 universities or offices, departments or activities under its control, subject to the share, if any,
43 agreed to be paid to the assignor. The board may reassign such property to the inventor, author or
44 discoverer.

45 **SECTION 116.** ORS 351.240 is amended to read:

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

7 **SECTION 117.** ORS 351.250 is amended to read:

8 351.250. Moneys received by the board as a result of ownership or management of property ac-
 9 quired under ORS 351.220 to 351.250 or of transactions regarding such property shall be credited to
 10 a designated account in the Oregon University System Fund established by ORS 351.506 and shall
 11 only be applied by the [*State Board of Higher Education*] **Oregon Education Investment Board** to
 12 payment of the agreed share, if any, to assignors, and for the advancement of research or for the
 13 acquisition and development of intellectual property, or both. Interest earned by the account shall
 14 be credited to the account.

15 **SECTION 118.** ORS 351.260 is amended to read:

16 351.260. The [*State Board of Higher Education*] **Oregon Education Investment Board** may es-
 17 tablish and maintain planning facilities and undertake planning work for the provision of, or related
 18 to, local planning services and may:

19 (1) Upon the request of the governing body of any municipality, county, Indian reservation or
 20 of a regional or joint planning agency in the state, provide planning assistance to such municipality,
 21 county, Indian reservation or planning agency (including surveys, land use studies, urban renewal
 22 plans, technical services and other planning work) and make or assist in making a study or report
 23 upon any planning problem of such municipality, county, Indian reservation or planning agency.

24 (2) Agree with such governing body or planning agency as to the amount to be paid to the board
 25 for such service.

26 (3) Apply for and accept grants from the federal government and other sources in connection
 27 with any such planning work.

28 (4) Contract with respect thereto.

29 **SECTION 119.** ORS 351.267 is amended to read:

30 351.267. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 31 give individual, written notice of reasonable assurance of continued employment to all employees
 32 who are to perform services in the same or a similar capacity during a subsequent academic year
 33 or term or in the period immediately following a recess period. Such notice shall be given by June
 34 15 of each year for employees employed as of that date and as of the date of hire for employees
 35 employed subsequent to June 15.

36 (2) Academic staff members on annual or indefinite tenure and all other employees on regular
 37 status are considered to have been given notice for the purposes of this section.

38 (3) No liability shall accrue from failure to give the notice required by subsection (1) of this
 39 section or from the timing or contents thereof on the part of the board. However, the board shall
 40 enforce the provisions of subsection (1) of this section.

41 **SECTION 120.** ORS 351.277 is amended to read:

42 351.277. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 43 establish by rule procedures to identify officially sanctioned programs for purposes of ORS 283.310
 44 (3).

45 (2) As used in this section, “officially sanctioned program” is a program identified by the

1 [state] board through the procedures established pursuant to subsection (1) of this section.

2 **SECTION 121.** ORS 351.282 is amended to read:

3 351.282. Except for risk management and insurance functions, the [*State Board of Higher Edu-*
4 *cation*] **Oregon Education Investment Board** and the Oregon University System shall assume re-
5 sponsibility, in accordance with agreements entered into with the Department of Justice and the
6 State Treasurer, for the indemnity and defense of their officers, agents and employees or other per-
7 sons designated by the board or the system to carry out or further their missions with regard to
8 claims asserted and actions commenced as of January 1, 2012.

9 **SECTION 122.** ORS 351.284 is amended to read:

10 351.284. For risk management and insurance functions, the [*State Board of Higher Education*]
11 **Oregon Education Investment Board** and the Oregon University System shall assume responsi-
12 bility, in accordance with agreements entered into with the Oregon Department of Administrative
13 Services regarding its risk management function and the manager of the Insurance Fund established
14 in ORS 278.425, for the indemnity and defense of their officers, agents and employees or other per-
15 sons designated by the board or the system to carry out or further their missions with regard to
16 claims asserted and actions commenced as of July 1, 2012.

17 **SECTION 123.** ORS 351.287 is amended to read:

18 351.287. Except as otherwise provided by law, all liabilities, known and unknown, of the [*State*
19 *Board of Higher Education*] **Oregon Education Investment Board** and the Oregon University
20 System existing on or arising after January 1, 2012, or, for liabilities related to risk management
21 or insurance functions, arising after July 1, 2012, are the sole responsibility of the board and system.
22 Damages, costs and other expenses arising out of and related to liabilities of the board and the
23 system after January 1, 2012, shall be payable from the Oregon University System Fund or from
24 insurance purchased, a self-insurance program established or another insurance equivalent arranged
25 for under ORS 351.096.

26 **SECTION 124.** ORS 351.310 is amended to read:

27 351.310. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
28 control the use, distribution and disbursement of all funds, appropriations and taxes now or here-
29 after in possession, levied and collected, received or appropriated for the use, benefit, support and
30 maintenance of the public universities listed in ORS 352.002 and offices, departments and activities
31 under the control of the board, including the authorization of individuals to sign vouchers for the
32 disbursement of funds for the various public universities, offices, departments and activities.

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

40 **SECTION 125.** ORS 351.320 is amended to read:

41 351.320. The [*State Board of Higher Education*] **Oregon Education Investment Board** may
42 prorate all expenses not otherwise provided for, incurred under authority of ORS [351.040, 351.045,]
43 351.100, 351.110, 351.130 and 351.310 to the public universities under its control, and pay the same
44 from the funds available for the general expenses of those universities.

45 **SECTION 126.** ORS 351.340 is amended to read:

1 351.340. All sums of money provided by law for the support and maintenance of the public uni-
 2 versities listed in ORS 352.002 and offices, departments and activities under the control of the [*State*
 3 *Board of Higher Education*] **Oregon Education Investment Board** may be used for the payment
 4 of salaries of instructors and employees, current expenses, construction of additional buildings,
 5 purchase of lands, purchase of equipment, purchase of library books and periodicals, purchase of
 6 laboratory supplies and apparatus and making necessary repairs and, in general, for the payment
 7 of all such expenses connected with the management of the public universities and offices, depart-
 8 ments and activities, as the board may from time to time determine. However, such moneys in the
 9 instruction budget of the board shall not be used to support hobby or recreation courses.

10 **SECTION 127.** ORS 351.345 is amended to read:

11 351.345. In order to provide funds for the purposes specified in Article XI-G of the Oregon
 12 Constitution, the [*State Board of Higher Education*] **Oregon Education Investment Board** may
 13 request the State Treasurer to issue bonds in accordance with the provisions of ORS chapter 286A.

14 **SECTION 128.** ORS 351.350 is amended to read:

15 351.350. In order to provide funds for the purposes specified in Article XI-F(1), Oregon Consti-
 16 tution, the [*State Board of Higher Education*] **Oregon Education Investment Board** may request
 17 the State Treasurer to issue bonds in accordance with the provisions of ORS chapter 286A.

18 **SECTION 129.** ORS 351.353 is amended to read:

19 351.353. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may
 20 undertake the construction of an off-street motor vehicle parking facility in Portland, Oregon, for
 21 higher education pursuant to Article XI-F(1), Oregon Constitution, ORS 351.160 to 351.190, 351.350
 22 to 351.460 and 351.505. The parking facility shall be for the use of the students and staff members
 23 of the board. The board shall establish the rates, charges and fees for use of the parking facility in
 24 accordance with the provisions of ORS 351.170.

25 (2) Bonds may be sold to finance the facility described in this section, in an amount authorized
 26 and under the conditions prescribed by ORS 351.350.

27 **SECTION 130.** ORS 351.356 is amended to read:

28 351.356. (1) As used in this section:

29 (a) "Bond" means a bond issued under Article XI-F(1) of the Oregon Constitution.

30 (b) "Credit enhancement device" means a letter of credit, line of credit, bond insurance policy,
 31 standby purchase agreement, surety bond or other device or facility used to enhance the
 32 creditworthiness, liquidity or marketability of a bond.

33 (c) "Financial agreement" means an agreement for exchange of interest rates, as defined in ORS
 34 286A.001, a credit enhancement device or an agreement made in connection with a credit enhance-
 35 ment device, that is executed for one or more bonds.

36 (2) The State of Oregon, acting through the [*State Board of Higher Education*] **Oregon Educa-**
 37 **tion Investment Board** or the State Treasurer, may:

38 (a) Enter into financial agreements.

39 (b) Identify, segregate, pledge and agree to pay amounts due under financial agreements entered
 40 into under this section from:

41 (A) The revenues described in section 2, Article XI-F(1) of the Oregon Constitution; or

42 (B) The unexpended proceeds of the bonds for which financial agreements are executed.

43 (c) To the extent permitted by Article XI-F(1) of the Oregon Constitution, issue bonds to secure
 44 the state's obligation to make payments under a financial agreement. If a bond is issued under this
 45 paragraph, the bond amount shall count toward the limit described in section 1, Article XI-F(1) of

1 the Oregon Constitution, only to the extent that it increases the amount the state is obligated to
 2 pay under other bonds.

3 **SECTION 131.** ORS 351.460 is amended to read:

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

7 (a) The bonds issued under authority of Article XI-F(1) of the Oregon Constitution and ORS
 8 351.350;

9 (b) The bonds issued under authority of Article XI-G of the Oregon Constitution and ORS
 10 351.345; and

11 (c) Amounts due under financial agreements entered into under ORS 351.356.

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

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

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

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

18 (b) All moneys that the Legislative Assembly may provide in lieu of ad valorem taxes;

19 (c) The revenues transferred to the account maintained under this section pursuant to sub-
 20 section (6) of this section;

21 (d) All moneys received as accrued interest upon bonds sold;

22 (e) All earnings from investments of the account;

23 (f) Net proceeds of the sale of refunding bonds; and

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

26 (5) The board may credit the account maintained under this section with moneys received from
 27 either a sale or interfund transfer of buildings, structures, land or other projects. When the
 28 buildings, structures, land or other projects are sold or the use of the buildings, structures, land or
 29 other projects is rededicated so that a transfer from one subaccount to another subaccount is ap-
 30 propriate, the moneys received shall be credited to the appropriate subaccount.

31 (6)(a) The board shall transfer revenues to the account maintained under this section in amounts
 32 sufficient to pay, when due, the principal of and the interest and any premium upon the bonds issued
 33 under authority of Article XI-F(1) of the Oregon Constitution. Revenues not required for the account
 34 as described in this subsection shall be transferred to other accounts and subaccounts within the
 35 Oregon University System Fund that are designated by the [*Chancellor of the Oregon University*
 36 *System*] **Chief Education Officer**. The portion of student building fees that are imposed under ORS
 37 351.170 to provide the funds with which to amortize the principal of and pay the interest on bonds
 38 issued under Article XI-F(1) of the Oregon Constitution shall be applied only to pay those bonds.

39 (b) For purposes of this subsection, "revenues" includes all funds available to the board except:

40 (A) Amounts appropriated by the Legislative Assembly from the General Fund; and

41 (B) Lottery funds allocated for debt service.

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

44 (b) Notwithstanding paragraph (a) of this subsection, if the balance in any subaccount exceeds
 45 the amount required to pay debt service during a fiscal period, the board may transfer the surplus

1 in the subaccount to other accounts in the Oregon University System Fund. This paragraph does
 2 not apply to any surplus consisting of General Fund moneys appropriated for debt service or lottery
 3 funds allocated for debt service. Any surplus consisting of General Fund moneys appropriated for
 4 debt service shall revert to the General Fund as provided in ORS 293.190.

5 **SECTION 132.** ORS 351.473 is amended to read:

6 351.473. As used in ORS 351.473 to 351.485:

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

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

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

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

13 (C) Paying the fees, administrative costs and expenses of the State Treasurer and the Oregon
 14 University System, including the costs of consultants or advisers retained by the State Treasurer
 15 or the [*Chancellor of the Oregon University System*] **Chief Education Officer**, for the higher educa-
 16 tion revenue bonds.

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

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

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

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

24 (2) "Higher education revenue bonds" means revenue bonds issued pursuant to ORS 351.476.

25 (3) "Higher education revenues" includes:

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

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

31 **SECTION 133.** ORS 351.476 is amended to read:

32 351.476. (1) At the request of the [*Chancellor of the Oregon University System*] **Chief Education**
 33 **Officer**, the State Treasurer may issue, as provided in ORS chapter 286A, higher education revenue
 34 bonds from time to time, the net proceeds of which must be used to:

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

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

38 (c) Pay bond-related costs.

39 (2)(a) Before pledging all or a portion of higher education revenues, pursuant to ORS 286A.102,
 40 to secure higher education revenue bonds, higher education credit enhancement devices or agree-
 41 ments for exchange of interest rates related to such revenue bonds or credit enhancement devices,
 42 the [*chancellor*] **Chief Education Officer** shall reserve sufficient funds each biennium to satisfy any
 43 payment or reserve requirements relating to:

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

1 (B) Credit enhancement devices or agreements for exchange of interest rates entered into in
2 connection with obligations related to general obligation bonds or certificates of participation issued
3 for the benefit of the Oregon University System; and

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

5 (b) Pursuant to ORS 286A.010, the Oregon University System shall provide cash flow projections
6 and other information requested by the State Treasurer to determine the sufficiency of higher edu-
7 cation revenues to satisfy the requirements of paragraph (a) of this subsection and any proposed
8 revenue bonds.

9 (c) For purposes of the issuance of bonds and ORS chapter 286A, the Oregon University System
10 shall be considered a related agency as defined in ORS 286A.001 (9).

11 (d) The *[chancellor]* **Chief Education Officer** shall identify the specific higher education reven-
12 ues that will be pledged to secure each series of higher education revenue bonds and specify the
13 status of the lien of each pledge.

14 (3) The *[chancellor]* **Chief Education Officer** may enter into covenants, pursuant to ORS
15 286A.025 (4)(c), on behalf of the State of Oregon for the benefit of holders of higher education re-
16 venue bonds, providers of credit enhancement for higher education revenue bonds and counterpar-
17 ties to agreements for exchange of interest rates to:

18 (a) Adjust the rates, charges or fees that produce higher education revenues so that higher ed-
19 ucation revenues equal or exceed specified levels during specified periods.

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

22 (c) Budget and apply higher education revenues, or otherwise allow higher education revenues
23 to be applied, in amounts that, when added to other moneys lawfully available for the purpose, will
24 be sufficient:

25 (A) To pay in full and when due the principal, interest and premium on outstanding higher ed-
26 ucation revenue bonds;

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

29 (C) To maintain the balance required by covenants in any debt service reserves established for
30 the higher education revenue bonds.

31 (4) The *[chancellor]* **Chief Education Officer** shall operate the properties of the Oregon Uni-
32 versity System in compliance with the higher education revenue bond covenants until all higher
33 education revenue bonds are paid or defeased.

34 (5) Higher education revenue bonds are not a general obligation of the State of Oregon, and
35 neither the full faith and credit nor the taxing power of the State of Oregon may be pledged to se-
36 cure or pay the higher education revenue bonds.

37 (6) The State Treasurer and the Oregon University System do not have an obligation to pay
38 bond-related costs except as provided in ORS 351.473 to 351.485. A holder of higher education re-
39 venue bonds issued under this section does not have the right to compel the exercise of the taxing
40 power of the State of Oregon to pay bond-related costs.

41 (7) As long as any higher education revenue bonds issued under this section are outstanding,
42 covenants related to the higher education revenue bonds are deemed to be contracts between the
43 State of Oregon and holders of the higher education revenue bonds. The State of Oregon may not
44 give force or effect to a statute or initiative or referendum measure approved by the electors of this
45 state if doing so would unconstitutionally impair existing covenants made with the holders of exist-

1 ing higher education revenue bonds or would unconstitutionally impair other obligations or agree-
2 ments regarding the security of higher education revenue bonds to which the moneys deposited in
3 the accounts established by ORS 351.479, 351.482 and 351.485 are pledged and assigned.

4 (8) The principal, interest and any premium and any issuance costs on a financing agreement
5 under ORS 283.085 to 283.092, any general obligation bond, any revenue bond and any related credit
6 enhancement device or interest rate exchange agreement shall be paid from the sources specified in
7 the laws and documents authorizing the financing agreement, bond, credit enhancement device or
8 interest rate exchange agreement. The Oregon University System shall pay any other expenses and
9 liabilities, including but not limited to legal expenses, costs of settling claims, judgments, federal
10 arbitrage rebates and penalties and expenses arising from an inquiry, audit or other action by a
11 federal or state regulatory body, unless the expense or liability results solely from the negligence
12 or willful misconduct of a state agency.

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

18 **SECTION 134.** ORS 351.505 is amended to read:

19 351.505. The [*State Board of Higher Education*] **Oregon Education Investment Board** may, in
20 its discretion, accept financial assistance and grants, either in the form of money or labor, from the
21 United States or any of its agencies, subject to the terms and conditions thereof, regardless of any
22 laws of this state in conflict with the regulations of the federal government with respect thereto,
23 and may also accept from others any donation or grant of land or gift of money or other valuable
24 gift or thing, for any of the purposes contemplated by Article XI-F(1) and Article XI-G of the Oregon
25 Constitution, ORS 351.160 to 351.190, 351.345 to 351.460, 351.500 and 351.505. Unless enjoined by the
26 terms or conditions of any such gift or grant, the board may convert the same, or any of them, into
27 money, through sale or disposal thereof.

28 **SECTION 135.** ORS 351.506 is amended to read:

29 351.506. (1) The Oregon University System Fund is established in the State Treasury, separate
30 and distinct from the General Fund. Any interest or other investment income derived from moneys
31 in the Oregon University System Fund is credited to the fund.

32 (2) Except for moneys otherwise designated by statute or federal law, all moneys received by the
33 [*State Board of Higher Education*] **Oregon Education Investment Board** or the Oregon University
34 System shall be paid into the State Treasury and credited to the Oregon University System Fund.
35 All moneys in the fund are continuously appropriated to the [*State Board of Higher Education*]
36 **Oregon Education Investment Board** for purposes authorized by law.

37 (3) The moneys in the Oregon University System Fund may be invested as provided in ORS
38 293.701 to 293.820.

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

43 (5) The board shall keep a record of all moneys deposited into the Oregon University System
44 Fund. The record shall indicate by separate cumulative accounts and subaccounts the sources from
45 which the moneys are derived and the individual activity or program against which each withdrawal

1 is charged.

2 **SECTION 136.** ORS 351.590 is amended to read:

3 351.590. (1) An account in the Oregon University System Fund established by ORS 351.506 is
4 designated for the purpose of receiving all revenue from incidental fees, optional fees, health ser-
5 vices fees and all operating revenue from intercollegiate athletics, student unions and educational
6 activities.

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

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

15 **SECTION 137.** ORS 351.615 is amended to read:

16 351.615. Moneys set aside by higher education auxiliary activities for repair and alteration of
17 buildings and replacement of equipment shall be credited to an account designated for that purpose
18 in the Oregon University System Fund established by ORS 351.506. Income and interest derived from
19 moneys in the account are credited to the account for distribution to the several auxiliary activities
20 in accord with rules adopted by the [State Board of Higher Education] **Oregon Education Invest-**
21 **ment Board**. The moneys in the account may be used only for the repair and alteration of auxiliary
22 enterprise buildings and replacement of equipment as designated by the board, after hearing any
23 recommendations by recognized student governments.

24 **SECTION 138.** ORS 351.627 is amended to read:

25 351.627. (1) An account in the Oregon University System Fund established by ORS 351.506 is
26 designated for the purpose of capital construction.

27 (2) The account designated by this section consists of moneys credited to the account, including
28 moneys from the Administrative Services Economic Development Fund. Interest earned on moneys
29 in the account is credited to the account.

30 (3) A building, facility or project to be funded from the account designated by this section may
31 not be commenced and an expenditure for the building, facility or project may not be made or in-
32 curred except for land purchases and architectural or engineering planning until a plan for the
33 building, facility or project has been submitted by the [State Board of Higher Education] **Oregon**
34 **Education Investment Board** to and approved by the Emergency Board.

35 **SECTION 139.** ORS 351.633 is amended to read:

36 351.633. Any contract entered into by the [State Board of Higher Education] **Oregon Education**
37 **Investment Board** to be paid from the account designated by ORS 351.627 for which there are in-
38 sufficient funds in the account at the time the contract is entered into must contain a provision
39 authorizing cancellation of the contract if the funds do not become available.

40 **SECTION 140.** ORS 351.638 is amended to read:

41 351.638. (1) An account in the Oregon University System Fund established by ORS 351.506 is
42 designated for the purpose of attracting new, outstanding faculty members to the public universities
43 listed in ORS 352.002. This purpose includes payment of costs incurred in relocating new faculty,
44 retraining necessary teaching assistants for new faculty, acquisition of equipment such as laboratory
45 equipment and facilities to support research by new faculty, payment of other costs incurred in re-

1 recruiting new faculty and payment of costs associated with committing salary supplements to newly
 2 recruited faculty over a period of more than one year.

3 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall seek
 4 funds from private sources for deposit to the credit of the account designated by this section.

5 **SECTION 141.** ORS 351.642 is amended to read:

6 351.642. (1) As used in this section:

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

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

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

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

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

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

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

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

20 (c) “Dependent children” includes any children of an active member of the Armed Forces of the
 21 United States who:

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

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

25 (2) Active members of the Armed Forces of the United States and their spouses and dependent
 26 children shall be considered residents of this state for the purpose of admission and for the purpose
 27 of determining fees and tuition to be paid by such individuals while attending any public university
 28 that is under the control of the [*State Board of Higher Education*] **Oregon Education Investment**
 29 **Board.**

30 (3) The [*State Board of Higher Education*] **Oregon Education Investment Board** may contract
 31 with the Armed Forces of the United States to furnish educational service in the public universities
 32 to active members of the Armed Forces of the United States.

33 (4) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall deter-
 34 mine the number of such students that should be accepted and shall make final decisions on admis-
 35 sion of individual applicants.

36 (5) Students attending the public universities under contracts with the Armed Forces of the
 37 United States under this section shall pay fees and tuition customarily charged Oregon students.

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

41 **SECTION 142.** ORS 351.643 is amended to read:

42 351.643. (1) A student at a public university listed in ORS 352.002 who is a member of the mili-
 43 tary and who is ordered to federal or state active duty for more than 30 consecutive days has the
 44 following rights:

45 (a) With regard to a course in which the student is enrolled and for which the student has paid

1 tuition and fees, the right to:

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

3 (B) Receive a grade of incomplete and, upon release from active duty, complete the course in
4 accordance with the practice of the public university for completion of incomplete courses; or

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

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

9 (c) If the student elects to withdraw from the public university, the right to be readmitted and
10 reenrolled at the public university within one year after release from active duty without a re-
11 quirement of redetermination of admission eligibility; and

12 (d) The right to continuation of scholarships and grants awarded to the student that were funded
13 by the public university or the Oregon Student Access Commission before the student was ordered
14 to active duty.

15 (2) If the student elects to withdraw from a course under subsection (1)(a)(A) of this section, the
16 public university may not:

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

18 (b) Give the student a failing grade or a grade of incomplete or make any other negative anno-
19 tation on the student's record; or

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

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

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

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

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

30 (4) The *[State Board of Higher Education]* **Oregon Education Investment Board** shall adopt
31 rules for the administration of this section.

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

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

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

36 **SECTION 143.** ORS 351.644 is amended to read:

37 351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b) shall be based on:

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

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

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

44 (c) At the time a student withdraws from a course at a public university listed in ORS 352.002
45 or from the public university, the student must elect to claim the credit:

1 (A) As a credit toward tuition and fees or room and board if the student reenrolls at the public
2 university under ORS 351.643 (1)(c); or

3 (B) As a monetary payment.

4 (2) A student who elects to claim the credit by the method described in subsection (1)(c)(A) of
5 this section may change the method of claiming the credit to the method described in subsection
6 (1)(c)(B) of this section by giving notice to the public university from which the student withdraws.

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

10 (4) A personal representative of a student who elected to claim the credit by the method de-
11 scribed in subsection (1)(c)(A) of this section may claim a monetary payment upon presenting evi-
12 dence to the public university that the student died while serving on active duty.

13 (5) The *[State Board of Higher Education]* **Oregon Education Investment Board** shall adopt
14 rules for the administration of this section, including rules that determine the amount of credit and
15 the method by which the credit is prorated.

16 **SECTION 144.** ORS 351.646 is amended to read:

17 351.646. A public university listed in ORS 352.002 shall give credit for education and training
18 obtained by a person while serving in the Armed Forces of the United States, as defined in ORS
19 351.642. The education and training for which credit may be given must meet the standards adopted
20 by the *[State Board of Higher Education]* **Oregon Education Investment Board** by rule.

21 **SECTION 145.** ORS 351.647, as amended by section 229, chapter 637, Oregon Laws 2011, is
22 amended to read:

23 351.647. The Legislative Assembly finds that:

24 (1) It is in the interest of this state and its people that Oregon residents have access to the
25 post-secondary institutions in the Northwest which best provide for the educational needs of those
26 students;

27 (2) The people of Oregon and their post-secondary institutions benefit through the provision of
28 access to Oregon colleges and universities for students from the state of Washington and from the
29 enhanced economic and cultural well-being of the northwest region;

30 (3) The state should reduce or eliminate the nonresident tuition barriers which might exist be-
31 tween the states of Oregon and Washington to restrict or inhibit enrollment of residents of one of
32 these states in a community college or public college or university in the other state;

33 (4) The general policy statement on reduction of admission and tuition barriers between the
34 states of Oregon and Washington shall not apply to students at the Oregon Health and Science
35 University, where enrollment priority shall continue to be given to qualified Oregon residents; and

36 (5) The *[State Board of Higher Education]* **Oregon Education Investment Board** and the
37 Higher Education Coordinating Commission shall develop plans to carry out the intent of this policy
38 within the appropriations available, and shall report to the appropriate legislative review agency
39 before implementing the plan.

40 **SECTION 146.** ORS 351.658 is amended to read:

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

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

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

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

3 (2) The public university may charge the student attending under subsection (1) of this section
4 fees associated with the course being audited.

5 (3) A public university may develop rules for implementation of this section, including rules re-
6 lating to registration, admission and fees.

7 **SECTION 147.** ORS 351.663 is amended to read:

8 351.663. (1) The Engineering and Technology Industry Council is established. A majority of the
9 council members are representatives of high technology companies in Oregon. The council shall be
10 consulted on the work plans and resource allocations for engineering education.

11 (2) The council shall establish criteria and measurements that will be used for determining in-
12 vestments made from the account designated by ORS 351.666.

13 (3) The criteria and measurements established by the council include:

14 (a) Responding to the urgent engineering educational needs of Oregon's fast growing high tech-
15 nology industry, especially in the Portland metropolitan area.

16 (b) Increasing this state's faculty and program capacity to meet the graduate level, professional
17 education needs of engineers working in Oregon's high technology industry through investments in
18 public and private institutions.

19 (c) Creating additional opportunities for Oregonians to pursue education in electrical engineer-
20 ing, computer engineering and other engineering disciplines critical to the advancement of Oregon's
21 high technology industry.

22 (d) Investing relatively scarce state financial resources to:

23 (A) Address the high technology industry's most demonstrated and pressing needs;

24 (B) Produce the greatest amount of educational benefits with the least short-term and long-term
25 costs to the public;

26 (C) Avoid duplicating existing public or private resources; and

27 (D) Leverage existing and future private resources for the public benefit.

28 (e) Making all investments in public and private institutions through performance-based con-
29 tracts with measurable outcomes in order to ensure strong linkage between the most urgent engi-
30 neering education needs and implemented solutions.

31 (f) Maximizing the leverage of state investment funds to build faculty and program capacity and
32 share existing and new faculty and program resources.

33 (4) Priority is given to investments where private financial resources from Oregon high tech-
34 nology companies or individuals with significant interests in the growth of high technology in
35 Oregon are made available to augment public funds.

36 (5) The council must submit biennial performance reviews of all investments made to improve
37 engineering education with public funds in public and private institutions. The reviews must be
38 submitted to the [*Chancellor of the Oregon University System*] **Chief Education Officer** and the
39 [*State Board of Higher Education*] **Oregon Education Investment Board**.

40 **SECTION 148.** ORS 351.666 is amended to read:

41 351.666. (1) An account in the Oregon University System Fund established by ORS 351.506 is
42 designated for the purpose of investments in engineering education. Interest earned on moneys in
43 the account is credited to the account.

44 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall use the
45 moneys in the account designated by this section solely for the purpose of investing in engineering

1 education. The board shall follow the criteria and measurements established by the Engineering and
2 Technology Industry Council in allocating moneys for investments in engineering education.

3 **SECTION 149.** ORS 351.668 is amended to read:

4 351.668. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall use
5 the money from the account designated by ORS 351.666 solely for the purpose of investing in engi-
6 neering education. The board shall follow the criteria and measurements established by the Engi-
7 neering and Technology Industry Council in allocating money for investments in engineering
8 education.

9 **SECTION 150.** ORS 351.692 is amended to read:

10 351.692. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
11 adopt policies that prescribe the requirements for a venture grant program and the requirements
12 that a grant applicant must meet in order to receive grant moneys from a university venture de-
13 velopment fund, including requirements:

14 (1) That a grant recipient remain within this state for at least five years following the receipt
15 of a grant or repay the grant plus interest;

16 (2) That each university that establishes a university venture development fund report amounts
17 of tax credit certificates issued by the university and maintain records of income realized by the
18 university as the result of grants made from the fund and records of amounts paid to the General
19 Fund; and

20 (3) Under which the Oregon University System is to maintain records and issue directions to
21 universities that have established university venture development funds relating to when universi-
22 ties must cease issuing certificates, in order to ensure that the total amount owed to the General
23 Fund by the Oregon University System at any one time under ORS 351.697 (6) does not exceed \$6
24 million.

25 **SECTION 151.** ORS 351.697 is amended to read:

26 351.697. (1) Each university in the Oregon University System and Oregon Health and Science
27 University may elect to establish a university venture development fund as provided in this section
28 for the purpose of facilitating the commercialization of university research and development. A
29 university shall direct that the university venture development fund be administered, in whole or in
30 part, by the university or by the university's affiliated foundation.

31 (2) The purposes of a university venture development fund are to provide:

32 (a) Capital for university entrepreneurial programs;

33 (b) Opportunities for students to gain experience in applying research to commercial activities;

34 (c) Proof-of-concept funding for transforming research and development concepts into commer-
35 cially viable products and services;

36 (d) Entrepreneurial opportunities for persons interested in transforming research into viable
37 commercial ventures that create jobs in this state; and

38 (e) Tax credits for contributors to university research commercialization activities.

39 (3) Each university that elects to establish a university venture development fund shall:

40 (a) Notify the Department of Revenue of the establishment of the fund;

41 (b) Either directly or through its affiliated foundation, solicit contributions to the fund and re-
42 ceive, manage and disburse moneys contributed to the fund;

43 (c) Subject to ORS 315.521 (1), 351.692 (3) and 353.445 (3), issue tax credit certificates to con-
44 tributors to the fund in the amount of the contributions;

45 (d) Establish a grant program that meets the requirements for a venture grant program under

1 policies adopted by the [*State Board of Higher Education*] **Oregon Education Investment Board**
 2 under ORS 351.692 or under policies adopted by the Oregon Health and Science University Board
 3 of Directors under ORS 353.445; and

4 (e) Subject to available moneys from the fund, provide qualified grant applicants with moneys
 5 for the purpose of facilitating the commercialization of university research and development.

6 (4) Except as provided in subsection (5) of this section, moneys in a university venture devel-
 7 opment fund shall be disbursed only as directed by a university.

8 (5) A university or its affiliated foundation may charge its customary administrative assessment
 9 to manage its university venture development fund in an amount not to exceed three percent of the
 10 fund's average balance during the fiscal year of the university or its affiliated foundation. The ad-
 11 ministrative assessment may be paid from the assets in the fund. Except as authorized by law, no
 12 other fees or indirect costs shall be charged against the university venture development fund or any
 13 associated grants or other disbursements from the fund.

14 (6) A university that has established a university venture development fund shall monitor the
 15 use of grants made from the fund and identify the income realized by the university as the result
 16 of the use of the grants. Income consists of cash realized from royalties, milestone and license fee
 17 payments and cash from the sale of equity. The university shall cause the transfer of 20 percent of
 18 the income realized from the grants to the General Fund, but not to exceed the amount of the tax
 19 credits issued by the university as a result of contributions to its university venture development
 20 fund. Immediately upon deposit of the transferred amount into the General Fund, the university may
 21 issue new tax credits to equal the transferred amount.

22 (7) A university that has established a university venture development fund shall report annually
 23 to the Legislative Assembly or, if the Legislative Assembly is not in session, to the interim legisla-
 24 tive committees on revenue. The report shall be at the end of the fiscal year of the university or
 25 of its affiliated foundation and provide information for that fiscal year. The university shall include
 26 in the report the following information pertaining to its university venture development fund:

27 (a) The amount of donations received for the fund;

28 (b) The amount of income received from the fund;

29 (c) The amount of disbursements and grants paid from the fund;

30 (d) The amount of income and royalties received from disbursements from the fund; and

31 (e) The amount of moneys transferred from the fund to the General Fund.

32 **SECTION 152.** ORS 351.708 is amended to read:

33 351.708. The State Board of Education and the [*State Board of Higher Education*] **Oregon Edu-**
 34 **cation Investment Board** shall establish baselines and conduct annual reviews of each public in-
 35 stitution of higher education with respect to the employment of full-time faculty and of faculty
 36 working less than full-time. Each public institution of higher education shall provide the necessary
 37 data for the board's report prior to September 1 of each year. The boards shall report the results
 38 of the reviews to the Legislative Assembly and the Governor's office prior to October 1 of each year.
 39 The reviews shall include:

40 (1) Examination of data related to the ratio of courses taught by the following faculty catego-
 41 ries:

42 (a) Full-time faculty;

43 (b) Part-time faculty; and

44 (c) Graduate assistants;

45 (2) The pay differential for the faculty categories; and

1 (3) The health care and other benefits provided for each faculty category.

2 **SECTION 153.** ORS 351.718 is amended to read:

3 351.718. (1) The members of the Higher Education Coordinating Commission must be residents
4 of this state who are well informed on the principles of higher education.

5 (2) A member of the [*State Board of Higher Education*] **Oregon Education Investment Board**,
6 Oregon Health and Science University Board of Directors or the governing board of a community
7 college district may not serve as a member of the Higher Education Coordinating Commission.

8 **SECTION 154.** ORS 351.735 is amended to read:

9 351.735. The Higher Education Coordinating Commission shall:

10 (1) Develop state goals and associated accountability measures for the state post-secondary ed-
11 ucation system, including community colleges and public universities listed in ORS 352.002, and for
12 the Oregon Student Access Commission.

13 (2) Develop a strategic plan for achieving state higher education goals, identifying priority areas
14 for attention and taking into consideration the contributions of this state's independent institutions
15 and other organizations dedicated to helping Oregonians reach state goals. Goals should include, but
16 need not be limited to:

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

18 (b) Increasing this state's global economic competitiveness and the quality of life of its citizens;

19 (c) Ensuring affordable access for qualified Oregon students at each college or public university;

20 and

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

22 (3) Evaluate and recommend changes to statutory goals and missions described for community
23 colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiving rec-
24 ommendations from the appropriate governing board. The appropriate governing board shall have
25 decision-making authority over program offerings to implement established goals and missions.

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

28 (a) Recommended biennial appropriations to institutions, including a component specifically tied
29 to institutional contributions to state educational priorities;

30 (b) Recommended limits regarding the setting of tuition rates at public universities listed in ORS
31 352.002 in accordance with criteria set by the [*State Board of Higher Education*] **Oregon Education**
32 **Investment Board**, with the goal of encouraging tuition affordability for students;

33 (c) Tuition rates set by each community college governing board for community colleges in this
34 state;

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

36 (e) Recommended biennial appropriations for any future statewide higher education initiatives.

37 (5) Each biennium, recommend to the Governor and the Legislative Assembly a consolidated
38 higher education budget request consistent with the finance model, including appropriations for:

39 (a) Ongoing operations of the Oregon Student Access Commission;

40 (b) Ongoing operations for the Oregon University System;

41 (c) Ongoing operations for community colleges;

42 (d) Needed new facilities or programs; and

43 (e) Capital improvements.

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

1 (7) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of
2 student financial assistance programs, including the Oregon Opportunity Grant program under ORS
3 348.260.

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

5 (9) Authorize degrees to be offered in this state in accordance with ORS 348.594 to 348.615, and
6 adopt any rules to implement that authority.

7 **SECTION 155.** ORS 351.810 is amended to read:

8 351.810. The [*State Board of Higher Education*] **Oregon Education Investment Board**, the
9 Oregon Health and Science University and the Oregon members of the Western Interstate Commis-
10 sion for Higher Education are authorized to take any action necessary to achieving the ends of the
11 Western Regional Higher Education Compact.

12 **SECTION 156.** ORS 351.820 is amended to read:

13 351.820. (1) Prior to June 1 of each even-numbered year the Oregon members of the Western
14 Interstate Commission for Higher Education shall determine the quotas of Oregon students for whom
15 various kinds of educational service should be purchased in out-of-state institutions during the next
16 biennium and shall recommend to the [*State Board of Higher Education*] **Oregon Education In-**
17 **vestment Board** and the Oregon Health and Science University Board of Directors the amount to
18 be included in its biennial budget to cover the cost of such educational service for students enrolled
19 in their respective institutions.

20 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** and the
21 Oregon Health and Science University Board of Directors shall negotiate contracts with the West-
22 ern Interstate Commission for Higher Education for educational service of the kind and amount in-
23 dicated by the quotas determined under subsection (1) of this section. The **Oregon Education**
24 **Investment Board** shall make payments required by such contracts out of the money appropriated
25 to it for that purpose.

26 (3) The [*State Board of Higher Education*] **Oregon Education Investment Board** may also
27 contract with higher education institutions, or others, which are not members of the Western
28 Interstate Commission for Higher Education, to furnish educational services to students who are
29 residents of the State of Oregon in those areas of higher education where the educational insti-
30 tutions of the State of Oregon are unable to provide the desired professional educational opportu-
31 nities.

32 **SECTION 157.** ORS 351.830 is amended to read:

33 351.830. (1) Any Oregon resident desiring to take advantage of the Western Regional Higher
34 Education Compact may make application to the [*State Board of Higher Education*] **Oregon Edu-**
35 **cation Investment Board** for out-of-state educational service. From such applicants the board
36 shall select students to fill the quotas determined under ORS 351.820.

37 (2) The board and the Oregon members of the Western Interstate Commission for Higher Edu-
38 cation shall jointly establish criteria to be observed by the board in making such selections.

39 (3) The board shall certify the names of the students selected to the Western Interstate Com-
40 mission for Higher Education and to the out-of-state institution to which each student desires ad-
41 mission.

42 **SECTION 158.** ORS 351.840 is amended to read:

43 351.840. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** and
44 the Oregon Health and Science University Board of Directors may contract with the Western
45 Interstate Commission for Higher Education to furnish educational service in their respective

1 Oregon public universities to out-of-state students.

2 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** and the
3 Oregon Health and Science University Board of Directors shall determine the number of out-of-state
4 students that should be accepted into their respective universities, and shall make final decisions
5 on admission of individual applicants.

6 (3) Payments made by the commission under such contracts shall be deposited in and credited
7 to a designated account in the Oregon University System Fund established by ORS 351.506 for stu-
8 dents enrolled in public universities under the jurisdiction of the [*State Board of Higher Education*]
9 **Oregon Education Investment Board** in the same manner that fees and tuition payments for res-
10 ident students are deposited and credited. The estimated amount of the payments must be considered
11 by the **Oregon Education Investment Board** in making its biennial budgetary requests. Payments
12 made by the commission under such contracts must be deposited with the Oregon Health and Sci-
13 ence University for students who enroll in that university under the terms of such contracts.

14 **SECTION 159.** ORS 351.870 is amended to read:

15 351.870. (1) The Legislative Assembly finds and declares that basic research is fundamental to
16 the continuation and expansion of applied research and is thus a necessary ingredient in economic
17 growth. The Legislative Assembly further finds that basic research is itself an important activity
18 which should be promoted.

19 (2) It is the policy of this state that basic research is an appropriate and necessary activity of
20 our public universities. Further, the State of Oregon has an obligation with other states and the
21 federal government to encourage and finance basic research if the state and nation are to be active
22 participants in a future which will require ever increasing levels of knowledge and understanding.

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

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

29 (5) The Legislative Assembly intends that in implementing the policy on basic research or any
30 other research policy, the [*State Board of Higher Education*] **Oregon Education Investment**
31 **Board**, in keeping with the principle of academic freedom, shall ensure open and free inquiry and
32 publication in all public universities under its jurisdiction.

33 **SECTION 160.** ORS 351.875 is amended to read:

34 351.875. (1) An account in the Oregon University System Fund established by ORS 351.506 is
35 designated to provide grants for research.

36 (2) The account designated by this section may consist of moneys from any public or private
37 source. Interest earned on the account is credited to the account.

38 (3) The account designated by this section shall be administered by the [*State Board of Higher*
39 *Education*] **Oregon Education Investment Board** according to policies and procedures adopted
40 pursuant to ORS 351.880 and 351.885.

41 (4) Expenditures from the account designated by this section shall take the form of grants for
42 a time certain and may extend beyond the biennium in which the expenditure is made. Grants may
43 not be used for capital construction.

44 **SECTION 161.** ORS 351.880 is amended to read:

45 351.880. For the purpose of recommending policies and procedures for the administration of the

1 account designated by ORS 351.875, the [*State Board of Higher Education*] **Oregon Education In-**
 2 **vestment Board** shall establish a Council for Research Policy Recommendations.

3 **SECTION 162.** ORS 351.885 is amended to read:

4 351.885. (1) With the advice and recommendations of the Council for Research Policy Recom-
 5 mendations established by ORS 351.880, the [*State Board of Higher Education*] **Oregon Education**
 6 **Investment Board** shall adopt policies and procedures for the administration of the account desig-
 7 nated by ORS 351.875.

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

9 (a) The promotion of basic research of the highest caliber at public universities within the
 10 Oregon University System;

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

13 (c) The capacity of each public university to decide where basic research moneys could best be
 14 spent within that public university;

15 (d) Administrative and accounting requirements that place upon the public university receiving
 16 moneys from the account designated by ORS 351.875 a minimum burden sufficient to guarantee an
 17 appropriate degree of public accountability; and

18 (e) Methods of ensuring nondiscriminatory access to the account designated by ORS 351.875.

19 **SECTION 163.** ORS 352.002 is amended to read:

20 352.002. The Oregon University System established in ORS 351.011 consists of the following
 21 public universities under the jurisdiction of the [*State Board of Higher Education*] **Oregon Educa-**
 22 **tion Investment Board**:

23 (1) University of Oregon.

24 (2) Oregon State University.

25 (3) Portland State University.

26 (4) Oregon Institute of Technology.

27 (5) Western Oregon University.

28 (6) Southern Oregon University.

29 (7) Eastern Oregon University.

30 **SECTION 164.** ORS 352.010 is amended to read:

31 352.010. The president and professors constitute the faculty of each of the public universities
 32 listed in ORS 352.002 and as such have the immediate government and discipline of the public uni-
 33 versity and the students therein, except as otherwise provided by statute or action of the [*State*
 34 *Board of Higher Education*] **Oregon Education Investment Board**. The faculty may, subject to the
 35 supervision of the board under ORS 351.070, prescribe the course of study to be pursued in the
 36 public university and the textbooks to be used.

37 **SECTION 165.** ORS 352.021 is amended to read:

38 352.021. (1) As used in this section, "internment camp" means a relocation center to which
 39 persons were ordered evacuated by Presidential Executive Order 9066, signed on February 19, 1942.

40 (2) A person who meets the requirements of subsection (4) of this section may request a public
 41 university listed in ORS 352.002 to award the person an honorary post-secondary degree.

42 (3) A representative of a deceased person who meets the requirements of subsection (4) of this
 43 section may request a public university to award an honorary post-secondary degree on behalf of the
 44 deceased person.

45 (4) Notwithstanding the requirements for a post-secondary degree established by a public uni-

1 versity or by the [*State Board of Higher Education*] **Oregon Education Investment Board**, a public
 2 university that receives a request under subsection (2) or (3) of this section may award an honorary
 3 post-secondary degree to a person, or on behalf of a deceased person, who:

4 (a) Was a student at the public university in 1942; and

5 (b) Did not graduate from the public university because the person was ordered to an internment
 6 camp.

7 **SECTION 166.** ORS 352.035 is amended to read:

8 352.035. The [*State Board of Higher Education*] **Oregon Education Investment Board** may
 9 open, establish, lay out and dedicate to the public use such streets through the lands situated within
 10 the corporate limits of the City of Eugene, owned by or belonging to the University of Oregon, upon
 11 such terms and conditions as may be agreed upon by the [*State Board of Higher Education*] **board**
 12 and the common council of the City of Eugene. When such streets are so opened, laid out and es-
 13 tablished, they hereby are declared to be dedicated to the public use and are further declared to be
 14 public streets of the City of Eugene.

15 **SECTION 167.** ORS 352.051 is amended to read:

16 352.051. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 17 adopt rules necessary to carry out the provisions of ORS 352.048 to 352.053.

18 **SECTION 168.** ORS 352.230 is amended to read:

19 352.230. (1) Oregon State University is designated and permanently adopted as the agricultural
 20 college of the state and shall provide, in accordance with the objectives sought by Congress in the
 21 establishment of state agricultural colleges, instruction in agriculture and the mechanic arts. The
 22 university is also a Sea Grant College dedicated to education and research in the marine sciences.

23 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** is authorized
 24 to enter into agreements with its counterpart in the State of Idaho and with the Board of Regents
 25 of Washington State University for cooperative development of the program in Veterinary Medicine.

26 **SECTION 169.** ORS 352.360 is amended to read:

27 352.360. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may
 28 enact such regulations as the board deems convenient or necessary to provide for the policing,
 29 control and regulation of traffic and parking of vehicles on the property of any public university
 30 listed in ORS 352.002. The regulations may provide for the registration of vehicles, the designation
 31 of parking areas and the assessment and collection of reasonable fees and charges for parking. The
 32 board may require that before a quarterly or yearly parking privilege for any vehicle is granted to
 33 any full-time or part-time student to use board property, the student must show that the vehicle is
 34 operated by a student holding a valid driver license, that the vehicle is currently registered and that
 35 the student driving the vehicle is insured under a motor vehicle liability insurance policy that meets
 36 the requirements described under ORS 806.080 or that the student or owner of the vehicle has pro-
 37 vided the Department of Transportation with other satisfactory proof of compliance with the finan-
 38 cial responsibility requirements of this state.

39 (2) The regulations enacted pursuant to subsection (1) of this section shall be enforced admin-
 40 istratively under procedures adopted by the board for each public university. Administrative and
 41 disciplinary sanctions may be imposed upon students, faculty and staff for violation of the regu-
 42 lations, including but not limited to, a reasonable monetary penalty which may be deducted from
 43 student deposits, and faculty or staff salaries or other funds in the possession of the public univer-
 44 sity. The board shall provide opportunity for hearing for the determination of controversies in con-
 45 nection with imposition of fines or penalties. The board may prescribe procedures for such hearings

1 despite the provisions of ORS 183.413 to 183.470. Persons other than students, faculty or staff may
 2 voluntarily submit to the hearing procedures prescribed by the board, and shall be bound by the
 3 results of the hearing. The powers granted to the board by this section are supplemental to the ex-
 4 isting powers of the board with respect to the government of activities of students, faculty and staff
 5 and the control and management of property under its jurisdiction.

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

9 (4) All fees and charges for parking privileges and violations are deposited in a designated ac-
 10 count in the Oregon University System Fund established by ORS 351.506 for the purpose of defraying
 11 the costs of constructing bicycle racks and bicycle lanes and of traffic control, enforcement of traffic
 12 and parking regulations and maintenance and operation of parking facilities and for the purpose of
 13 acquiring and constructing additional parking facilities for vehicles at the various public universi-
 14 ties and offices, departments and activities under the control of the board. Fees and charges may
 15 also be credited to the account in the Oregon University System Fund designated by ORS 351.460.
 16 Parking fees shall be established at levels no greater than those required to finance the con-
 17 struction, operation and maintenance of parking facilities on the same campus of the public univer-
 18 sity for which the parking is provided. Notwithstanding ORS 351.072, parking fees or changes in fees
 19 shall be adopted by rule of the board subject to the procedure for rules adopted in ORS chapter 183.

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

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

28 (7) In proceedings brought to enforce regulations enacted pursuant to subsection (1) of this
 29 section, it shall be sufficient to charge the defendant by an unsworn written notice in accordance
 30 with the provisions of ORS 221.333. In any case in which the defendant is not subject to and does
 31 not voluntarily submit to the hearing procedures prescribed under subsection (2) of this section,
 32 proceedings to enforce regulations enacted pursuant to subsection (1) of this section shall be
 33 brought in the name of the board in a circuit court, a justice court or a city court for offenses
 34 committed within the territorial jurisdiction of such court. Such courts shall have concurrent juris-
 35 diction over offenses committed within their respective jurisdictions. All fines, penalties and court
 36 costs recovered shall be paid to the clerk of the court involved and shall be disposed of as provided
 37 in ORS 153.640 to 153.680.

38 **SECTION 170.** ORS 352.383 is amended to read:

39 352.383. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may,
 40 at the request of a public university under its control, authorize the university to establish a police
 41 department and commission one or more employees as police officers. A police department estab-
 42 lished under this section has all of the authority and immunity of a municipal police department of
 43 this state.

44 (2) Police officers commissioned under this section:

45 (a) May enforce criminal laws and any administrative rules and policies adopted by the board

1 or the commissioning university; and

2 (b) Have all the authority and immunity of a peace officer or police officer of this state.

3 (3) When a university establishes a police department and commissions one or more employees
 4 as police officers, the president of the university, in cooperation with the chief of the police de-
 5 partment, shall establish a process by which the university will receive and respond to complaints
 6 involving the policies of the police department and the conduct of the police officers.

7 (4) The board may:

8 (a) Enter into an agreement, or authorize a university under its control to enter into an agree-
 9 ment, with a municipal corporation or any department, agency or political subdivision of this state
 10 for the provision of mutual aid by their respective police officers.

11 (b) Adopt rules to carry out the provisions of this section.

12 **SECTION 171.** ORS 352.385 is amended to read:

13 352.385. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may,
 14 at the request of a public university under its control, authorize the university to commission one
 15 or more of its employees as special campus security officers. The total number of special campus
 16 security officers commissioned at the public universities in the Oregon University System may not
 17 exceed 50. Special campus security officers shall have stop and frisk authority as set forth in ORS
 18 131.605 to 131.625 and probable cause arrest authority and the accompanying immunities as set forth
 19 in ORS 133.310 and 133.315 when acting in the scope of their employment as defined by the [*State*
 20 *Board of Higher Education*] **board**. Special campus security officers shall not be authorized to carry
 21 firearms as police officers and, except as provided in subsection (3) of this section, shall not be
 22 considered police officers for purposes of ORS 181.610, 238.005, 243.005 or 243.736.

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

25 (3) The [*State Board of Higher Education*] **board**, acting by and through its special campus se-
 26 curity officers, is a criminal justice agency for purposes of rules adopted pursuant to ORS 181.730
 27 (3).

28 **SECTION 172.** ORS 352.390 is amended to read:

29 352.390. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 30 cause to have prepared and submitted to the Legislative Assembly a program and time schedule for
 31 the establishment of regional services institutes at appropriate public universities. The program
 32 shall include academic curriculum and practical training appropriate to train students in various
 33 aspects of economic and community services planning, with particular emphasis on economic ser-
 34 vices planning for areas of the state that have common geographic, economic and social character-
 35 istics but that do not have sufficient population to qualify as metropolitan statistical areas.

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

44 (3) In preparing programs for establishing regional services institutes, the board shall give pri-
 45 ority to establishing institutes at Eastern Oregon University and Southern Oregon University. The

1 board may also direct the hiring of an institute director and other staff as may be from time to time
2 required.

3 **SECTION 173.** ORS 352.510 is amended to read:

4 352.510. The interest that may accrue on an account arising from the sale of lands for public
5 universities that were donated to the state by Act of Congress of February 14, 1859, may be depos-
6 ited in and credited to an account in the Oregon University System Fund established by ORS 351.506
7 for the purpose of the maintenance, use and support of the University of Oregon. No part of the
8 interest may be expended otherwise than in the payment of the salaries of the president, professors
9 and teachers of the University of Oregon and other current expenses of the University of Oregon.
10 If at the close of any fiscal year an amount equal to or greater than \$500 of the interest remains
11 unexpended after the full payment of the salaries and expenses for the fiscal year, the amount shall
12 be added to and become a part of the principal of the account. The [*State Board of Higher*
13 *Education*] **Oregon Education Investment Board** or the faculty or other officers of the University
14 of Oregon may not pledge the faith or credit of the University of Oregon in excess of the interest
15 annually accruing on the account, together with the receipts from tuitions and other sources during
16 the current year.

17 **SECTION 174.** ORS 352.530 is amended to read:

18 352.530. The Department of State Lands shall pay the interest received on loans from the ac-
19 count designated by ORS 352.510 to the [*State Board of Higher Education*] **Oregon Education In-**
20 **vestment Board** semiannually.

21 **SECTION 175.** ORS 352.580 is amended to read:

22 352.580. The Department of State Lands shall pay the interest received on loans from the ac-
23 count designated by ORS 352.560 to the [*State Board of Higher Education*] **Oregon Education In-**
24 **vestment Board** semiannually.

25 **SECTION 176.** ORS 352.610 is amended to read:

26 352.610. (1) Oregon State University shall execute the trust created by the last will and
27 testament of John T. Apperson, deceased. The university shall administer the trust fund provided for
28 and designated in the will as the J. T. Apperson Agricultural College Educational Fund.

29 (2) Oregon State University may accept, receive, own, hold, sell and dispose of any and all real
30 and personal property given, devised or bequeathed to the State Land Board by John T. Apperson
31 in trust for the purpose of creating the J. T. Apperson Agricultural College Educational Fund. The
32 university shall manage and use it in accordance with the directions contained in the will of John
33 T. Apperson, deceased, for the purpose of defraying the expenses and assisting in the education at
34 Oregon State University of deserving young men and women who are residents of Oregon and are
35 unable to bear the expense of a collegiate course at that institution.

36 (3) All necessary expenses incurred by Oregon State University in connection with the admin-
37 istration of the trust fund shall be payable out of the fund. The [*State Board of Higher Education*]
38 **Oregon Education Investment Board** or the university, if authority is delegated under ORS
39 351.070, may adopt any necessary rules for the transaction of business related to and the carrying
40 out of this section and ORS 352.620.

41 **SECTION 177.** ORS 353.040 is amended to read:

42 353.040. (1) There is established an Oregon Health and Science University Board of Directors
43 consisting of 10 members. The directors, except for the president of the university, shall be ap-
44 pointed by the Governor and shall be confirmed by the Senate in the manner prescribed in ORS
45 171.562 and 171.565.

1 (2) Except for the president of the university, the term of office of each nonstudent member is
 2 four years. The term of office of the student member is two years. Before the expiration of the term
 3 of a member, the Governor shall appoint a successor whose term begins on October 1 next following.
 4 A member is eligible for reappointment for one additional term. If there is a vacancy for any cause,
 5 the Governor shall make an appointment to become effective immediately for the unexpired term.
 6 The board shall nominate a slate of candidates whenever a vacancy occurs or is announced and
 7 shall forward the recommended candidates to the Governor for consideration. To assist the Govern-
 8 nor in appointing the student member, the duly organized and recognized entity of student govern-
 9 ment shall submit a list of nominees to the Governor for consideration.

10 (3) The membership of the board shall be as follows:

11 (a) One representative who is a nonstudent member of the [*State Board of Higher Education*]
 12 **Oregon Education Investment Board.**

13 (b) Seven representatives who, in the discretion of the Governor, have experience in areas re-
 14 lated to the university missions or that are important to the success of Oregon Health and Science
 15 University, including but not limited to higher education, health care, scientific research, engineer-
 16 ing and technology and economic and business development.

17 (c) One representative who is a student enrolled at the university.

18 (d) The president of the university, who shall be an ex officio voting member.

19 (4) Directors must be citizens of the United States. Except for the president of the university,
 20 no voting member may be an employee of the university.

21 (5) The board shall select one of its members as chairperson and another as vice chairperson for
 22 such terms and with such duties and powers as the board considers necessary for performance of
 23 the functions of those offices. The board shall adopt bylaws concerning how a quorum shall be
 24 constituted and when a quorum shall be necessary.

25 (6) The board shall meet at least once every three months at Oregon Health and Science Uni-
 26 versity. The board shall meet at such other times and places specified by the chairperson or by a
 27 majority of the members of the board.

28 (7) The Governor may remove any member of the board at any time for cause, after notice and
 29 public hearing, but not more than three members shall be removed within a period of four years,
 30 unless it is for corrupt conduct in office.

31 **SECTION 178.** ORS 353.050 is amended to read:

32 353.050. Except as otherwise provided in this chapter, the Oregon Health and Science University
 33 Board of Directors, or university officials acting under the authority of the board, shall exercise all
 34 the powers of the Oregon Health and Science University and shall govern the university. In carrying
 35 out its powers, rights and privileges, the university shall be a governmental entity performing gov-
 36 ernmental functions and exercising governmental powers. The university or the board may either
 37 within or outside the state:

38 (1) Determine or approve policies for the organization, administration and development of the
 39 university.

40 (2) Appoint and employ any instructional, administrative, professional, trade, occupational and
 41 other personnel as are necessary or appropriate to carry out the missions of the university, and
 42 prescribe their compensation and terms of office or employment.

43 (3) Make any and all contracts and agreements, enter into any partnership, joint venture or
 44 other business arrangement, create and participate fully in the operation of any business structure,
 45 including but not limited to the development of business structures for health care delivery systems

1 and networks with any public or private government, nonprofit or for-profit person or entity that in
2 the judgment of the university or the board is necessary or appropriate to carry out the university's
3 missions and goals.

4 (4) Acquire, purchase, receive, hold, control, convey, sell, manage, operate, lease, license, lend,
5 invest, improve, develop, use, dispose of and hold title to real and personal property of any nature,
6 including intellectual property, in its own name.

7 (5) Sue in its own name and be sued, plead and be impleaded in all actions, suits or proceedings
8 in any forum brought by or against it by any and all private or state, local, federal or other public
9 entities, agencies or persons.

10 (6) Encourage gifts and donations for the benefit of the university, and subject to the terms of
11 the gift, retain, invest and use such gifts as deemed appropriate by the university or the board.

12 (7) Acquire, receive, hold, keep, pledge, control, convey, manage, use, lend, expend and invest
13 all funds, appropriations, gifts, bequests, stock and revenue from any source to the university.

14 (8) Borrow money for the needs of the university, in such amounts and for such time and upon
15 such terms as may be determined by the university or the board.

16 (9) Erect, construct, improve, develop, repair, maintain, equip, furnish, lease, lend, convey, sell,
17 manage, operate, use, dispose of and hold title to buildings, structures and lands for the university.

18 (10) Purchase any and all insurance, operate a self-insurance program or otherwise arrange for
19 the equivalent of insurance coverage of any nature and the indemnity and defense of its officers,
20 agents and employees or other persons designated by the university to carry out or further the
21 missions of the university.

22 (11) Create, develop, supervise, control and adopt academic programs, including standards,
23 qualifications, policies or practices relating to admissions, curriculum, academic advancement,
24 grading policy, student conduct, credits and scholarships and the granting of academic degrees,
25 certificates and other forms of recognition.

26 (12) Authorize, create, eliminate, establish, operate, reorganize, reduce or expand any program,
27 school, institute, health care facility or other unit of operation.

28 (13) Establish, charge, collect and use charges for enrollment into the university, including
29 charges such as tuition for education and general services, incidental fees and such other charges
30 found by the university to be necessary to carry out its educational programs. Fees realized in ex-
31 cess of amounts allocated and exceeding required reserves shall be considered surplus incidental
32 fees and shall be allocated for programs under the control of the board and found to be advanta-
33 geous to the cultural or physical development of students of the university upon the recommendation
34 of the recognized student government of the university.

35 (14) Establish, charge, collect and use charges and fees for university services and the use of
36 university facilities.

37 (15) Impose charges, fines, fees and such other regulations considered convenient or necessary
38 to control and regulate traffic and parking of vehicles to the same extent allowed the [*State Board*
39 *of Higher Education*] **Oregon Education Investment Board**. This authority includes the authority
40 to enforce the regulations of the university in a court to the extent allowed the [*State Board of*
41 *Higher Education*] **Oregon Education Investment Board** in enforcing the [*state*] **Oregon Educa-**
42 **tion Investment Board's** regulations as provided in ORS 352.360 (7).

43 (16) Commission special campus security officers to be known as university police. University
44 police commissioned under this subsection have all the powers and authority given by statute to
45 peace officers and police officers of this state. University police shall complete training necessary

1 for certification as police officers at an academy operated or authorized by the Department of Public
2 Safety Standards and Training at the expense of the Oregon Health and Science University Board
3 of Directors. University police are not authorized to carry firearms as police officers and are not
4 police officers for purposes of ORS 238.005, 243.005 or 243.736. The university is a criminal justice
5 agency for purposes of ORS 181.715 and 181.720 and a law enforcement unit within the meaning of
6 ORS 181.610 (12).

7 (17) Enforce and recover for payment to the university any fines that are authorized by this
8 chapter.

9 (18) Adopt, amend or repeal bylaws, administrative rules, regulations and orders applicable to
10 the matters that are the subject of this chapter.

11 (19) Contract with any state agency for the performance of such duties, functions and powers
12 as is appropriate. A state agency shall not charge the university for such services an amount that
13 is greater than the actual cost of the services.

14 (20) Purchase, receive, subscribe for or otherwise acquire, own, hold, vote, use, sell, mortgage,
15 lend, pledge, invest in or otherwise dispose of and deal in or with the shares, stock or other equity
16 or interests in or obligations of any other entity. Separate funds may be established for such in-
17 vestments. The State of Oregon shall have no proprietary or other interest in such investments or
18 such funds.

19 (21) Make available, by lease or otherwise, or control access to any health care facilities or
20 services or other of its properties and assets to such persons, firms, partnerships, associations or
21 corporations and on such terms as considered appropriate, charge and collect rent or other fees or
22 charges therefor and terminate or deny any such access or any such lease or other agreement for
23 such reasons as considered appropriate and as may be consistent with its obligations under any such
24 lease or other agreement.

25 (22) Contract for the operation of any department, section, equipment or holdings of the uni-
26 versity and enter into any agreements with any person, firm or corporation for the management by
27 said person, firm or corporation on behalf of the university of any of its properties or for the more
28 efficient or economical performance of clerical, accounting, administrative and other functions re-
29 lating to its health care facilities.

30 (23) Select and appoint faculty as medical and dental staff members and others licensed to
31 practice the healing arts, delineate and define the privileges granted each such individual, adopt and
32 direct a plan for faculty clinical income and set the terms and conditions of that plan (including
33 such modifications to any such existing plan as considered necessary or appropriate upon expiration
34 of the term of such plan), and determine the extent to which and the terms upon which each such
35 individual may provide teaching, research, consulting or other services at the university or any
36 other health care facility.

37 (24) Enter into affiliation, cooperation, territorial, management or other similar agreements with
38 other public or private universities or health care providers for the sharing, division, allocation or
39 furnishing of services on an exclusive or a nonexclusive basis, referral of patients, management of
40 facilities, formation of health care delivery systems and other similar activities.

41 (25) Perform any other acts that in the judgment of the board or university are requisite, nec-
42 essary or appropriate in accomplishing the purposes described in or carrying out the powers granted
43 by this chapter.

44 (26) Exercise these powers, notwithstanding that as a consequence of the exercise of such pow-
45 ers, the university engages in activities that might otherwise be deemed anticompetitive within the

1 contemplation of state or federal antitrust laws.

2 **SECTION 179.** ORS 353.108 is amended to read:

3 353.108. (1) Legal title to real property and facilities acquired by the State of Oregon prior to
 4 July 1, 1995, and utilized by Oregon Health and Science University shall remain with the State of
 5 Oregon. However, the university shall have the exclusive care, custody and control of such real
 6 property and facilities pursuant to an exclusive leasehold interest in the real property and facilities
 7 for a term of 99 years. The term of the leasehold shall begin on July 1, 1995, and shall renew au-
 8 tomatically and perpetually for consecutive 99-year terms.

9 (2) Notwithstanding any other provisions of Oregon law concerning the authority of state
 10 agencies to lease real property and facilities, the Oregon Department of Administrative Services
 11 acting on behalf of the State of Oregon shall execute a ground lease for all real property and fa-
 12 cilities utilized by the university consistent with the provisions of this section.

13 (3) The ground lease shall not be subject to any termination unless:

14 (a) The State of Oregon causes all outstanding obligations of the university to be defeased under
 15 the terms of any applicable master indenture or financing agreement; and

16 (b) There are no other conditions placed on the university.

17 (4) Upon execution of the ground lease, the university shall pay the State of Oregon the sum
 18 of \$99 in consideration for the ground lease.

19 (5) The ground lease executed under this section shall supersede the lease entered into between
 20 the State of Oregon and the university in December 1995, with respect to the real property and fa-
 21 cilities, including but not limited to provisions in the lease relating to or setting forth:

22 (a) Purported limitations on the authority of the [*State Board of Higher Education*] **Oregon**
 23 **Education Investment Board** to bind the State of Oregon;

24 (b) The term of the lease and the absence of any renewal provisions; and

25 (c) Any circumstances under which the lease may be terminated.

26 (6) The university shall manage and maintain all real property and facilities utilized by the
 27 university. Real property and facilities of the State of Oregon leased to the university pursuant to
 28 this section shall not be sold by the university but may be encumbered by the university. Such real
 29 property and facilities shall only be encumbered by the State of Oregon in accordance with state law
 30 and in a manner that would not impair the financial condition of the university or the rights of the
 31 holders of any obligations of the university issued or incurred under any master indenture or other
 32 financing agreement.

33 **SECTION 180.** ORS 353.260 is amended to read:

34 353.260. (1) Oregon Health and Science University may adopt policies governing access to uni-
 35 versity personnel records that are less than 25 years old.

36 (2) Policies adopted under subsection (1) of this section shall require that personnel records be
 37 subjected to restrictions on access unless the president of the university finds that the public in-
 38 terest in maintaining individual rights to privacy in an adequate educational environment would not
 39 suffer by disclosure of such records. Access to such records may be limited to designated classes
 40 of information or persons, or to stated times and conditions, or to both, but cannot be limited for
 41 records more than 25 years old.

42 (3) No rule or order adopted pursuant to this section shall deny to a faculty member full access
 43 to the member's personnel file or records kept by the university, except as provided in subsection
 44 (4)(d) and (e) of this section.

45 (4)(a) The files relating to the evaluation of a faculty member shall be kept in designated,

1 available locations.

2 (b) Any evaluation received by telephone shall be documented in each of the faculty member's
3 files by means of a written summary of the conversation with the names of the conversants identi-
4 fied.

5 (c) A faculty member shall be entitled to submit, for placement in the files, evidence rebutting,
6 correcting, amplifying or explaining any document contained therein and other material that the
7 member believes might be of assistance in the evaluation process.

8 (d) Letters and other information for a faculty member of the university submitted in confidence
9 to the [*State Board of Higher Education*] **Oregon Education Investment Board** or its public uni-
10 versities or offices, schools or departments prior to July 1, 1975, shall be maintained in the files
11 designated by paragraph (a) of this subsection. However, if a faculty member requests access to
12 those files, the anonymity of the contributor of letters and other information obtained prior to July
13 1, 1975, shall be protected. The full text shall be made available, except that portions of the text that
14 would serve to identify the contributor shall be excised by a faculty committee. Only the names of
15 the contributors and the excised portions of the documents may be kept in a file other than the files
16 designated by paragraph (a) of this subsection.

17 (e) Confidential letters and other information submitted to or solicited by the university after
18 July 1, 1995, and prior to the employment of a prospective faculty member are exempt from the
19 provisions of this paragraph. However, if the member is employed by the university, the confidential
20 preemployment materials shall be placed in the files designated by paragraph (a) of this subsection.
21 If a faculty member requests access to the member's files, the anonymity of the contributor of con-
22 fidential preemployment letters and other preemployment information shall be protected. The full
23 text shall be made available, except that portions of the text that would serve to identify the con-
24 tributor shall be excised and retained in a file other than the files designated by paragraph (a) of
25 this subsection.

26 (f) Classroom survey evaluations by students of a faculty member's classroom or laboratory
27 performance shall be anonymous. The record of tabulated reports shall be placed in at least one
28 of the files designated by paragraph (a) of this subsection. All survey instruments used to obtain
29 evaluation data shall be returned to the faculty member.

30 (g) The university, when evaluating its employed faculty members, shall not solicit or accept
31 letters, documents or other materials, given orally or in written form, from individuals or groups
32 who wish their identity kept anonymous or the information they provide kept confidential.

33 (5) No policy or order adopted pursuant to this section limits the authority of the university to
34 prepare, without identification of individual persons who have not consented thereto, statistical or
35 demographic reports from personnel records.

36 (6) Any category of personnel records specifically designated as confidential pursuant to valid
37 policies or orders as provided in this section shall not be deemed a public record for the purposes
38 of ORS 192.420.

39 (7) As used in this section, "personnel records" means records containing information kept by
40 the university concerning a faculty member and furnished by the faculty member or by others about
41 the faculty member at the member's or at the university's request, including but not limited to in-
42 formation concerning discipline, membership activity, employment performance or other personal
43 records of individual persons.

44 **SECTION 181.** ORS 353.330 is amended to read:

45 353.330. (1) Nothing in chapter 162, Oregon Laws 1995, shall be construed in any way to impair

1 the obligations or agreements of the State of Oregon or the [*State Board of Higher Education*]
 2 **Oregon Education Investment Board** with respect to bonds, certificates of participation, financing
 3 agreements or other agreements for the borrowing of money issued prior to July 1, 1995, by the
 4 State of Oregon on behalf of the [*State Board of Higher Education*] **Oregon Education Investment**
 5 **Board** for equipment or projects for Oregon Health and Science University. The university and the
 6 Oregon University System shall take all actions necessary to ensure full compliance with all
 7 indentures, resolutions, declarations, agreements and other documents issued with respect to the
 8 bonds, certificates of participation, financing agreements or other agreements for the borrowing of
 9 money issued prior to July 1, 1995, by the State of Oregon on behalf of the [*State Board of Higher*
 10 *Education*] **Oregon Education Investment Board** for equipment or projects for the university. The
 11 Oregon University System and the university shall establish, in a written agreement that shall be
 12 subject to the approval of the State Treasurer, the responsibility of the university for the payment
 13 to the Oregon University System of moneys sufficient to pay when due all principal, interest and
 14 any other charges on bonds, certificates of participation, financing agreements or other agreements
 15 for the borrowing of money issued prior to July 1, 1995, by the State of Oregon on behalf of the
 16 [*State Board of Higher Education*] **Oregon Education Investment Board** for equipment or projects
 17 for the university.

18 (2) Holders of obligations issued by the university on or after July 1, 1995, may be paid pari
 19 passu with the obligations issued by the State of Oregon on behalf of the [*State Board of Higher*
 20 *Education*] **Oregon Education Investment Board** for equipment or projects for the university prior
 21 to July 1, 1995, from the rents, revenues, receipts, appropriations or other income of the university,
 22 but only to the extent that:

23 (a) Such holders have no rights, liens or other interests with respect to such rents, revenues,
 24 receipts, appropriations or other income of the university that are senior or superior to the rights
 25 granted to the holders of obligations issued prior to July 1, 1995, by the State of Oregon on behalf
 26 of the [*State Board of Higher Education*] **Oregon Education Investment Board** for equipment or
 27 projects for the university; and

28 (b) The [*State Board of Higher Education*] **Oregon Education Investment Board**, the Oregon
 29 Department of Administrative Services or the State of Oregon, acting for the benefit of such holders
 30 of obligations, is granted a lien or other security interest in the rents, revenues, receipts, appropri-
 31 ations or other income of the university that is not junior to and is at least pari passu with any lien
 32 or other security interest granted to the holders of obligations issued by the university.

33 (3) Any expenses, including legal expenses, judgments, liabilities and federal arbitrage and re-
 34 bate penalties arising from the actions of the university, if incurred with respect to bonds, certif-
 35 icates of participation, financing agreements or other agreements for the borrowing of money issued
 36 prior to July 1, 1995, by the State of Oregon on behalf of the [*State Board of Higher Education*]
 37 **Oregon Education Investment Board** for equipment or projects for the university, shall be paid
 38 when due by the university, subject to the university's right to reasonably contest such charges,
 39 judgments, liabilities or penalties. The university shall assist the Controller of the Oregon Univer-
 40 sity System in making any necessary calculations and filing any necessary reports related to
 41 arbitrage and rebate on such indebtedness.

42 (4) Any amounts deposited with the State Treasurer, the Controller of the Oregon University
 43 System, the Oregon Department of Administrative Services or its designated agents in any debt
 44 service in reserve accounts for the debt service associated with any bonds, certificates of partic-
 45 ipation, financing agreements or other agreements for the borrowing of money issued prior to July

1 1, 1995, by the State of Oregon on behalf of the [*State Board of Higher Education*] **Oregon Educa-**
 2 **tion Investment Board** for equipment or projects for the university shall remain with the State
 3 Treasurer, the Controller of the Oregon University System, the Oregon Department of Administra-
 4 tive Services or its designated agents until such time as the bonds, certificates of participation, fi-
 5 nancing agreements or other agreements for the borrowing of money for which such reserve
 6 accounts have been established have been retired or defeased. The university shall be credited with
 7 the investment earnings on such reserve accounts.

8 **SECTION 182.** ORS 353.370 is amended to read:

9 353.370. In addition to, and not in limitation of, the means of satisfying state general obligation
 10 bond obligations under ORS 291.445, Oregon Health and Science University, promptly upon the dis-
 11 covery of any shortfall in moneys available to the university for the payment when due of amounts
 12 under any bonds, certificates of participation, financing agreements or other agreements for the
 13 borrowing of moneys issued prior to July 1, 1995, by the State of Oregon on behalf of the [*State*
 14 *Board of Higher Education*] **Oregon Education Investment Board** for equipment or projects for the
 15 university, shall notify in writing the Legislative Assembly, or if the Legislative Assembly is not in
 16 session, the Emergency Board, of the existence and amount of the shortfall. The Legislative As-
 17 sembly or the Emergency Board, as the case may be, may provide funds to satisfy the payment of
 18 any such amount. By enacting this provision, the Legislative Assembly acknowledges its current
 19 intention to provide, from funds other than those appropriated or otherwise made available to the
 20 Oregon University System, funds to pay such amount. However, except as may be required by the
 21 Oregon Constitution or ORS 291.445, neither the Legislative Assembly nor the Emergency Board
 22 shall have any legal obligation to provide funds under this section.

23 **SECTION 183.** ORS 353.440, as amended by section 259, chapter 637, Oregon Laws 2011, is
 24 amended to read:

25 353.440. The Legislative Assembly finds that:

26 (1) Public universities in the Oregon University System and other educational sectors have ac-
 27 ademic programs that are related to or integrated with the programs of Oregon Health and Science
 28 University.

29 (2) It is in the best interest of the state that a coordinated approach be taken to these related
 30 and integrated academic programs.

31 (3) In order to best ensure the continued harmony of such academic programs, the Oregon
 32 Health and Science University and the Oregon University System shall coordinate such programs
 33 and shall advise each other of the following proposed changes to such academic programs:

34 (a) Creation or significant revision, such as a merger or closure, of degree programs;

35 (b) Creation or significant revision, such as a merger or closure, of schools; and

36 (c) Creation or significant revision of major academic policies.

37 (4) The Oregon Health and Science University and the Higher Education Coordinating Com-
 38 mission shall coordinate and advise each other of the following types of proposed changes to their
 39 related or integrated academic programs:

40 (a) Coordination of strategic plans for achieving higher education goals;

41 (b) Seeking advice and input from each other on modifications to statutory educational missions;

42 (c) Working to develop a statewide educational data system;

43 (d) Collaborating as necessary on the creation of any new degree programs; and

44 (e) Notifying each other and commenting on tuition rate changes.

45 (5) In order to further the coordination described by this section, Oregon Health and Science

1 University officers shall maintain a role in the appropriate committees of the [*State Board of Higher*
2 *Education*] **Oregon Education Investment Board**, the Higher Education Coordinating Commission
3 and the Oregon University System.

4 **SECTION 184.** ORS 354.090 is amended to read:

5 354.090. The [*State Board of Higher Education*] **Oregon Education Investment Board** is de-
6 clared the managing agency of the FM radio station KTEC, licensed to the Oregon Institute of
7 Technology, and as such shall prescribe rules and regulations in conformity with the regulations and
8 laws of the United States Government relating to educational FM radio stations. By such rules and
9 regulations the [*State Board of Higher Education*] **board** shall make the facilities of the radio station
10 available in the training programs of the Oregon Institute of Technology.

11 **SECTION 185.** ORS 357.004 is amended to read:

12 357.004. As used in ORS 357.001 to 357.200, unless the context requires otherwise:

13 (1) "Depository library" means a library that is designated as such under ORS 357.095.

14 (2)(a) "Issuing agency" means state government, as that term is defined in ORS 174.111.

15 (b) "Issuing agency" does not include the [*State Board of Higher Education*] **Oregon Education**
16 **Investment Board** or any public university or office, department or activity under the control of
17 the board.

18 (3)(a) "Public document" means informational matter produced for public distribution or access
19 regardless of format, medium, source or copyright, originating in or produced with the imprint of,
20 by the authority of or at the total or partial expense of any state agency. "Public document" in-
21 cludes informational matter produced on computer diskettes, CD-ROMs, computer tapes, the Internet
22 or in other electronic formats.

23 (b) "Public document" does not include:

24 (A) Correspondence, forms, interoffice or intraoffice memoranda;

25 (B) Legislative bills;

26 (C) Oregon Revised Statutes or any edition thereof; or

27 (D) Reports and publications of the Oregon Supreme Court, the Oregon Court of Appeals and
28 the Oregon Tax Court.

29 **SECTION 186.** ORS 358.575 is amended to read:

30 358.575. (1) The voting members of the Oregon Heritage Commission shall be representatives of:

31 (a) Heritage interests, including Indian tribes with federal recognition, that reflect the cultural
32 and geographic diversity of this state; and

33 (b) Heritage interests reflected in community institutions, libraries, museums, architecture, ar-
34 chaeology and historic preservation.

35 (2) The advisory members of the commission shall be:

36 (a) One member designated by the Director of the Department of Land Conservation and De-
37 velopment;

38 (b) One member designated by the Trustees of the State Library;

39 (c) One member designated by the [*State Board of Higher Education*] **Oregon Education In-**
40 **vestment Board**;

41 (d) One member designated by the Oregon Tourism Commission;

42 (e) One member designated by the Superintendent of Public Instruction;

43 (f) The Executive Director of the Oregon Historical Society or a designee of the executive di-
44 rector;

45 (g) The State Archivist or a designee of the archivist;

1 (h) The Coordinator of the State Historical Records Advisory Board or a designee of the coor-
 2 dinator; and

3 (i) The State Historic Preservation Officer or a designee of the officer.

4 **SECTION 187.** ORS 366.785 is amended to read:

5 366.785. As used in ORS 366.785 to 366.820, unless the context requires otherwise:

6 (1) "Year" means a calendar year.

7 (2) "City" means only cities of this state which are regularly operating as such through elected
 8 governmental officers.

9 (3) "Population" means population as given in the latest determination of the [*State Board of*
 10 *Higher Education*] **Oregon Education Investment Board**, except that for a city of more than
 11 100,000 population according to the latest such determination, the term means 74 percent of the
 12 number of population given for the city in the determination for computation of its share for 1964,
 13 78 percent for computation of its share for 1965, 82 percent for 1966, 86 percent for 1967, 90 percent
 14 for 1968, 94 percent for 1969, 98 percent for 1970; and for 1971 and subsequent years computation
 15 shall be made on the basis of full number of population.

16 **SECTION 188.** ORS 390.235 is amended to read:

17 390.235. (1)(a) A person may not excavate or alter an archaeological site on public lands, make
 18 an exploratory excavation on public lands to determine the presence of an archaeological site or
 19 remove from public lands any material of an archaeological, historical, prehistorical or
 20 anthropological nature without first obtaining a permit issued by the State Parks and Recreation
 21 Department.

22 (b) If a person who obtains a permit under this section intends to curate or arrange for alternate
 23 curation of an archaeological object that is uncovered during an archaeological investigation, the
 24 person must submit evidence to the State Historic Preservation Officer that the Oregon State Mu-
 25 seum of Anthropology and the appropriate Indian tribe have approved the applicant's curatorial fa-
 26 cilities.

27 (c) No permit shall be effective without the approval of the state agency or local governing body
 28 charged with management of the public land on which the excavation is to be made, and without the
 29 approval of the appropriate Indian tribe.

30 (d) The State Parks and Recreation Director, with the advice of the Oregon Indian tribes and
 31 Executive Officer of the Commission on Indian Services, shall adopt rules governing the issuance
 32 of permits.

33 (e) Disputes under paragraphs (b) and (c) of this subsection shall be resolved in accordance with
 34 ORS 390.240.

35 (f) Before issuing a permit, the State Parks and Recreation Director shall consult with:

36 (A) The landowning or land managing agency; and

37 (B) If the archaeological site in question is associated with a prehistoric or historic native In-
 38 dian culture:

39 (i) The Commission on Indian Services; and

40 (ii) The most appropriate Indian tribe.

41 (2) The State Parks and Recreation Department may issue a permit under subsection (1) of this
 42 section under the following circumstances:

43 (a) To a person conducting an excavation, examination or gathering of such material for the
 44 benefit of a recognized scientific or educational institution with a view to promoting the knowledge
 45 of archaeology or anthropology;

1 (b) To a qualified archaeologist to salvage such material from unavoidable destruction; or

2 (c) To a qualified archaeologist sponsored by a recognized institution of higher learning, private
3 firm or an Indian tribe as defined in ORS 97.740.

4 (3) Any archaeological materials, with the exception of Indian human remains, funerary objects,
5 sacred objects and objects of cultural patrimony, recovered by a person granted a permit under
6 subsection (2) of this section shall be under the stewardship of the State of Oregon to be curated
7 by the Oregon State Museum of Anthropology unless:

8 (a) The Oregon State Museum of Anthropology with the approval from the appropriate Indian
9 tribe approves the alternate curatorial facilities selected by the permittee;

10 (b) The materials are made available for nondestructive research by scholars; and

11 (c)(A) The material is retained by a recognized scientific, educational or Indian tribal institution
12 for whose benefit a permit was issued under subsection (2)(a) of this section;

13 (B) The [*State Board of Higher Education*] **Oregon Education Investment Board** with the
14 concurrence of the appropriate Indian tribe grants approval for material to be curated by an edu-
15 cational facility other than the institution that collected the material pursuant to a permit issued
16 under subsection (2)(a) of this section; or

17 (C) The sponsoring institution or firm under subsection (2)(c) of this section furnishes the
18 Oregon State Museum of Anthropology with a complete catalog of the material within six months
19 after the material is collected.

20 (4) The Oregon State Museum of Anthropology shall have the authority to transfer permanent
21 possessory rights in subject material to an appropriate Indian tribe.

22 (5) Except for sites containing human remains, funerary objects and objects of cultural
23 patrimony as defined in ORS 358.905, or objects associated with a prehistoric Indian tribal culture,
24 the permit required by subsection (1) of this section or by ORS 358.920 shall not be required for
25 forestry operations on private lands for which notice has been filed with the State Forester under
26 ORS 527.670.

27 (6) As used in this section:

28 (a) "Private firm" means any legal entity that:

29 (A) Has as a member of its staff a qualified archaeologist; or

30 (B) Contracts with a qualified archaeologist who acts as a consultant to the entity and provides
31 the entity with archaeological expertise.

32 (b) "Qualified archaeologist" means a person who has the following qualifications:

33 (A) A post-graduate degree in archaeology, anthropology, history, classics or other germane
34 discipline with a specialization in archaeology, or a documented equivalency of such a degree;

35 (B) Twelve weeks of supervised experience in basic archaeological field research, including both
36 survey and excavation and four weeks of laboratory analysis or curating; and

37 (C) Has designed and executed an archaeological study, as evidenced by a Master of Arts or
38 Master of Science thesis, or report equivalent in scope and quality, dealing with archaeological field
39 research.

40 (7) Violation of the provisions of subsection (1)(a) of this section is a Class B misdemeanor.

41 **SECTION 189.** ORS 461.543 is amended to read:

42 461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery
43 Account is continuously appropriated to and shall be used by the [*State Board of Higher*
44 *Education*] **Oregon Education Investment Board** to fund sports programs at public universities
45 listed in ORS 352.002. Seventy percent of the revenues in the fund shall be used to fund nonrevenue

1 producing sports and 30 percent shall be used for revenue producing sports. Of the total amount
 2 available in the fund, at least 50 percent shall be made available for women’s athletics.

3 (2) The board shall allocate moneys in the Sports Lottery Account among the public universities,
 4 giving due consideration to:

5 (a) The athletic conference to which the public university belongs and the relative costs of
 6 competing in that conference.

7 (b) The level of effort being made by the public university to generate funds and support from
 8 private sources.

9 (3) As used in subsections (1) to (3) of this section, “revenue producing sport” is a sport that
 10 produces net revenue over expenditures during a calendar year or if its season extends into two
 11 calendar years, produces net revenue over expenditures during the season.

12 (4) An amount equal to one percent of the moneys transferred to the Administrative Services
 13 Economic Development Fund from the State Lottery Fund shall be allocated from the Administrative
 14 Services Economic Development Fund to the Sports Lottery Account.

15 (5) The amounts received by the Sports Lottery Account shall be allocated as follows:

16 (a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but
 17 not to exceed \$8 million annually, adjusted annually pursuant to the Consumer Price Index, as de-
 18 fined in ORS 327.006.

19 (b) Twelve percent for the purpose of scholarships, to be distributed equally between scholar-
 20 ships based on academic merit and scholarships based on need, as determined by rule of the board,
 21 but not to exceed \$1,090,909 annually.

22 (c) All additional money to the Oregon Student Access Commission for the Oregon Opportunity
 23 Grant program under ORS 348.260.

24 **SECTION 190.** ORS 468A.245 is amended to read:

25 468A.245. The Oregon Global Warming Commission shall develop an outreach strategy to edu-
 26 cate Oregonians about the scientific aspects and economic impacts of global warming and to inform
 27 Oregonians of ways to reduce greenhouse gas emissions and ways to prepare for the effects of global
 28 warming. The commission, at a minimum, shall work with state and local governments, the State
 29 Department of Energy, the Department of Education, the [*State Board of Higher Education*] **Oregon**
 30 **Education Investment Board** and businesses to implement the outreach strategy.

31 **SECTION 191.** ORS 471.580 is amended to read:

32 471.580. (1) As used in this section:

33 (a) “Alcohol equivalence” means the amount of ethanol that would be expected to be present in
 34 a beverage based on the standard drink measurement used by the Centers for Disease Control and
 35 Prevention.

36 (b) “Education provider” means:

37 (A) A community college, as defined in ORS 341.005, offering a food or beverage career program
 38 approved by the State Board of Education;

39 (B) A career school, as defined in ORS 345.010, offering a food or beverage career program ap-
 40 proved by the Oregon Student [*Assistance*] **Access** Commission or the State Board of Education;

41 (C) An institution of higher education listed in ORS 352.002 offering a food or beverage career
 42 program approved by the [*State Board of Higher Education*] **Oregon Education Investment**
 43 **Board**; or

44 (D) A private and independent institution of higher education, as defined in ORS 352.720, offer-
 45 ing a food or beverage career program that qualifies for payment under ORS 352.740.

1 (c) “Food or beverage career program” means a course of study designed to qualify a person for
 2 a career in the food service industry or alcoholic beverage industry, including but not limited to a
 3 course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant manage-
 4 ment.

5 (2) The charging or payment of tuition or a special fee for enrollment in a class that is part of
 6 a food or beverage career program or in a workshop or seminar concerning matters related to food
 7 or beverage industry workforce training, offered by an education provider, that includes the con-
 8 sumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other ex-
 9 change of consideration for, alcoholic beverages.

10 (3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve
 11 alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess
 12 and consume alcoholic beverages on a licensed or unlicensed premises that the education provider
 13 uses for educational purposes if:

14 (a) The person is enrolled as a student in a required or elective class that is part of a food or
 15 beverage career program offered by the education provider;

16 (b) The alcoholic beverages are served to, and possessed and consumed by, the person for edu-
 17 cational purposes as part of the class curriculum or a workshop or seminar concerning food or
 18 beverage workforce training;

19 (c) The service, possession and consumption of the alcoholic beverages are supervised by a fac-
 20 ulty or staff member of the education provider who is 21 years of age or older;

21 (d) The person does not purchase the alcoholic beverages; and

22 (e) The amount served to the person for consumption purposes during any two-hour class,
 23 workshop or seminar period does not exceed two ounces of alcohol equivalence.

24 (4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another
 25 person who is 18, 19 or 20 years of age on premises that an education provider uses for educational
 26 purposes if:

27 (a) The person served is enrolled as a student in a required or elective class that is part of a
 28 food or beverage career program offered by the education provider;

29 (b) The alcoholic beverages are served to, and consumed by, the person for educational purposes
 30 as part of the class curriculum or, with the approval of the education provider, as part of a work-
 31 shop or seminar concerning food or beverage workforce training;

32 (c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff
 33 member of the education provider who is 21 years of age or older;

34 (d) The person served does not purchase the alcoholic beverages; and

35 (e) The amount served to the person for consumption purposes during any two-hour class period
 36 does not exceed two ounces of alcohol equivalence.

37 (5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is
 38 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed
 39 premises that an education provider uses for educational purposes if:

40 (a) The person is enrolled as a student in a required or elective class that is part of a food or
 41 beverage career program offered by the education provider;

42 (b) The person possesses and consumes the alcoholic beverages for educational purposes as part
 43 of the class curriculum or, with the approval of the education provider, as part of a workshop or
 44 seminar concerning food or beverage workforce training;

45 (c) The person possesses and consumes the alcoholic beverages under the supervision of a fac-

ulty or staff member of the education provider who is 21 years of age or older;

(d) The person does not purchase the alcoholic beverages; and

(e) The amount consumed by the person during any two-hour class, workshop or seminar period does not exceed two ounces of alcohol equivalence.

(6) Notwithstanding ORS 471.410, a person who exercises control over private real property may allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this section.

(7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older in accordance with this chapter or the ability of a person 21 years of age or older to possess or consume alcoholic beverages in accordance with this chapter.

SECTION 192. ORS 471.810 is amended to read:

471.810. (1) At the end of each month, the Oregon Liquor Control Commission shall certify the amount of moneys available for distribution in the Oregon Liquor Control Commission Account and, after withholding such moneys as it may deem necessary to pay its outstanding obligations, shall within 35 days of the month for which a distribution is made direct the State Treasurer to pay the amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as follows:

(a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this section, credited to the General Fund available for general governmental purposes wherein it shall be considered as revenue during the quarter immediately preceding receipt;

(b) Twenty percent to the cities of the state in such shares as the population of each city bears to the population of the cities of the state, as determined by the *[State Board of Higher Education]* **Oregon Education Investment Board** last preceding such apportionment, under ORS 190.510 to 190.610;

(c) Ten percent to counties in such shares as their respective populations bear to the total population of the state, as estimated from time to time by the *[State Board of Higher Education]* **Oregon Education Investment Board**; and

(d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and this section.

(2) The commission shall direct the Oregon Department of Administrative Services to transfer 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS 430.380.

(3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d) and (2) of this section and the amounts that would have been paid or transferred under subsections (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct the Oregon Department of Administrative Services to pay or transfer amounts equal to the differences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

(4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal year an amount less than the amount distributed to the city or county in accordance with ORS

1 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the
 2 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census.
 3 If the population declined, the per capita distribution to the city or county shall be not less than
 4 the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to
 5 maintain the level of distribution under this subsection shall be paid from funds credited under
 6 subsection (1)(a) of this section.

7 **SECTION 193.** ORS 526.215 is amended to read:

8 526.215. To aid in the economic development of the State of Oregon, the [*State Board of Higher*
 9 *Education*] **Oregon Education Investment Board** shall institute and carry on research and exper-
 10 imentation to develop the maximum yield from the forestlands of Oregon, to obtain the fullest utili-
 11 zation of the forest resource, and to study air and water pollution as it relates to the forest products
 12 industries.

13 **SECTION 194.** ORS 526.225 is amended to read:

14 526.225. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 15 establish a Forest Research Laboratory at Oregon State University and shall cooperate with indi-
 16 viduals, corporations, associations and public agencies wherever and whenever advisable to further
 17 the purposes of ORS 526.215, and may enter into any necessary agreements therefor.

18 (2) In order that there may be close coordination between the research and experimentation
 19 programs and the wise management and use of Oregon's forests for the production of goods and
 20 services that benefit all its citizens, the [*State Board of Higher Education*] **board** shall appoint a
 21 Forest Research Laboratory Advisory Committee composed of 15 members. Nine members shall be
 22 individuals who are actively and principally engaged in timber management on forestlands, har-
 23 vesting or the processing of forest products, one of whom shall be from a small woodland owner's
 24 association, three members shall be individuals who are the heads of state and federal public
 25 forestry agencies and three members shall be individuals from the public at large. No individual who
 26 is a public member may have any relationship or pecuniary interest that would interfere with that
 27 individual representing the public interest. The advisory committee shall render practical counsel
 28 in the fields of forest management and use and forest harvest and utilization as they relate to the
 29 economic and social well-being of the people of Oregon.

30 **SECTION 195.** ORS 542.710 is amended to read:

31 542.710. (1) The Oregon University System, under the direction of the [*State Board of Higher*
 32 *Education*] **Oregon Education Investment Board** acting through the Agricultural Experiment
 33 Station of Oregon State University, is authorized to conduct a test stream and watershed study in
 34 order to ascertain in a scientific manner the interrelation between all factors operating in
 35 watersheds upon maximum resource productivity of the area for the greatest public benefit.

36 (2) In conducting the study the Oregon University System, under the direction of the [*State*
 37 *Board of Higher Education*] **Oregon Education Investment Board** acting through the Agricultural
 38 Experiment Station of Oregon State University, may:

39 (a) Enlist the cooperation of other state agencies concerned with fields under study and may
 40 reimburse such agencies for use made of facilities and personnel.

41 (b) Acquire the services of other persons as necessary for the purposes of this section.

42 **SECTION 196.** ORS 542.720 is amended to read:

43 542.720. For purposes of ORS 542.710, the [*State Board of Higher Education*] **Oregon Education**
 44 **Investment Board** may accept assistance and grants in the form of real or personal property,
 45 money, labor, equipment or technical assistance from the United States or any of its agencies, poli-

1 tical subdivisions or from other persons subject to the conditions imposed thereon regardless of
2 conflicting state law and may, unless enjoined by the terms of the grant or donation, convert the
3 same into money to be used for the purposes of ORS 542.710.

4 **SECTION 197.** ORS 561.364 is amended to read:

5 561.364. (1) In order to eliminate unnecessary duplication of effort and expense, there shall be
6 the fullest cooperation between Oregon State University and the State Department of Agriculture,
7 including the interchange of statistical information between the university and the department.

8 (2) If, in the interest of economy and efficiency, either temporary or permanent, it appears ad-
9 visable to have any of the laboratory or statistical work of the department performed by Oregon
10 State University, the Director of Agriculture and the director of the experiment station shall work
11 out a cooperative plan of operation and shall agree upon such a division of the funds available for
12 such work as may meet with the approval of the Governor and the [*State Board of Higher*
13 *Education*] **Oregon Education Investment Board.**

14 **SECTION 198.** ORS 566.210 is amended to read:

15 566.210. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board** may
16 hold institutes for the instruction of citizens of this state in the various branches of agriculture at
17 such times and at such places as the board may direct. The board shall make such rules and regu-
18 lations as it deems proper for organizing and conducting the institutes, and shall employ an agent
19 or agents to perform such work in connection therewith as it deems best.

20 (2) The course of instruction at the institutes shall be so arranged as to present to those in at-
21 tendance results of the most recent investigations in theoretical and practical agriculture.

22 **SECTION 199.** ORS 567.025 is amended to read:

23 567.025. The [*State Board of Higher Education*] **Oregon Education Investment Board**, acting
24 through the Oregon agricultural experiment station, shall use moneys in the Gorse Control Account
25 established in ORS 567.030 to defray the expenses of research, including salaries of investigators,
26 supplies and apparatus, traveling expenses, and other expenses necessary in conducting the re-
27 search, and publication of reports and bulletins upon results of the research for investigating prob-
28 lems relating to gorse with special reference to determining methods of controlling gorse.

29 **SECTION 200.** ORS 567.030 is amended to read:

30 567.030. There is established a Gorse Control Account in the General Fund for the purposes
31 described in ORS 567.025. All funds made available for the purposes of ORS 567.025 shall be credited
32 to the Gorse Control Account and are continuously appropriated to the [*State Board of Higher Ed-*
33 *ucation*] **Oregon Education Investment Board** for the purposes of ORS 567.025.

34 **SECTION 201.** ORS 567.035 is amended to read:

35 567.035. (1) The [*State Board of Higher Education*] **Oregon Education Investment Board**, act-
36 ing through the Oregon agricultural experiment station, shall take the action necessary to eradicate
37 and control *anacharis densa* and other algae, including all detrimental weeds and grasses which are
38 found growing in the waters, lakes and streams of this state.

39 (2) In administering this section the board, acting through the Oregon agricultural experiment
40 station, may cooperate with the United States Government, and may utilize the services of, and co-
41 operate with any state or private agency or agencies, and may accept and expend funds therefrom
42 in carrying out its duties imposed by this section.

43 **SECTION 202.** ORS 567.205 is amended to read:

44 567.205. (1) In order to investigate and demonstrate the conditions under which useful plants
45 may be grown on dry, arid or nonirrigated lands of this state and to determine the kinds of plants

1 best adapted for growth on these lands, there is established in the manner provided for in ORS
2 567.205 to 567.240, an experiment station in this state for such purpose.

3 (2) The experiment station shall be located on such part of dry, arid or nonirrigated lands of this
4 state as shall be selected by the [*State Board of Higher Education*] **Oregon Education Investment**
5 **Board** acting in cooperation with a representative of the United States Department of Agriculture.

6 **SECTION 203.** ORS 567.210 is amended to read:

7 567.210. The station shall be under the management and control of the [*State Board of Higher*
8 *Education*] **Oregon Education Investment Board** as a branch station of Oregon State University.

9 **SECTION 204.** ORS 567.220 is amended to read:

10 567.220. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
11 cause to be prepared and published full and complete annual reports of the work undertaken and
12 accomplished by the station, and an edition of such number of copies as the board shall determine
13 shall be published annually and distributed free of charge. The cost of such publication and distrib-
14 ution shall be deemed a part of the general expense of the station.

15 **SECTION 205.** ORS 567.230 is amended to read:

16 567.230. The county court of the county in which the experimental station may be located may
17 acquire by purchase or lease sufficient suitable land to be selected by the [*State Board of Higher*
18 *Education*] **Oregon Education Investment Board**, acting in cooperation with a representative of
19 the United States Department of Agriculture. In case the land is acquired by purchase, the purchase
20 price shall be paid from the general funds of the county upon the order of the county court by a
21 warrant, in the manner in which other claims against the county are paid. In case the site for the
22 station is acquired by lease, the lease shall be made in favor of the State of Oregon for such term
23 of years and upon such conditions as shall be required by the [*State Board of Higher Education*]
24 **board**, and the rent shall be paid out of the county treasury of the county in which the station is
25 located by warrant drawn upon the county treasury by an order of the county court.

26 **SECTION 206.** ORS 567.235 is amended to read:

27 567.235. The county court of the county in which the station is located is authorized and di-
28 rected to place upon the land acquired as provided in ORS 567.230 such buildings and other im-
29 provements, including a well, as may be required by the [*State Board of Higher Education*] **Oregon**
30 **Education Investment Board**. The expenses incurred thereby shall be paid in the manner provided
31 by ORS 567.230 for payment of the purchase price or rent of the land.

32 **SECTION 207.** ORS 567.255 is amended to read:

33 567.255. In order to investigate and demonstrate the conditions under which useful plants, grains
34 and fruits may be grown on submersible lands, reclaimed swamp lands and logged-off lands in this
35 state and to determine the kinds of plants, grains and fruits best adapted for growth on such lands,
36 there is established an agricultural experimental station in Clatsop County in such place as may be
37 selected by the [*State Board of Higher Education*] **Oregon Education Investment Board**. The sta-
38 tion shall be known as the John Jacob Astor Agricultural Experiment Station.

39 **SECTION 208.** ORS 567.260 is amended to read:

40 567.260. The Astor experiment station shall be under the control and management of the [*State*
41 *Board of Higher Education*] **Oregon Education Investment Board** as a branch of Oregon State
42 University.

43 **SECTION 209.** ORS 567.270 is amended to read:

44 567.270. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
45 cause to be prepared and published at least once every two years a full and complete report of the

1 work undertaken and accomplished by the Astor experiment station. The reports shall be distributed
2 free of charge. The cost of the publication and distribution shall be deemed a part of the general
3 expense of the station.

4 **SECTION 210.** ORS 567.275 is amended to read:

5 567.275. The [*State Board of Higher Education*] **Oregon Education Investment Board** may co-
6 operate in the special work of the Astor experiment station with the United States Department of
7 Agriculture, or of any bureau or officer thereof, and may enter into any necessary agreement
8 therefor with said department, or any bureau or office thereof.

9 **SECTION 211.** ORS 567.325 is amended to read:

10 567.325. The [*State Board of Higher Education*] **Oregon Education Investment Board** may co-
11 operate in work in any special field of the experiment station with the federal government or any
12 department, bureau, or office thereof, and may enter into any necessary agreement therefor with
13 said government, department, bureau or office.

14 **SECTION 212.** ORS 567.330 is amended to read:

15 567.330. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
16 cause to be prepared and published at least once every two years, full and complete reports of the
17 work undertaken and accomplished by the station. The reports shall be distributed free of charge.
18 The cost of such publication and distribution shall be deemed part of the general expenses of the
19 station.

20 **SECTION 213.** ORS 567.405 is amended to read:

21 567.405. In order to investigate and demonstrate methods for improving agricultural and live-
22 stock conditions in the range areas in southeastern Oregon, an agricultural experiment station is
23 established and shall be located in Harney County in such place as may be selected by the [*State*
24 *Board of Higher Education*] **Oregon Education Investment Board**.

25 **SECTION 214.** ORS 567.410 is amended to read:

26 567.410. The station shall be under the control and management of the [*State Board of Higher*
27 *Education*] **Oregon Education Investment Board** through its director of the Oregon agricultural
28 experiment station, as a branch station of the Oregon agricultural experiment station.

29 **SECTION 215.** ORS 567.430 is amended to read:

30 567.430. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
31 cause to be prepared and published at least once every two years a full and completed report of the
32 work undertaken and accomplished by the Harney County station. The reports shall be distributed
33 free of charge and the cost of such publication and distribution shall be deemed a part of the general
34 expense of the station.

35 **SECTION 216.** ORS 567.455 is amended to read:

36 567.455. To study and carry on investigations in horticultural, pathological and other agricul-
37 tural problems as affects the interests of this state, there is established an agricultural experimental
38 area in Hood River and Wasco Counties to be operated as the Mid-Columbia Experiment Station
39 under the control and management of the [*State Board of Higher Education*] **Oregon Education**
40 **Investment Board** through the Agricultural Experiment Station of Oregon State University.

41 **SECTION 217.** ORS 567.475 is amended to read:

42 567.475. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
43 cause to be prepared and published once every two years a full and complete report of the work
44 accomplished by the station. The report shall be distributed free of charge. The cost of such publi-
45 cation and distribution shall be deemed a part of the general expense of the station.

1 **SECTION 218.** ORS 567.480 is amended to read:

2 567.480. The [*State Board of Higher Education*] **Oregon Education Investment Board** may co-
 3 operate in the special work of the station with the United States Department of Agriculture or any
 4 office or bureau thereof, and may enter into any agreement therefor with said department, bureau
 5 or office.

6 **SECTION 219.** ORS 567.505 is amended to read:

7 567.505. There is established a branch agricultural experiment station of Oregon State Univer-
 8 sity in southern Oregon, located in such part of southern Oregon as may be determined by the [*State*
 9 *Board of Higher Education*] **Oregon Education Investment Board**.

10 **SECTION 220.** ORS 567.510 is amended to read:

11 567.510. The station shall be under the management and control of the [*State Board of Higher*
 12 *Education*] **Oregon Education Investment Board** as a branch station of Oregon State University.

13 **SECTION 221.** ORS 567.515 is amended to read:

14 567.515. The [*State Board of Higher Education*] **Oregon Education Investment Board** shall
 15 cause to be prepared and published at least once every two years a full and complete report of the
 16 work undertaken and accomplished by the station. The reports shall be distributed free of charge.
 17 The cost of such publication and distribution shall be deemed a part of the general expenses of the
 18 station.

19 **SECTION 222.** ORS 567.520 is amended to read:

20 567.520. The [*State Board of Higher Education*] **Oregon Education Investment Board** may co-
 21 operate in work in any special field of the station with the federal government or any department,
 22 bureau or office thereof, and may enter into any necessary agreement therefor with said govern-
 23 ment, department, bureau or office.

24 **SECTION 223.** ORS 567.575 is amended to read:

25 567.575. All revenues derived from the land and experiment station not necessarily used in
 26 connection with the experiment station may be used by the [*State Board of Higher Education*]
 27 **Oregon Education Investment Board** in the improvement of the property referred to in this sec-
 28 tion and ORS 567.580 in repairing structures thereon, for the use and benefit of the experiment
 29 station generally and for conducting agricultural experiments in eastern Oregon and not otherwise.

30 **SECTION 224.** ORS 567.580 is amended to read:

31 567.580. The station shall at all times be under the exclusive management and control of the
 32 [*State Board of Higher Education*] **Oregon Education Investment Board** and shall be deemed a
 33 branch of the experiment station of Oregon State University.

34 **SECTION 225.** ORS 576.035 is amended to read:

35 576.035. The [*State Board of Higher Education*] **Oregon Education Investment Board**, acting
 36 through the Federal Cooperative Extension Service of Oregon State University, shall cooperate with
 37 the Agriculture Marketing Service of the United States Department of Agriculture and with the
 38 appropriate offices of adjoining states to establish and maintain a food product market news service
 39 in the Klamath Basin and provide such services for the central Oregon and Malheur areas.

40 **SECTION 226.** ORS 659.850 is amended to read:

41 659.850. (1) As used in this section, “discrimination” means any act that unreasonably differen-
 42 tiates treatment, intended or unintended, or any act that is fair in form but discriminatory in oper-
 43 ation, either of which is based on race, color, religion, sex, sexual orientation, national origin,
 44 marital status, age or disability. “Discrimination” does not include enforcement of an otherwise
 45 valid dress code or policy, as long as the code or policy provides, on a case-by-case basis, for rea-

1 sonable accommodation of an individual based on the health and safety needs of the individual.

2 (2) A person may not be subjected to discrimination in any public elementary, secondary or
3 community college education program or service, school or interschool activity or in any higher
4 education program or service, school or interschool activity where the program, service, school or
5 activity is financed in whole or in part by moneys appropriated by the Legislative Assembly.

6 (3) The State Board of Education and the [*State Board of Higher Education*] **Oregon Education**
7 **Investment Board** shall establish rules necessary to ensure compliance with subsection (2) of this
8 section in the manner required by ORS chapter 183.

9 **SECTION 227.** ORS 659.855 is amended to read:

10 659.855. (1) Any public elementary or secondary school determined by the Superintendent of
11 Public Instruction or any community college determined by the Commissioner for Community Col-
12 lege Services to be in noncompliance with provisions of ORS 659.850 and this section shall be sub-
13 ject to appropriate sanctions, which may include withholding of all or part of state funding, as
14 established by rule of the State Board of Education.

15 (2) Any public university listed in ORS 352.002 determined by the [*Chancellor of the Oregon*
16 *University System*] **Chief Education Officer** to be in noncompliance with provisions of ORS 659.850
17 and this section shall be subject to appropriate sanctions, which may include withholding of all or
18 part of state funding, as established by rule of the [*State Board of Higher Education*] **Oregon Edu-**
19 **cation Investment Board.**

20 (3) Any public charter school determined by the sponsor of the school or the superintendent to
21 be in noncompliance with the provisions of ORS 659.850 and this section shall be subject to appro-
22 priate sanctions, which may include the withholding of all or part of state funding by the sponsor
23 or superintendent, as established by rule of the State Board of Education.

24 **SECTION 228.** ORS 659.860 is amended to read:

25 659.860. (1) Any person claiming to be aggrieved by unlawful discrimination as prohibited by
26 ORS 659.850 may file a civil action in circuit court for equitable relief or, subject to the terms and
27 conditions of ORS 30.265 to 30.300, damages, or both. The court may order such other relief as may
28 be appropriate. Damages shall be \$200 or actual damages, whichever is greater.

29 (2) The action authorized by this section shall be filed within one year of the filing of a griev-
30 ance.

31 (3) No action shall be filed unless, within 180 days of the alleged discrimination, a grievance has
32 been filed with the school district board, public charter school governing body, community college
33 board of education or [*State Board of Higher Education*] **Oregon Education Investment Board.**

34 (4) No action may be filed until 90 days after filing a grievance unless only injunctive relief is
35 sought pursuant to ORCP 79. The right to temporary or preliminary injunctive relief shall be inde-
36 pendent of the right to pursue any administrative remedy available to complainants pursuant to ORS
37 659.850.

38 (5) No action may be filed if the school district board, public charter school governing body,
39 community college board of education or [*State Board of Higher Education*] **Oregon Education In-**
40 **vestment Board** has obtained a conciliation agreement with the person filing the grievance or if
41 a final determination of a grievance has been made except as provided in ORS 183.480.

42 (6) Notwithstanding the filing of a grievance, pursuant to subsection (3) of this section, any
43 person seeking to maintain an action under this section shall also file a notice of claim within 180
44 days of the alleged discrimination as required by ORS 30.275.

45 (7) The court shall award reasonable attorney fees to a prevailing plaintiff in any action under

1 this section. The court may award reasonable attorney fees and expert witness fees incurred by a
2 defendant who prevails in the action if the court determines that the plaintiff had no objectively
3 reasonable basis for asserting a claim or no objectively reasonable basis for appealing an adverse
4 decision of a trial court.

5 (8) Nothing in this section is intended to reduce the obligations of the education agencies under
6 this section and ORS 659.850 and 659.855.

7 **SECTION 229.** ORS 815.080 is amended to read:

8 815.080. (1) A person commits the offense of providing a safety belt, harness equipment or a child
9 safety system that does not comply with standards if the person does any of the following:

10 (a) Sells or offers for sale a new motor vehicle that is not equipped with safety belts, safety
11 harnesses or child safety systems that comply with and are installed in compliance with the rules
12 adopted by the Department of Transportation under ORS 815.055. This paragraph applies only to
13 motor vehicles that are primarily designed for transportation of individuals and that have seating
14 for one or more passengers side-by-side with the operator. This paragraph requires only that the
15 vehicle be equipped with one seat belt or harness for the operator and one for at least one of the
16 passengers seated beside the operator.

17 (b) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other
18 device for attaching or securing safety belts, safety harnesses or child safety system if the belt,
19 harness, child safety system, anchor or device does not comply with the rules adopted by the de-
20 partment under ORS 815.055. This paragraph applies only to belts, harnesses, child safety systems,
21 anchors or devices for use or installation on a vehicle that is primarily designed for transportation
22 of individuals.

23 (c) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other
24 device for attaching or securing safety belts, safety harnesses or child safety systems if the belt,
25 harness, child safety system, anchor or device is not marked as required under federal safety stan-
26 dards and if the mark is not legible when the belt, harness, child safety system, anchor or other
27 device is used or installed on a vehicle. This paragraph applies only to belts, harnesses, child safety
28 systems, anchors or devices for use or installation on a vehicle that is primarily designed for
29 transportation of individuals.

30 (d) Installs any safety belt, safety harness, child safety system, anchor or other device for at-
31 taching or securing safety belts, safety harnesses or child safety systems on a vehicle that is pri-
32 marily designed for the transportation of individuals except in compliance with rules adopted by the
33 department under ORS 815.055.

34 (2) This section does not apply to school buses or school activity vehicles that are subject to
35 equipment standards adopted by the State Board of Education or the [*State Board of Higher Edu-*
36 *cation*] **Oregon Education Investment Board** under ORS 820.100.

37 (3) The offense described in this section, providing a safety belt, harness equipment or a child
38 safety system that does not comply with standards, is a Class C traffic violation.

39 **SECTION 230.** ORS 820.100 is amended to read:

40 820.100. (1) The State Board of Education shall adopt and enforce such reasonable standards
41 relating to school bus and school activity vehicle construction and school bus and school activity
42 vehicle equipment as the **State Board of Education** deems necessary for safe and economical op-
43 eration, except that the board may not authorize the use of school buses manufactured before April
44 1, 1977.

45 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** may adopt and

1 enforce separate rules of the type described under this section for school buses and school activity
2 vehicles that are under the **Oregon Education Investment Board's** jurisdiction, except that the
3 board may not authorize the use of school buses manufactured before April 1, 1977.

4 (3) The State Board of Education shall adopt and enforce standards for school bus stop arms
5 authorized by ORS 820.105.

6 (4) Rules adopted under this section:

7 (a) Must be consistent with requirements established by statute or by rule adopted under stat-
8 utory authority that relate to the same subject.

9 (b) Shall be consistent with minimum uniform national standards, if such standards exist.

10 (c) May include different requirements for different classes or types of school buses or school
11 activity vehicles.

12 (d) May include any exemptions determined appropriate under ORS 820.150.

13 **SECTION 231.** ORS 820.110 is amended to read:

14 820.110. (1) The State Board of Education shall adopt and enforce rules to establish requirements
15 of operation, qualifications or special training of drivers and special accident reports for school
16 buses and school activity vehicles.

17 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** may adopt and
18 enforce separate rules of the type described under this section for school buses and school activity
19 vehicles that are under its jurisdiction.

20 (3) The rules adopted under this section:

21 (a) Are subject to ORS 820.190 and 820.200 and to any other statute or regulation relating to
22 the operation of vehicles, qualifications of drivers and accident reports.

23 (b) Must be consistent with requirements established by statute or by rule adopted under stat-
24 utory authority that relate to the same subject.

25 (c) May include different requirements for different classes or types of school buses or school
26 activity vehicles.

27 (d) May include any exemptions determined appropriate under ORS 820.150.

28 (4) If the Department of Transportation suspends, cancels or revokes any driving privileges of
29 a person who holds a school bus endorsement under ORS 807.035 (5), the Department of Transpor-
30 tation shall notify the Department of Education of the suspension, cancellation or revocation.

31 **SECTION 232.** ORS 820.120 is amended to read:

32 820.120. (1) The State Board of Education shall adopt and enforce rules to provide for the in-
33 spection of school buses and school activity vehicles to assure that the vehicles are in compliance
34 with requirements under rules established under ORS 820.100 and 820.110, as applicable, and that
35 the vehicles are safe for operation. The rules may include intervals of inspections.

36 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** may adopt and
37 enforce separate rules of the type described under this section for school buses and school activity
38 vehicles that are under its jurisdiction.

39 (3) The rules adopted under this section:

40 (a) Are subject to any other statute or regulation relating to the safety of vehicles for operation
41 and the inspection of vehicles.

42 (b) May include different requirements for different classes or types of school buses or school
43 activity vehicles.

44 (c) May include any exemptions determined appropriate under ORS 820.150.

45 **SECTION 233.** ORS 820.130 is amended to read:

1 820.130. The Department of Transportation shall issue registration for a school bus when noti-
2 fied that the vehicle conforms to applicable rules under ORS 820.100 to 820.120 and that the vehicle
3 is safe for operation on the highways. Notification required by this section shall be from:

4 (1) The State Board of Education or its authorized representative regarding vehicles under its
5 regulatory authority.

6 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** or its au-
7 thorized representative regarding vehicles under its jurisdiction.

8 **SECTION 234.** ORS 820.150 is amended to read:

9 820.150. (1) The State Board of Education, by rule, may establish classes or types of vehicles
10 that are not considered school buses or school activity vehicles for purposes of the Oregon Vehicle
11 Code or classes of school buses or school activity vehicles that are not subject to regulation under
12 the Oregon Vehicle Code either partially or completely.

13 (2) The [*State Board of Higher Education*] **Oregon Education Investment Board** may adopt
14 separate rules of the type described under this section for vehicles that are under its jurisdiction.

15 (3) Rules adopted under this section are subject to the following:

16 (a) Any exemption, either partial or total, established under this section may be based upon
17 passenger capacity, on limited use or on any other basis the State Board of Education or the [*State*
18 *Board of Higher Education*] **Oregon Education Investment Board** considers appropriate.

19 (b) No exemption, either partial or total, shall be established under this section for any vehicle
20 that is marked with or displays the words "school bus."

21 (c) Any vehicle determined not to be a school bus under this section is not a school bus within
22 the definition established under ORS 801.460. Partial exemptions established for vehicles under this
23 section may include removal of the vehicle from any provisions relating to school buses under the
24 vehicle code.

25 (d) Any vehicle determined not to be a school activity vehicle under this section is not a school
26 activity vehicle within the definition established under ORS 801.455. Partial exemptions established
27 for vehicles under this section may include removal of the vehicle from any provisions relating to
28 school activity vehicles under the vehicle code.

29 (e) In considering any rules under this section, the boards shall consider the need to assure
30 student safety.

31 **SECTION 235.** ORS 825.017 is amended to read:

32 825.017. Except as provided in ORS 825.026 and 825.030, this chapter does not apply to the per-
33 sons or vehicles described in this section. The exemption under this section applies to the following
34 persons and vehicles:

35 (1) Vehicles being used by, or under contract with, any school board, district or person respon-
36 sible for the administration of elementary or secondary school activities, and engaged exclusively
37 in transporting students or combinations of students and other persons to or from school, to or from
38 authorized school activities or other activities sponsored by the [*State Board of Higher Education*]
39 **Oregon Education Investment Board**, or for purposes provided under ORS 332.427. This ex-
40 emption shall not be affected by the charging of a fee to cover the costs of the transportation.

41 (2) Vehicles being used in a taxicab operation if the vehicle:

42 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed five;

43 (b) Carries passengers for hire where the destination and route traveled may be controlled by
44 a passenger and the fare is calculated on the basis of any combination of an initial fee, distance
45 traveled or waiting time; and

- 1 (c) Is transporting persons or property, or both, between points in Oregon.
- 2 (3) Vehicles being used for the transportation of property by private carrier by means of a single
3 vehicle or combination of vehicles with a combined weight that does not exceed 8,000 pounds.
- 4 (4) Vehicles being used in operating implements of husbandry.
- 5 (5) Vehicles being used as a hearse or ambulance.
- 6 (6) Vehicles being used over any private road or thoroughfare.
- 7 (7) Vehicles being used on any road, thoroughfare or property, other than a state highway,
8 county road or city street, for the removal of forest products as defined in ORS 321.005, or the
9 product of forest products converted to a form other than logs at or near the harvesting site, or
10 when used for the construction or maintenance of the road, thoroughfare or property, pursuant to
11 a written agreement or permit authorizing the use, construction or maintenance of the road,
12 thoroughfare or property, with:
- 13 (a) An agency of the United States;
- 14 (b) The State Board of Forestry;
- 15 (c) The State Forester; or
- 16 (d) A licensee of an agency named in this subsection.
- 17 (8) Vehicles being used on any county road for the removal of forest products as defined in ORS
18 321.005, or the products of forest products converted to a form other than logs at or near the har-
19 vesting site, if:
- 20 (a) The use is pursuant to a written agreement entered into with the State Board of Forestry,
21 the State Forester or an agency of the United States, authorizing the owner of the motor vehicle
22 to use the road and requiring the owner to pay for or to perform the construction or maintenance
23 of the county road, including any operator of a motor vehicle retained to transport logs, poles and
24 piling for the owners who are exempt under this section;
- 25 (b) The board, officer or agency that entered into the agreement or granted the permit, by con-
26 tract with the county court or board of county commissioners, has assumed the responsibility for the
27 construction or maintenance of the county road; and
- 28 (c) Copies of the agreements or permits required by this subsection are filed with the Director
29 of Transportation.
- 30 (9) Vehicles being used in the transportation of persons for hire if the operation:
- 31 (a) Is performed by a nonprofit entity;
- 32 (b) Is not in competition with a regular route full-service scheduled carrier of persons that is
33 subject to the provisions of this chapter or a service provided by a mass transit district formed un-
34 der ORS chapter 267;
- 35 (c) Is performed by use of vehicles operating in compliance with ORS 820.020 to 820.070; and
- 36 (d) Is approved by the Department of Transportation as complying with paragraphs (a) to (c) of
37 this subsection.
- 38 (10) Vehicles being used in transporting persons with disabilities, with or without their super-
39 visors or assistants, to or from rehabilitation facilities or child care services if the motor vehicle is
40 a passenger motor vehicle with a seating capacity of not more than 12 passengers. The exemption
41 provided by this subsection applies only when the motor vehicle is operated by or under contract
42 with any person responsible for the administration of rehabilitation facilities as defined in ORS
43 344.710 to 344.730 or child care services provided by a facility licensed under ORS 657A.030 and
44 657A.250 to 657A.450.
- 45 (11) Vehicles owned or operated by the United States or by any governmental jurisdiction within

1 the United States except when owned or operated as a carrier of property for hire.

2 (12) Vehicles owned or operated by a mass transit district created under ORS chapter 267.

3 (13) Vehicles owned or operated by, or under contract with, a person responsible for the con-
 4 struction or reconstruction of a highway under contract with the Department of Transportation or
 5 with an agency of the United States when operated within the immediate construction project as
 6 described in the governmental agency contract during the construction period.

7 (14) Vehicles owned or operated by, or under contract with, a charitable organization when ex-
 8 clusively engaged in performing transportation, either one way or round trip, necessary to the op-
 9 eration of the charitable organization. As used in this subsection, "charitable organization" means
 10 an organization that has no capital stock and no provision for making dividends or profits, but de-
 11 rives its funds principally from public and private charity and holds them in trust for the promotion
 12 of the welfare of others and not for profit. Any organization claiming an exemption under this sub-
 13 section shall file an affidavit with the department stating that it is organized and operated in ac-
 14 cordance with the requirements of this subsection.

15 (15) Vehicles with a maximum speed that does not exceed 35 miles per hour that are designed
 16 for off-road use and that are operated on the public highways in any one calendar year a number
 17 of miles that does not exceed 15 percent of the total number of miles the vehicle is operated for that
 18 calendar year.

19 (16) Passenger vehicles with a passenger seating capacity that does not exceed five when used
 20 in the transportation of new telephone books.

21 (17) A vehicle that is used in a limousine service operation in which the destination and route
 22 traveled may be controlled by the passenger and the fare is calculated on the basis of any combi-
 23 nation of initial fee, distance traveled and waiting time if the vehicle:

- 24 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed eight;
- 25 (b) Carries passengers for hire between points in Oregon; and
- 26 (c) Operates on an irregular route basis.

27 (18) Fire trucks and rescue vehicles that are designated as emergency vehicles by the Depart-
 28 ment of Transportation under ORS 801.260, while involved in emergency and related operations.

29 (19) A person who provides services related to the packing or loading of household goods if the
 30 person does not:

- 31 (a) Provide or operate a motor vehicle for the movement of the household goods; and
- 32 (b) Act as an agent for any person who does provide or operate a motor vehicle for the move-
 33 ment of the household goods.

34
 35 **REPEALS**

36
 37 **SECTION 236. ORS 351.020, 351.040, 351.045 and 351.075 and sections 10 and 11, chapter**
 38 **519, Oregon Laws 2011, and section 33, chapter 637, Oregon Laws 2011, are repealed.**

39
 40 **OPERATIVE DATE**

41
 42 **SECTION 237. Sections 1 to 8, 13 and 14 of this 2012 Act, the amendments to statutes and**
 43 **session laws by sections 9 to 12 and 15 to 235 of this 2012 Act and the repeal of ORS 351.020,**
 44 **351.040, 351.045 and 351.075 and sections 10 and 11, chapter 519, Oregon Laws 2011, and section**
 45 **33, chapter 637, Oregon Laws 2011, by section 236 of this 2012 Act become operative July 1,**

1 2012.

2 **SECTION 238.** The State Board of Higher Education, the Oregon Education Investment
3 Board, the Chancellor of the Oregon University System and the Chief Education Officer may
4 take any action before the operative date specified in section 237 of this 2012 Act that is
5 necessary for the boards, the chancellor and the Chief Education Officer to exercise, on and
6 after the operative date specified in section 237 of this 2012 Act, all of the duties, functions
7 and powers conferred on the boards, the chancellor and the Chief Education Officer by this
8 2012 Act.

9
10 **CAPTIONS**

11
12 **SECTION 239.** The unit captions used in this 2012 Act are provided only for the conven-
13 ience of the reader and do not become part of the statutory law of this state or express any
14 legislative intent in the enactment of this 2012 Act.

15
16 **EMERGENCY CLAUSE**

17
18 **SECTION 240.** This 2012 Act being necessary for the immediate preservation of the public
19 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect
20 on its passage.

21 _____