

**A-Engrossed**  
**Senate Bill 1538**

Ordered by the Senate February 10  
Including Senate Amendments dated February 10

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Education and Workforce Development for the Senate Bill 242 Work Group)

**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.

*[Authorizes Oregon Education Investment Board to approve or reject Oregon University System funding requests and performance compacts. Identifies required elements of funding requests and performance compacts.]*

Expands and clarifies duties of Higher Education Coordinating Commission. **Places commission, for specified duties, under direction and control of Oregon Education Investment Board until March 15, 2016. Requires commission to submit consolidated higher education budget request to board until March 15, 2016.**

**Repeals provisions relating to performance compacts between State Board of Higher Education and State of Oregon.**

Transfers licensing authority of career schools from State Board of Education to Higher Education Coordinating Commission.

Clarifies applicability to Oregon University System of provisions of law related to borrowing through State Treasurer or holding of moneys in State Treasury.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to education; creating new provisions; amending ORS 340.310, 341.430, 341.455, 345.010,  
3 345.015, 345.017, 345.020, 345.030, 345.040, 345.060, 345.070, 345.080, 345.110, 345.115, 345.117,  
4 345.120, 345.325, 345.330, 345.340, 345.400, 345.430, 345.450, 345.995, 348.040, 348.070, 351.085,  
5 351.086, 351.735, 418.658, 471.580, 690.225 and 696.182; repealing ORS 351.052 and 351.054 and  
6 sections 22 and 22a, chapter 637, Oregon Laws 2011; and declaring an emergency.

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

8 **SECTION 1.** ORS 351.735 is amended to read:

9 351.735. (1) The Higher Education Coordinating Commission shall[.]

10 *[(1) Develop]* **advise the Oregon Education Investment Board on** state goals and associated  
11 *[accountability measures]* **achievement compacts** for the state post-secondary education system, in-  
12 cluding community colleges and public universities listed in ORS 352.002, and for the Oregon Stu-  
13 dent Access Commission.

14 **(2) Under the direction and control of the Oregon Education Investment Board, the**  
15 **Higher Education Coordinating Commission shall:**

16 *[(2)] (a)* Develop a strategic plan for achieving state higher education goals, identifying priority  
17 areas for attention and taking into consideration the contributions of this state's independent insti-  
18 tutions and other organizations dedicated to helping Oregonians reach state goals. Goals should in-  
19 clude, but need not be limited to:

20 *[(a)] (A)* Increasing the educational attainment of the population;

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

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

3       [(c)] **(C)** Ensuring affordable access for qualified Oregon students at each college or public uni-  
4 versity; and

5       [(d)] **(D)** Ensuring that public higher education in this state is provided in a cost-effective man-  
6 ner.

7       [(3)] **(b)** Evaluate and recommend changes to statutory goals and missions described for com-  
8 munity colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiv-  
9 ing recommendations from the appropriate governing board. The appropriate governing board shall  
10 have decision-making authority over program offerings to implement established goals and missions.

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

13       [(a)] **(A)** Recommended biennial appropriations to institutions, including a component specifically  
14 tied to institutional contributions to state educational priorities;

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

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

20       [(d)] **(D)** Recommended biennial appropriations for student financial aid; and

21       [(e)] **(E)** Recommended biennial appropriations for any future statewide higher education initi-  
22 atives.

23       [(5)] **(d)** Each biennium, recommend to the [*Governor and the Legislative Assembly*] **Oregon**  
24 **Education Investment Board** a consolidated higher education budget request consistent with the  
25 finance model, including appropriations for:

26       [(a)] **(A)** Ongoing operations of the Oregon Student Access Commission;

27       [(b)] **(B)** Ongoing operations for the Oregon University System;

28       [(c)] **(C)** Ongoing operations for community colleges;

29       [(d)] **(D)** Needed new facilities or programs; and

30       [(e)] **(E)** Capital improvements.

31       [(6)] *Design and Maintain a statewide educational data system, in collaboration with the State*  
32 *Board of Education*].

33       [(7)] **(e)** Coordinate with the Oregon Student Access Commission to maximize the effectiveness  
34 of student financial assistance programs, including the Oregon Opportunity Grant program under  
35 ORS 348.260.

36       [(8)] **(f)** Approve and authorize degrees for the Oregon University System.

37       [(9)] **(g)** Authorize degrees to be offered in this state in accordance with ORS 348.594 to 348.615,  
38 and adopt any rules to implement that authority.

39       **(3) In addition to the duties described in subsections (1) and (2) of this section, the Higher**  
40 **Education Coordinating Commission shall:**

41       **(a) Develop and recommend policies to ensure or improve access to higher education by**  
42 **underserved populations.**

43       **(b) Recommend and encourage student success and completion initiatives.**

44       **(c) Develop and recommend policies to improve the coordination of the provision of edu-**  
45 **cational services, including:**

1 (A) Transfers and other movements throughout the higher education system;

2 (B) Accelerated college credit programs for high school students;

3 (C) Applied baccalaureate and other transfer degrees; and

4 (D) Reciprocity agreements with other states.

5 (d) Oversee the licensing of career schools under ORS 345.010 to 345.450.

6 (e) Review research efforts among the public universities of this state to improve economic development in this state.

7  
8 (f) Coordinate education initiatives with the State Workforce Investment Board, the Department of Community Colleges and Workforce Development, local workforce investment boards, the Oregon Health and Science University and independent institutions of post-secondary education.

9  
10 **SECTION 2.** The amendments to ORS 351.735 by section 1 of this 2012 Act become operative on July 1, 2012.

11  
12 **SECTION 3.** ORS 351.735, as amended by section 1 of this 2012 Act, is amended to read:

13  
14 351.735. [(1)] The Higher Education Coordinating Commission shall [*advise the Oregon Education Investment Board on*]:

15  
16 (1) **Develop** state goals and associated achievement compacts for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for the Oregon Student Access Commission.

17  
18 [(2) *Under the direction and control of the Oregon Education Investment Board, the Higher Education Coordinating Commission shall:*]

19  
20 [(a)] (2) Develop a strategic plan for achieving state higher education goals, identifying priority areas for attention and taking into consideration the contributions of this state's independent institutions and other organizations dedicated to helping Oregonians reach state goals. Goals should include, but need not be limited to:

21  
22 [(A)] (a) Increasing the educational attainment of the population;

23  
24 [(B)] (b) Increasing this state's global economic competitiveness and the quality of life of its citizens;

25  
26 [(C)] (c) Ensuring affordable access for qualified Oregon students at each college or public university; and

27  
28 [(D)] (d) Ensuring that public higher education in this state is provided in a cost-effective manner.

29  
30 [(b)] (3) Evaluate and recommend changes to statutory goals and missions described for community colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiving recommendations from the appropriate governing board. The appropriate governing board shall have decision-making authority over program offerings to implement established goals and missions.

31  
32 [(c)] (4) Develop a finance model for higher education aligned with the goals in the system strategic plan, including:

33  
34 [(A)] (a) Recommended biennial appropriations to institutions, including a component specifically tied to institutional contributions to state educational priorities;

35  
36 [(B)] (b) Recommended limits regarding the setting of tuition rates at public universities listed in ORS 352.002 in accordance with criteria set by the State Board of Higher Education, with the goal of encouraging tuition affordability for students;

37  
38 [(C)] (c) Tuition rates set by each community college governing board for community colleges in this state;

1 [(D)] (d) Recommended biennial appropriations for student financial aid; and  
2 [(E)] (e) Recommended biennial appropriations for any future statewide higher education initi-  
3 atives.

4 [(d)] (5) Each biennium, recommend to the [Oregon Education Investment Board] **Governor and**  
5 **the Legislative Assembly** a consolidated higher education budget request consistent with the fi-  
6 nance model, including appropriations for:

7 [(A)] (a) Ongoing operations of the Oregon Student Access Commission;

8 [(B)] (b) Ongoing operations for the Oregon University System;

9 [(C)] (c) Ongoing operations for community colleges;

10 [(D)] (d) Needed new facilities or programs; and

11 [(E)] (e) Capital improvements.

12 [(e)] (6) Coordinate with the Oregon Student Access Commission to maximize the effectiveness  
13 of student financial assistance programs, including the Oregon Opportunity Grant program under  
14 ORS 348.260.

15 [(f)] (7) Approve and authorize degrees for the Oregon University System.

16 [(g)] (8) Authorize degrees to be offered in this state in accordance with ORS 348.594 to 348.615,  
17 and adopt any rules to implement that authority.

18 [(3) In addition to the duties described in subsections (1) and (2) of this section, the Higher Edu-  
19 cation Coordinating Commission shall:]

20 [(a)] (9) Develop and recommend policies to ensure or improve access to higher education by  
21 underserved populations.

22 [(b)] (10) Recommend and encourage student success and completion initiatives.

23 [(c)] (11) Develop and recommend policies to improve the coordination of the provision of edu-  
24 cational services, including:

25 [(A)] (a) Transfers and other movements throughout the higher education system;

26 [(B)] (b) Accelerated college credit programs for high school students;

27 [(C)] (c) Applied baccalaureate and other transfer degrees; and

28 [(D)] (d) Reciprocity agreements with other states.

29 [(d)] (12) Oversee the licensing of career schools under ORS 345.010 to 345.450.

30 [(e)] (13) Review research efforts among the public universities of this state to improve economic  
31 development in this state.

32 [(f)] (14) Coordinate education initiatives with the State Workforce Investment Board, the De-  
33 partment of Community Colleges and Workforce Development, local workforce investment boards,  
34 the Oregon Health and Science University and independent institutions of post-secondary education.

35 **SECTION 4. The amendments to ORS 351.735 by section 3 of this 2012 Act become oper-**  
36 **ative on March 15, 2016.**

37 **SECTION 5.** ORS 351.085 is amended to read:

38 351.085. The Chancellor of the Oregon University System shall exercise, under the direction of  
39 the State Board of Higher Education, the administrative and management authority necessary to  
40 carry out the policies and directives of the board with respect to the public universities and offices,  
41 departments and activities under the control of the board. In carrying out the duties of the  
42 chancellor, the chancellor shall:

43 (1) Serve as chief executive officer of the Oregon University System and administrative officer  
44 of the State Board of Higher Education.

45 (2) Supervise the presidents of the public universities listed in ORS 352.002 and recommend the

1 terms and conditions of their employment to the board, including but not limited to appointment,  
2 compensation and termination.

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

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

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

12 [(6) *Oversee the preparation and submission to the board of the funding request for the Oregon*  
13 *University System for consideration by the board as the funding request under ORS 351.052.*]

14 [(7)] (6) Appoint such personnel as may be necessary for the performance of the duties of the  
15 chancellor.

16 [(8)] (7) Designate, if the chancellor wishes, one or more suitable persons to sign or countersign  
17 warrants, vouchers, certificates or other papers and documents requiring the signature of the  
18 chancellor.

19 [(9)] (8) Prepare the agendas for board meetings and provide an analysis of proposals made to  
20 the board, including such alternatives as may be necessary or desirable for their consideration, and  
21 make recommendations thereon.

22 [(10)] (9) Prepare and submit to the board on or about December 31 of each year an annual re-  
23 port in which the chancellor describes the principal activities of the Oregon University System  
24 during the fiscal year ending June 30.

25 [(11)] (10) Keep a record of the transactions of the board.

26 [(12)] (11) Have the custody of all books, papers, documents and other property belonging to the  
27 board.

28 [(13)] (12) Give such instructions as may be necessary to carry out the directives of the board  
29 and forward them to the various institution presidents and heads of offices, departments and activ-  
30 ities.

31 [(14)] (13) Provide for meetings of the presidents and principal executives of the public univer-  
32 sities and offices, departments and activities under the control of the board, at such times as the  
33 board may direct. The meetings shall be open to any member of the board.

34 [(15)] (14) Perform such other administrative or management assistance and consider other ad-  
35 ministrative or management matters as the board may require.

36 **SECTION 6. ORS 351.052 and 351.054 and sections 22 and 22a, chapter 637, Oregon Laws**  
37 **2011, are repealed.**

38 **NOTE:** Sections 7 through 9 were deleted by amendment. Subsequent sections were not re-  
39 numbered.

40 **SECTION 10.** ORS 340.310 is amended to read:

41 340.310. (1) The *[Joint Boards of Education]* **Higher Education Coordinating Commission** shall  
42 develop statewide standards for dual credit programs to be implemented by public high schools,  
43 community colleges and state institutions of higher education within the Oregon University System.  
44 The standards must establish the manner by which:

45 (a) A student may, upon completion of a course, earn course credit both for high school and for

1 a community college or state institution of higher education within the Oregon University System;  
2 and

3 (b) Teachers of courses that are part of a dual credit program will work together to determine  
4 the quality of the program and to ensure the alignment of the content, objectives and outcomes of  
5 individual courses.

6 (2) Each public high school, community college and state institution of higher education within  
7 the Oregon University System that provides a dual credit program must implement the statewide  
8 standards developed under subsection (1) of this section.

9 (3) Each school district, community college and state institution of higher education within the  
10 Oregon University System that provides a dual credit program shall submit an annual report to the  
11 *[Joint Boards of Education]* **Higher Education Coordinating Commission** on the academic per-  
12 formance of students enrolled in a dual credit program. The *[Joint Boards of Education]* **Higher**  
13 **Education Coordinating Commission** shall establish the required contents of the report, which  
14 must provide sufficient information to allow the *[Joint Boards of Education]* **commission** to deter-  
15 mine the quality of the dual credit program.

16 **SECTION 11.** ORS 341.430 is amended to read:

17 341.430. (1) As used in this section:

18 (a) "Associate transfer degree" means an associate degree that is awarded by a community  
19 college and that is intended to allow a student to apply the credits earned for the degree towards  
20 a baccalaureate degree.

21 (b) "Community college" means a community college operated under ORS chapter 341.

22 (c) "State institution of higher education" means a state institution of higher education listed  
23 in ORS 352.002.

24 (d) "Transfer program" means a one-year program that is designed to allow a student to apply  
25 the credits earned through the program towards a baccalaureate degree.

26 (2) The *[Joint Boards of Education]* **Higher Education Coordinating Commission** shall develop  
27 standards related to the ability of students to apply credits earned through courses of study at  
28 community colleges to baccalaureate degrees awarded by state institutions of higher education. The  
29 standards shall be known as the "Transfer Student Bill of Rights and Responsibilities."

30 (3) The standards developed under this section may include:

31 (a) Admission standards to state institutions of higher education for students who have earned  
32 an associate transfer degree.

33 (b) The maximum number of credits that students who have earned an associate transfer degree  
34 would need to complete prior to receiving various types of baccalaureate degrees at state insti-  
35 tutions of higher education.

36 (c) The maximum number of credits that students who have completed a transfer program would  
37 need to complete prior to receiving various types of baccalaureate degrees at state institutions of  
38 higher education.

39 (d) A process by which a community college would award an associate degree to a student upon  
40 completion of necessary credits, regardless of whether the student applied to receive the degree or  
41 whether the student earned the credits for the degree at a community college or a state institution  
42 of higher education.

43 (e) Any other issues identified by the *[Joint Boards of Education]* **Higher Education Coordi-**  
44 **nating Commission** that relate to courses of study at community colleges and the ability of a stu-  
45 dent to transfer credits to a community college or a state institution of higher education, to be

1 admitted to a state institution of higher education or to earn a degree at a community college or  
2 a state institution of higher education.

3 (f) Requirements that students must meet in order to benefit from the standards described in  
4 paragraphs (a) to (e) of this subsection.

5 (4) Each community college and state institution of higher education shall submit annual reports  
6 to the [*Joint Boards of Education*] **Higher Education Coordinating Commission** related to:

7 (a) The number of students who attend a community college and then a state institution of  
8 higher education, or a state institution of higher education and then a community college.

9 (b) The number of students who attend one community college and then a different community  
10 college.

11 (c) The number of students who transfer from a community college to a state institution of  
12 higher education and who have an associate transfer degree or have completed a transfer program.

13 (d) The average number of credits students have when they transfer from a community college  
14 to a state institution of higher education.

15 (e) The average number of credits students have when they attend one community college and  
16 then a different community college.

17 (f) The average number of credits that a student earning an associate transfer degree completed  
18 at a community college.

19 (g) The average number of credits students who have transferred from a community college to  
20 a state institution of higher education must earn prior to receiving a baccalaureate degree compared  
21 to the average number of credits students who did not transfer from a community college must earn  
22 prior to receiving a baccalaureate degree.

23 **SECTION 12. The amendments to ORS 340.310 and 341.430 by sections 10 and 11 of this**  
24 **2012 Act become operative on July 1, 2012.**

25 **SECTION 13. The duties, functions and powers of the State Board of Education, Depart-**  
26 **ment of Education and Superintendent of Public Instruction relating to career schools are**  
27 **imposed upon, transferred to and vested in the Higher Education Coordinating Commission.**

28 **SECTION 14. (1) The Superintendent of Public Instruction shall:**

29 (a) **Deliver to the Higher Education Coordinating Commission all records and property**  
30 **within the jurisdiction of the superintendent that relate to the duties, functions and powers**  
31 **transferred by section 13 of this 2012 Act; and**

32 (b) **Transfer to the Higher Education Coordinating Commission those employees engaged**  
33 **primarily in the exercise of the duties, functions and powers transferred by section 13 of this**  
34 **2012 Act.**

35 (2) **The executive officer of the Higher Education Coordinating Commission shall take**  
36 **possession of the records and property, and shall take charge of the employees and employ**  
37 **them in the exercise of the duties, functions and powers transferred by section 13 of this 2012**  
38 **Act, without reduction of compensation but subject to change or termination of employment**  
39 **or compensation as provided by law.**

40 (3) **The Governor shall resolve any dispute between the State Board of Education, De-**  
41 **partment of Education, Superintendent of Public Instruction and the Higher Education Co-**  
42 **ordinating Commission relating to transfers of records, property and employees under this**  
43 **section, and the Governor's decision is final.**

44 **SECTION 15. (1) The unexpended balances of amounts authorized to be expended by the**  
45 **Department of Education for the biennium beginning July 1, 2011, from revenues dedicated,**

1 continuously appropriated, appropriated or otherwise made available for the purpose of ad-  
2 ministering and enforcing the duties, functions and powers transferred by section 13 of this  
3 2012 Act are transferred to and are available for expenditure by the Higher Education Coor-  
4 dinating Commission for the biennium beginning July 1, 2011, for the purpose of administer-  
5 ing and enforcing the duties, functions and powers transferred by section 13 of this 2012 Act.

6 (2) The expenditure classifications, if any, established by Acts authorizing or limiting  
7 expenditures by the Department of Education remain applicable to expenditures by the  
8 Higher Education Coordinating Commission.

9 **SECTION 16.** The transfer of duties, functions and powers to the Higher Education Co-  
10 ordinating Commission by section 13 of this 2012 Act does not affect any action, proceeding  
11 or prosecution involving or with respect to such duties, functions and powers begun before  
12 and pending at the time of the transfer, except that the Higher Education Coordinating  
13 Commission is substituted for the State Board of Education, Department of Education or  
14 Superintendent of Public Instruction in the action, proceeding or prosecution.

15 **SECTION 17.** (1) Nothing in sections 13 to 16 of this 2012 Act relieves a person of a li-  
16 ability, duty or obligation accruing under or with respect to the duties, functions and powers  
17 transferred by section 13 of this 2012 Act. The Higher Education Coordinating Commission  
18 may undertake the collection or enforcement of any such liability, duty or obligation.

19 (2) The rights and obligations of the Department of Education legally incurred under  
20 contracts, leases and business transactions executed, entered into or begun before the op-  
21 erative date of section 13 of this 2012 Act accruing under or with respect to the duties,  
22 functions and powers transferred by section 13 of this 2012 Act are transferred to the Higher  
23 Education Coordinating Commission. For the purpose of succession to these rights and obli-  
24 gations, the Higher Education Coordinating Commission is a continuation of the Department  
25 of Education and not a new authority.

26 **SECTION 18.** Notwithstanding the transfer of duties, functions and powers by section 13  
27 of this 2012 Act, the rules of the State Board of Education with respect to such duties,  
28 functions or powers that are in effect on the operative date of section 13 of this 2012 Act  
29 continue in effect until superseded or repealed by rules of the Higher Education Coordinating  
30 Commission. References in such rules of the State Board of Education to the Department  
31 of Education or to an officer or employee of the department are considered to be references  
32 to the Higher Education Coordinating Commission or an officer or employee of the Higher  
33 Education Coordinating Commission.

34 **SECTION 19.** Whenever, in any uncodified law or resolution of the Legislative Assembly  
35 or in any rule, document, record or proceeding authorized by the Legislative Assembly, in  
36 the context of the duties, functions and powers transferred by section 13 of this 2012 Act,  
37 reference is made to the rulemaking authority of the State Board of Education or to the  
38 administrative authority of the Department of Education, or an officer or employee of the  
39 State Board of Education or Department of Education, whose duties, functions or powers are  
40 transferred by section 13 of this 2012 Act, the reference is considered to be a reference to  
41 the Higher Education Coordinating Commission or an officer or employee of the Higher Ed-  
42 ucation Coordinating Commission who, by this 2012 Act, is charged with carrying out such  
43 duties, functions and powers.

44 **SECTION 20.** ORS 345.010 is amended to read:

45 345.010. As used in ORS 345.010 to 345.450 and 345.992 to 345.997:



1 (1) "Agent" means a person employed by or for a career school for the purpose of procuring  
2 students, enrollees or subscribers by solicitation in any form, made at a place or places other than  
3 the school office or place of business of such school.

4 (2) "Barbering" has the meaning given that term in ORS 690.005.

5 [(3) "Board" means the State Board of Education.]

6 [(4) (3) "Career school" or "school" means any private proprietary professional, technical, home  
7 study, correspondence, business or other school instruction, organization or person that offers any  
8 instruction or training for the purpose or purported purpose of instructing, training or preparing  
9 persons for any profession.

10 [(5) (4) "Esthetics" has the meaning given in ORS 690.005.

11 [(6) (5) "Hair design" has the meaning given in ORS 690.005.

12 [(7) (6) "License" means the authority the career school has been granted to operate under ORS  
13 345.010 to 345.450.

14 [(8) (7) "Nail technology" has the meaning given in ORS 690.005.

15 [(9) (8) "Registration" means the approval by the [*Superintendent of Public Instruction*] **Higher  
16 Education Coordinating Commission** of a teacher or agent to instruct in or to represent the  
17 school.

18 [(10) "*Superintendent*" means *Superintendent of Public Instruction*.]

19 **SECTION 21.** ORS 345.015 is amended to read:

20 345.015. ORS 345.010 to 345.450 do not apply to:

21 (1) Instruction or training solely avocational or recreational in nature or to institutions offering  
22 such education exclusively.

23 (2) Instruction or training sponsored or offered by a bona fide trade, business, professional or  
24 fraternal organization or by a business solely for the organization's membership or the business's  
25 employees.

26 (3) Instruction or training sponsored, offered or contracted by organizations, institutions or  
27 agencies, if the instruction or training is advertised or promoted to be in the nature of professional  
28 self-improvement or personal self-improvement and the instruction or training is not:

29 (a) Advertised or promoted as leading to or fulfilling the requirements for licensing, certifi-  
30 cation, accreditation or education credentials; or

31 (b) Leading to an occupation, employment or other activity for which a person may reasonably  
32 expect financial compensation.

33 (4) Courses offered in hospitals that meet standards prescribed by the American Medical Asso-  
34 ciation or national accrediting associations for nursing.

35 (5) Courses, instruction or training offered for a limited number of hours, as defined by rule of  
36 the [*State Board of Education*] **Higher Education Coordinating Commission**.

37 (6) Schools offering only courses of an advanced training or continuing educational nature when  
38 offered solely to licensed practitioners and people previously qualified or employed in the profession  
39 for which a course is being offered.

40 (7) Schools that the [*Superintendent of Public Instruction*] **Higher Education Coordinating  
41 Commission** determines are adequately regulated by other means that guarantee the school meets  
42 the standards of ORS 345.325.

43 (8) Schools offering only review instruction to prepare a student to take an examination to enter  
44 a profession, where the student has completed prior training related to the profession.

45 (9) Schools described in ORS 348.597 and, except as provided in ORS 345.017, schools approved

1 by the Higher Education Coordinating Commission to confer or offer to confer academic degrees  
2 under ORS 348.606.

3 (10) Any parochial or denominational institution providing instruction or training relating solely  
4 to religion and that does not grant degrees.

5 **SECTION 22.** ORS 345.017 is amended to read:

6 345.017. When a school that is licensed under ORS 345.010 to 345.450 is approved by the Higher  
7 Education Coordinating Commission to confer or offer to confer an academic degree under ORS  
8 348.606 and the school continues to offer a course or program that does not lead to an academic  
9 degree:

10 (1) The school must continue to be licensed as a career school and meet the requirements of  
11 ORS 345.010 to 345.450 until:

12 (a) All courses or programs offered by the school are approved by the commission; and

13 (b) All students who were first enrolled in the school when the school was licensed as a career  
14 school have:

15 (A) Completed the course or program for which the student contracted with the career school;  
16 or

17 (B) Terminated enrollment in the career school for any reason.

18 (2) A student who is enrolled in a course or program for which a school must be licensed under  
19 ORS 345.010 to 345.450 is eligible for moneys from the Tuition Protection Fund established under  
20 ORS 345.110 if the student:

21 (a) Qualifies for moneys under rules adopted by the [*State Board of Education*] **Higher Educa-**  
22 **tion Coordinating Commission** under ORS 345.110; and

23 (b) Was first admitted to the school when the school was licensed as a career school under ORS  
24 345.010 to 345.450.

25 (3) When a course or program that did not lead to an academic degree is approved by the Higher  
26 Education Coordinating Commission to lead to an academic degree, the regulatory authority for that  
27 course or program transfers to the commission upon the approval.

28 **SECTION 23.** ORS 345.020 is amended to read:

29 345.020. (1) The [*Superintendent of Public Instruction*] **Higher Education Coordinating Com-**  
30 **mission** shall administer ORS 345.010 to 345.450 and 345.992 to 345.997 and shall enforce all laws  
31 and rules relating to the licensing of career schools and agents.

32 (2) The [*superintendent*] **commission** may establish procedures whereby schools become eligible  
33 to participate in federal student assistance programs if approved by the United States Department  
34 of Education.

35 (3) [*The superintendent and the employees of the Department of Education shall*] **Members and**  
36 **employees of the commission may** not have financial interests in any career school and [*shall*]  
37 **may** not act as agents or employees thereof.

38 **SECTION 24.** ORS 345.030 is amended to read:

39 345.030. (1) A person may not open, conduct or do business as a career school in this state  
40 without obtaining a license under ORS 345.010 to 345.450.

41 (2) Except as provided in subsection (8) of this section, the [*Superintendent of Public*  
42 *Instruction*] **Higher Education Coordinating Commission** may issue a license to conduct a career  
43 school only after the applicant has presented proof satisfactory to the [*superintendent or the repre-*  
44 *sentative of the superintendent*] **commission** that the applicant complies with applicable standards  
45 adopted under ORS 345.325 and 670.280. For the purpose of this subsection, ORS 670.280 applies to

1 individuals who hold positions of authority or control in the operation of the school and to its fac-  
2 ulty members and agents.

3 (3) A career school licensed in any other state must be licensed in this state before establishing  
4 a physical presence in this state such as offices or agents, or both, for the purpose of solicitation  
5 of students.

6 (4) In determining whether to issue a license to a career school, the [*superintendent*] **commis-**  
7 **sion** may consider the prior history of the applicant in operating other career schools. The prior  
8 history of operating other career schools includes, but is not limited to:

9 (a) Conduct by the applicant that is cause for probation of a licensee or for suspension or re-  
10 vocation of a license as provided in ORS 345.120 (2);

11 (b) Failure to comply with ORS 345.010 to 345.450 or rules adopted under ORS 345.010 to  
12 345.450; and

13 (c) The history of the applicant in operating career schools in other states.

14 (5) The [*superintendent*] **commission** may not issue a license to or renew the license of a career  
15 school until the applicant provides all of the following to the [*superintendent*] **commission**:

16 (a) A financial statement, certified true and accurate and signed by the owner of the school;

17 (b) Proof of compliance with the tuition protection policy established by the [*State Board of*  
18 *Education*] **commission** pursuant to ORS 345.110; and

19 (c) Fingerprints of individuals as described in subsection (6) of this section.

20 (6)(a) Except as provided in paragraph (c) of this subsection, an applicant for an initial issuance  
21 of a license or a renewal of a license must provide to the [*superintendent*] **commission** the finger-  
22 prints of faculty members and agents of the school and individuals who hold positions of authority  
23 or control in the operation of the school if the career school will be enrolling or does enroll persons  
24 under 18 years of age.

25 (b) In addition to requirements provided under paragraph (a) of this subsection, the [*superinten-*  
26 *dent*] **commission** may require a career school to provide the fingerprints of any agents of the  
27 school who will have contact with persons under 18 years of age on behalf of the career school.

28 (c) An applicant is not required to provide fingerprints under paragraph (a) or (b) of this sub-  
29 section if the [*Department of Education*] **commission** has conducted a state or nationwide criminal  
30 records check on the person within the three years preceding the date of the application.

31 (d) Fingerprints acquired under this subsection may be used only for the purpose of requesting  
32 a state or nationwide criminal records check under ORS 181.534.

33 (7) Notwithstanding ORS 345.325 (10), the [*superintendent*] **commission** may place a school on  
34 probation or deny, suspend or revoke a license if the [*superintendent*] **commission** finds that an in-  
35 dividual who holds a position of authority or control in the operation of the school was convicted  
36 of a crime listed in ORS 342.143.

37 (8) The [*superintendent*] **commission** may issue a conditional license to a career school that  
38 meets the requirements of subsection (5) of this section but that does not comply with the applicable  
39 standards adopted by rule under ORS 345.325. A conditional license issued under this subsection is  
40 effective for a period prescribed by the [*department*] **commission**, which may not exceed 90 days.

41 (9)(a) Except as provided in paragraph (b) of this subsection, a career school license is  
42 nontransferable. The licensee must give 30 days of notice to the [*Department of Education*] **com-**  
43 **mission** when transferring ownership of a career school.

44 (b) The [*department*] **commission** may transfer a career school license or allow the ownership  
45 of a career school to transfer with less than 30 days of notice if:

- 1 (A) The owner of the school dies, is incapacitated or is incarcerated; or
- 2 (B) Other circumstances render the owner unable to operate the career school.
- 3 (10) Each career school shall display its license in a prominent place.

4 **SECTION 25.** ORS 345.040 is amended to read:

5 345.040. (1) *[No person shall]* **A person may not** act in this state as an agent for a career school  
 6 domiciled within or outside this state, unless the *[Superintendent of Public Instruction]* **Higher Ed-**  
 7 **ucation Coordinating Commission** has approved the agent’s registration as a part of the school’s  
 8 license under ORS 345.010 to 345.450. No person shall act as an agent for a career school unless  
 9 and until the career school has obtained a license.

10 (2) For the purposes of licensing and student protection, persons acting as agents for a career  
 11 school domiciled within or outside this state are employees of the school and shall be included under  
 12 the school’s bonding or student protection policy, or both. Agents shall perform their duties and  
 13 conduct their business in accordance with ORS 345.010 to 345.450.

14 (3) An agent shall be a person who has attained the age of 18 years, is of good moral character  
 15 and is otherwise competent and qualified to safeguard and protect the interests of the public.

16 **SECTION 26.** ORS 345.060 is amended to read:

17 345.060. (1) Every agent for a career school not domiciled in this state shall be held to have  
 18 appointed the *[Superintendent of Public Instruction]* **executive officer of the Higher Education**  
 19 **Coordinating Commission** as agent to accept service of all summonses, pleadings, writs and pro-  
 20 cesses in all actions or proceedings brought against the applicant in this state. Service upon the  
 21 *[superintendent]* **executive officer** shall be taken and held in all courts to be as valid and binding  
 22 as if personal service thereof had been made upon the applicant within this state.

23 (2) When any summons, pleading, writ or process is served on the *[superintendent]* **executive**  
 24 **officer**, service shall be by duplicate copies. One of the duplicates shall be filed in the office of the  
 25 *[superintendent]* **executive officer** and the other immediately forwarded by certified mail to the  
 26 agent thereby affected or therein named, at the agent’s last-known post-office address. If service is  
 27 of a summons, the plaintiff therein also shall cause the agent to be served therewith in a manner  
 28 provided by ORCP 7.

29 **SECTION 27.** ORS 345.070 is amended to read:

30 345.070. The employing school shall issue an identification credential to each agent registered  
 31 under ORS 345.010 to 345.450 in the form and size prescribed by the *[Superintendent of Public In-*  
 32 *struction]* **Higher Education Coordinating Commission**. Each agent shall carry the credential at  
 33 all times while engaged as an agent of the school.

34 **SECTION 28.** ORS 345.080 is amended to read:

35 345.080. (1) Before issuing any licenses under ORS 345.010 to 345.450, the *[Superintendent of*  
 36 *Public Instruction]* **Higher Education Coordinating Commission** shall collect the following  
 37 nonrefundable, annual license fees:

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<u>In-State Schools</u>	
<u>Tuition Income Range</u>	<u>Fee</u>
\$ 0 - 15,000	\$ 450
15,001 - 50,000	600
50,001 - 125,000	750
125,001 - 250,000	1,050

1	250,001 - 500,000	1,350
2	500,001 - 750,000	1,650
3	750,001 - 1,000,000	1,950
4	Over 1,000,000	2,250
5	<u>Out-of-State Schools</u>	
6	<u>Tuition Income Range</u>	<u>Fee</u>
7	\$ 0 - 50,000	\$ 1,350
8	50,001 - 250,000	1,650
9	250,001 - 500,000	1,950
10	500,001 - 750,000	2,250
11	750,001 - 1,000,000	2,550
12	Over 1,000,000	2,850

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14  
 15 (2) The [*State Board of Education*] **commission** may adopt, by rule, fees for teacher registration  
 16 and fees for providing copies of student transcripts maintained [*at the Department of Education*] **by**  
 17 **the commission**.

18 (3) The [*board*] **commission** may adopt, by rule, fees for conducting a state or nationwide  
 19 criminal background check under ORS 181.534 and may collect fees for each criminal records check.  
 20 Fees collected as provided by this subsection are in addition to any other fees collected by the [*de-*  
 21 *partment*] **commission**.

22 (4) All fees collected under this section shall be paid to the credit of the [*department*] **commis-**  
 23 **sion**. Such moneys are continuously appropriated to the [*department*] **commission** and shall be used  
 24 for the administration of the licensing program under ORS 345.010 to 345.450.

25 **SECTION 29.** ORS 345.110 is amended to read:

26 345.110. (1) The Tuition Protection Fund is established separate and distinct from the General  
 27 Fund. Interest earned by the fund shall be credited to the fund. Proceeds of the fund are contin-  
 28 uously appropriated to the [*Department of Education*] **Higher Education Coordinating Commission**  
 29 to protect students when a career school ceases to provide educational services and for adminis-  
 30 trative expenses incurred under subsection (5) of this section.

31 (2) The [*Superintendent of Public Instruction*] **commission** shall maintain and administer the  
 32 fund[, and the *State Board of Education*] **and** shall adopt by rule procedures governing the adminis-  
 33 tration and maintenance of the fund, including requirements relating to contributions to and claims  
 34 against the fund.

35 (3) Each career school shall pay to the Tuition Protection Fund an initial capitalization deposit  
 36 in amounts and within time limits established by rule of the [*board*] **commission**. Thereafter, each  
 37 school shall make installment payments based on a matrix adopted by rule of the [*board*] **commis-**  
 38 **sion**. In establishing the amount and frequency of payments, the [*board*] **commission** may consider  
 39 the enrollment and financial condition of each school and such other factors as the [*board*] **com-**  
 40 **mission** considers appropriate. The [*superintendent*] **commission** may deny, suspend or revoke the  
 41 license of a school which fails to make payments or fails to conform to other requirements of this  
 42 section or rules adopted by the [*board*] **commission** under this section.

43 (4) The [*superintendent*] **commission** shall deposit moneys received under this section with the  
 44 State Treasurer in the Tuition Protection Fund.

45 (5) The [*superintendent*] **commission** may disburse moneys from the fund by checks or orders

1 drawn upon the State Treasurer in conformance with rules of the [board] **commission** and only for  
 2 tuition protection purposes, including the [superintendent's] **commission's** costs in administering  
 3 and maintaining the fund.

4 (6) The [superintendent] **commission** may enter into contracts to carry out the purposes of the  
 5 fund. The provisions of ORS 279.835 to 279.855 and ORS chapters 279A and 279B do not apply to  
 6 contracts entered into under this subsection.

7 **SECTION 30.** ORS 345.115 is amended to read:

8 345.115. (1) The enrollment agreement entered into between a person and a career school for the  
 9 purpose of obtaining instruction or training shall contain a schedule for the refund of tuition, de-  
 10 posits and fees when the person does not complete the course or program of instruction or training  
 11 which was the subject of the contract. No action or suit may be brought by a career school or its  
 12 assigns if the enrollment agreement does not contain this refund schedule. This provision shall not  
 13 limit the career school's right to defend any action or suit brought by any person on a contract  
 14 which does not contain such a schedule.

15 (2) The refund schedule required by subsection (1) of this section shall be established by the  
 16 [Superintendent of Public Instruction] **Higher Education Coordinating Commission** in consultation  
 17 with the advisory committee appointed under ORS 345.330. In establishing the refund schedule, the  
 18 [superintendent] **commission** shall consider:

19 (a) The reasonable, obligated and fixed costs of the career school, including but not limited to  
 20 rent, personnel and nonreturnable supplies.

21 (b) The method of instruction.

22 (c) The reasonable value of services performed prior to cancellation of the course or program.

23 (3) The [superintendent] **commission** may establish varying refund schedules when the difference  
 24 in services performed necessitates separate schedules.

25 (4) Nothing in this section is intended to prevent a career school from requiring an advance  
 26 deposit of tuition on behalf of the person intending to enroll in a course or program offered by or  
 27 through the career school. However, the advance deposit shall be limited to 20 percent of the total  
 28 tuition and fees, excluding federal and state financial aid, unless the [State Board of Education]  
 29 **commission** determines by rule that larger advance deposits are appropriate.

30 (5) A school shall be considered in default of the enrollment agreement when a course or pro-  
 31 gram is discontinued or canceled or the school closes prior to completion of contracted services.  
 32 When a school is in default, student tuition may be refunded on a pro rata basis if the [superinten-  
 33 dent] **commission** determines that the school has made provision for students enrolled at the time  
 34 of default to complete a comparable program at another institution at no additional tuition cost to  
 35 the student beyond the original contract with the defaulting school. If the school does not make such  
 36 provision, a total refund of all tuition and fees shall be made to the students.

37 **SECTION 31.** ORS 345.117 is amended to read:

38 345.117. Any enrollment agreement used within this state as a contract for instruction between  
 39 a career school and a student shall have printed or stamped upon it: "Any inquiry a student may  
 40 have regarding this contract may be made in writing to the school (name and address), or to the  
 41 [Superintendent of Public Instruction, Department of Education, (current address), Salem, Oregon  
 42 (current zip code)] **Higher Education Coordinating Commission (current address).**"

43 **SECTION 32.** ORS 345.120 is amended to read:

44 345.120. (1) On the written complaint of any person, the [Superintendent of Public Instruction]  
 45 **Higher Education Coordinating Commission** shall, and on the [superintendent's] **commission's**

1 own motion may, investigate the actions of any career school or agent, or any person who assumes  
2 to act in either capacity within this state.

3 (2) As a result of the investigation, and in addition to any penalty that may be imposed under  
4 ORS 345.992, the [*superintendent*] **commission** may place a licensee on probation or may suspend  
5 or revoke any license issued under ORS 345.010 to 345.450 when the licensee has:

- 6 (a) Obtained a license by misrepresentation.
- 7 (b) Violated ORS 345.010 to 345.450 or any applicable rule.
- 8 (c) Ceased to engage in the business authorized by the license.
- 9 (d) Willfully used or employed any method, act or practice declared unlawful by ORS 646.608.

10 (3) When notice of suspension or revocation is issued, the licensee shall be notified and, upon  
11 request, shall be granted a contested case hearing under ORS 183.310 (2).

12 (4) A licensee placed on probation must be formally notified by the [*superintendent*] **commission**  
13 that it has deficiencies that must be corrected within a time specified in the notice.

14 (5) A licensee whose license is suspended is prohibited from advertising, recruiting or enrolling  
15 students but may remain in operation to complete training of students enrolled on the effective date  
16 of the suspension.

17 (6) A licensee whose license has been revoked is not authorized to continue in operation on and  
18 after the effective date of the revocation.

19 **SECTION 33.** ORS 345.325 is amended to read:

20 345.325. The [*State Board of Education*] **Higher Education Coordinating Commission** shall  
21 adopt by rule minimum standards for the licensing of career schools under ORS 345.010 to 345.450  
22 that are reasonably calculated to ensure that:

23 (1) The quality and content of each course or program of instruction can achieve its stated ob-  
24 jective;

25 (2) The facilities, instructional equipment and materials are sufficient to enable students to  
26 achieve the program goals and are adequate for the purposes of the program;

27 (3) The directors, administrators and instructors are properly qualified;

28 (4) Prior to an applicant signing an enrollment agreement, the school provides the applicant  
29 with a catalog or brochure that includes an accurate description of the program for which the ap-  
30 plicant is enrolling, total costs of tuition and fees and other information specified by rule;

31 (5) Upon satisfactory completion of instruction and training, the student is given appropriate  
32 educational credentials;

33 (6) Adequate records and standard transcripts are maintained;

34 (7) The career school is maintained and operated in compliance with all applicable ordinances  
35 and laws;

36 (8) The career school is financially sound and capable of fulfilling its commitments to students;

37 (9) Neither the career school nor its agents engage in advertising, sales, collection, credit or  
38 other practices of any type which are unlawful under ORS 646.608;

39 (10) The directors, administrators, supervisors and instructors of the school are of good reputa-  
40 tion and character, except that a school shall not be placed on probation or a license shall not be  
41 denied, suspended or revoked because a faculty member has been convicted of a crime except as  
42 authorized under ORS 670.280;

43 (11) Any student housing owned, maintained or approved by the career school is appropriate,  
44 safe and adequate;

45 (12) The school has a written placement assistance plan; and

1 (13) A license application from a new school or an application for approval of a new program  
2 from an existing school shall include labor market information that identifies the need for the new  
3 school or program.

4 **SECTION 34.** ORS 345.330 is amended to read:

5 345.330. (1) The [*Superintendent of Public Instruction*] **Higher Education Coordinating Com-**  
6 **mission** shall appoint a representative advisory committee consisting of 11 members who shall serve  
7 for terms of three years ending June 30. Of the membership of the committee:

8 (a) Seven members shall be persons affiliated with career schools as owners, directors, admin-  
9 istrators, instructors or representatives, but not more than one member shall represent an out-of-  
10 state career school.

11 (b) Four members shall be persons who are not eligible under paragraph (a) of this subsection.  
12 At least one of these members shall have graduated from a career school.

13 (2) The advisory committee appointed under subsection (1) of this section shall:

14 (a) Make recommendations to the [*superintendent and State Board of Education*] **commission**  
15 concerning the need for professional and technical instructional and training facilities, the types of  
16 instruction and training needed and by whom these can best be provided.

17 (b) Recommend standards for career schools as provided in ORS 345.325 which are consistent  
18 with the purposes of such schools.

19 (c) Investigate and present findings to the [*State Board of Education*] **commission** on the ad-  
20 ministration and operation of laws relating to career schools. However, the investigations and  
21 findings of the advisory committee do not affect the authority of the [*superintendent*] **commission**  
22 to issue, deny, suspend or revoke the license of any career school.

23 (d) Consult with the [*superintendent*] **commission** in determining the refund schedule under ORS  
24 345.115.

25 (e) Make recommendations to the [*superintendent*] **commission** concerning rule development for  
26 ORS 345.010 to 345.450 and 345.992 to 345.997.

27 (3) Members of the advisory committee are entitled to compensation and expenses as provided  
28 in ORS 292.495 from funds appropriated to the [*Department of Education*] **commission** for purposes  
29 of administering ORS 345.010 to 345.450.

30 **SECTION 35.** ORS 345.340 is amended to read:

31 345.340. Consistent with the requirements of ORS 345.325, the advisory committee shall recom-  
32 mend to the [*State Board of Education*] **Higher Education Coordinating Commission** minimum  
33 standards for the operation of career schools. In making its recommendations, the committee shall  
34 consider changes in technological, economic and social conditions which affect employment needs,  
35 opportunities and skills.

36 **SECTION 36.** ORS 345.400 is amended to read:

37 345.400. In addition to the other requirements of ORS 345.010 to 345.450, the rules adopted by  
38 the [*State Board of Education*] **Higher Education Coordinating Commission** to regulate schools  
39 teaching hair design, barbering, esthetics or nail technology:

40 (1) May include rules the [*board*] **commission** considers necessary to protect the economic or  
41 physical health and safety of the public and of the students attending the school including compli-  
42 ance with ORS 345.110.

43 (2) Shall include rules that set standards for teachers teaching in schools licensed to teach hair  
44 design, barbering, esthetics or nail technology pursuant to ORS 345.010 to 345.450.

45 (3) Shall require the schools to teach, and require for graduation from the school, courses that



1 meet the following minimum standards:

2 (a)(A) A minimum hourly training requirement for:

3 (i) Hair design, 1,450 hours;

4 (ii) Barbering, 1,100 hours;

5 (iii) Esthetics, 250 hours; and

6 (iv) Nail technology, 350 hours; and

7 (B) In addition to the programs listed in this subsection, a student is also required to success-  
8 fully complete the following requirements once:

9 (i) Safety and sanitation, 150 hours; and

10 (ii) Career development, 100 hours.

11 (b) A student competency-based training requirement for hair design, barbering, esthetics or nail  
12 technology, if the school has developed written requirements for graduation that are approved by  
13 the [*Superintendent of Public Instruction*] **commission**.

14 **SECTION 37.** ORS 345.430 is amended to read:

15 345.430. At the request of the Board of Cosmetology, the [*Superintendent of Public Instruction*]  
16 **Higher Education Coordinating Commission** shall determine whether a person from out-of-state  
17 or out-of-country seeking a certificate in hair design, barbering, esthetics or nail technology is  
18 qualified to take the test of the Board of Cosmetology. A determination shall be made by an evalu-  
19 ation of academic transcripts, apprenticeship records and work experience documentation. If doc-  
20 umentation is not available, the [*superintendent*] **commission** may refer the person to a career  
21 school for evaluation and recommendation.

22 **SECTION 38.** ORS 345.450 is amended to read:

23 345.450. (1) In addition to the fees required by ORS 345.080, before issuing any license under  
24 ORS 345.010 to 345.450 to a school teaching hair design, barbering, esthetics or nail technology, and  
25 annually thereafter, the [*Department of Education*] **Higher Education Coordinating Commission**  
26 shall collect a nonrefundable annual inspection fee of \$100.

27 (2) The inspection fee collected under subsection (1) of this section shall be transferred to the  
28 Oregon Health Licensing Agency for inspections performed under ORS 345.440.

29 **SECTION 39.** ORS 345.995 is amended to read:

30 345.995. (1) After consultation with the advisory committee established under ORS 345.330, the  
31 [*State Board of Education*] **Higher Education Coordinating Commission** shall adopt by rule a  
32 schedule or schedules establishing the amount of civil penalty that may be imposed for a particular  
33 violation of ORS 345.010 to 345.450. No civil penalty shall exceed \$500 per violation. The [*board*]  
34 **commission** shall consult with the Attorney General before adopting the schedule of penalties for  
35 violations of ORS 345.120 (2)(d).

36 (2) In imposing a penalty for violation of ORS 345.010 to 345.450 pursuant to the schedule or  
37 schedules authorized by this section, the [*Superintendent of Public Instruction*] **commission** shall  
38 consider the following factors:

39 (a) The past history of the person incurring a penalty in taking all feasible steps or procedures  
40 necessary or appropriate to correct any violation.

41 (b) Any prior violations of ORS 345.010 to 345.450 or rules adopted pursuant thereto.

42 (c) The economic and financial conditions of the person incurring a penalty.

43 (3) The penalty imposed under this section may be remitted or mitigated upon such terms and  
44 conditions as the [*superintendent*] **commission** considers proper and consistent with the public wel-  
45 fare.

1 (4) The [*superintendent*] **commission** may impose penalties which may be remitted or mitigated  
2 on condition that a particular violation not continue or occur after a certain period not to exceed  
3 15 days.

4 **SECTION 40.** ORS 341.455 is amended to read:

5 341.455. (1) A community college may give credit for courses or programs taken in a career  
6 school. The courses or programs for which credit may be given must meet the standards adopted  
7 by the [*State Board of Education*] **Higher Education Coordinating Commission** under ORS 345.325,  
8 must be taken at a career school domiciled in this state and must be approved for credit by the  
9 Commissioner for Community College Services.

10 (2) A community college may charge a transcribing fee to a student for courses taken at a ca-  
11 reer school and accepted by the community college under subsection (1) of this section. Such a fee  
12 is to be set by the [*board*] **commission** and is to be consistent with other student fees.

13 (3) Time spent by students on such courses shall not be considered as clock hours of instruction  
14 in determining full-time equivalency for purposes of ORS 341.626.

15 **SECTION 41.** ORS 348.040 is amended to read:

16 348.040. As used in ORS 348.040 to 348.070, unless the context requires otherwise:

17 (1) "Eligible student" means a person who is a resident of this state, as determined by the  
18 Oregon Student Access Commission, at the time of application for a loan under ORS 348.040 to  
19 348.070:

20 (a) Who is enrolled in or has applied for enrollment in a qualified school;

21 (b) Who has demonstrated a satisfactory level of achievement in the high school or other school  
22 on the record of which the application for enrollment is based or in which the applicant is enrolled;  
23 and

24 (c) Who can show the necessity for financial assistance in order to continue the applicant's ed-  
25 ucation.

26 (2) "Qualified school" means a school within this state that is a:

27 (a) Four-year, nonprofit, generally accredited institution of higher education;

28 (b) Accredited public or private community college or education center, or one recognized by a  
29 state educational agency;

30 (c) Career school that is approved by the [*Superintendent of Public Instruction*] **Higher Educa-**  
31 **tion Coordinating Commission;**

32 (d) Medical or dental program offered by the Oregon Health and Science University;

33 (e) Veterinary program offered by Oregon State University; or

34 (f) Institution that is, in the opinion of the commission, comparable to such institutions, colleges,  
35 centers or schools.

36 (3) "Qualified school" may include an institution, college, center or school not located in this  
37 state if the commission certifies that the course is not available in this state.

38 **SECTION 42.** ORS 348.070 is amended to read:

39 348.070. To assist the Oregon Student Access Commission and the Department of State Lands  
40 in determining the qualification of schools, the [*Superintendent of Public Instruction*] **Higher Edu-**  
41 **cation Coordinating Commission** shall maintain a listing of career schools offering professional  
42 and technical training that meets the occupational needs of the student.

43 **SECTION 43.** ORS 418.658 is amended to read:

44 418.658. (1) The program director of the Oregon Youth Conservation Corps shall establish a  
45 separate program known as the Oregon Community Stewardship Corps. In addition to the estab-

1 lished purposes of the Oregon Youth Conservation Corps, the purpose of the Oregon Community  
2 Stewardship Corps is to promote community service activities throughout the state for a broad cross  
3 section of Oregon disadvantaged and at-risk youth through programs that also include appropriate  
4 educational and job training opportunities for participants.

5 (2) In addition to projects submitted under ORS 418.660 (1), projects of the Oregon Community  
6 Stewardship Corps may include, but shall not be limited to:

- 7 (a) Child care services.
- 8 (b) Elderly and disabled care services.
- 9 (c) Literacy education programs.
- 10 (d) Recycling and other waste reduction services.

11 (3) The Oregon Community Stewardship Corps shall offer employment and educational opportu-  
12 nities of at least three but not more than 12 months' duration for selected participants.

13 (4) Under rules adopted by the [*State Board of Education*] **Higher Education Coordinating**  
14 **Commission**, participants who successfully complete any 12-month program under this section shall  
15 be eligible for \$1,500 in tuition vouchers that can be used at any career school or post-secondary  
16 educational institution that is qualified to receive assistance through the Oregon Student Access  
17 Commission.

18 (5) All Oregonians who are at least 13 years of age and under 25 years of age are eligible to  
19 participate in the program. To ensure that Oregon Community Stewardship Corps participants rep-  
20 resent a broad cross section of Oregonians, special emphasis shall be given to recruiting school  
21 dropouts and other disadvantaged and at-risk youth, according to criteria established by the Oregon  
22 Youth Conservation Corps Advisory Committee.

23 (6) To the extent practicable, the program director shall enlist state and federal agencies, local  
24 government, nonprofit organizations and private businesses, and any combination of such entities,  
25 to act as sponsors for programs administered under this section. Selection of sponsors shall be based  
26 on criteria that include the following:

27 (a) The availability of other resources on a matching basis, including contributions from private  
28 sources, other federal, state and local agencies, and moneys available through the federal Workforce  
29 Investment Act of 1998 (29 U.S.C. 2801 et seq.);

30 (b) The provision of related educational and job training programs to participants, including but  
31 not limited to school and college coursework, General Educational Development (GED) tests equiv-  
32 alency training, project-related education and professional training;

33 (c) Assurances that proposed projects will not displace existing employees or duplicate existing  
34 private or government programs; and

35 (d) Assurances that proposed projects are devoted to the enhancement of the community and are  
36 not based in maintenance activities and that these projects meet an identified need.

37 (7) In consultation with the advisory committee and the Commissioner for Community College  
38 Services, the program director shall make grants for programs administered under this section.

39 **SECTION 44.** ORS 471.580 is amended to read:

40 471.580. (1) As used in this section:

41 (a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in  
42 a beverage based on the standard drink measurement used by the Centers for Disease Control and  
43 Prevention.

44 (b) "Education provider" means:

45 (A) A community college, as defined in ORS 341.005, offering a food or beverage career program

1 approved by the State Board of Education;

2 (B) A career school, as defined in ORS 345.010, offering a food or beverage career program ap-  
3 proved by the Oregon Student Assistance Commission or the [*State Board of Education*] **Higher**  
4 **Education Coordinating Commission**;

5 (C) An institution of higher education listed in ORS 352.002 offering a food or beverage career  
6 program approved by the State Board of Higher Education; or

7 (D) A private and independent institution of higher education, as defined in ORS 352.720, offer-  
8 ing a food or beverage career program that qualifies for payment under ORS 352.740.

9 (c) "Food or beverage career program" means a course of study designed to qualify a person for  
10 a career in the food service industry or alcoholic beverage industry, including but not limited to a  
11 course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant manage-  
12 ment.

13 (2) The charging or payment of tuition or a special fee for enrollment in a class that is part of  
14 a food or beverage career program or in a workshop or seminar concerning matters related to food  
15 or beverage industry workforce training, offered by an education provider, that includes the con-  
16 sumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other ex-  
17 change of consideration for, alcoholic beverages.

18 (3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve  
19 alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess  
20 and consume alcoholic beverages on a licensed or unlicensed premises that the education provider  
21 uses for educational purposes if:

22 (a) The person is enrolled as a student in a required or elective class that is part of a food or  
23 beverage career program offered by the education provider;

24 (b) The alcoholic beverages are served to, and possessed and consumed by, the person for edu-  
25 cational purposes as part of the class curriculum or a workshop or seminar concerning food or  
26 beverage workforce training;

27 (c) The service, possession and consumption of the alcoholic beverages are supervised by a fac-  
28 ulty or staff member of the education provider who is 21 years of age or older;

29 (d) The person does not purchase the alcoholic beverages; and

30 (e) The amount served to the person for consumption purposes during any two-hour class,  
31 workshop or seminar period does not exceed two ounces of alcohol equivalence.

32 (4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another  
33 person who is 18, 19 or 20 years of age on premises that an education provider uses for educational  
34 purposes if:

35 (a) The person served is enrolled as a student in a required or elective class that is part of a  
36 food or beverage career program offered by the education provider;

37 (b) The alcoholic beverages are served to, and consumed by, the person for educational purposes  
38 as part of the class curriculum or, with the approval of the education provider, as part of a work-  
39 shop or seminar concerning food or beverage workforce training;

40 (c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff  
41 member of the education provider who is 21 years of age or older;

42 (d) The person served does not purchase the alcoholic beverages; and

43 (e) The amount served to the person for consumption purposes during any two-hour class period  
44 does not exceed two ounces of alcohol equivalence.

45 (5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is

1 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed  
2 premises that an education provider uses for educational purposes if:

3 (a) The person is enrolled as a student in a required or elective class that is part of a food or  
4 beverage career program offered by the education provider;

5 (b) The person possesses and consumes the alcoholic beverages for educational purposes as part  
6 of the class curriculum or, with the approval of the education provider, as part of a workshop or  
7 seminar concerning food or beverage workforce training;

8 (c) The person possesses and consumes the alcoholic beverages under the supervision of a fac-  
9 ulty or staff member of the education provider who is 21 years of age or older;

10 (d) The person does not purchase the alcoholic beverages; and

11 (e) The amount consumed by the person during any two-hour class, workshop or seminar period  
12 does not exceed two ounces of alcohol equivalence.

13 (6) Notwithstanding ORS 471.410, a person who exercises control over private real property may  
14 allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is  
15 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this  
16 section.

17 (7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a  
18 licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older  
19 in accordance with this chapter or the ability of a person 21 years of age or older to possess or  
20 consume alcoholic beverages in accordance with this chapter.

21 **SECTION 45.** ORS 690.225 is amended to read:

22 690.225. (1) In addition to any other duties prescribed by law, the Oregon Health Licensing  
23 Agency shall provide for the inspection of facilities and schools licensed to teach practitioner skills  
24 under ORS 345.010 to 345.450.

25 (2) Inspections conducted under this section shall determine whether the facilities comply with  
26 the health, safety, infection control and licensing rules of the Board of Cosmetology and whether the  
27 schools comply with the health, safety and infection control requirements under ORS 345.010 to  
28 345.450 and rules of the agency. A report of the results of the inspection shall be submitted to the  
29 *[Department of Education]* **Higher Education Coordinating Commission.**

30 **SECTION 46.** ORS 696.182 is amended to read:

31 696.182. (1) The Real Estate Agency, with advice from real estate professionals and educators,  
32 shall prescribe rules for certifying real estate continuing education providers.

33 (2) The agency shall include in the rules that an applicant for certification under this section  
34 must be:

35 (a) A main or branch office, with a registered business name as provided under ORS 696.026,  
36 of a licensed real estate property manager or principal real estate broker;

37 (b) A licensed title or escrow company conducting business in this state;

38 (c) A real estate trade association or a trade association in a related field;

39 (d) A real estate multiple listing service;

40 (e) An attorney admitted to practice in this state;

41 (f) A private career school licensed by the *[Department of Education]* **Higher Education Coor-**  
42 **dinating Commission** and approved by the agency to provide the basic real estate broker's or  
43 property manager's educational courses required under ORS 696.022;

44 (g) An accredited community college, an accredited public university listed in ORS 352.002 or  
45 a private and independent institution of higher education as defined in ORS 352.720;

1 (h) A distance learning provider as provided by rule of the agency; or

2 (i) Another provider approved by the Real Estate Board.

3 (3) The Real Estate Agency may provide continuing education without being certified under this  
4 section.

5 (4) The agency, in consultation with real estate professionals and educators, shall provide by  
6 rule:

7 (a) A broad list of course topics that are eligible for continuing education credit required by  
8 ORS 696.174; and

9 (b) Learning objectives for each course topic.

10 (5) The list of course topics developed by the agency under subsection (4) of this section must  
11 allow for changes in the real estate profession.

12 (6) The minimum length of each course is one hour. A continuing education provider or course  
13 instructor may allow a break of no more than 10 minutes for each hour of instruction.

14 **SECTION 47. Sections 13 to 19 of this 2012 Act and the amendments to ORS 341.455,**  
15 **345.010, 345.015, 345.017, 345.020, 345.030, 345.040, 345.060, 345.070, 345.080, 345.110, 345.115,**  
16 **345.117, 345.120, 345.325, 345.330, 345.340, 345.400, 345.430, 345.450, 345.995, 348.040, 348.070,**  
17 **418.658, 471.580, 690.225 and 696.182 by sections 20 to 46 of this 2012 Act become operative on**  
18 **July 1, 2012.**

19 **SECTION 48.** ORS 351.086 is amended to read:

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

23 (2) Notwithstanding subsection (1) of this section, **the provisions of** ORS 182.100, 182.109,  
24 240.167, 276.073 to 276.090, 279A.065 (2), 279B.055 (3), 279C.380 (1)(a) and (3), 279C.600 to 279C.625,  
25 279C.800, 279C.810, 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860,  
26 279C.865, 279C.870, 283.085 to 283.092, 291.200, 291.201 to 291.222, 291.223, 291.224 (2) and (6),  
27 291.226, 291.272 to 291.278, 291.322 to 291.334, 291.405, 291.407, 291.445, 292.043 and 292.044 apply to  
28 the Oregon University System.

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

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

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

38 (b) The provisions of **ORS chapter 286A and** ORS 293.115, 293.117, 293.130, 293.169, 293.171,  
39 293.205 to 293.225, 293.250, 293.265 to 293.280, 293.285, 293.295, 293.321, 293.353, 293.375, 293.406,  
40 293.465 to 293.485, 293.490, 293.495, 293.525, 293.701 to 293.820, 293.875, 293.880 and 293.990 apply to  
41 the Oregon University System under the same terms as they apply to state agencies with moneys  
42 held by the State Treasurer, to the Oregon University System Fund established in ORS 351.506 and  
43 to any other moneys deposited with or held by the State Treasurer for the Oregon University Sys-  
44 tem.

45 (5) Notwithstanding subsections (1) and (6) of this section, the Oregon University System and its

1 agents and employees remain subject to all statutes and administrative rules of this state that create  
2 rights, benefits or protections in favor of military veterans, service members and families of service  
3 members to the same extent as an agency of this state would be subject to such statutes and ad-  
4 ministrative rules.

5 **(6)(a) Except as provided by paragraph (b) of this subsection,** the Oregon University System,  
6 as a distinct governmental entity, is not subject to any provision of law enacted after January 1,  
7 2011, with respect to any governmental entity, that is unique to governmental entities, unless the  
8 provision specifically provides that it applies to the Oregon University System.

9 **(b) To the same extent as state agencies that borrow through the State Treasurer or that**  
10 **have moneys held in the State Treasury, the Oregon University System is subject to any**  
11 **provision of law enacted after January 1, 2011, that relates to or affects the borrowings of**  
12 **the Oregon University System through the State Treasurer or the deposit, payment or in-**  
13 **vestment of moneys held in the Oregon University System Fund or any other moneys held**  
14 **for the Oregon University System in the State Treasury.**

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

19 **SECTION 49. This 2012 Act being necessary for the immediate preservation of the public**  
20 **peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect**  
21 **on its passage.**

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