

**PROPOSED AMENDMENTS TO  
SENATE BILL 270**

1 On page 1 of the printed bill, line 3, after “provisions;” delete the rest  
2 of the line and lines 4 through 17 and insert “amending ORS 21.007, 30.264,  
3 30.864, 36.145, 36.150, 36.155, 174.117, 184.631, 192.501, 238.005, 238.200, 238.215,  
4 238A.005, 243.107, 243.800, 243.820, 243.850, 243.910, 244.050, 270.110, 276.610,  
5 276.612, 279A.025, 287A.001, 291.055, 291.357, 292.043, 292.044, 297.250, 307.095,  
6 307.110, 340.310, 341.440, 343.961, 344.259, 344.753, 348.010, 348.205, 348.282,  
7 348.283, 348.470, 348.603, 348.890, 348.900, 351.011, 351.015, 351.020, 351.047,  
8 351.052, 351.054, 351.062, 351.063, 351.065, 351.067, 351.070, 351.085, 351.094,  
9 351.105, 351.110, 351.155, 351.165, 351.205, 351.300, 351.310, 351.340, 351.509,  
10 351.511, 351.517, 351.518, 351.519, 351.521, 351.538, 351.539, 351.590, 351.626,  
11 351.628, 351.638, 351.642, 351.643, 351.644, 351.646, 351.658, 351.692, 351.695,  
12 351.697, 351.718, 351.735, 352.002, 352.006, 352.010, 352.012, 352.043, 352.046,  
13 352.066, 352.068, 352.071, 352.074, 352.245, 352.360, 353.440, 357.004, 408.095,  
14 408.506, 430.651, 471.580, 659.850, 659.855, 659.860, 660.358, 820.100, 820.110,  
15 820.120, 820.130 and 820.150 and section 3, chapter 797, Oregon Laws 2001,  
16 sections 13, 14, 15 and 17, chapter 761, Oregon Laws 2007, sections 22 and  
17 24, chapter 904, Oregon Laws 2009, and section 14, chapter 36, Oregon Laws  
18 2012; repealing ORS 352.035, 352.048, 352.049, 352.051, 352.052 and 352.053;  
19 appropriating money; and declaring an emergency.”.

20 Delete lines 19 through 27 and delete pages 2 through 96 and insert:

21

22 **“ESTABLISHMENT AND INDEPENDENCE OF GOVERNING BOARDS**

1       **“SECTION 1. (1) The Legislative Assembly finds that the State of**  
2 **Oregon will benefit from having public universities with governing**  
3 **boards that:**

4       **“(a) Provide transparency, public accountability and support for the**  
5 **university.**

6       **“(b) Are close to and closely focused on the individual university.**

7       **“(c) Do not negatively impact public universities that do not have**  
8 **governing boards.**

9       **“(d) Lead to greater access and affordability for Oregon residents**  
10 **and do not disadvantage Oregon students relative to out-of-state stu-**  
11 **dents.**

12       **“(e) Act in the best interests of both the university and the State**  
13 **of Oregon as a whole.**

14       **“(f) Promote the academic success of students in support of the**  
15 **mission of all education beyond high school as described in ORS**  
16 **351.009.**

17       **“(2) The Legislative Assembly also finds that:**

18       **“(a) Even with universities with governing boards, there are**  
19 **economy-of-scale benefits to having a coordinated university system.**

20       **“(b) Even with universities with governing boards, shared services**  
21 **may continue to be shared among universities.**

22       **“(c) Legal title to all real property, whether acquired before or after**  
23 **the creation of a governing board, through state funding, revenue**  
24 **bonds or philanthropy, shall be taken and held in the name of the**  
25 **State of Oregon.**

26       **“(d) The Legislative Assembly has a responsibility to monitor the**  
27 **success of governing boards at fulfilling their missions, their compacts**  
28 **and the principles stated in this section.**

29       **“SECTION 2. As used in sections 1 to 23 of this 2013 Act:**

30       **“(1) ‘Governing board’ means a governing board established by a**

1 university under section 3 of this 2013 Act that manages the affairs  
2 of the university by exercising and carrying out all of the powers,  
3 rights and duties that are expressly conferred upon the board by law,  
4 or that are implied by law or are incident to such powers, rights and  
5 duties.

6 “(2) ‘University with a governing board’ means a public university  
7 listed in section 3 of this 2013 Act that has established a governing  
8 board.

9 “SECTION 2a. (1) A university with a governing board is a govern-  
10 mental entity performing governmental functions and exercising gov-  
11 ernmental powers. The university is not considered a unit of local or  
12 municipal government or a state agency, board, commission or insti-  
13 tution for purposes of state statutes or constitutional provisions.

14 “(2) A claim against a university with a governing board is not a  
15 claim against the State of Oregon. All liabilities of a university with  
16 a governing board are the sole responsibility of the university with a  
17 governing board. This subsection applies to all liabilities existing on  
18 or arising after the operative date of this section.

19 “SECTION 3. (1) A governing board is established for each of the  
20 following public universities:

21 “(a) University of Oregon;

22 “(b) Portland State University; and

23 “(c) Oregon State University, if the president of Oregon State Uni-  
24 versity notifies the Governor that the university will become a uni-  
25 versity with a governing board in the manner set forth in section 168  
26 of this 2013 Act.

27 “(2)(a) The University of Oregon governing board shall be known  
28 as the Board of Trustees of the University of Oregon.

29 “(b) The Portland State University governing board shall be known  
30 as the Board of Trustees of Portland State University.

1       “(c) The Oregon State University governing board shall be known  
2 as the Board of Trustees of Oregon State University, if the president  
3 of Oregon State University notifies the Governor that the university  
4 will become a university with a governing board in the manner set  
5 forth in section 168 of this 2013 Act.

6       “SECTION 4. Upon a request to the Governor by the president of  
7 Eastern Oregon University, Oregon Institute of Technology, Southern  
8 Oregon University or Western Oregon University to establish a gov-  
9 erning board for the university, or upon a request made by the presi-  
10 dent of Oregon State University after January 1, 2014, to establish such  
11 a board, the Higher Education Coordinating Commission shall:

12       “(1) Evaluate and determine whether:

13       “(a) There is clear evidence of support for a governing board by the  
14 university community;

15       “(b) The university has the capacity and capability to be governed  
16 by a governing board; and

17       “(c) A governing board of the university will function in accordance  
18 with the findings set forth in section 1 of this 2013 Act.

19       “(2) Make recommendations to the Legislative Assembly as to  
20 whether, in addition to the public universities with governing boards  
21 listed in section 3 of this 2013 Act, a governing board should be estab-  
22 lished for the university.

23       “SECTION 5. (1) On an annual basis, the Higher Education Coordi-  
24 nating Commission shall submit to the Legislative Assembly an eval-  
25 uation of each university with a governing board. The commission  
26 may make recommendations to the Legislative Assembly regarding the  
27 ability of the university to meet academic goals and fulfill its fiduciary  
28 responsibilities.

29       “(2) The evaluation must include:

30       “(a) A report on the university’s achievement of outcomes, meas-

1 ures of progress, goals and targets as described in the university's  
2 achievement compact with the Oregon Education Investment Board;

3 “(b) An assessment of the university’s progress toward achieving  
4 the mission of all education beyond high school as described in ORS  
5 351.009; and

6 “(c) An assessment as to how well the establishment of a governing  
7 board at the university comports with the findings set forth in section  
8 1 of this 2013 Act.

9 “SECTION 6. (1) A governing board for a public university must be  
10 formed and maintained as provided in this section.

11 “(2)(a) The Governor shall appoint 11 to 15 members of the govern-  
12 ing board, subject to confirmation by the Senate in the manner pro-  
13 vided in ORS 171.562 and 171.565.

14 “(b) For each appointment, the university shall nominate a slate  
15 of candidates and shall forward the recommended candidates to the  
16 Governor for consideration.

17 “(c) The governing board must include one person who is a student  
18 enrolled at the university.

19 “(d) The president of the university shall be an ex officio nonvoting  
20 member of the governing board.

21 “(3)(a) The term of office for each appointed nonstudent member  
22 of the governing board is four years.

23 “(b) The term of office of each student member of the governing  
24 board is two years.

25 “(c) A member appointed to the governing board may not be ap-  
26 pointed to serve consecutively more than two full terms as a board  
27 member.

28 “(d) The Governor may remove any appointed member of the gov-  
29 erning board at any time for cause, after notice and public hearing,  
30 but may not remove more than three members within a period of four

1 years, unless it is for corrupt conduct in office.

2 “(e) Vacancies shall be filled by appointment by the Governor for  
3 the remainder of the unexpired term.

4 “(4) Except for the president of the university and the student  
5 member of the governing board, a member of the board may not be  
6 an employee of the university.

7 “(5) The governing board shall select one of its members as chair-  
8 person and another as vice chairperson for such terms and with duties  
9 and powers as the board considers necessary for the performance of  
10 the functions of those offices. The governing board shall adopt bylaws  
11 concerning how a quorum is constituted and when a quorum is nec-  
12 essary.

13 “(6) The governing board shall meet at least once quarterly, and  
14 may meet at the call of the chairperson or a majority of the voting  
15 members of the board.

16 “(7) A newly formed governing board shall convene for the first  
17 time between the beginning of January and the end of July of an  
18 even-numbered year.

19 “SECTION 7. Notwithstanding the term of office specified in section  
20 6 of this 2013 Act, the initial term of a member appointed to a gov-  
21 erning board by the Governor may be adjusted so that one-half, as  
22 nearly as possible, of the members of the board are appointed  
23 biennially.

24 “SECTION 8. (1) A university with a governing board shall enter  
25 into an achievement compact with the Oregon Education Investment  
26 Board for each fiscal year.

27 “(2) The governing board shall adopt a mission statement for the  
28 university, which shall be forwarded to the Higher Education Coordi-  
29 nating Commission for approval.

30 “(3) A university with a governing board shall submit any signif-

1 **icant change in the university’s academic programs to the Higher**  
2 **Education Coordinating Commission for approval. The commission**  
3 **shall establish, by rule, what constitutes a significant change to a**  
4 **university’s academic program. The commission shall further ensure**  
5 **that approved programs:**

6 **“(a) Are consistent with the mission statement of the university;**

7 **“(b) Do not unnecessarily duplicate academic programs offered by**  
8 **Oregon’s other public universities;**

9 **“(c) Are not located in a geographic area that will cause undue**  
10 **hardship to Oregon’s other public universities; and**

11 **“(d) Are allocated among Oregon’s public universities to maximize**  
12 **the achievement of statewide needs and requirements.**

13 **“(4)(a) On or before May 1 of each even-numbered year, a university**  
14 **with a governing board shall submit to the Higher Education Coordi-**  
15 **nating Commission a funding request applicable to the biennium be-**  
16 **ginning on July 1 of the following year.**

17 **“(b) Pursuant to ORS 351.052, the Higher Education Coordinating**  
18 **Commission shall submit a funding request to the Governor on behalf**  
19 **of all public universities listed in ORS 352.002, including universities**  
20 **with governing boards.**

21 **“(c) The Governor’s biennial budget submitted to the Legislative**  
22 **Assembly may include funding requests from public universities, in-**  
23 **cluding universities with governing boards. Funding approved by the**  
24 **Legislative Assembly must specify that the moneys be appropriated to**  
25 **the Higher Education Coordinating Commission for distribution to**  
26 **public universities listed in ORS 352.002.**

27 **“(5) As part of a funding request submitted under subsection (4) of**  
28 **this section, a university with a governing board may request, and**  
29 **appropriations may include, funding for education and general oper-**  
30 **ations, statewide public services, state-funded debt service, capital**

1 improvements, deferred maintenance, special initiatives and invest-  
2 ments.

3 **“SECTION 9. (1)(a) In consultation with the Governor, or the**  
4 **Governor’s designee, the governing board shall appoint and employ a**  
5 **president of the university.**

6 **“(b) The governing board shall prescribe the president’s compen-**  
7 **sation and terms and conditions of employment.**

8 **“(2) The president of the university is the president of the faculty.**  
9 **The president is also the executive and governing officer of the uni-**  
10 **versity, except as otherwise provided by statute or action of the gov-**  
11 **erning board. Subject to the supervision of the governing board, the**  
12 **president of the university has authority to direct the affairs of the**  
13 **university.**

14 **“(3) Except in the case of an interim or acting president, the hiring**  
15 **committee for the president of a university with a governing board**  
16 **shall include representatives of the university community and at least**  
17 **one other president of a public university based in Oregon.**

18 **“(4) The governing board is responsible for the reappointment or**  
19 **removal of the president of the university.**

20 **“(5) A university with a governing board may appoint and employ**  
21 **any instructional, administrative, professional, trade, occupational**  
22 **and other personnel as are necessary or appropriate and establish their**  
23 **compensation and terms and conditions of employment, subject to the**  
24 **limitations set forth in section 14 (1) and (2) of this 2013 Act.**

25 **“SECTION 10. (1) Except as set forth in this section, the governing**  
26 **board may authorize, establish, eliminate, collect, manage, use in any**  
27 **manner and expend all revenue derived from tuition and mandatory**  
28 **enrollment fees.**

29 **“(2) The governing board shall establish a process for determining**  
30 **tuition and mandatory enrollment fees. The process must provide for**

1 participation of enrolled students and the recognized student govern-  
2 ment of the university.

3 “(3) Before a university with a governing board authorizes, estab-  
4 lishes or eliminates any incidental fees, the governing board shall re-  
5 quest that the president of the university and the recognized student  
6 government transmit a joint recommendation of the change in fees to  
7 the student body and faculty.

8 “(4) In determining tuition and mandatory enrollment fees for  
9 undergraduate students who are enrolled in a degree program and are  
10 qualified to pay resident tuition:

11 “(a) The governing board may not increase the total of tuition and  
12 mandatory enrollment fees by more than five percent annually unless  
13 the board first receives approval from:

14 “(A) The Higher Education Coordinating Commission; or

15 “(B) The Legislative Assembly.

16 “(b) The governing board shall attempt to limit annual increases in  
17 tuition and mandatory enrollment fees for undergraduate students  
18 who are enrolled in a degree program and have established residency  
19 in Oregon to a percentage that is not greater than the percentage in-  
20 crease in the Higher Education Price Index, as compiled by the  
21 Commonfund Institute.

22 “(5) The governing board may not delegate authority to determine  
23 tuition and mandatory enrollment fees for undergraduate students  
24 who are enrolled in a degree program and are qualified to pay resident  
25 tuition.

26 **“SECTION 11. (1) Subject to the limitations set forth in sections 12,**  
27 **15 and 19 to 23 of this 2013 Act, a university with a governing board**  
28 **may:**

29 “(a) Acquire, receive, hold, keep, pledge, control, convey, manage,  
30 use, lend, expend and invest all funds, appropriations, gifts, bequests,

1 stock and revenue from any source.

2 “(b) Subject to the limitations set forth in Article XI, section 7, of  
3 the Oregon Constitution, borrow money for the needs of the university  
4 in such amounts and for such time and upon such terms as may be  
5 determined by the university or the governing board.

6 “(c) Make any and all contracts and agreements, enter into any  
7 partnership, joint venture or other business arrangement and create  
8 and participate fully in the operation of any business structure, in-  
9 cluding but not limited to the development of business structures and  
10 networks with any public or private government, nonprofit or for-  
11 profit person or entity, that in the judgment of the university or the  
12 governing board is necessary or appropriate.

13 “(d) Establish, collect and use charges, fines and fees for services,  
14 facilities, operations and programs.

15 “(e) Purchase, receive, subscribe for or otherwise acquire, own,  
16 hold, vote, use, sell, mortgage, lend, pledge, invest in or otherwise  
17 dispose of and deal in or with the shares, stock or other equity or in-  
18 terests in or obligations of any other entity. The State of Oregon may  
19 not have any proprietary or other interest in investments or funds  
20 referenced in this paragraph.

21 “(f) Acquire, purchase, purchase on a contractual basis, borrow,  
22 receive, own, hold, control, convey, sell, manage, operate, lease,  
23 lease-purchase, license, lend, invest in, issue, improve, develop, use,  
24 expend and dispose of personal property, including intellectual prop-  
25 erty, of any nature, tangible or intangible.

26 “(g) Establish employee benefit plans of any type, subject to the  
27 university’s continuing obligation to provide deferred compensation  
28 plans to the university’s employees under ORS 351.094.

29 “(h) Take, hold, grant and dispose of mortgages and other security  
30 interests on real and personal property.

1       “(i) Spend all available moneys without appropriation or expendi-  
2       ture limitation approval from the Legislative Assembly, except for  
3       moneys appropriated from the General Fund by the Legislative As-  
4       sembly and the proceeds of general obligation bonds.

5       “(j) Acquire, purchase, purchase on a contractual basis, borrow,  
6       receive, own, hold, control, convey, sell, manage, operate, lease,  
7       lease-purchase, license, lend, invest in, improve, develop, use, expend  
8       and dispose of real property.

9       “(k) Erect, construct, improve, remodel, develop, repair, maintain,  
10       equip, furnish, lease, lend, convey, sell, manage, operate, use and dis-  
11       pose of any building, structure, land or project.

12       “(L) Acquire, by condemnation or otherwise, private property that  
13       is necessary or convenient. The right to acquire property by condem-  
14       nation shall be exercised as provided by ORS chapter 35.

15       “(m) Establish policies for the organization, administration and  
16       development of the university which, to the extent set forth in those  
17       policies, shall have the force of law and may be enforced through  
18       university procedures and in any court of competent jurisdiction.

19       “(n) Sue in its own name, be sued in its own name and issue and  
20       enforce subpoenas in its own name.

21       “(o) Hire or retain attorneys for the provision of all legal services.  
22       A university with a governing board shall reimburse the State Treas-  
23       urer for legal fees incurred in connection with borrowings done at the  
24       request of the university.

25       “(p) Purchase any and all insurance, operate a self-insurance pro-  
26       gram or otherwise arrange for the equivalent of insurance coverage  
27       of any nature and the indemnity and defense of its officers, agents and  
28       employees or other persons designated by the university.

29       “(q) Subject to the procedures set forth in section 8 of this 2013 Act,  
30       establish, supervise and control academic and other programs, units

1 of operation and standards, qualifications, policies and practices re-  
2 lating to university matters such as admissions, curriculum, grading,  
3 student conduct, credits, scholarships and the granting of academic  
4 degrees, certificates and other forms of recognition.

5 “(r) Enforce and recover any fees, charges and fines, including but  
6 not limited to mandatory enrollment fees.

7 “(s) Make available and perform any and all services on such terms  
8 as the governing board considers appropriate.

9 “(t) Delegate and provide for the further delegation of any and all  
10 powers and duties, subject to the limitations expressly set forth in law.

11 “(2) The budget for a university with a governing board shall be  
12 prepared in accordance with generally accepted accounting principles  
13 and adopted by the governing board in accordance with ORS 192.610  
14 to 192.710.

15 “(3) A governing board or university with a governing board may  
16 perform any other acts that in the judgment of the board or university  
17 are required, necessary or appropriate to accomplish the rights and  
18 responsibilities granted to the board or university by law.

19 **“SECTION 12. (1) Legal title to all real property acquired by a uni-**  
20 **versity with a governing board shall be taken and held in the name**  
21 **of the State of Oregon acting by and through the governing board.**  
22 **Legal title to all real property conveyed to a university with a gov-**  
23 **erning board is considered to be conveyed to and vested in the State**  
24 **of Oregon, acting by and through the governing board. Authorized**  
25 **conveyances of all real property, other than university lands, acquired**  
26 **by or vested in the State of Oregon for the use or benefit of the uni-**  
27 **versity must be executed in the name of the State of Oregon, acting**  
28 **by and through the governing board, by the chairperson of the gov-**  
29 **erning board.**

30 “(2) The governing board has custody and control of and shall care

1 for all real property used for university purposes. Management,  
2 maintenance and preservation of all real property used for university  
3 purposes is the responsibility of the university. Real property taken  
4 and held under this section may only be encumbered by the State of  
5 Oregon in accordance with state law and in a manner that would not  
6 impair the financial condition of the university or the rights of the  
7 holders of any obligations of the university issued or incurred under  
8 any master indenture or other financing agreement.

9 **“SECTION 13. (1) A governing board may, in its sole discretion, do**  
10 **all of the following:**

11 **“(a) Police, control and regulate traffic and parking of vehicles on**  
12 **university property.**

13 **“(b) Establish a police department and commission one or more**  
14 **employees as police officers in the manner and with all of the privi-**  
15 **leges and immunities set forth in ORS 352.383. When a governing board**  
16 **establishes a police department and commissions one or more em-**  
17 **ployees as police officers, the president of the university, in cooper-**  
18 **ation with the chief of the police department, shall establish a process**  
19 **by which the university will receive and respond to complaints in-**  
20 **volving the policies of the police department and the conduct of the**  
21 **police officers.**

22 **“(c) Commission special campus security officers who, when acting**  
23 **in the scope of their employment, shall have stop and frisk authority**  
24 **as set forth in ORS 131.605 to 131.625 and probable cause arrest au-**  
25 **thority and the accompanying immunities as set forth in ORS 133.310**  
26 **and 133.315. Special campus security officers may not be authorized to**  
27 **carry firearms as police officers and, except as provided in subsection**  
28 **(2) of this section, may not be considered police officers for purposes**  
29 **of ORS 181.610, 238.005, 243.005 or 243.736.**

30 **“(2) A university with a governing board, acting by and through its**

1 special campus security officers, is a criminal justice agency for pur-  
2 poses of rules adopted pursuant to ORS 181.730 (3).

3 **“SECTION 14. (1) A university with a governing board shall engage**  
4 **in collective bargaining with local bargaining organizations of the**  
5 **employees of the university.**

6 **“(2) A university with a governing board shall participate in a col-**  
7 **lective bargaining partnership with other public universities in this**  
8 **state for the purpose of engaging in collective bargaining with existing**  
9 **statewide bargaining organizations of the employees of the public**  
10 **university. The collective bargaining partnership shall be established**  
11 **by written agreement.**

12 **“(3) Subject to the authority of the Secretary of State to audit**  
13 **public accounts, a university with a governing board may conduct an**  
14 **independent audit if the governing board considers the audit advisable.**  
15 **Subject to ORS 297.250, the independent audit is subject to the exclu-**  
16 **sive discretion and control of the university. The independent audit is**  
17 **subject to disclosure pursuant to ORS 192.410 to 192.505.**

18 **“SECTION 15. (1) All moneys collected or received by a university**  
19 **with a governing board, placed to the credit of the governing board**  
20 **and remaining unexpended and unobligated on the date that the board**  
21 **is established, and all moneys collected or received by a university**  
22 **with a governing board after the date that the governing board is es-**  
23 **tablished, may be deposited into one or more accounts established by**  
24 **the board in depositories insured by the Federal Deposit Insurance**  
25 **Corporation or the National Credit Union Share Insurance Fund. The**  
26 **governing board shall ensure that sufficient collateral secures any**  
27 **amount of funds on deposit that exceeds the limits of the coverage of**  
28 **the Federal Deposit Insurance Corporation or the National Credit Un-**  
29 **ion Share Insurance Fund. All moneys in the account are continuously**  
30 **appropriated to the governing board making the deposit for the pur-**

1 pose of carrying out the functions of the board.

2 “(2) Upon request of the State Treasurer, a university with a gov-  
3 erning board shall enter into a written agreement with the state that  
4 provides for the State Treasurer to receive, hold, keep, manage and  
5 invest any amounts under the control of the university that the State  
6 Treasurer determines should be held by the State Treasurer to provide  
7 for payment of state borrowings and other state obligations that are  
8 to be paid from moneys under the control of the university. The  
9 agreement may, at the request of the State Treasurer, require the  
10 university to pay the costs incurred by the State Treasurer in con-  
11 nection with entering into and carrying out the agreement.

12 “(3) Upon request of a university with a governing board, the State  
13 Treasurer shall enter into a written agreement with the university  
14 that provides for the State Treasurer to receive, hold, keep, manage,  
15 and invest any or all funds, appropriations, gifts, bequests, and reve-  
16 nue from any source in accordance with the policies and procedures  
17 established by the State Treasurer, including the recoupment of costs  
18 incurred by the State Treasurer in carrying out these tasks.

19 “(4) As used in this section, ‘depository’ has the meaning given that  
20 term in ORS 295.001.

21 **“SECTION 16. (1) The following entities are not subject to any**  
22 **provision of law enacted after January 1, 2013, that is unique to gov-**  
23 **ernmental entities unless the following entities are expressly named:**

24 “(a) A university with a governing board; and

25 “(b) Any not-for-profit organization or other entity if the equity of  
26 the entity is owned or controlled exclusively by a university with a  
27 governing board and if the organization or entity is created by the  
28 university to advance any of the university’s statutory missions.

29 “(2) Notwithstanding subsection (1) of this section, the provisions  
30 of ORS 30.260 to 30.460, 200.005 to 200.025, 200.045 to 200.090, 236.605 to

1 236.640, 279.835, 279.840, 279.850, 297.040, 307.090 and 307.112 and ORS  
2 chapters 35, 190, 192, 244 and 295 apply to a university with a governing  
3 board under the same terms as they apply to public bodies other than  
4 the state.

5 “(3) Except as otherwise provided by law, the provisions of ORS  
6 35.550 to 35.575, 180.060, 180.210 to 180.235, 184.305 to 184.345, 190.480,  
7 190.490, 200.035, 243.696, 357.805 to 357.895 and 656.017 (2) and ORS  
8 chapters 182, 183, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291,  
9 292, 293, 294 and 297 do not apply to a university with a governing  
10 board.

11 “(4) Notwithstanding subsections (1) and (3) of this section, ORS  
12 240.167, 279C.600 to 279C.625, 279C.800, 279C.810, 279C.825, 279C.830,  
13 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865,  
14 279C.870 and 292.043 apply to a university with a governing board under  
15 the same terms as they apply to public bodies other than the state.

16 “(5) Notwithstanding subsection (2) of this section, ORS 190.430 and  
17 192.105 do not apply to a university with a governing board or any or-  
18 ganization or other entity described in subsection (1) of this section.

19 “(6) Except as set forth in subsection (3) of this section, ORS 243.650  
20 to 243.782 apply to a university with a governing board under the same  
21 terms as they apply to the state.

22 “(7) ORS 351.065, 351.067, 351.642, 351.643, 351.644, 351.646, 351.656,  
23 351.658, 352.012 and 352.375 apply to a university with a governing  
24 board, except that the board or university shall exercise the responsi-  
25 bilities and authorities of the State Board of Higher Education or the  
26 Oregon University System.

27 “(8) A university with a governing board and its agents and em-  
28 ployees remain subject to all statutes and administrative rules of this  
29 state that create rights, benefits or protections in favor of military  
30 veterans, service members and families of service members to the

1 same extent as an agency of this state would be subject to such stat-  
2 utes and administrative rules.

3 “(9) ORS 351.692, 351.695 and 351.697 apply to a governing board, ex-  
4 cept that the board has the responsibilities and authorities with re-  
5 spect to the university it governs that the State Board of Higher  
6 Education and the Oregon University System have with respect to the  
7 public universities identified in ORS 351.011. A university with a gov-  
8 erning board may not issue a tax credit certificate under ORS 351.692,  
9 351.695 and 351.697 that will cause the university to owe the General  
10 Fund more than \$2.4 million at any one time under ORS 351.692, 351.695  
11 and 351.697.

12 “(10) Nothing in this section may be construed so that statutory  
13 provisions that are not set forth in this section apply to a university  
14 with a governing board.

15 “SECTION 17. A university with a governing board may open, es-  
16 tablish, lay out and dedicate to the public use any streets through  
17 lands owned by or used for the university. When such streets are  
18 opened, established and laid out, they are declared to be dedicated to  
19 the public use. The university may declare that it is the road authority  
20 pursuant to ORS 810.010 (4) for any or all roads through lands owned  
21 by or used for the university.

22 “SECTION 18. The president and professors constitute the faculty  
23 and as such have the immediate government and discipline of a uni-  
24 versity with a governing board and the students therein, except as  
25 otherwise provided by law or action of the governing board. The fac-  
26 ulty may, subject to the supervision of the governing board and sec-  
27 tion 8 of this 2013 Act, prescribe the course of study to be pursued in  
28 the university and the textbooks to be used.

29

30

#### “BONDING AUTHORITY OF GOVERNING BOARDS

1       **“SECTION 19. As used in sections 19 to 23 of this 2013 Act:**

2       **“(1) ‘Bond-related costs’ means:**

3       **“(a) The costs of paying the principal of, the interest on and the**  
4 **premium, if any, on revenue bonds.**

5       **“(b) The costs and expenses of issuing, administering and main-**  
6 **taining revenue bonds, including, but not limited to, the costs and**  
7 **expenses of:**

8       **“(A) Redeeming revenue bonds.**

9       **“(B) Paying amounts due in connection with credit enhancement**  
10 **devices or agreements for exchange of interest rates.**

11       **“(C) Paying the fees, administrative costs and expenses of a uni-**  
12 **versity with a governing board related to revenue bonds, including the**  
13 **costs of consultants or advisers retained by the university.**

14       **“(c) The costs of funding reserves for the revenue bonds.**

15       **“(d) Capitalized interest for the revenue bonds.**

16       **“(e) Rebates or penalties due to the United States in connection**  
17 **with the revenue bonds.**

18       **“(f) Any other costs or expenses that a university with a governing**  
19 **board determines are necessary or desirable in connection with issuing**  
20 **and maintaining the revenue bonds.**

21       **“(2) ‘Credit enhancement device’ means an agreement or contrac-**  
22 **tual relationship between a university with a governing board and a**  
23 **bank, trust company, insurance company, surety bonding company,**  
24 **pension fund or other financial institution or entity providing addi-**  
25 **tional credit on or security for a revenue bond.**

26       **“(3) ‘For the benefit of a university with a governing board’ means,**  
27 **in relation to bonds, as defined in ORS 286A.001, of the State of Oregon**  
28 **issued by the State Treasurer:**

29       **“(a) Before the effective date of this 2013 Act, the portion of the**  
30 **proceeds of the bonds that was used to finance property, projects or**

1 liabilities on behalf of the State Board of Higher Education and for the  
2 benefit of a university with a governing board in pursuing the pur-  
3 poses and missions of the university.

4 “(b) On or after the effective date of this 2013 Act, the portion of  
5 the proceeds of the bonds a university with a governing board is eli-  
6 gible to receive under section 20 of this 2013 Act to finance property,  
7 projects or liabilities on behalf of and for the benefit of a university  
8 with a governing board in pursuing the purposes and missions of the  
9 university.

10 “(4) ‘Obligation’ means:

11 “(a) A revenue bond;

12 “(b) The commitment of a university with a governing board in  
13 connection with a credit enhancement device; or

14 “(c) An agreement for exchange of interest rates.

15 “(5) ‘Operative document’ means a bond declaration, trust agree-  
16 ment, indenture, security agreement or other document in which a  
17 university with a governing board makes a pledge.

18 “(6) ‘Pledge’ means:

19 “(a) To create a lien on revenue or property.

20 “(b) A lien created on revenue or property.

21 “(7) ‘Revenue’ means tuition, fees, charges, rents, revenues, re-  
22 cepts and other income of a university with a governing board, except  
23 moneys received by the university from taxes collected by the State  
24 of Oregon.

25 “(8) ‘Revenue bond’:

26 “(a) Means a contractual undertaking or instrument of a university  
27 with a governing board to repay borrowed moneys, which undertaking  
28 or instrument is secured by a pledge of all or part of the revenue of  
29 the university.

30 “(b) Does not mean a credit enhancement device.

1       **“SECTION 20. (1) A university with a governing board may elect to**  
2 **remain eligible to receive proceeds of bonds, as defined in ORS**  
3 **286A.001, of the State of Oregon issued by the State Treasurer pursu-**  
4 **ant to Article XI-F(1) of the Oregon Constitution by seeking review**  
5 **by and obtaining approval of the State Treasurer for all plans to issue**  
6 **revenue bonds of the university and to execute other obligations re-**  
7 **lated to the revenue bonds.**

8       **“(2) The State Treasurer shall limit the scope of review and ap-**  
9 **proval under subsection (1) of this section to consideration of periodic**  
10 **cash flow projections and other information necessary to determine**  
11 **the sufficiency of the cash flow of the university with a governing**  
12 **board to pay bond-related costs for:**

13       **“(a) Bonds, as defined in ORS 286A.001, issued for the benefit of the**  
14 **university with a governing board pursuant to Article XI-F(1) of the**  
15 **Oregon Constitution; and**

16       **“(b) Revenue bonds issued pursuant to sections 19 to 23 of this 2013**  
17 **Act.**

18       **“(3) A university with a governing board that issues revenue bonds**  
19 **of the university, or executes other obligations related to the revenue**  
20 **bonds, without the approval of the State Treasurer as provided in**  
21 **subsection (2) of this section is not eligible to receive proceeds of**  
22 **bonds, as defined in ORS 286A.001, issued by the State Treasurer pur-**  
23 **suant to Article XI-F(1) of the Oregon Constitution on or after the**  
24 **effective date of this 2013 Act.**

25       **“(4) For the purposes of ORS chapter 286A, a university with a**  
26 **governing board is a related agency with respect to bonds, as defined**  
27 **in ORS 286A.001, of the State of Oregon that:**

28       **“(a) Were issued before the effective date of this 2013 Act for the**  
29 **benefit of a university with a governing board and that have not been**  
30 **retired or defeased; and**

1       “(b) Are authorized under ORS 286A.035 and issued on or after the  
2 effective date of this 2013 Act for the benefit of a university with a  
3 governing board.

4       “SECTION 21. (1) A university with a governing board:

5       “(a) May issue revenue bonds for any lawful purpose of the univer-  
6 sity in accordance with ORS chapter 287A.

7       “(b) May issue under ORS 287A.360 to 287A.380 refunding bonds of  
8 the same character and tenor as the revenue bonds replaced.

9       “(2) For the purposes of ORS chapter 287A, a university with a  
10 governing board is a public body.

11       “(3) ORS 287A.150 does not apply to revenue bonds issued by the  
12 university with a governing board.

13       “(4) A university with a governing board:

14       “(a) May grant leases of real property held by a trustee or lender  
15 for a term that ends on the date on which all amounts due under the  
16 operative documents have been paid, or provision for payment has  
17 been made, or for a term of up to 20 years after the last scheduled  
18 payment under the operative documents, whichever is sooner. The  
19 leases may grant the trustee or lender the right to evict the university  
20 and exclude the university from possession of the real property for the  
21 term of the lease if the university fails to pay when due the amounts  
22 scheduled to be paid under the operative documents or otherwise de-  
23 faults under the operative documents. Upon default, the trustee or  
24 lender may sublease the real property to third parties and apply any  
25 rents to payments scheduled to be made under the operative docu-  
26 ments.

27       “(b) May not mortgage, pledge or grant a security interest in, or  
28 otherwise encumber, real or personal property that has been pledged  
29 or leased to provide security for bonds, as defined in ORS 286A.001, of  
30 the State of Oregon that remain outstanding.

1       **“(5) Revenue bonds and other obligations authorized by this section:**

2       **“(a) Are revenue bonds or obligations of a political subdivision of**  
3 **the State of Oregon.**

4       **“(b) Are not an indebtedness or obligation of the State of Oregon**  
5 **and are not a charge upon revenue or property of the State of Oregon,**  
6 **except as provided in subsection (4) of this section.**

7       **“(c) Are not a charge upon any revenue or property of a university**  
8 **with a governing board unless the revenue or property is pledged to**  
9 **secure the revenue bonds or other obligations.**

10       **“(d) Are not payable from, and may not be secured by a pledge of**  
11 **or lien on, any amounts a university with a governing board is re-**  
12 **quired to:**

13       **“(A) Deposit with the State Treasurer pursuant to section 15 (2) of**  
14 **this 2013 Act; or**

15       **“(B) Pay to the State Treasurer pursuant to a schedule described**  
16 **in section 23 of this 2013 Act.**

17       **“NOTE:** Section 22 was deleted by amendment. Subsequent sections were  
18 not renumbered.

19       **“SECTION 23. (1) Sections 19 to 23 of this 2013 Act do not impair**  
20 **the obligations or agreements of the State of Oregon or the State**  
21 **Board of Higher Education with respect to bonds, as defined in ORS**  
22 **286A.001, issued before the effective date of this 2013 Act for the benefit**  
23 **of a university with a governing board.**

24       **“(2) A university with a governing board and the Oregon University**  
25 **System shall take all actions necessary to ensure full compliance with**  
26 **the operative documents executed with respect to bonds, as defined in**  
27 **ORS 286A.001, issued before the effective date of this 2013 Act by the**  
28 **State Treasurer for the benefit of the university with a governing**  
29 **board.**

30       **“(3) The State Treasurer and the Oregon University System shall**

1 promptly provide a university that acquires a governing board with a  
2 schedule of outstanding bonds, as defined in ORS 286A.001, of the State  
3 of Oregon and other obligations for which the university must pay,  
4 including the payment dates and amounts, or methods for determining  
5 the amounts. The schedule must include amounts sufficient to pay  
6 principal, interest and premium, if any, on the bonds, and to pay ad-  
7 ministrative and other costs of the State of Oregon that are related  
8 to the bonds or other obligations. In the absence of manifest error, the  
9 schedule provided by the State Treasurer and the Oregon University  
10 System to a university with a governing board is binding on the uni-  
11 versity. The university with a governing board shall pay the amounts  
12 specified in the schedule provided by the State Treasurer and the  
13 Oregon University System on or before the dates specified in the  
14 schedule from the first legally available revenue of the university.

15 “(4) At the request of the State Treasurer, a university with a  
16 governing board shall provide the State Treasurer with periodic cash  
17 flow projections and other information that allow the State Treasurer  
18 to review and approve the sufficiency of the university’s cash flow to  
19 pay amounts specified in the schedule described in subsection (3) of  
20 this section.

21 “(5) Moneys deposited with the State Treasurer, the Controller of  
22 the Oregon University System or the Oregon Department of Adminis-  
23 trative Services in a debt service reserve account or otherwise for the  
24 portion of the debt service associated with obligations entered into  
25 before the effective date of this 2013 Act for the benefit of a university  
26 with a governing board must remain with the State Treasurer, the  
27 Controller of the Oregon University System or the Oregon Department  
28 of Administrative Services until the obligations have been retired or  
29 defeased. Earnings on moneys described in this subsection must be  
30 credited to the university with a governing board.



1 a government entity performing governmental functions and exercising gov-  
2 ernmental powers. Notwithstanding the status of the Oregon University  
3 System as an instrumentality of the state, the Oregon University System is  
4 not eligible to request or receive legal services from the Attorney General  
5 and the Department of Justice pursuant to ORS chapter 180, except as oth-  
6 erwise expressly provided by law.

7 “(4) The Oregon University System is not considered a unit of local or  
8 municipal government.

9 “**SECTION 26.** ORS 351.011, as amended by section 25 of this 2013 Act,  
10 is amended to read:

11 “351.011. (1) The Oregon University System is established as a public  
12 university system, consisting of the office of the Chancellor of the Oregon  
13 University System and the following public universities, and any related of-  
14 fices, departments or activities:

15 “[*a*] *Oregon State University.*]

16 “[*b*] (a) Oregon Institute of Technology.

17 “[*c*] (b) Western Oregon University.

18 “[*d*] (c) Southern Oregon University.

19 “[*e*] (d) Eastern Oregon University.

20 “(2) The State Board of Higher Education, on behalf of the Oregon Uni-  
21 versity System, shall exercise and carry out all of the powers, rights and  
22 duties that are expressly conferred upon the board or that are implied by law  
23 or incident to such powers, rights and duties.

24 “(3) The Oregon University System is an instrumentality of the state and  
25 a government entity performing governmental functions and exercising gov-  
26 ernmental powers. Notwithstanding the status of the Oregon University  
27 System as an instrumentality of the state, the Oregon University System is  
28 not eligible to request or receive legal services from the Attorney General  
29 and the Department of Justice pursuant to ORS chapter 180, except as oth-  
30 erwise expressly provided by law.

1 “(4) The Oregon University System is not considered a unit of local or  
2 municipal government.

3 **“SECTION 27. (1) The amendments to ORS 351.011 by section 26 of**  
4 **this 2013 Act become operative only if the president of Oregon State**  
5 **University notifies the Governor that the university will become a**  
6 **university with a governing board in the manner set forth in section**  
7 **168 of this 2013 Act.**

8 **“(2) If the condition specified in subsection (1) of this section is met,**  
9 **the amendments to ORS 351.011 by section 26 of this 2013 Act become**  
10 **operative January 1, 2014.**

11 **“SECTION 28. ORS 287A.001 is amended to read:**

12 “287A.001. As used in this chapter:

13 “(1) ‘Advance refunding bond’ means a bond all or part of the proceeds  
14 of which are to be used to pay an outstanding bond one year or more after  
15 the advance refunding bond is issued.

16 “(2) ‘Agreement for exchange of interest rates’ means a contract, or an  
17 option or forward commitment to enter into a contract, for an exchange of  
18 interest rates for related bonds that provides for:

19 “(a) Payments based on levels or changes in interest rates; or

20 “(b) Provisions to hedge payment, rate, spread or similar exposure in-  
21 cluding, but not limited to, an interest rate floor or cap or an option, put  
22 or call.

23 “(3) ‘Bond’:

24 “(a) Means a contractual undertaking or instrument of a public body to  
25 repay borrowed moneys.

26 “(b) Does not mean a credit enhancement device.

27 “(4) ‘Capital construction’ has the meaning given that term in ORS  
28 310.140.

29 “(5) ‘Capital improvements’ has the meaning given that term in ORS  
30 310.140.

1 “(6) ‘Credit enhancement device’:

2 “(a) Means a letter of credit, line of credit, standby bond purchase  
3 agreement, bond insurance policy, reserve surety bond or other device or  
4 facility used to enhance the creditworthiness, liquidity or marketability of  
5 bonds or agreements for exchange of interest rates.

6 “(b) Does not mean a bond.

7 “(7) ‘Current refunding bond’ means a bond the proceeds of which are to  
8 be used to pay or purchase an outstanding bond less than one year after the  
9 current refunding bond is issued.

10 “(8) ‘Forward current refunding’ means execution and delivery of a pur-  
11 chase agreement or similar instrument under which a public body contracts  
12 to sell current refunding bonds for delivery at a future date that is one year  
13 or more after execution of the purchase agreement or similar instrument.

14 “(9) ‘General obligation bond’ means exempt bonded indebtedness, as de-  
15 fined in ORS 310.140, that is secured by a commitment to levy ad valorem  
16 taxes outside the limits of sections 11 and 11b, Article XI of the Oregon  
17 Constitution.

18 “(10) ‘Lawfully available funds’ means revenues or other moneys of a  
19 public body including, but not limited to, moneys credited to the general fund  
20 of the public body, revenues from an ad valorem tax and revenues derived  
21 from other taxes levied by the public body that are not dedicated, restricted  
22 or obligated by law or contract to an inconsistent expenditure or use.

23 “(11) ‘Operative document’ means a bond declaration, trust agreement,  
24 indenture, security agreement or other document in which a public body  
25 pledges revenue or property as security for a bond.

26 “(12) ‘Pledge’ means:

27 “(a) To create a lien on property pursuant to ORS 287A.310.

28 “(b) A lien created on property pursuant to ORS 287A.310.

29 “(13) ‘Public body’ means:

30 “(a) A county of this state;

1 “(b) A city of this state;

2 “(c) A local service district as defined in ORS 174.116 (2);

3 “(d) A special government body as defined in ORS 174.117;

4 “(e) Oregon Health and Science University;

5 “(f) **A public university with a governing board listed in section 3**  
6 **of this 2013 Act;** or

7 “[~~f~~] (g) Any other political subdivision of this state that is authorized  
8 by the Legislative Assembly to issue bonds.

9 “(14) ‘Refunding bond’ means an advance refunding bond, a current re-  
10 funding bond or a forward current refunding bond.

11 “(15) ‘Related bond’ means a bond for which the public body enters into  
12 an agreement for exchange of interest rates or obtains a credit enhancement  
13 device.

14 “(16) ‘Revenue’ means all fees, tolls, excise taxes, assessments, property  
15 taxes and other taxes, rates, charges, rentals and other income or receipts  
16 derived by a public body or to which a public body is entitled.

17 “(17) ‘Revenue bond’ means a bond that is not a general obligation bond.

18 “(18) ‘Termination payment’ means the amount payable under an agree-  
19 ment for exchange of interest rates by one party to another party as a result  
20 of the termination, in whole or part, of the agreement prior to the expiration  
21 of the stated term.

22 “**SECTION 29.** ORS 348.010 is amended to read:

23 “348.010. (1) An account in the Oregon University System Fund estab-  
24 lished under ORS 351.506 is designated for the purpose of granting student  
25 loans under the terms established by the National Defense Education Act  
26 of 1958, as amended, under the terms of the Health Professions Educational  
27 Assistance Act of 1963, as amended, and under the terms of the Nurses  
28 Training Act of 1964, as amended.

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

30 “(a) All moneys made available to [*the State Board of Higher Education*]

1 **public universities listed in ORS 352.002** for student loan purposes by state  
2 appropriations and by the federal government under terms of the National  
3 Defense Education Act of 1958, as amended, under the terms of the Health  
4 Professions Educational Assistance Act of 1963, as amended, and under the  
5 terms of the Nurses Training Act of 1964, as amended;

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

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

9 “(d) Earnings from investments of the account.

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

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

19 **“SECTION 30.** ORS 348.205 is amended to read:

20 “348.205. (1) The Oregon Opportunity Grant program is established within  
21 the Oregon Student Access Commission.

22 “(2) Under the program, the cost of education of a qualified student shall  
23 be shared by the student, the family of the student, the federal government  
24 and the state.

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

28 “(a) For a student attending a community college, the average cost of  
29 education of attending a community college in this state;

30 “(b) For a student attending a public university [*under the direction of the*

1 *State Board of Higher Education*] **listed in ORS 352.002**, the average cost  
2 of education of attending a public university [*under the direction of the*  
3 *board*];

4 “(c) For a student attending a two-year Oregon-based, generally accred-  
5 ited, not-for-profit institution of higher education, the average cost of edu-  
6 cation of attending a community college in this state; and

7 “(d) For a student attending the Oregon Health and Science University  
8 or a four-year Oregon-based, generally accredited, not-for-profit institution  
9 of higher education, the average cost of education of attending [*an institution*  
10 *under the direction of the board*] **a public university listed in ORS**  
11 **352.002.**

12 “(4)(a) The commission shall determine the amount of the student share.  
13 The student share shall be based on:

14 “(A) The type of eligible post-secondary institution the student is attend-  
15 ing;

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

18 “(C) The amount of loans that the commission determines would consti-  
19 tute a manageable debt burden for the student.

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

22 “(c) The student share for a student who attends a community college  
23 may not exceed the amount that the commission determines a student may  
24 earn based on the number of hours of work reasonably expected from the  
25 student under paragraph (a) of this subsection.

26 “(d) The student share for a student who attends an eligible post-  
27 secondary institution that is not a community college may not exceed the  
28 sum of the amount that the commission determines a student may receive  
29 as loans plus the amount a student may earn based on the number of hours  
30 of work reasonably expected from the student under paragraph (a) of this

1 subsection.

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

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

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

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

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

23 “(8)(a) The commission shall adopt rules that prioritize current foster  
24 children and former foster children for receiving Oregon Opportunity Grants  
25 when the Oregon Opportunity Grant program does not have sufficient fund-  
26 ing to serve all eligible Oregon students.

27 “(b) For the purposes of this subsection, ‘former foster child’ has the  
28 meaning given that term in ORS 351.293.

29 **“SECTION 31.** ORS 348.282 is amended to read:

30 “348.282. As used in this section and ORS 348.283:

1       “(1) ‘Armed Forces of the United States’ means:  
2       “(a) The Army, Navy, Air Force, Marine Corps and Coast Guard of the  
3 United States;  
4       “(b) The reserves of the Army, Navy, Air Force, Marine Corps and Coast  
5 Guard of the United States; and  
6       “(c) The Oregon National Guard and a National Guard of any other state  
7 or territory.  
8       “(2) ‘Public post-secondary institution’ means:  
9       “(a) A public university [*under the direction of the State Board of Higher*  
10 *Education*] **listed in ORS 352.002**; 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 32.** ORS 348.283 is amended to read:  
14       “348.283. (1) There is established within the Oregon Student Access Com-  
15 mission the Oregon Troops to Teachers program. Through the program, the  
16 commission shall pay for all of the resident tuition charges of a veteran  
17 imposed by a public post-secondary institution, provided the veteran:  
18       “(a) Was discharged from the Armed Forces of the United States;  
19       “(b) Is a resident of Oregon; and  
20       “(c) Agrees to teach:  
21       “(A) In an Oregon school district or public charter school classified as  
22 serving a high poverty area for not less than three years; or  
23       “(B) In the area of mathematics, science or special education for not less  
24 than four years.  
25       “(2) An award under subsection (1) of this section shall be used for the  
26 purpose of paying resident tuition. The commission may not award funds  
27 under subsection (1) of this section for the purpose of paying for books,  
28 supplies, housing, food or any other costs associated with attending a public  
29 post-secondary institution.  
30       “(3) The commission shall adopt rules necessary for the implementation

1 and administration of this section in consultation with the Department of  
2 Education, [and] the Oregon University System **and the public universities**  
3 **with governing boards listed in section 3 of this 2013 Act.**

4 **“SECTION 33.** ORS 348.470 is amended to read:

5 “348.470. The Legislative Assembly finds and declares that:

6 “(1) It is the policy of this state to encourage cooperation between [*the*  
7 *Oregon University System*] **public universities** and community colleges on  
8 issues affecting students who transfer between the two segments; and

9 “(2) All unnecessary obstacles that restrict student transfer opportunities  
10 between the two segments shall be eliminated.

11 **“SECTION 34.** ORS 348.603 is amended to read:

12 “348.603. (1) The Higher Education Coordinating Commission shall:

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

14 “(b) Authorize approved degree-granting schools to offer nondegree pro-  
15 grams leading to a certificate or diploma;

16 “(c) Validate claims of degree possession;

17 “(d) Terminate substandard or fraudulent degree activities;

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

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

23 “(g) Review proposed new publicly funded post-secondary programs and  
24 locations.

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

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

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

3       “(b) If the boards do not resolve the issue raised under paragraph (a) of  
4 this subsection within 90 days of the date when the issue was recommended  
5 to the boards for mediation, the commission shall have final authority for  
6 approval or disapproval of the program or location. If the boards do not re-  
7 solve the issue, the commission shall approve or disapprove the program or  
8 location within 180 days of the date when the review began.

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

12       “(d) The commission shall establish by rule a fair and neutral decision-  
13 making process in consultation with representatives designated by the State  
14 Board of Education, the State Board of Higher Education, **the governing**  
15 **boards of public universities**, associations representing Oregon independ-  
16 ent colleges, associations representing Oregon career colleges, and the gov-  
17 erning boards of otherwise unrepresented post-secondary schools.

18       “(3) The commission, by rule, may impose a fee on any school or person  
19 requesting information from the commission. The amount of the fee shall be  
20 established to recover designated expenses incurred by the commission in  
21 carrying out the administration of ORS 348.594 to 348.615. Any fees collected  
22 under this subsection shall be deposited in the Degree Authorization Account  
23 established under ORS 348.601.

24       “(4) Subsection (1)(f) of this section does not apply to a body the role of  
25 which is to accredit schools that offer only associate, bachelor’s or master’s  
26 degrees with titles in theology or religious occupations or, if the schools also  
27 offer doctoral degrees, offer doctoral degrees only in theology or religious  
28 occupations that have been approved by a federally recognized accrediting  
29 organization.

30       “**SECTION 35.** ORS 348.890 is amended to read:

1 “348.890. (1) The Higher Education Coordinating Commission shall pro-  
2 vide policy direction to implement regional partnership proposals and any  
3 other joint program or activity approved by the State Board of Education,  
4 [and] the State Board of Higher Education **and the governing board of a**  
5 **public university.**

6 “(2) Notwithstanding ORS 351.063 (3), the Department of Community  
7 Colleges and Workforce Development and the Oregon University System may  
8 use appropriations from the General Fund to implement agreements approved  
9 by the Higher Education Coordinating Commission that provide direct aid  
10 to a student, or other incentives that encourage shared use of facilities,  
11 programs and other resources of public universities listed in ORS 352.002 and  
12 community colleges.

13 **“SECTION 36.** ORS 348.900 is amended to read:

14 “348.900. (1) The Employment Department, in consultation with health  
15 care industry employers, shall perform a statewide and regional needs as-  
16 sessment for health care occupations to identify emerging occupations and  
17 occupations for which there is high demand or a shortage of workers. The  
18 assessment shall be performed as necessary on a periodic basis, as determined  
19 by the department, in consultation with industry employers. To perform the  
20 needs assessment, the department may consider any reliable data sources  
21 available to the department.

22 “(2) Based on the needs assessment, the Higher Education Coordinating  
23 Commission shall inform the community colleges, public universities listed  
24 in ORS 352.002, Oregon Health and Science University and health care in-  
25 dustry employers of the identified statewide needs and invite the develop-  
26 ment of health care education programs that are responsive to those needs.

27 “(3) When approving health care education programs, the State Board of  
28 Education, the State Board of Higher Education, **the governing board of**  
29 **a public university** and the Oregon Health and Science University Board  
30 of Directors shall use the statewide needs assessment to evaluate whether a

1 program fulfills statewide needs. If a board determines there is a statewide  
2 need, the board shall facilitate the:

3 “(a) Coordination of new health care education programs and existing  
4 health care education programs that are similar to the new health care ed-  
5 ucation programs to address the statewide need; and

6 “(b) Alignment of health care education programs relating to statewide  
7 access, student transferability between programs, course articulation and  
8 common student learning outcomes for health care education programs.

9 “(4) In the development and approval of health care education programs,  
10 community colleges, public universities, Oregon Health and Science Univer-  
11 sity, the State Board of Education, the State Board of Higher Education, **the**  
12 **governing board of a public university** and the Oregon Health and Science  
13 University Board of Directors shall consider issues related to statewide ac-  
14 cess, student transferability between programs, course articulation and com-  
15 mon student learning outcomes for health care education programs. The  
16 community colleges, public universities, Oregon Health and Science Univer-  
17 sity and boards shall continue to provide and improve upon an effective ar-  
18 ticulation and transfer framework for students in Oregon’s post-secondary  
19 sectors.

20 **“SECTION 37.** ORS 351.015 is amended to read:

21 “351.015. The Oregon University System shall be conducted under the  
22 control of a board of 15 directors, to be known as the State Board of Higher  
23 Education. Except as otherwise provided by law, the board has sole authority  
24 to govern, set policy and otherwise manage the affairs of the public univer-  
25 sities listed in ORS [352.002] **351.011**. The board shall consist of:

26 “(1) Two students who at the time of their appointment to the board are  
27 attending different public universities listed in ORS [352.002] **351.011**.

28 “[2) *One member of the faculty at Oregon State University, Portland State*  
29 *University or University of Oregon.*]

30 “[3) (2) One member of the faculty at **Oregon State University**, East-

1 ern Oregon University, Oregon Institute of Technology, Southern Oregon  
2 University or Western Oregon University.

3 “[4] (3) [Eleven] **Twelve** members of the general public who are not  
4 students or faculty members at the time of appointment.

5 **“SECTION 38.** ORS 351.015, as amended by section 37 of this 2013 Act,  
6 is amended to read:

7 “351.015. The Oregon University System shall be conducted under the  
8 control of a board of 15 directors, to be known as the State Board of Higher  
9 Education. Except as otherwise provided by law, the board has sole authority  
10 to govern, set policy and otherwise manage the affairs of the public univer-  
11 sities listed in ORS 351.011. The board shall consist of:

12 “(1) Two students who at the time of their appointment to the board are  
13 attending different public universities listed in ORS 351.011.

14 “(2) One member of the faculty at [*Oregon State University,*] Eastern  
15 Oregon University, Oregon Institute of Technology, Southern Oregon Uni-  
16 versity or Western Oregon University.

17 “(3) Twelve members of the general public who are not students or faculty  
18 members at the time of appointment.

19 **“SECTION 39. (1) The amendments to ORS 351.015 by section 38 of**  
20 **this 2013 Act become operative only if the president of Oregon State**  
21 **University notifies the Governor that the university will become a**  
22 **university with a governing board in the manner set forth in section**  
23 **168 of this 2013 Act.**

24 **“(2) If the condition specified in subsection (1) of this section is met,**  
25 **the amendments to ORS 351.015 by section 38 of this 2013 Act become**  
26 **operative January 1, 2014.**

27 **“SECTION 40.** ORS 351.020 is amended to read:

28 “351.020. (1) The directors of the State Board of Higher Education must  
29 be residents of Oregon and are appointed by the Governor. The appointments  
30 are subject to the confirmation of the Senate in the manner provided by ORS

1 171.562 and 171.565. No director who is not a student or faculty member at  
2 the time of appointment may be an employee of any of the public universities  
3 or offices, departments or activities under the control of the State Board of  
4 Higher Education. The faculty [*members*] **member** appointed under this sec-  
5 tion may not participate in any discussions or action by the board or attend  
6 any executive session of the board involving collective bargaining issues that  
7 affect faculty at any public university listed in ORS [352.002] **351.011**.

8 “(2) To assist the Governor in making appointments of the student mem-  
9 bers as provided in ORS 351.015, the duly organized and recognized entities  
10 of student government at each public university shall submit a list of nomi-  
11 nees to the Governor. The entities are entitled to no more than three nomi-  
12 nees per public university. The Governor shall consider these lists in the  
13 selection of the student members to be appointed to the State Board of  
14 Higher Education.

15 “(3) To assist the Governor in making appointments of the faculty [*mem-*  
16 *bers*] **member** as provided in ORS 351.015, a duly organized and recognized  
17 association of faculty members may submit a list of nominees to the Gover-  
18 nor. The Governor shall consider any submitted list in the selection of the  
19 faculty [*members*] **member** to be appointed to the State Board of Higher  
20 Education.

21 “(4) When making an appointment of the faculty or student members as  
22 provided in ORS 351.015, the Governor shall rotate the appointments among  
23 representatives from various public universities to ensure equal represen-  
24 tation among the public universities.

25 **“SECTION 41.** ORS 351.047 is amended to read:

26 “351.047. The State Board of Higher Education shall:

27 “(1) Review all mission statements of the public universities listed in ORS  
28 [352.002] **352.011**; and

29 “(2) Approve all academic programs offered at the public universities, and  
30 shall ensure that the academic programs:

1 “(a) Are consistent with the mission statement of the respective public  
2 university;

3 “(b) Do not unnecessarily duplicate academic programs offered by other  
4 public universities listed in ORS [352.002] **352.011**; and

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

7 **“SECTION 42.** ORS 351.052, as amended by section 7, chapter 104, Oregon  
8 Laws 2012, is amended to read:

9 “351.052. (1) For the purposes of this section, ‘performance compact’  
10 means an agreement between the [*State Board of Higher Education*] **Higher**  
11 **Education Coordinating Commission** and the State of Oregon to achieve  
12 certain performance targets in order to enhance the success of Oregon uni-  
13 versity [*System*] students in exchange for consideration of the appropriations  
14 sought in a funding request submitted by the [*State Board of Higher Educa-*  
15 *tion*] **commission** to the [*Oregon Department of Administrative Services*]  
16 **Governor.**

17 **“(2) On or before May 1 of each even-numbered year:**

18 **“(a) Each university with a governing board shall submit to the**  
19 **Higher Education Coordinating Commission a funding request for the**  
20 **biennium beginning on July 1 of the following year; and**

21 **“(b) The State Board of Higher Education shall submit to the com-**  
22 **mission, on behalf of all the universities in the Oregon University**  
23 **System, a funding request for the biennium beginning on July 1 of the**  
24 **following year.**

25 “[2] **(3) On or before September 1 of each even-numbered year, the [*State***  
26 ***Board of Higher Education*] Higher Education Coordinating Commission**  
27 **shall submit [*the*] a funding request and performance compact to the [*Oregon***  
28 ***Department of Administrative Services for the Oregon University System*]**  
29 **Governor on behalf of all the public universities listed in ORS 352.002.**

30 “[3] **(4) The Governor’s biennial budget submitted to the Legislative**

1 Assembly may include the **Higher Education Coordinating Commission’s**  
2 [*State Board of Higher Education’s*] funding request [*submitted to the Oregon*  
3 *Department of Administrative Services for the Oregon University System*] **for**  
4 **public universities listed in ORS 352.002**. Any funding request approved  
5 by the Legislative Assembly must specify that the moneys be appropriated  
6 to the [*Oregon Department of Administrative Services*] **commission** for allo-  
7 cation to the [*Oregon University System*] **public universities listed in ORS**  
8 **352.002**.

9 “[~~(4)~~] (5) The **commission’s** funding request must include, in addition to  
10 the performance compact, a report on performance from the previous  
11 biennium’s performance compact.

12 “[~~(5)~~] (6) The [*State Board of Higher Education*] **Higher Education Co-**  
13 **ordinating Commission** shall, by rule, establish a framework for the de-  
14 velopment of a performance compact that must accompany the funding  
15 request to the [*Oregon Department of Administrative Services*] **Governor**. The  
16 framework must address, among other issues, the issue of tuition  
17 affordability for students.

18 **“SECTION 43.** ORS 351.054 is amended to read:

19 “351.054. The [*State Board of Higher Education*] **Higher Education Co-**  
20 **ordinating Commission** is authorized to:

21 “(1) Request, as part of the funding request under ORS 351.052, appropri-  
22 ations for budgetary items, including but not limited to education and gen-  
23 eral operations, statewide public services, state funded debt service, capital  
24 improvements [*and other*], **deferred maintenance**, special initiatives and  
25 investments; and

26 “(2) Allocate moneys, from funds appropriated to the [*board*] **commission**  
27 and other available moneys, among the office of the Chancellor of the  
28 Oregon University System[,] **and** public universities listed in ORS 352.002  
29 [*and offices, departments and activities under the control of the board*].

30 **“SECTION 44.** ORS 351.062 is amended to read:

1 “351.062. Except for the power to prescribe enrollment fees under ORS  
2 351.063 and the power to adopt rules, the State Board of Higher Education  
3 may delegate any of the powers, duties or functions of the board to a com-  
4 mittee of the board, the Chancellor of the Oregon University System or a  
5 president of a public university listed in ORS [352.002] **351.011**.

6 “**SECTION 45.** ORS 351.063 is amended to read:

7 “351.063. (1) The State Board of Higher Education shall set enrollment  
8 fees for each public university listed in ORS [352.002] **351.011**. Enrollment  
9 fees include tuition for education and services and any other charges found  
10 by the State Board of Higher Education to be necessary to carry out the  
11 educational program of the Oregon University System.

12 “(2) The State Board of Higher Education shall, by rule, establish a pro-  
13 cess under which each public university may develop and submit proposed  
14 enrollment fees for board consideration. The process must provide for par-  
15 ticipation of enrolled students and the recognized student government of the  
16 public university.

17 “(3) Each public university listed in ORS [352.002] **351.011** is authorized  
18 to offer fee remissions to its students, including remissions offered on the  
19 basis of need, from any authorized source of revenue. Moneys appropriated  
20 from the General Fund may not be used to fund fee remissions to students  
21 of the public university.

22 “**SECTION 46.** ORS 351.065 is amended to read:

23 “351.065. (1) The State Board of Higher Education may, for each public  
24 university or office, department or activity under its control, **and a gov-**  
25 **erning board may, for the public university under its control,** adopt  
26 rules and specific orders by or through the president of each public univer-  
27 sity governing access to personnel records of the public university or office,  
28 department or activity that are less than 25 years old.

29 “(2) Rules adopted under subsection (1) of this section shall require that  
30 personnel records be subjected to restrictions on access unless upon a finding

1 by the president of the public university that the public interest in main-  
2 taining individual rights to privacy in an adequate educational environment  
3 would not suffer by disclosure of such records. Access to such records may  
4 be limited to designated classes of information or persons, or to stated times  
5 and conditions, or to both, but cannot be limited for records more than 25  
6 years old.

7 “(3) [No] **A** rule or order promulgated pursuant to this section [*shall*]  
8 **may not** deny to a faculty member full access to the member’s personnel file  
9 or records kept by the board or [*its public universities or offices, departments*  
10 *or activities*] **the public university**, except as provided in subsections (7) and  
11 (8) of this section.

12 “(4) The number of files relating to the evaluation of a faculty member  
13 [*shall be*] **is** limited to three, to be kept in designated, available locations.

14 “(5) Any evaluation received by telephone [*shall*] **must** be documented in  
15 each of the faculty member’s files by means of a written summary of the  
16 conversation with the names of the conversants identified.

17 “(6) A faculty member [*shall be*] **is** entitled to submit, for placement in  
18 the three files, evidence rebutting, correcting, amplifying or explaining any  
19 document contained therein and other material that the member believes  
20 might be of assistance in the evaluation process.

21 “(7) Letters and other information submitted in confidence to the board  
22 or its public universities, offices, departments or activities prior to July 1,  
23 1975, shall be maintained in the files designated. However, if a faculty  
24 member requests access to those files, the anonymity of the contributor of  
25 letters and other information obtained prior to July 1, 1975, shall be pro-  
26 tected. The full text shall be made available except that portions of the text  
27 that would serve to identify the contributor shall be excised by a faculty  
28 committee. Only the names of the contributors and the excised portions of  
29 the documents may be kept in a file other than the three prescribed by sub-  
30 section (4) of this section.

1       “(8)(a) Confidential letters and other information submitted to or solic-  
2 ited after July 1, 1975, by the board or its public universities, offices, de-  
3 partments or activities prior to the employment of a prospective faculty  
4 member are exempt from the provisions of this section. However, if the  
5 member is employed by the board or its public universities, offices, depart-  
6 ments or activities, the confidential preemployment materials shall be placed  
7 in the three authorized files. If a faculty member requests access to the  
8 member’s files, the anonymity of the contributor of confidential preemploy-  
9 ment letters and other preemployment information shall be protected. The  
10 full text shall be made available, except that portions of the text that would  
11 serve to identify the contributor shall be excised and retained in a file other  
12 than the three designated in subsection (4) of this section.

13       **“(b) Confidential letters and other information submitted to or so-**  
14 **licted by a public university with a governing board listed in section**  
15 **3 of this 2013 Act after January 1, 2014, and prior to the employment**  
16 **of a prospective faculty member are exempt from the provisions of this**  
17 **section. However, if the member is employed by the university, the**  
18 **confidential preemployment materials shall be placed in the three au-**  
19 **thorized files. If a faculty member requests access to the member’s**  
20 **files, the anonymity of the contributor of confidential preemployment**  
21 **letters and other preemployment information shall be protected. The**  
22 **full text shall be made available, except that portions of the text that**  
23 **would serve to identify the contributor shall be excised and retained**  
24 **in a file other than the three designated in subsection (4) of this sec-**  
25 **tion.**

26       “(9) Classroom survey evaluation by students of a faculty member’s  
27 classroom or laboratory performance shall be anonymous. The record of  
28 tabulated reports shall be placed in at least one of the files designated in  
29 subsection (4) of this section. All survey instruments used to obtain evalu-  
30 ation data shall be returned to the faculty member.

1       “(10) **A public university with a governing board listed in section 3**  
2 **of this 2013 Act and**, after July 1, 1975, the *[board]* **State Board of Higher**  
3 **Education** and its public universities, offices, departments or activities,  
4 when evaluating its employed faculty members, may not solicit or accept  
5 letters, documents or other materials, given orally or in written form, from  
6 individuals or groups who wish their identity kept anonymous or the infor-  
7 mation they provide kept confidential.

8       “(11) *[No]* **A** rule or order promulgated pursuant to this section *[limits]*  
9 **does not limit** the authority of *[the public universities, offices, departments*  
10 *or activities under the control of the board]* **a public university** to prepare,  
11 without identification of individual persons who have not consented thereto,  
12 statistical or demographic reports from personnel records.

13       “(12) Any category of personnel records specifically designated as confi-  
14 dential pursuant to valid rules or orders pursuant to this section is not a  
15 public record for the purposes of ORS 192.420.

16       “(13) As used in this section, ‘personnel records’ means records containing  
17 information kept by the public university, office, department or activity  
18 concerning a faculty member and furnished by the faculty member or by  
19 others about the faculty member at the request of the faculty member or the  
20 public university, office, department or activity, including, but not limited  
21 to, information concerning discipline, membership activity, employment per-  
22 formance or other personal records of individual persons.

23       “**SECTION 47.** ORS 351.067 is amended to read:

24       “351.067. (1) **The State Board of Higher Education**, in carrying out its  
25 authority under ORS 351.070, *[the State Board of Higher Education]* **and the**  
26 **governing board of a public university with a governing board listed**  
27 **in section 3 of this 2013 Act** may authorize receipt of compensation for any  
28 officer or employee *[of the Oregon University System]* from private or public  
29 resources, including, but not limited to, income from:

30       “(a) Consulting;

1 “(b) Appearances and speeches;

2 “(c) Intellectual property conceived, reduced to practice or originated and  
3 therefore owned within the [*Oregon University System*] **public university**;

4 “(d) Providing services or other valuable consideration for a private cor-  
5 poration, individual, or entity, whether paid in cash or in-kind, stock or  
6 other equity interest, or anything of value regardless of whether there is a  
7 licensing agreement between the Oregon University System **or public uni-**  
8 **versity** and the private entity; and

9 “(e) Performing public duties paid by private organizations, including in-  
10 stitution corporate affiliates, that augments an officer’s or employee’s pub-  
11 licly funded salary. Such income shall be authorized and received in  
12 accordance with policies and rules established by [*the*] **each** board.

13 “(2) [*The*] **Each** board may not authorize compensation, as described in  
14 subsection (1) of this section, that, in the board’s judgment, does not comport  
15 with the mission of [*a*] **the** public university [*listed in ORS 352.002 and the*  
16 *Oregon University System*] or substantially interferes with an officer’s or  
17 employee’s duties to the [*Oregon University System*] **university**.

18 “(3) Any compensation described and authorized under subsection (1) of  
19 this section is considered official compensation or reimbursement of expenses  
20 for purposes of ORS 244.040 and is not considered an honorarium prohibited  
21 by ORS 244.042. If authorization or receipt of the compensation creates a  
22 potential conflict of interest, the officer or employee shall report the poten-  
23 tial conflict in writing in accordance with **board** rules [*of the board*]. The  
24 disclosure is a public record subject to public inspection.

25 “(4) [*The*] **Each** board shall adopt by rule standards governing employee  
26 outside employment and activities, including potential conflict of interest,  
27 as defined by board rule and consistent with ORS 244.020, and the public  
28 disclosure thereof, and procedures for reporting and hearing potential or  
29 actual conflict of interest complaints.

30 “**SECTION 48.** ORS 351.070 is amended to read:

1 “351.070. (1) The State Board of Higher Education shall, by rule, imple-  
2 ment a personnel system for the Oregon University System and may engage  
3 in collective bargaining with the employees. All collective bargaining with  
4 any certified or recognized exclusive employee representative shall be under  
5 the direction and supervision of the Chancellor of the Oregon University  
6 System. The board and the Oregon University System shall have payroll au-  
7 thority.

8 “(2)(a) The board shall establish competitive procedures for the purchas-  
9 ing, procurement and contracting of goods, services and information tech-  
10 nology, for the benefit of the Oregon University System and all the public  
11 universities and offices, departments and activities under the control of the  
12 board. The board may also establish exemptions from the competitive proce-  
13 dures when appropriate.

14 “(b) The board shall ensure that the hourly rate of wage paid by any  
15 contractor upon all public improvements contracts undertaken for the board  
16 shall not be less than the same rate of wage as determined by the Bureau  
17 of Labor and Industries for an hour’s work in the same trade or occupation  
18 in the locality where such labor is performed. Claims or disputes arising  
19 under this subsection shall be decided by the Commissioner of the Bureau  
20 of Labor and Industries.

21 “(c) The board shall adopt policies and procedures that achieve results  
22 equal to or better than the standards existing on July 17, 1995, regarding  
23 affirmative action, pay equity for comparable work, recycling, the provision  
24 of workers’ compensation insurance to workers on contract and the partic-  
25 ipation of emerging small businesses and businesses owned by minorities and  
26 women.

27 “(3) The board may, for each public university listed in ORS [352.002]  
28 **351.011:**

29 “(a) Appoint and employ a president and the requisite number of employ-  
30 ees and prescribe their compensation and tenure of office or employment.

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

5       “(c) Prescribe incidental fees for programs under the supervision or con-  
6 trol of the board found by the board, upon its own motion or upon recom-  
7 mendation of the recognized student government, to be advantageous to the  
8 cultural or physical development of students. Fees realized in excess of  
9 amounts allocated and exceeding required reserves shall be considered sur-  
10 plus incidental fees and shall be allocated for programs under the control  
11 of the board and found to be advantageous to the cultural or physical de-  
12 velopment of students by the president upon the recommendation of the re-  
13 cognized student government.

14       “(d) Upon recommendation of the recognized student government, collect  
15 optional fees for student activities not included in paragraph (c) of this  
16 subsection or ORS 351.063 as authorized by the president. The payment of  
17 such optional fees is at the option and selection of the student and is not a  
18 prerequisite of enrollment.

19       “(e) Confer, consistent with the mission and programs of each public  
20 university and on the recommendation of the faculty of the public university,  
21 such degrees as usually are conferred by public universities, or as the faculty  
22 deems appropriate.

23       “(f) Prescribe the qualifications for admission.

24       “(4) Subject to such delegation as the board may decide to make to the  
25 public universities and offices, departments and activities under its control,  
26 the board, for each public university, office, department or activity under its  
27 control:

28       “(a) Shall supervise the general course of instruction therein, and the  
29 research, extension, educational and other activities thereof.

30       “(b) Shall adopt rules and bylaws for the government thereof, including

1 the faculty, teachers, students and employees therein.

2 “(c) Shall maintain cultural and physical development services and facil-  
3 ities therefor and, in connection therewith, may cooperate and enter into  
4 agreements with any person or governmental agency.

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

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

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

9 “(A) Dependents of students.

10 “(B) Staff.

11 “(C) Faculty.

12 “(g) Shall prescribe and collect charges.

13 “(h) Shall adopt rules relating to the creation, use, custody and disclo-  
14 sure, including access, of student education records that are consistent with  
15 the requirements of applicable state and federal law. Whenever a student has  
16 attained 18 years of age or is attending a public university listed in ORS  
17 [352.002] **351.011**, the permission or consent required of and the rights ac-  
18 corded to a parent of the student regarding education records shall thereafter  
19 be required of and accorded to only the student.

20 “(5) For each public university listed in ORS [352.002] **351.011**, the board  
21 shall provide opportunities for part-time students to obtain complete under-  
22 graduate degrees at unconventional times, which include but are not limited  
23 to early morning and noon hours, evenings and weekends. In administering  
24 these degree programs, the public university may use any educational facility  
25 available for the use of the public university.

26 “(6) For all public universities [*listed in ORS 352.002*] **under the board’s**  
27 **control**, the board shall, to the extent feasible and cost beneficial, develop  
28 and implement a common admissions process that permits applicants to be  
29 considered for admission to more than one public university.

30 “**SECTION 49.** ORS 351.085 is amended to read:

1 “351.085. The Chancellor of the Oregon University System shall exercise,  
2 under the direction of the State Board of Higher Education, the administra-  
3 tive and management authority necessary to carry out the policies and di-  
4 rectives of the board with respect to the public universities and offices,  
5 departments and activities under the control of the board. In carrying out  
6 the duties of the chancellor, the chancellor shall:

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

9 “(2) Supervise the presidents of the public universities listed in ORS  
10 [352.002] **351.011** and recommend the terms and conditions of their employ-  
11 ment to the board, including but not limited to appointment, compensation  
12 and termination.

13 “(3) Maintain a centralized service program for all public universities and  
14 offices, departments and activities under the control of the board, including  
15 but not limited to accounting, statistical services, capital construction,  
16 management analysis, legal services, academic affairs and educational re-  
17 search.

18 “(4) Collect and compile information and statistics relative to the opera-  
19 tion of the public universities and offices, departments and activities under  
20 the control of the board.

21 “(5) Prepare and submit to the board an annual operating budget for all  
22 public universities and offices, departments and activities under the control  
23 of the board, including but not limited to budget allocations to the public  
24 universities and offices, departments and activities.

25 “(6) Oversee the preparation and submission to the board of the funding  
26 request for the Oregon University System for consideration by the board as  
27 the funding request under ORS 351.052 **(2)(b)**.

28 “(7) Appoint such personnel as may be necessary for the performance of  
29 the duties of the chancellor.

30 “(8) Designate, if the chancellor wishes, one or more suitable persons to

1 sign or countersign warrants, vouchers, certificates or other papers and  
2 documents requiring the signature of the chancellor.

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

6 “(10) Prepare and submit to the board on or about December 31 of each  
7 year an annual report in which the chancellor describes the principal activ-  
8 ities of the Oregon University System during the fiscal year ending June 30.

9 “(11) Keep a record of the transactions of the board.

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

12 “(13) Give such instructions as may be necessary to carry out the direc-  
13 tives of the board and forward them to the various institution presidents and  
14 heads of offices, departments and activities.

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

19 “(15) Perform such other administrative or management assistance and  
20 consider other administrative or management matters as the board may re-  
21 quire.

22 “**SECTION 50.** ORS 297.250 is amended to read:

23 “297.250. (1) An agency of the executive department that completes a risk  
24 assessment or internal audit under ORS 184.360, or that prepares an inde-  
25 pendent audit under ORS 353.160 **or section 14 of this 2013 Act**, shall file  
26 the completed risk assessment or internal audit with the Division of Audits  
27 of the Office of the Secretary of State.

28 “(2) Nothing in this section affects the constitutional duties and authority  
29 of the Secretary of State to audit public accounts.

30 “**SECTION 51.** ORS 351.105 is amended to read:

1 “351.105. In order to carry out the duties described in ORS 352.008, the  
2 State Board of Higher Education **and a public university with a govern-**  
3 **ing board listed in section 3 of this 2013 Act**, in consultation with the  
4 Oregon Health Authority and the Alcohol and Drug Policy Commission, shall  
5 adopt by rule, as a minimum, descriptions of the content of what shall be  
6 included in the policy and plan described in ORS 352.008.

7 **“SECTION 52.** ORS 351.110 is amended to read:

8 “351.110. All relationships and negotiations between the Legislative As-  
9 sembly and its various committees and a public university listed in ORS  
10 [352.002] **351.011** must be carried on through the office of the Chancellor of  
11 the Oregon University System. An employee representing any of the public  
12 universities may not appear before the Legislative Assembly or any commit-  
13 tee except upon the written authority of the State Board of Higher Education  
14 or the chancellor.

15 **“SECTION 53.** ORS 351.155 is amended to read:

16 “351.155. Notwithstanding the applicable provisions of ORS 279.835 to  
17 279.855, 279A.140 to 279A.155, 279A.250 to 279A.290, 279A.990, 279B.200 to  
18 279B.240, 279B.270, 279B.275, 279B.280, 279C.360, 279C.365, 279C.370, 279C.375,  
19 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545, 279C.600 to  
20 279C.625, 279C.650 to 279C.670 and 279C.800 to 279C.870, the State Board of  
21 Higher Education **and the governing board of a public university listed**  
22 **in section 3 of this 2013 Act** may, in the management of all forestlands  
23 under [its] **each board’s** control and supervision, sell the forest products on  
24 such lands in the same manner as is provided in ORS 530.059, and for that  
25 purpose [the] **each** board shall have the same powers with respect to exper-  
26 imental or research projects in the field of forestland management or for  
27 forest product utilization on forestlands under its control as the State  
28 Forester has pursuant to the provisions of ORS 530.050 and 530.059.

29 **“SECTION 54.** ORS 174.117 is amended to read:

30 “174.117. (1) Subject to ORS 174.108, as used in the statutes of this state

1 ‘special government body’ means any of the following:

2 “(a) A public corporation created under a statute of this state and spe-  
3 cifically designated as a public corporation.

4 “(b) A school district.

5 “(c) A public charter school established under ORS chapter 338.

6 “(d) An education service district.

7 “(e) A community college district or community college service district  
8 established under ORS chapter 341.

9 “(f) An intergovernmental body formed by two or more public bodies.

10 “(g) Any entity that is created by statute, ordinance or resolution that is  
11 not part of state government or local government.

12 “(h) Any entity that is not otherwise described in this section that is:

13 “(A) Not part of state government or local government;

14 “(B) Created pursuant to authority granted by a statute, ordinance or  
15 resolution, but not directly created by that statute, ordinance or resolution;  
16 and

17 “(C) Identified as a governmental entity by the statute, ordinance or re-  
18 solution authorizing the creation of the entity, without regard to the specific  
19 terms used by the statute, ordinance or resolution.

20 “(i) **A university with a governing board listed in section 3 of this**  
21 **2013 Act.**

22 “(2) Subject to ORS 174.108, as used in the statutes of this state ‘special  
23 government body’ includes:

24 “(a) An entity created by statute for the purpose of giving advice only to  
25 a special government body;

26 “(b) An entity created by a special government body for the purpose of  
27 giving advice to the special government body, if the document creating the  
28 entity indicates that the entity is a public body; and

29 “(c) Any entity created by a special government body described in sub-  
30 section (1) of this section, other than an entity described in paragraph (b)

1 of this subsection, unless the document creating the entity indicates that the  
2 entity is not a governmental entity or the entity is not subject to any sub-  
3 stantial control by the special government body.

4 **“SECTION 55.** ORS 351.165 is amended to read:

5 “351.165. No later than March 1 of each odd-numbered year, the [*State*  
6 *Board of Higher Education*] **Higher Education Coordinating Commission**  
7 shall submit a report to the Legislative Assembly concerning the status of  
8 all previously approved [*Oregon University System*] capital construction  
9 projects that have not been completed or have been completed within the  
10 preceding 24-month period. The report shall include the project title, funding  
11 sources, the amount of the original appropriation or expenditure limitation,  
12 the amount of unexpected funds, the construction status and the anticipated  
13 completion date.

14 **“SECTION 56.** ORS 352.245 is amended to read:

15 “352.245. (1) There is established an Oregon Climate Service to be located  
16 at Oregon State University. The service shall acquire, maintain, disseminate  
17 and interpret climate data and information for the state.

18 “(2) The service shall:

19 “(a) Assess the needs for weather and climate information in Oregon and  
20 establish priorities among the needs.

21 “(b) Perform a service to citizens of Oregon by managing climate data for  
22 the state, and by disseminating such data and information to users.

23 “(c) Assist in the coordination of existing activities within the state and  
24 among neighboring states.

25 “(d) Advise regional, state and local government on climate related issues.

26 “(e) Assist students and faculty [*in the Oregon University System*] **at the**  
27 **public universities listed in ORS 352.002** by furnishing data and informa-  
28 tion needed in education and research programs.

29 “(f) Study and analyze the relationships between climatic phenomena and  
30 activities in areas such as agriculture, water resources, energy production

1 and use, air quality, building design and construction, transportation and  
2 communication, and business and commerce.

3 “(g) Identify emerging climatic issues and anticipate public demand for  
4 information.

5 “(h) Inform state, federal and private groups and the public on the avail-  
6 ability and sources of climate-related services, information and data.

7 “**SECTION 57.** ORS 351.205 is amended to read:

8 “351.205. The State Board of Higher Education may allow interchange of  
9 members of the faculties of public universities listed in ORS [352.002] **351.011**  
10 with faculty members of comparable institutions of other states or countries  
11 for a period of one year. Such exchange service shall, for all purposes, be  
12 deemed continued service with the Oregon public university covered, with  
13 salary paid to the absent faculty member accordingly. Salary for the visiting  
14 faculty member shall not be paid by the Oregon public university covered.

15 “**SECTION 58.** ORS 351.300 is amended to read:

16 “351.300. The Legislative Assembly finds that in order to avoid unneces-  
17 sary disruption at public universities listed in ORS 352.002 and in order to  
18 provide assurance that the public universities share in the benefits of any  
19 major reform in the Oregon tax system, it is necessary to stabilize funding  
20 for the [*Oregon University System*] **universities** over a longer period than is  
21 customary with biennial budgeting.

22 “**SECTION 59.** ORS 351.310 is amended to read:

23 “351.310. (1) The State Board of Higher Education shall control the use,  
24 distribution and disbursement of all funds, appropriations and taxes now or  
25 hereafter in possession, levied and collected, received or appropriated for the  
26 use, benefit, support and maintenance of the public universities listed in ORS  
27 [352.002] **351.011** and offices, departments and activities under the control of  
28 the board, including the authorization of individuals to sign vouchers for the  
29 disbursement of funds for the various public universities, offices, departments  
30 and activities.

1       “(2) All moneys, except moneys appropriated from the State Treasury for  
2 expenditure within a specified period of time, heretofore or hereafter re-  
3 ceived by or on behalf of the board, or any public university or office, de-  
4 partment or activity under the control of the board, that are not otherwise  
5 appropriated by law, hereby are appropriated continuously to the State  
6 Board of Higher Education for the purposes for which such moneys were  
7 donated, granted or received, in accordance with any applicable law govern-  
8 ing the use of such moneys.

9       “**SECTION 60.** ORS 351.340 is amended to read:

10       “351.340. All sums of money provided by law for the support and mainte-  
11 nance of the public universities listed in ORS [352.002] **351.011** and offices,  
12 departments and activities under the control of the State Board of Higher  
13 Education may be used for the payment of salaries of instructors and em-  
14 ployees, current expenses, construction of additional buildings, purchase of  
15 lands, purchase of equipment, purchase of library books and periodicals,  
16 purchase of laboratory supplies and apparatus and making necessary repairs  
17 and, in general, for the payment of all such expenses connected with the  
18 management of the public universities and offices, departments and activ-  
19 ities, as the board may from time to time determine. However, such moneys  
20 in the instruction budget of the board shall not be used to support hobby or  
21 recreation courses.

22       “**SECTION 61.** ORS 351.509 is amended to read:

23       “351.509. (1) There is established in the General Fund an account to be  
24 known as the Portland State University Center for Nanoscience and  
25 Nanotechnology Account. Funds in the account shall be used for the acqui-  
26 sition and expansion of microscopy and materials characterization facilities  
27 at Portland State University related to a signature research center.

28       “(2) The account shall consist of proceeds from lottery bonds made  
29 available to [*the Oregon University System*] **Portland State University** for  
30 the purpose of the Portland State University center for nanoscience and

1 nanotechnology project described in subsection (1) of this section. Interest  
2 earned on moneys in the account shall be credited to the account.

3 “(3) Moneys in the account are continuously appropriated to [*the Oregon*  
4 *University System*] **Portland State University** for the center for  
5 nanoscience and nanotechnology project described in subsection (1) of this  
6 section. The account may not be credited with more than \$500,000 in interest  
7 and proceeds from lottery bonds.

8 **“SECTION 62.** ORS 351.511 is amended to read:

9 “351.511. (1) There is established in the General Fund an account to be  
10 known as the Portland State University Northwest Engineering Science  
11 Center Phase I Account. Funds in the account shall be used for acquisition  
12 or construction of an engineering science center at Portland State Univer-  
13 sity.

14 “(2) The account shall consist of federal and local government funds made  
15 available to and funds donated to [*the Oregon University System*] **Portland**  
16 **State University** for the purpose of the Portland State University North-  
17 west Engineering Science Center Phase I project described in subsection (1)  
18 of this section. Interest earned on moneys in the account shall be credited  
19 to the account.

20 “(3) Moneys in the account are continuously appropriated to [*the Oregon*  
21 *University System*] **Portland State University** for the purposes described in  
22 subsection (1) of this section. The account may not be credited with more  
23 than \$26,500,000 in interest, donations and federal and local government  
24 funds for purposes of this subsection.

25 **“SECTION 63.** ORS 351.517 is amended to read:

26 “351.517. (1) There is established in the General Fund an account to be  
27 known as the University of Oregon Education Building and Complex Ac-  
28 count. Funds in the account shall be used for the acquisition, construction,  
29 remodeling, expansion and renovation of facilities for an education building  
30 and complex at the University of Oregon.

1 “(2) The account shall consist of federal and local government funds made  
2 available to and funds donated to the [*Oregon University System*] **University**  
3 **of Oregon** for the purpose of the education building and complex project  
4 described in subsection (1) of this section. Interest earned on moneys in the  
5 account shall be credited to the account. The account may not be credited  
6 with more than \$19,400,000 in interest, donations and federal and local gov-  
7 ernment funds for purposes of this subsection.

8 “(3) Moneys in the account are continuously appropriated to the [*Oregon*  
9 *University System*] **University of Oregon** and may be transferred to the ac-  
10 count designated by ORS 351.626 for the education building and complex  
11 project described in subsection (1) of this section.

12 **“SECTION 64.** ORS 351.518 is amended to read:

13 “351.518. (1) There is established in the General Fund an account to be  
14 known as the University of Oregon Gilbert Hall Account. Funds in the ac-  
15 count shall be used for the acquisition, construction, remodeling, expansion  
16 and renovation of facilities for Gilbert Hall at the University of Oregon.

17 “(2) The account shall consist of federal and local government funds made  
18 available to and funds donated to the [*Oregon University System*] **University**  
19 **of Oregon** for the purpose of the Gilbert Hall project described in subsection  
20 (1) of this section. Interest earned on moneys in the account shall be credited  
21 to the account. The account may not be credited with more than \$3,300,000  
22 in interest, donations and federal and local government funds for purposes  
23 of this subsection.

24 “(3) Moneys in the account are continuously appropriated to the [*Oregon*  
25 *University System*] **University of Oregon** and may be transferred to the ac-  
26 count designated by ORS 351.626 for the Gilbert Hall project described in  
27 subsection (1) of this section.

28 **“SECTION 65.** ORS 351.519 is amended to read:

29 “351.519. (1) There is established in the General Fund an account to be  
30 known as the University of Oregon Integrative Science Complex Account.

1 Funds in the account shall be used for the acquisition, construction, remodel-  
2 eling, expansion and renovation of facilities for an integrative science com-  
3 plex at the University of Oregon that includes a multiscale materials and  
4 devices laboratory and other facilities related to a signature research center.

5 “(2) The account shall consist of proceeds from lottery bonds made  
6 available to the [*Oregon University System*] **University of Oregon** for the  
7 purpose of the University of Oregon integrative science complex project de-  
8 scribed in subsection (1) of this section. Interest earned on moneys in the  
9 account shall be credited to the account.

10 “(3) Moneys in the account are continuously appropriated to the [*Oregon*  
11 *University System*] **University of Oregon** for the integrative science complex  
12 project described in subsection (1) of this section. The account may not be  
13 credited with more than \$4,750,000 in interest and proceeds from lottery  
14 bonds.

15 **“SECTION 66.** ORS 351.521 is amended to read:

16 “351.521. (1) There is established in the General Fund an account to be  
17 known as the University of Oregon School of Music Account. Funds in the  
18 account shall be used for additions and alterations to the School of Music  
19 at the University of Oregon.

20 “(2) The account shall consist of federal and local government funds made  
21 available to and funds donated to the [*Oregon University System*] **University**  
22 **of Oregon** for the purpose of the University of Oregon School of Music  
23 project described in subsection (1) of this section. Interest earned on moneys  
24 in the account shall be credited to the account.

25 “(3) Moneys in the account are continuously appropriated to the [*Oregon*  
26 *University System*] **University of Oregon** for that purpose. The account may  
27 not be credited with more than \$7,600,000 in interest, donations and federal  
28 and local government funds for purposes of this subsection.

29 **“SECTION 67.** ORS 351.538 is amended to read:

30 “351.538. (1) There is established in the General Fund an account to be

1 known as the Museum of Art Project Account. Funds in the account shall  
2 be used for additions to and alterations of the Museum of Art at the Uni-  
3 versity of Oregon.

4 “(2) The account shall consist of federal and local government funds made  
5 available to and funds donated to the [*Oregon University System*] **University**  
6 **of Oregon** for the purposes of the Museum of Art project described in sub-  
7 section (1) of this section. Interest earned on moneys in the account shall  
8 be credited to the account.

9 “(3) Moneys in the account are continuously appropriated to the [*Oregon*  
10 *University System*] **University of Oregon** for that purpose. The account may  
11 not be credited with more than \$6,360,000 in interest, donations and federal  
12 and local government funds for purposes of this subsection.

13 **“SECTION 68.** ORS 351.539 is amended to read:

14 “351.539. (1) There is established in the General Fund an account to be  
15 known as the Straub Hall Project Account. Funds in the account shall be  
16 used for the additions to and alterations of Straub Hall at the University  
17 of Oregon.

18 “(2) The account shall consist of federal and local government funds made  
19 available to and funds donated to the [*Oregon University System*] **University**  
20 **of Oregon** for the purposes of the Straub Hall project described in sub-  
21 section (1) of this section. Interest earned on moneys in the account shall  
22 be credited to the account.

23 “(3) Moneys in the account are continuously appropriated to the [*Oregon*  
24 *University System*] **University of Oregon** for that purpose. The account may  
25 not be credited with more than \$1,166,000 in interest, donations and federal  
26 and local government funds for purposes of this subsection.

27 **“SECTION 69.** ORS 351.590 is amended to read:

28 “351.590. (1) An account in the Oregon University System Fund estab-  
29 lished by ORS 351.506 is designated for the purpose of receiving all revenue  
30 from incidental fees, optional fees, health services fees and all operating

1 revenue from intercollegiate athletics, student unions and educational ac-  
2 tivities.

3 “(2) Disbursements from the account designated by this section, including  
4 any interest credited to the account, may be made for necessary expenses for  
5 supplies, services and equipment associated with student activities including  
6 but not limited to recruiting, training and grant-in-aid to intercollegiate  
7 athletes.

8 “(3) Income and interest derived from moneys in the account designated  
9 by this section are credited to the account. The State Board of Higher Edu-  
10 cation shall distribute annually the total interest earnings proportionately  
11 to each public university listed in ORS [352.002] **351.011** based on each  
12 university’s average cash balance in the account.

13 **“SECTION 70.** ORS 351.626 is amended to read:

14 “351.626. An account in the Oregon University System Fund established  
15 by ORS 351.506 is designated for the construction, remodeling, expansion and  
16 renovation of facilities within the Oregon University System **or any public**  
17 **university with a governing board listed in section 3 of this 2013 Act.**  
18 Income and interest from moneys in the account are credited to the account.

19 **“SECTION 71.** ORS 351.628 is amended to read:

20 “351.628. (1) There is established in the General Fund an account to be  
21 known as the Higher Education Academic Modernization Account. Funds in  
22 the account shall be used at public universities listed in ORS [352.002]  
23 **351.011** for academic modernization, capital repair, deferred maintenance and  
24 making facilities compliant with building and safety codes.

25 “(2) The account shall consist of funds donated to the Oregon University  
26 System for the purposes described in subsection (1) of this section. The ac-  
27 count may also consist of other funds available to the Oregon University  
28 System for the purposes described in subsection (1) of this section. The  
29 Oregon University System may not deposit any moneys into the account that  
30 were appropriated to the Department of Higher Education under chapter 725,

1 Oregon Laws 2003. Interest earned on moneys in the account shall be cred-  
2 ited to the account.

3 “(3) Moneys in the account are continuously appropriated to the Oregon  
4 University System for the purposes described in subsection (1) of this section.  
5 The account may not be credited with more than \$1,000,000 in interest, do-  
6 nations and other funds.

7 **“SECTION 72.** ORS 351.638 is amended to read:

8 “351.638. (1) An account in the Oregon University System Fund estab-  
9 lished by ORS 351.506 is designated for the purpose of attracting new, out-  
10 standing faculty members to the public universities listed in ORS [352.002]  
11 **351.011.** This purpose includes payment of costs incurred in relocating new  
12 faculty, retraining necessary teaching assistants for new faculty, acquisition  
13 of equipment such as laboratory equipment and facilities to support research  
14 by new faculty, payment of other costs incurred in recruiting new faculty  
15 and payment of costs associated with committing salary supplements to  
16 newly recruited faculty over a period of more than one year.

17 “(2) The State Board of Higher Education shall seek funds from private  
18 sources for deposit to the credit of the account designated by this section.

19 **“SECTION 73.** ORS 351.642, as amended by section 7, chapter 106, Oregon  
20 Laws 2012, is amended to read:

21 “351.642. (1) As used in this section:

22 “(a) ‘Active member of the Armed Forces of the United States’ includes  
23 officers and enlisted personnel of the Armed Forces of the United States who:

24 “(A) Reside in this state while assigned to duty at any base, station, shore  
25 establishment or other facility in this state;

26 “(B) Reside in this state while serving as members of the crew of a ship  
27 that has an Oregon port or shore establishment as its home port or perma-  
28 nent station; or

29 “(C) Reside in another state or a foreign country and establish Oregon  
30 residency by filing Oregon state income taxes no later than 12 months before

1 leaving active duty.

2 “(b) ‘Armed Forces of the United States’ includes:

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

5 “(B) Reserve components of the Army, Navy, Air Force, Marine Corps and  
6 Coast Guard of the United States; and

7 “(C) The National Guard of the United States and the Oregon National  
8 Guard.

9 “(c) ‘Dependent children’ includes any children of an active member of the  
10 Armed Forces of the United States, of an active member of the commissioned  
11 corps of the National Oceanic and Atmospheric Administration or of a  
12 member of the Public Health Service of the United States Department of  
13 Health and Human Services detailed by proper authority for duty with the  
14 Army or Navy of the United States, who:

15 “(A) Are under 18 years of age and not married, otherwise emancipated  
16 or self-supporting; or

17 “(B) Are under 23 years of age, unmarried, enrolled in a full-time course  
18 of study in an institution of higher learning and dependent on the member  
19 for over one-half of their support.

20 “(2) Active members of the Armed Forces of the United States, active  
21 members of the commissioned corps of the National Oceanic and Atmospheric  
22 Administration and members of the Public Health Service of the United  
23 States Department of Health and Human Services detailed by proper au-  
24 thority for duty with the Army or Navy of the United States, and their  
25 spouses and dependent children, are considered residents of this state for the  
26 purpose of admission and for the purpose of determining fees and tuition to  
27 be paid by such individuals while attending any public university [*that is*  
28 *under the control of the State Board of Higher Education*] **listed in ORS**  
29 **352.002.**

30 “(3) The State Board of Higher Education **and a public university with**

1 **a governing board listed in section 3 of this 2013 Act** may contract with  
2 the Armed Forces of the United States to furnish educational service [*in the*  
3 *public universities*] to active members of the Armed Forces of the United  
4 States.

5 “(4) The State Board of Higher Education **and the public university**  
6 shall determine the number of such students that should be accepted and  
7 shall make final decisions on admission of individual applicants.

8 “(5) Students attending the public universities under contracts with the  
9 Armed Forces of the United States under this section shall pay fees and tu-  
10 ition customarily charged Oregon students.

11 “(6) Payments made by the Armed Forces of the United States under such  
12 contracts shall be deposited in a designated account [*in the Oregon Univer-*  
13 *sity System Fund established by ORS 351.506*] in the same manner that fees  
14 and tuition payments for resident students are deposited and credited.

15 **“SECTION 74.** ORS 351.643, as amended by section 8, chapter 106, Oregon  
16 Laws 2012, is amended to read:

17 “351.643. (1) A student at a public university listed in ORS 352.002 who  
18 is a member of the military, a member of the commissioned corps of the  
19 National Oceanic and Atmospheric Administration or a member of the Public  
20 Health Service of the United States Department of Health and Human Ser-  
21 vices detailed by proper authority for duty with the Army or Navy of the  
22 United States and who is ordered to federal or state active duty for more  
23 than 30 consecutive days has the following rights:

24 “(a) With regard to a course in which the student is enrolled and for  
25 which the student has paid tuition and fees, the right to:

26 “(A) Withdraw from the course, subject to the provisions of subsection (2)  
27 of this section;

28 “(B) Receive a grade of incomplete and, upon release from active duty,  
29 complete the course in accordance with the practice of the public university  
30 for completion of incomplete courses; or

1 “(C) Continue and complete the course for full credit, subject to the pro-  
2 visions of subsection (3) of this section;

3 “(b) The right to a credit described in ORS 351.644 for all amounts paid  
4 for room, board, tuition and fees;

5 “(c) If the student elects to withdraw from the public university, the right  
6 to be readmitted and reenrolled at the public university within one year after  
7 release from active duty without a requirement of redetermination of admis-  
8 sion eligibility; and

9 “(d) The right to continuation of scholarships and grants awarded to the  
10 student that were funded by the public university or the Oregon Student  
11 Access Commission before the student was ordered to active duty.

12 “(2) If the student elects to withdraw from a course under subsection  
13 (1)(a)(A) of this section, the public university may not:

14 “(a) Give the student academic credit for the course from which the stu-  
15 dent withdraws;

16 “(b) Give the student a failing grade or a grade of incomplete or make  
17 any other negative annotation on the student’s record; or

18 “(c) Alter the student’s grade point average due to the student’s with-  
19 drawal from the course.

20 “(3) A student who elects to continue and complete a course for full credit  
21 under subsection (1)(a)(C) of this section is subject to the following condi-  
22 tions:

23 “(a) Course sessions the student misses due to active duty shall be  
24 counted as excused absences and may not adversely impact the student’s  
25 grade for the course or rank in the student’s class.

26 “(b) The student may not be automatically excused from completing  
27 course assignments due during the period the student serves on active duty.

28 “(c) A letter grade or a grade of pass may be awarded only if, in the  
29 opinion of the teacher of the course, the student completes sufficient work  
30 and demonstrates sufficient progress toward meeting course requirements to

1 justify the grade.

2 “(4) The State Board of Higher Education **and a public university with**  
3 **a governing board listed in section 3 of this 2013 Act** shall adopt rules  
4 for the administration of this section.

5 “(5) As used in this section, ‘member of the military’ means a person who  
6 is a member of:

7 “(a) The Oregon National Guard or the National Guard of any other state  
8 or territory; or

9 “(b) The reserves of the Army, Navy, Air Force, Marine Corps or Coast  
10 Guard of the United States.

11 **“SECTION 75.** ORS 351.644 is amended to read:

12 “351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b)  
13 shall be based on:

14 “(A) The amount of room and board paid by the student for a term that  
15 the student does not complete because the student is ordered to active duty;  
16 and

17 “(B) The amount of tuition and fees paid by the student for a course from  
18 which the student withdraws.

19 “(b) The amount of the credit shall be prorated based on the number of  
20 weeks remaining in the term or course when the student withdraws.

21 “(c) At the time a student withdraws from a course at a public university  
22 listed in ORS 352.002 or from the public university, the student must elect  
23 to claim the credit:

24 “(A) As a credit toward tuition and fees or room and board if the student  
25 reenrolls at the public university under ORS 351.643 (1)(c); or

26 “(B) As a monetary payment.

27 “(2) A student who elects to claim the credit by the method described in  
28 subsection (1)(c)(A) of this section may change the method of claiming the  
29 credit to the method described in subsection (1)(c)(B) of this section by giv-  
30 ing notice to the public university from which the student withdraws.

1 “(3) A student who elects to claim the credit by the method described in  
2 subsection (1)(c)(A) of this section must use the credit or change the method  
3 of claiming the credit under subsection (2) of this section within one year  
4 after release from active duty.

5 “(4) A personal representative of a student who elected to claim the credit  
6 by the method described in subsection (1)(c)(A) of this section may claim a  
7 monetary payment upon presenting evidence to the public university that the  
8 student died while serving on active duty.

9 “(5) The State Board of Higher Education **and a public university with**  
10 **a governing board listed in section 3 of this 2013 Act** shall adopt rules  
11 for the administration of this section, including rules that determine the  
12 amount of credit and the method by which the credit is prorated.

13 **“SECTION 76.** ORS 351.646 is amended to read:

14 “351.646. A public university listed in ORS 352.002 shall give credit for  
15 education and training obtained by a person while serving in the Armed  
16 Forces of the United States, as defined in ORS 351.642. The education and  
17 training for which credit may be given must meet the standards adopted by  
18 the State Board of Higher Education **or public university with a govern-**  
19 **ing board listed in section 3 of this 2013 Act** by rule.

20 **“SECTION 77.** ORS 351.658 is amended to read:

21 “351.658. (1) [*The State Board of Higher Education shall direct*] Each  
22 public university listed in ORS 352.002 [*to*] **shall** waive tuition for any course  
23 audited by an Oregon resident 65 years of age or older if:

24 “(a) Space is available in the course for additional students to register  
25 after degree-seeking students have registered;

26 “(b) The department in which the course is being taught approves; and

27 “(c) The auditing student is registered for eight credits or fewer per term.

28 “(2) The public university may charge the student attending under sub-  
29 section (1) of this section fees associated with the course being audited.

30 “(3) A public university may develop rules for implementation of this

1 section, including rules relating to registration, admission and fees.

2 **“SECTION 78.** ORS 351.692 is amended to read:

3 “351.692. (1) The State Board of Higher Education shall adopt policies  
4 that prescribe the requirements for a venture grant program and the re-  
5 quirements that a grant applicant must meet in order to receive grant mon-  
6 eys from a university venture development fund, including requirements:

7 “[1] (a) That a grant recipient remain within this state for at least five  
8 years following the receipt of a grant or repay the grant plus interest;

9 “[2] (b) That each university that establishes a university venture de-  
10 velopment fund report amounts of tax credit certificates issued by the uni-  
11 versity and maintain records of income realized by the university as the  
12 result of grants made from the fund and records of amounts paid to the  
13 General Fund; and

14 “[3] (c) Under which the Oregon University System is to maintain re-  
15 cords and issue directions to universities that have established university  
16 venture development funds relating to when universities must cease issuing  
17 certificates, in order to ensure that the total amount owed to the General  
18 Fund by the Oregon University System at any one time under ORS 351.697  
19 (6) does not exceed \$6 million.

20 **“(2) The governing board of a public university with a governing**  
21 **board listed in section 3 of this 2013 Act shall adopt a policy that pre-**  
22 **scribes the requirements for a venture grant program and the re-**  
23 **quirements that a grant applicant must meet in order to receive grant**  
24 **moneys from the university venture development fund operated by the**  
25 **university, including requirements:**

26 **“(a) That a grant recipient remain within this state for at least five**  
27 **years following the receipt of a grant or repay the grant plus interest;**

28 **“(b) That the university report amounts of tax credit certificates**  
29 **issued by the university and cease issuing certificates until the total**  
30 **amount owed to the General Fund by the university at any one time**

1 **under ORS 351.697 (6) does not exceed \$2.4 million; and**

2 **“(c) That the university maintain records of income realized by the**  
3 **university as the result of grants made from the fund and records of**  
4 **amounts paid to the General Fund.**

5 **“SECTION 79.** ORS 351.695 is amended to read:

6 “351.695. (1) A university within the Oregon University System may de-  
7 posit moneys received for its university venture development fund in the  
8 Higher Education Donation Fund established under ORS 351.130.

9 “(2) Notwithstanding ORS 351.697 (5), the State Treasurer, as payment for  
10 expenses, may deduct a fee pursuant to ORS 293.718 from a university ven-  
11 ture development fund administered by a university [*within the Oregon Uni-*  
12 *versity System*] **listed in ORS 352.002** or the Oregon Health and Science  
13 University.

14 “(3) A university [*within the Oregon University System*] **listed in ORS**  
15 **352.002** or the Oregon Health and Science University may direct that moneys  
16 credited to its university venture development fund be held and invested by  
17 the university’s affiliated foundation. Any moneys held by an affiliated  
18 foundation under this section or ORS 351.697 are not subject to the pro-  
19 visions of ORS chapter 293 or 295 and may not be considered public or state  
20 funds for any purpose. Moneys transferred to an affiliated foundation under  
21 this section or ORS 351.697 may be used only as provided under ORS 351.692,  
22 351.695, 351.697 and 353.445.

23 “(4) At the request of a university within the Oregon University System,  
24 moneys in the Higher Education Donation Fund that were deposited by the  
25 university under this section may be transferred to the university’s affiliated  
26 foundation.

27 “(5) A university [*within the Oregon University System*] **listed in ORS**  
28 **352.002** or the Oregon Health and Science University may retain or may elect  
29 to have its affiliated foundation retain some or all of the principal contrib-  
30 uted to a university venture development fund for investment to perpetuate

1 and increase the moneys available for expenditure. The balance of the fund  
2 and the earnings on that balance may be used as provided under ORS 351.692,  
3 351.695, 351.697 and 353.445.

4 **“SECTION 80.** ORS 351.697 is amended to read:

5 “351.697. (1) Each university [*in the Oregon University System*] **listed in**  
6 **ORS 352.002** and Oregon Health and Science University may elect to estab-  
7 lish a university venture development fund as provided in this section for the  
8 purpose of facilitating the commercialization of university research and de-  
9 velopment. A university shall direct that the university venture development  
10 fund be administered, in whole or in part, by the university or by the  
11 university’s affiliated foundation.

12 “(2) The purposes of a university venture development fund are to provide:

13 “(a) Capital for university entrepreneurial programs;

14 “(b) Opportunities for students to gain experience in applying research to  
15 commercial activities;

16 “(c) Proof-of-concept funding for transforming research and development  
17 concepts into commercially viable products and services;

18 “(d) Entrepreneurial opportunities for persons interested in transforming  
19 research into viable commercial ventures that create jobs in this state; and

20 “(e) Tax credits for contributors to university research commercialization  
21 activities.

22 “(3) Each university that elects to establish a university venture devel-  
23 opment fund shall:

24 “(a) Notify the Department of Revenue of the establishment of the fund;

25 “(b) Either directly or through its affiliated foundation, solicit contribu-  
26 tions to the fund and receive, manage and disburse moneys contributed to  
27 the fund;

28 “(c) Subject to ORS 315.521 (1), 351.692 [(3)] and 353.445 (3), issue tax  
29 credit certificates to contributors to the fund in the amount of the contri-  
30 butions;

1 “(d) Establish a grant program that meets the requirements for a venture  
2 grant program under policies adopted **under ORS 351.692** by the State Board  
3 of Higher Education [*under ORS 351.692*] **or the governing board of a**  
4 **public university with a governing board listed in section 3 of this 2013**  
5 **Act** or under policies adopted by the Oregon Health and Science University  
6 Board of Directors under ORS 353.445; and

7 “(e) Subject to available moneys from the fund, provide qualified grant  
8 applicants with moneys for the purpose of facilitating the commercialization  
9 of university research and development.

10 “(4) Except as provided in subsection (5) of this section, moneys in a  
11 university venture development fund shall be disbursed only as directed by  
12 a university.

13 “(5) A university or its affiliated foundation may charge its customary  
14 administrative assessment to manage its university venture development fund  
15 in an amount not to exceed three percent of the fund’s average balance  
16 during the fiscal year of the university or its affiliated foundation. The ad-  
17 ministrative assessment may be paid from the assets in the fund. Except as  
18 authorized by law, no other fees or indirect costs shall be charged against  
19 the university venture development fund or any associated grants or other  
20 disbursements from the fund.

21 “(6) A university that has established a university venture development  
22 fund shall monitor the use of grants made from the fund and identify the  
23 income realized by the university as the result of the use of the grants. In-  
24 come consists of cash realized from royalties, milestone and license fee pay-  
25 ments and cash from the sale of equity. The university shall cause the  
26 transfer of 20 percent of the income realized from the grants to the General  
27 Fund, but not to exceed the amount of the tax credits issued by the univer-  
28 sity as a result of contributions to its university venture development fund.  
29 Immediately upon deposit of the transferred amount into the General Fund,  
30 the university may issue new tax credits to equal the transferred amount.

1 “(7) A university that has established a university venture development  
2 fund shall report annually to the Legislative Assembly or, if the Legislative  
3 Assembly is not in session, to the interim legislative committees on revenue.  
4 The report shall be at the end of the fiscal year of the university or of its  
5 affiliated foundation and provide information for that fiscal year. The uni-  
6 versity shall include in the report the following information pertaining to its  
7 university venture development fund:

8 “(a) The amount of donations received for the fund;

9 “(b) The amount of income received from the fund;

10 “(c) The amount of disbursements and grants paid from the fund;

11 “(d) The amount of income and royalties received from disbursements  
12 from the fund; and

13 “(e) The amount of moneys transferred from the fund to the General Fund.

14 **“SECTION 81.** ORS 351.718 is amended to read:

15 “351.718. (1) The members of the Higher Education Coordinating Com-  
16 mission must be residents of this state who are well informed on the princi-  
17 ples of higher education.

18 “(2) A member of the State Board of Higher Education, **the Oregon**  
19 **Health and Science University Board of Directors, the governing board of**  
20 **a public university with a governing board listed in section 3 of this**  
21 **2013 Act** or the governing board of a community college district may not  
22 serve as a member of the Higher Education Coordinating Commission.

23 **“SECTION 82.** ORS 351.735, as amended by section 1, chapter 104, Oregon  
24 Laws 2012, is amended to read:

25 “351.735. (1) The Higher Education Coordinating Commission shall advise  
26 the Oregon Education Investment Board on state goals and associated  
27 achievement compacts for the state post-secondary education system, includ-  
28 ing community colleges and public universities listed in ORS 352.002, and for  
29 the Oregon Student Access Commission.

30 “(2) Under the direction and control of the Oregon Education Investment

1 Board, the Higher Education Coordinating Commission shall:

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

7 “(A) Increasing the educational attainment of the population;

8 “(B) Increasing this state’s global economic competitiveness and the  
9 quality of life of its citizens;

10 “(C) Ensuring affordable access for qualified Oregon students at each  
11 college or public university; and

12 “(D) Ensuring that public higher education in this state is provided in a  
13 cost-effective manner.

14 “(b) Evaluate and recommend changes to statutory goals and missions  
15 described for community colleges in ORS 341.009 and for public universities  
16 in ORS 351.003 and 351.009 after receiving recommendations from the appro-  
17 priate governing board. The appropriate governing board shall have  
18 decision-making authority over program offerings to implement established  
19 goals and missions.

20 “(c) Develop a finance model for higher education aligned with the goals  
21 in the system strategic plan, including:

22 “(A) Recommended biennial appropriations to institutions, including a  
23 component specifically tied to institutional contributions to state educa-  
24 tional priorities;

25 “(B) Recommended limits regarding the setting of tuition rates at public  
26 universities listed in ORS 352.002 in accordance with criteria set by the State  
27 Board of Higher Education **or the governing board of a public university**  
28 **with a governing board listed in section 3 of this 2013 Act**, with the goal  
29 of encouraging tuition affordability for students;

30 “(C) Tuition rates set by each community college governing board for

1 community colleges in this state;

2 “(D) Recommended biennial appropriations for student financial aid; and

3 “(E) Recommended biennial appropriations for any future statewide  
4 higher education initiatives.

5 “(d) Each biennium, recommend to the Oregon Education Investment  
6 Board a consolidated higher education budget request consistent with the  
7 finance model, including appropriations for:

8 “(A) Ongoing operations of the Oregon Student Access Commission;

9 “(B) Ongoing operations for the Oregon University System;

10 “(C) **Ongoing operations for all public universities listed in ORS**  
11 **352.002;**

12 “[C] (D) Ongoing operations for community colleges;

13 “[D] (E) Needed new facilities or programs; and

14 “[E] (F) Capital improvements.

15 “(e) Coordinate with the Oregon Student Access Commission to maximize  
16 the effectiveness of student financial assistance programs, including the  
17 Oregon Opportunity Grant program under ORS 348.260.

18 “(f) Approve and authorize degrees for the Oregon University System.

19 “(g) Authorize degrees to be offered in this state in accordance with ORS  
20 348.594 to 348.615, and adopt any rules to implement that authority.

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

23 “(a) Develop and recommend policies to ensure or improve access to  
24 higher education by underserved populations.

25 “(b) Recommend and encourage student success and completion initi-  
26 atives.

27 “(c) Develop and recommend policies to improve the coordination of the  
28 provision of educational services, including:

29 “(A) Transfers and other movements throughout the higher education  
30 system;

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

2 “(C) Applied baccalaureate and other transfer degrees; and

3 “(D) Reciprocity agreements with other states.

4 “(d) Review research efforts among the public universities of this state  
5 to improve economic development in this state.

6 “(e) Coordinate education initiatives with the State Workforce Investment  
7 Board, the Department of Community Colleges and Workforce Development,  
8 local workforce investment boards, the Oregon Health and Science Univer-  
9 sity, **universities with governing boards that are listed in section 3 of**  
10 **this 2013 Act** and independent institutions of post-secondary education.

11 **“SECTION 83.** ORS 351.735, as amended by sections 1 and 3, chapter 104,  
12 Oregon Laws 2012, is amended to read:

13 “351.735. (1) The Higher Education Coordinating Commission shall advise  
14 the Oregon Education Investment Board on state goals and associated  
15 achievement compacts for the state post-secondary education system, includ-  
16 ing community colleges and public universities listed in ORS 352.002, and for  
17 the Oregon Student Access Commission.

18 “(2) Under the direction and control of the Oregon Education Investment  
19 Board, the Higher Education Coordinating Commission shall:

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

25 “(A) Increasing the educational attainment of the population;

26 “(B) Increasing this state’s global economic competitiveness and the  
27 quality of life of its citizens;

28 “(C) Ensuring affordable access for qualified Oregon students at each  
29 college or public university; and

30 “(D) Ensuring that public higher education in this state is provided in a

1 cost-effective manner.

2 “(b) Evaluate and recommend changes to statutory goals and missions  
3 described for community colleges in ORS 341.009 and for public universities  
4 in ORS 351.003 and 351.009 after receiving recommendations from the appro-  
5 priate governing board. The appropriate governing board shall have  
6 decision-making authority over program offerings to implement established  
7 goals and missions.

8 “(c) Develop a finance model for higher education aligned with the goals  
9 in the system strategic plan, including:

10 “(A) Recommended biennial appropriations to institutions, including a  
11 component specifically tied to institutional contributions to state educa-  
12 tional priorities;

13 “(B) Recommended limits regarding the setting of tuition rates at public  
14 universities listed in ORS 352.002 in accordance with criteria set by the State  
15 Board of Higher Education **or the governing board of a public university**  
16 **with a governing board listed in section 3 of this 2013 Act**, with the goal  
17 of encouraging tuition affordability for students;

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

20 “(D) Recommended biennial appropriations for student financial aid; and

21 “(E) Recommended biennial appropriations for any future statewide  
22 higher education initiatives.

23 “(d) Each biennium, recommend to the Oregon Education Investment  
24 Board a consolidated higher education budget request consistent with the  
25 finance model, including appropriations for:

26 “(A) Ongoing operations of the Oregon Student Access Commission;

27 “(B) Ongoing operations for the Oregon University System;

28 “(C) **Ongoing operations for all public universities listed in ORS**  
29 **352.002;**

30 “[C] **(D)** Ongoing operations for community colleges;

1        “[*D*] (**E**) Needed new facilities or programs; and  
2        “[*E*] (**F**) Capital improvements.  
3        “(e) Coordinate with the Oregon Student Access Commission to maximize  
4 the effectiveness of student financial assistance programs, including the  
5 Oregon Opportunity Grant program under ORS 348.260.  
6        “(f) Approve and authorize degrees for the Oregon University System.  
7        “(g) Authorize degrees to be offered in this state in accordance with ORS  
8 348.594 to 348.615, and adopt any rules to implement that authority.  
9        “(3) In addition to the duties described in subsections (1) and (2) of this  
10 section, the Higher Education Coordinating Commission shall:  
11        “(a) Develop and recommend policies to ensure or improve access to  
12 higher education by underserved populations.  
13        “(b) Recommend and encourage student success and completion initi-  
14 atives.  
15        “(c) Develop and recommend policies to improve the coordination of the  
16 provision of educational services, including:  
17        “(A) Transfers and other movements throughout the higher education  
18 system;  
19        “(B) Accelerated college credit programs for high school students;  
20        “(C) Applied baccalaureate and other transfer degrees; and  
21        “(D) Reciprocity agreements with other states.  
22        “(d) Review research efforts among the public universities of this state  
23 to improve economic development in this state.  
24        “(e) Coordinate education initiatives with the State Workforce Investment  
25 Board, the Department of Community Colleges and Workforce Development,  
26 local workforce investment boards, the Oregon Health and Science Univer-  
27 sity, **public universities with governing boards listed in section 3 of this**  
28 **2013 Act** and independent institutions of post-secondary education.  
29        “(f) Oversee the licensing of career schools under ORS 345.010 to 345.450.  
30        “**SECTION 84.** ORS 351.735, as amended by sections 1, 3 and 5, chapter

1 104, Oregon Laws 2012, is amended to read:

2 “351.735. The Higher Education Coordinating Commission shall:

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

7 “(2) Develop a strategic plan for achieving state higher education goals,  
8 identifying priority areas for attention and taking into consideration the  
9 contributions of this state’s independent institutions and other organizations  
10 dedicated to helping Oregonians reach state goals. Goals should include, but  
11 need not be limited to:

12 “(a) Increasing the educational attainment of the population;

13 “(b) Increasing this state’s global economic competitiveness and the  
14 quality of life of its citizens;

15 “(c) Ensuring affordable access for qualified Oregon students at each  
16 college or public university; and

17 “(d) Ensuring that public higher education in this state is provided in a  
18 cost-effective manner.

19 “(3) Evaluate and recommend changes to statutory goals and missions  
20 described for community colleges in ORS 341.009 and for public universities  
21 in ORS 351.003 and 351.009 after receiving recommendations from the appro-  
22 priate governing board. The appropriate governing board shall have  
23 decision-making authority over program offerings to implement established  
24 goals and missions.

25 “(4) Develop a finance model for higher education aligned with the goals  
26 in the system strategic plan, including:

27 “(a) Recommended biennial appropriations to institutions, including a  
28 component specifically tied to institutional contributions to state educa-  
29 tional priorities;

30 “(b) Recommended limits regarding the setting of tuition rates at public

1 universities listed in ORS 352.002 in accordance with criteria set by the State  
2 Board of Higher Education **or the governing board of a public university**  
3 **with a governing board listed in section 3 of this 2013 Act**, with the goal  
4 of encouraging tuition affordability for students;

5 “(c) Tuition rates set by each community college governing board for  
6 community colleges in this state;

7 “(d) Recommended biennial appropriations for student financial aid; and

8 “(e) Recommended biennial appropriations for any future statewide higher  
9 education initiatives.

10 “(5) Each biennium, recommend to the Governor and the Legislative As-  
11 sembly a consolidated higher education budget request consistent with the  
12 finance model, including appropriations for:

13 “(a) Ongoing operations of the Oregon Student Access Commission;

14 “(b) Ongoing operations for the Oregon University System;

15 “(c) **Ongoing operations for all public universities listed in ORS**  
16 **352.002;**

17 “[*c*] (d) Ongoing operations for community colleges;

18 “[*d*] (e) Needed new facilities or programs; and

19 “[*e*] (f) Capital improvements.

20 “(6) Coordinate with the Oregon Student Access Commission to maximize  
21 the effectiveness of student financial assistance programs, including the  
22 Oregon Opportunity Grant program under ORS 348.260.

23 “(7) Approve and authorize degrees for the Oregon University System.

24 “(8) Authorize degrees to be offered in this state in accordance with ORS  
25 348.594 to 348.615, and adopt any rules to implement that authority.

26 “(9) Develop and recommend policies to ensure or improve access to  
27 higher education by underserved populations.

28 “(10) Recommend and encourage student success and completion initi-  
29 atives.

30 “(11) Develop and recommend policies to improve the coordination of the

1 provision of educational services, including:

2 “(a) Transfers and other movements throughout the higher education  
3 system;

4 “(b) Accelerated college credit programs for high school students;

5 “(c) Applied baccalaureate and other transfer degrees; and

6 “(d) Reciprocity agreements with other states.

7 “(12) Review research efforts among the public universities of this state  
8 to improve economic development in this state.

9 “(13) Coordinate education initiatives with the State Workforce Invest-  
10 ment Board, the Department of Community Colleges and Workforce Devel-  
11 opment, local workforce investment boards, the Oregon Health and Science  
12 University, **public universities with governing boards listed in section**  
13 **3 of this 2013 Act** and independent institutions of post-secondary education.

14 “(14) Oversee the licensing of career schools under ORS 345.010 to 345.450.

15 **“SECTION 85.** ORS 352.006 is amended to read:

16 “352.006. [No] **A** political or sectarian test [*shall ever*] **may not** be al-  
17 lowed or applied in the appointment of faculty and other employees of the  
18 Oregon University System **or a public university listed in ORS 352.002.**

19 **“SECTION 86.** ORS 352.010 is amended to read:

20 “352.010. (1) The president and professors constitute the faculty of each  
21 of the public universities listed in ORS 352.002 and as such have the imme-  
22 diate government and discipline of the public university and the students  
23 therein, except as otherwise provided by statute or action of the State Board  
24 of Higher Education **or the governing board of a public university with**  
25 **a governing board listed in section 3 of this 2013 Act.**

26 “(2) The faculty may, subject to the supervision of the [*board*] **State**  
27 **Board of Higher Education** under ORS 351.070 **or a governing board,**  
28 prescribe the course of study to be pursued in the public university and the  
29 textbooks to be used.

30 **“SECTION 87.** ORS 352.012 is amended to read:

1 “352.012. For the purpose of requesting a state or nationwide criminal  
2 records check under ORS 181.534, [*the Oregon University System*] a **public**  
3 **university listed in ORS 352.002** may require the fingerprints of a person  
4 who:

5 “(1)(a) Is employed or applying for employment by the **university or**  
6 **Oregon University System**; or

7 “(b) Provides services or seeks to provide services to the **university or**  
8 **Oregon University System** as a contractor or volunteer; and

9 “(2) Is, or will be, working or providing services in a position that is  
10 designated as a critical or security-sensitive position. As used in this sub-  
11 section, ‘critical or security-sensitive position’ means a position in which the  
12 person:

13 “(a) Has direct access to persons under 18 years of age or to student  
14 residence facilities because the person’s work duties require the person to  
15 be present in the residence facility;

16 “(b) Is providing information technology services and has control over,  
17 or access to, information technology systems that would allow the person to  
18 harm the information technology systems or the information contained in the  
19 systems;

20 “(c) Has access to information, the disclosure of which is prohibited by  
21 state or federal laws, rules or regulations or information that is defined as  
22 confidential under state or federal laws, rules or regulations;

23 “(d) Has access to property where chemicals, hazardous materials and  
24 other items controlled by state or federal laws or regulations are located;

25 “(e) Has access to laboratories, nuclear facilities or utility plants to  
26 which access is restricted in order to protect the health or safety of the  
27 public;

28 “(f) Has fiscal, financial aid, payroll or purchasing responsibilities as one  
29 of the person’s primary responsibilities; or

30 “(g) Has access to personal information about employees or members of

1 the public including Social Security numbers, dates of birth, driver license  
2 numbers, medical information, personal financial information or criminal  
3 background information.

4 **“SECTION 88.** ORS 351.094 is amended to read:

5 “351.094. (1)(a) The State Board of Higher Education shall provide group  
6 insurance to employees of the Oregon University System through the Public  
7 Employees’ Benefit Board or may elect to provide alternative group health  
8 and welfare insurance benefit plans to employees of the Oregon University  
9 System if the same level of benefits is available at a lower cost than through  
10 the Public Employees’ Benefit Board.

11 **“(b) Each university with a governing board listed in section 3 of**  
12 **this 2013 Act shall provide group insurance to employees of the uni-**  
13 **versity through the Public Employees’ Benefit Board or may elect to**  
14 **provide alternative group health and welfare insurance benefit plans**  
15 **to employees of the university if the same level of benefits is available**  
16 **at a lower cost than through the Public Employees’ Benefit Board.**

17 “(2) For the purposes of ORS 243.555 to 243.575, if the State Board of  
18 Higher Education **or a university with a governing board listed in sec-**  
19 **tion 3 of this 2013 Act** chooses not to participate in the benefit plans offered  
20 through the Public Employees’ Benefit Board, the State Board of Higher  
21 Education **or university** may have the authority granted to the Public  
22 Employees’ Benefit Board under ORS 243.555 to 243.575 for the adminis-  
23 tration of an appropriate expense reimbursement plan.

24 “(3)(a) The State Board of Higher Education shall offer one or more de-  
25 ferred compensation plans to employees of the Oregon University System.  
26 The Oregon University System shall, at the discretion of the board, choose  
27 whether to offer its employees the state deferred compensation plan estab-  
28 lished under ORS 243.401 to 243.507 or another deferred compensation plan  
29 that the board elects to make available to the employees of the Oregon  
30 University System.

1       “(b) Each university with a governing board listed in section 3 of  
2 this 2013 Act shall offer one or more deferred compensation plans to  
3 employees of the university. The university with a governing board  
4 shall, at the discretion of the governing board, choose whether to offer  
5 its employees the state deferred compensation plan established under  
6 ORS 243.401 to 243.507 or another deferred compensation plan that the  
7 governing board elects to make available to the employees of the uni-  
8 versity.

9       “**SECTION 89.** ORS 352.043 is amended to read:

10       “352.043. (1) There is created [*within the Oregon University System*] the  
11 University of Oregon School of Law[. *The school shall*] **to** be administered  
12 by the University of Oregon.

13       “(2) The University of Oregon School of Law shall:

14       “(a) Prepare students for careers in the legal profession.

15       “(b) Perform the duties required of the school under ORS 36.100 to 36.238.

16       “(3) The president of the University of Oregon shall appoint the Dean of  
17 the University of Oregon School of Law.

18       “**SECTION 90.** ORS 352.046 is amended to read:

19       “352.046. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*  
20 *University System*] the Center for Brain, Biology and Machine[. *The center*  
21 *shall*] **to** be administered by the University of Oregon.

22       “(2) The purpose of the center is to promote interdisciplinary teaching  
23 and research in scientific areas, including but not limited to brain structure,  
24 development and functions, genetics and genomics, cognitive neuroscience,  
25 molecular biology, computational science, computing, magnetic resonance  
26 imaging and optics.

27       “(3) The [*Oregon University System*] **University of Oregon** may receive  
28 moneys from any public or private source to support the Center for Brain,  
29 Biology and Machine created under subsections (1) and (2) of this section.  
30 Gifts or grants received to support the center shall be deposited in an ap-

1 appropriate fund at the University of Oregon [*by the Oregon University*  
2 *System*].

3 “**NOTE:** Sections 91 through 94 were deleted by amendment. Subsequent  
4 sections were not renumbered.

5 “**SECTION 95.** ORS 352.066 is amended to read:

6 “352.066. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*  
7 *University System*] the Mark O. Hatfield School of Government[. *The Mark*  
8 *O. Hatfield School of Government shall*], **to** be administered by Portland State  
9 University. The president of Portland State University shall appoint the di-  
10 rector of the Mark O. Hatfield School of Government.

11 “(2) The purposes of the Mark O. Hatfield School of Government are:

12 “(a) To prepare students for careers in political service, public adminis-  
13 tration and the administration of justice;

14 “(b) To perform the duties required of the school under ORS 36.179,  
15 183.502 and 390.240; and

16 “(c) To assist the Criminal Justice Research and Policy Institute in car-  
17 rying out the duties under subsection (3) of this section.

18 “(3) There is created within the Mark O. Hatfield School of Government  
19 the Criminal Justice Research and Policy Institute. The institute may assist  
20 the Legislative Assembly and state and local governments in developing  
21 policies to reduce crime and delinquency by:

22 “(a) Providing the Legislative Assembly with objective, nonpartisan ana-  
23 lyses of existing or proposed state criminal justice policies, which analyses  
24 may not be inconsistent with state or federal law or the Oregon or United  
25 States Constitution;

26 “(b) Evaluating programs, including but not limited to programs dealing  
27 with public safety professionalism, ethics in leadership and childhood devel-  
28 opment, funded directly or indirectly by the State of Oregon that are in-  
29 tended to reduce criminal and delinquent behavior or to improve  
30 professionalism in public safety careers;

1 “(c) Managing reviews and evaluations relating to major long-term issues  
2 confronting the state involving criminal and juvenile justice, public safety  
3 professionalism, ethics in leadership and early childhood development pro-  
4 grams;

5 “(d) Initiating, sponsoring, conducting and publishing research on crimi-  
6 nal and juvenile justice, public safety professionalism, ethics in leadership  
7 and early childhood development that is peer reviewed and directly useful  
8 to policymakers;

9 “(e) Organizing conferences on current state issues that bring together  
10 policymakers, public agencies and leading academicians; and

11 “(f) Seeking to strengthen the links among the Legislative Assembly, state  
12 and local governments, the Oregon Criminal Justice Commission, the De-  
13 partment of Public Safety Standards and Training and the academic com-  
14 munity in the interest of more informed policymaking, the application of best  
15 practices and more relevant academic research.

16 “(4) The Governor, the Chief Justice of the Supreme Court, the President  
17 of the Senate, the Speaker of the House of Representatives or the chair-  
18 person of a legislative committee with responsibility over criminal or juve-  
19 nile justice systems or childhood development programs may request the  
20 assistance of the Criminal Justice Research and Policy Institute in evaluat-  
21 ing criminal or juvenile justice programs developed for, but not necessarily  
22 limited to, preventing delinquency, reducing crime and improving  
23 professionalism in public safety careers.

24 “(5) Agencies, departments and officers of state and local governments  
25 may assist the Criminal Justice Research and Policy Institute in the per-  
26 formance of its functions and furnish information, data and advice as re-  
27 quested by the institute.

28 “**SECTION 96.** ORS 352.068 is amended to read:

29 “352.068. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*  
30 *University System*] the Center for Lakes and Reservoirs[. *The Center for*

1 *Lakes and Reservoirs shall*], **to** be administered by Portland State University.

2 “(2) The purpose of the Center for Lakes and Reservoirs is to assist state  
3 and federal agencies in researching and mitigating nonindigenous, invasive  
4 aquatic species in this state and to work with communities in developing  
5 effective management of lakes and reservoirs.

6 “**SECTION 97.** ORS 352.071 is amended to read:

7 “352.071. (1) Pursuant to ORS 351.870, [*there is created within the Oregon*  
8 *University System*] the Graduate School of Social Work[. *The Graduate*  
9 *School of Social Work shall*] **is created, to** be administered by Portland State  
10 University.

11 “(2) The purpose of the Graduate School of Social Work is to provide a  
12 center for specialized education and research in the social services for the  
13 betterment of communities in the Portland metropolitan area, the state and  
14 the Pacific Northwest.

15 “**SECTION 98.** ORS 352.074 is amended to read:

16 “352.074. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*  
17 *University System*] the Institute of Portland Metropolitan Studies[. *The In-*  
18 *stitute of Portland Metropolitan Studies shall*], **to** be administered by  
19 Portland State University.

20 “(2) The purpose of the Institute of Portland Metropolitan Studies is to  
21 build partnerships between Portland State University’s urban studies pro-  
22 grams and the surrounding communities of metropolitan Portland and to  
23 sponsor public service research.

24 “**SECTION 99.** ORS 352.360 is amended to read:

25 “352.360. (1) The State Board of Higher Education may enact such regu-  
26 lations as the board deems convenient or necessary to provide for the polic-  
27 ing, control and regulation of traffic and parking of vehicles on the property  
28 of any public university listed in ORS [352.002] **351.011**. The regulations may  
29 provide for the registration of vehicles, the designation of parking areas and  
30 the assessment and collection of reasonable fees and charges for parking. The

1 board may require that before a quarterly or yearly parking privilege for any  
2 vehicle is granted to any full-time or part-time student to use board property,  
3 the student must show that the vehicle is operated by a student holding a  
4 valid driver license, that the vehicle is currently registered and that the  
5 student driving the vehicle is insured under a motor vehicle liability insur-  
6 ance policy that meets the requirements described under ORS 806.080 or that  
7 the student or owner of the vehicle has provided the Department of Trans-  
8 portation with other satisfactory proof of compliance with the financial re-  
9 sponsibility requirements of this state.

10 “(2) The regulations enacted pursuant to subsection (1) of this section  
11 shall be enforced administratively under procedures adopted by the board for  
12 each public university. Administrative and disciplinary sanctions may be  
13 imposed upon students, faculty and staff for violation of the regulations, in-  
14 cluding but not limited to, a reasonable monetary penalty which may be de-  
15 ducted from student deposits, and faculty or staff salaries or other funds in  
16 the possession of the public university. The board shall provide opportunity  
17 for hearing for the determination of controversies in connection with im-  
18 position of fines or penalties. The board may prescribe procedures for such  
19 hearings despite the provisions of ORS 183.413 to 183.470. Persons other than  
20 students, faculty or staff may voluntarily submit to the hearing procedures  
21 prescribed by the board, and shall be bound by the results of the hearing.  
22 The powers granted to the board by this section are supplemental to the  
23 existing powers of the board with respect to the government of activities of  
24 students, faculty and staff and the control and management of property under  
25 its jurisdiction.

26 “(3) The regulations enacted pursuant to subsection (1) of this section  
27 may also be enforced by the impoundment of vehicles, and a reasonable fee  
28 may be enacted for the cost of impoundment and storage, if any, prior to the  
29 release of the vehicles to their owners.

30 “(4) All fees and charges for parking privileges and violations are depos-

1 ited in a designated account in the Oregon University System Fund estab-  
2 lished by ORS 351.506 for the purpose of defraying the costs of constructing  
3 bicycle racks and bicycle lanes and of traffic control, enforcement of traffic  
4 and parking regulations and maintenance and operation of parking facilities  
5 and for the purpose of acquiring and constructing additional parking facili-  
6 ties for vehicles at the various public universities and offices, departments  
7 and activities under the control of the board. Fees and charges may also be  
8 credited to the account in the Oregon University System Fund designated  
9 by ORS 351.460. Parking fees shall be established at levels no greater than  
10 those required to finance the construction, operation and maintenance of  
11 parking facilities on the same campus of the public university for which the  
12 parking is provided. Notwithstanding ORS 351.072, parking fees or changes  
13 in fees shall be adopted by rule of the board subject to the procedure for  
14 rules adopted in ORS chapter 183.

15 “(5) Every peace officer may enforce the regulations made by the board  
16 under subsection (1) of this section. The board, for the purpose of enforcing  
17 its rules and regulations governing traffic control, may appoint peace officers  
18 who have the same authority as other peace officers as defined in ORS  
19 133.005.

20 “(6) The board and any municipal corporation or any department, agency  
21 or political subdivision of this state may enter into agreements or contracts  
22 with each other for the purpose of providing a uniform system of enforcement  
23 of the rules and regulations of the board enacted pursuant to subsection (1)  
24 of this section.

25 “(7) In proceedings brought to enforce regulations enacted pursuant to  
26 subsection (1) of this section, it shall be sufficient to charge the defendant  
27 by an unsworn written notice in accordance with the provisions of ORS  
28 221.333. In any case in which the defendant is not subject to and does not  
29 voluntarily submit to the hearing procedures prescribed under subsection (2)  
30 of this section, proceedings to enforce regulations enacted pursuant to sub-

1 section (1) of this section shall be brought in the name of the board in a  
2 circuit court, a justice court or a city court for offenses committed within  
3 the territorial jurisdiction of such court. Such courts shall have concurrent  
4 jurisdiction over offenses committed within their respective jurisdictions. All  
5 fines, penalties and court costs recovered shall be paid to the clerk of the  
6 court involved and shall be disposed of as provided in ORS 153.640 to 153.680.

7 **“SECTION 100.** ORS 21.007, as amended by section 8, chapter 48, Oregon  
8 Laws 2012, is amended to read:

9 “21.007. It is the intent of the Legislative Assembly that funding be pro-  
10 vided to the following entities by appropriations each biennium to fund pro-  
11 grams, services and activities that were funded through court fees before the  
12 2011-2013 biennium:

13 “(1) To the counties of this state for the purposes of funding mediation  
14 services, conciliation services and other services in domestic relations cases.

15 “(2) To the counties of this state for the purposes of funding the operation  
16 of law libraries or of providing law library services.

17 “(3) To [*the Oregon University System*] **Portland State University and**  
18 **the University of Oregon** to fund the programs and expenses of the Mark  
19 O. Hatfield School of Government and the University of Oregon School of  
20 Law under ORS 36.100 to 36.238 and 183.502.

21 “(4) To the Housing and Community Services Department for the purpose  
22 of funding programs that defray the cost of rent for dwelling units for very  
23 low income households.

24 “(5) To the Oregon University System to fund clinical legal education  
25 programs at accredited institutions of higher education that provide civil  
26 legal services to victims of domestic violence, stalking or sexual assault.

27 “(6) To the State Department of Agriculture for the purpose of funding  
28 mediation programs established by the department, other than individual  
29 farm credit mediations.

30 “(7) To the Judicial Department for the purposes of funding the appellate

1 settlement program established under ORS 2.560.

2 “(8) To the Department of Human Services for the funding of the Office  
3 of Children’s Advocate.

4 **“SECTION 101.** ORS 30.264 is amended to read:

5 “30.264. (1)(a) The State Board of Higher Education may authorize public  
6 universities listed in ORS [352.002] **351.011** to provide liability insurance  
7 coverage for students involved in off-campus experiential activities, includ-  
8 ing, but not limited to, student teaching, internships, clinical experiences,  
9 capstone projects and related activities.

10 **“(b) The governing board of a public university with a governing**  
11 **board listed in section 3 of this 2013 Act may authorize the university**  
12 **to provide liability insurance coverage for students involved in off-**  
13 **campus experiential activities, including, but not limited to, student**  
14 **teaching, internships, clinical experiences, capstone projects and re-**  
15 **lated activities.**

16 “(2) If commercial liability insurance coverage is not available to the  
17 public universities, students participating in the activities described in sub-  
18 section (1) of this section shall be considered to be acting within the course  
19 and scope of state employment duties for purposes of ORS 30.260 to 30.300.

20 **“SECTION 102.** ORS 30.864 is amended to read:

21 “30.864. (1) Any person claiming to be aggrieved by the reckless disclosure  
22 of personally identifiable information from a student’s education records as  
23 prohibited by rules of the State Board of Education, [or] the State Board of  
24 Higher Education **or the governing board of a public university with a**  
25 **governing board listed in section 3 of this 2013 Act** may file a civil action  
26 in circuit court for equitable relief or, subject to the terms and conditions  
27 of ORS 30.265 to 30.300, for damages, or both. The court may order such other  
28 relief as may be appropriate.

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

1 “(3) In an action brought under this section, the court may allow the  
2 prevailing party costs, disbursements and reasonable attorney fees.

3 **“SECTION 103.** ORS 36.145 is amended to read:

4 “36.145. The Dispute Resolution Account is established in the State  
5 Treasury, separate and distinct from the General Fund. All moneys received  
6 under ORS 36.150 shall be deposited to the credit of the account. Notwith-  
7 standing the provisions of ORS 291.238, all moneys in the account are con-  
8 tinuously appropriated to the [*Oregon University System*] **University of**  
9 **Oregon or Portland State University** for the purposes for which the  
10 moneys were made available and shall be expended in accordance with the  
11 terms and conditions upon which the moneys were made available.

12 **“SECTION 104.** ORS 36.150 is amended to read:

13 “36.150. [*The Oregon University System*] **Portland State University**, on  
14 behalf of the Mark O. Hatfield School of Government and the **University**  
15 **of Oregon, on behalf of the** University of Oregon School of Law, may ac-  
16 cept and expend moneys from any public or private source, including the  
17 federal government, made available for the purpose of encouraging, promot-  
18 ing or establishing dispute resolution programs in Oregon or to facilitate and  
19 assist the schools in carrying out the responsibilities of the schools under  
20 ORS 36.100 to 36.238 and 183.502. All moneys received by the [*Oregon Uni-*  
21 *versity System*] **University of Oregon and Portland State University** un-  
22 der this section shall be deposited in the Dispute Resolution Account.

23 **“SECTION 105.** ORS 36.155 is amended to read:

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

1       **“SECTION 106.** ORS 184.631 is amended to read:

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

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

10       “(a) Individuals.

11       “(b) Businesses.

12       “(c) Nonprofit organizations.

13       “(d) The State Board of Higher Education.

14       **“(e) The governing board of a public university with a governing  
15 board listed in section 3 of this 2013 Act.**

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

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

22       “(5) The department shall adopt rules that govern the solicitation and  
23 selection of product development projects that will receive funding under the  
24 program established under this section.

25       **“SECTION 107.** ORS 192.501 is amended to read:

26       “192.501. The following public records are exempt from disclosure under  
27 ORS 192.410 to 192.505 unless the public interest requires disclosure in the  
28 particular instance:

29       “(1) Records of a public body pertaining to litigation to which the public  
30 body is a party if the complaint has been filed, or if the complaint has not

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

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

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

21 “(a) The arrested person’s name, age, residence, employment, marital sta-  
22 tus and similar biographical information;

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

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

25 “(d) The identity of and biographical information concerning both com-  
26 plaining party and victim;

27 “(e) The identity of the investigating and arresting agency and the length  
28 of the investigation;

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

1       “(g) Such information as may be necessary to enlist public assistance in  
2 apprehending fugitives from justice.

3       “(4) Test questions, scoring keys, and other data used to administer a li-  
4 censing examination, employment, academic or other examination or testing  
5 procedure before the examination is given and if the examination is to be  
6 used again. Records establishing procedures for and instructing persons ad-  
7 ministering, grading or evaluating an examination or testing procedure are  
8 included in this exemption, to the extent that disclosure would create a risk  
9 that the result might be affected.

10       “(5) Information consisting of production records, sale or purchase records  
11 or catch records, or similar business records of a private concern or enter-  
12 prise, required by law to be submitted to or inspected by a governmental  
13 body to allow it to determine fees or assessments payable or to establish  
14 production quotas, and the amounts of such fees or assessments payable or  
15 paid, to the extent that such information is in a form which would permit  
16 identification of the individual concern or enterprise. This exemption does  
17 not include records submitted by long term care facilities as defined in ORS  
18 442.015 to the state for purposes of reimbursement of expenses or determining  
19 fees for patient care. Nothing in this subsection shall limit the use which  
20 can be made of such information for regulatory purposes or its admissibility  
21 in any enforcement proceeding.

22       “(6) Information relating to the appraisal of real estate prior to its ac-  
23 quisition.

24       “(7) The names and signatures of employees who sign authorization cards  
25 or petitions for the purpose of requesting representation or decertification  
26 elections.

27       “(8) Investigatory information relating to any complaint filed under ORS  
28 659A.820 or 659A.825, until such time as the complaint is resolved under ORS  
29 659A.835, or a final order is issued under ORS 659A.850.

30       “(9) Investigatory information relating to any complaint or charge filed

1 under ORS 243.676 and 663.180.

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

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

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

13 “(13) Information developed pursuant to ORS 496.004, 496.172 and 498.026  
14 or ORS 496.192 and 564.100, regarding the habitat, location or population of  
15 any threatened species or endangered species.

16 “(14) Writings prepared by or under the direction of faculty of public ed-  
17 ucational institutions, in connection with research, until publicly released,  
18 copyrighted or patented.

19 “(15) Computer programs developed or purchased by or for any public  
20 body for its own use. As used in this subsection, ‘computer program’ means  
21 a series of instructions or statements which permit the functioning of a  
22 computer system in a manner designed to provide storage, retrieval and ma-  
23 nipulation of data from such computer system, and any associated documen-  
24 tation and source material that explain how to operate the computer  
25 program. ‘Computer program’ does not include:

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

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

30 “(c) The mathematical and statistical formulas which would be used if the

1 manipulated forms of the original data were to be produced manually.

2 “(16) Data and information provided by participants to mediation under  
3 ORS 36.256.

4 “(17) Investigatory information relating to any complaint or charge filed  
5 under ORS chapter 654, until a final administrative determination is made  
6 or, if a citation is issued, until an employer receives notice of any citation.

7 “(18) Specific operational plans in connection with an anticipated threat  
8 to individual or public safety for deployment and use of personnel and  
9 equipment, prepared or used by a public body, if public disclosure of the  
10 plans would endanger an individual’s life or physical safety or jeopardize a  
11 law enforcement activity.

12 “(19)(a) Audits or audit reports required of a telecommunications carrier.  
13 As used in this paragraph, ‘audit or audit report’ means any external or  
14 internal audit or audit report pertaining to a telecommunications carrier, as  
15 defined in ORS 133.721, or pertaining to a corporation having an affiliated  
16 interest, as defined in ORS 759.390, with a telecommunications carrier that  
17 is intended to make the operations of the entity more efficient, accurate or  
18 compliant with applicable rules, procedures or standards, that may include  
19 self-criticism and that has been filed by the telecommunications carrier or  
20 affiliate under compulsion of state law. ‘Audit or audit report’ does not mean  
21 an audit of a cost study that would be discoverable in a contested case pro-  
22 ceeding and that is not subject to a protective order; and

23 “(b) Financial statements. As used in this paragraph, ‘financial  
24 statement’ means a financial statement of a nonregulated corporation having  
25 an affiliated interest, as defined in ORS 759.390, with a telecommunications  
26 carrier, as defined in ORS 133.721.

27 “(20) The residence address of an elector if authorized under ORS 247.965  
28 and subject to ORS 247.967.

29 “(21) The following records, communications and information submitted  
30 to a housing authority as defined in ORS 456.005, or to an urban renewal

1 agency as defined in ORS 457.010, by applicants for and recipients of loans,  
2 grants and tax credits:

3 “(a) Personal and corporate financial statements and information, in-  
4 cluding tax returns;

5 “(b) Credit reports;

6 “(c) Project appraisals;

7 “(d) Market studies and analyses;

8 “(e) Articles of incorporation, partnership agreements and operating  
9 agreements;

10 “(f) Commitment letters;

11 “(g) Project pro forma statements;

12 “(h) Project cost certifications and cost data;

13 “(i) Audits;

14 “(j) Project tenant correspondence requested to be confidential;

15 “(k) Tenant files relating to certification; and

16 “(L) Housing assistance payment requests.

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

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

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

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

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

28 “(a) An individual;

29 “(b) Buildings or other property;

30 “(c) Information processing, communication or telecommunication sys-

1 tems, including the information contained in the systems; or

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

4 “(24) Personal information held by or under the direction of officials of  
5 the Oregon Health and Science University, **a public university listed in**  
6 **ORS 352.002** or the Oregon University System about a person who has or  
7 who is interested in donating money or property to the **Oregon Health and**  
8 **Science** University, the system or a public university [*listed in ORS*  
9 *352.002*], if the information is related to the family of the person, personal  
10 assets of the person or is incidental information not related to the donation.

11 “(25) The home address, professional address and telephone number of a  
12 person who has or who is interested in donating money or property to the  
13 Oregon University System **or a public university listed in ORS 352.002.**

14 “(26) Records of the name and address of a person who files a report with  
15 or pays an assessment to a commodity commission established under ORS  
16 576.051 to 576.455, the Oregon Beef Council created under ORS 577.210 or the  
17 Oregon Wheat Commission created under ORS 578.030.

18 “(27) Information provided to, obtained by or used by a public body to  
19 authorize, originate, receive or authenticate a transfer of funds, including  
20 but not limited to a credit card number, payment card expiration date,  
21 password, financial institution account number and financial institution  
22 routing number.

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

24 “(29) The electronic mail address of a student who attends a public uni-  
25 versity listed in ORS 352.002 or Oregon Health and Science University.

26 “(30) The name, home address, professional address or location of a person  
27 that is engaged in, or that provides goods or services for, medical research  
28 at Oregon Health and Science University that is conducted using animals  
29 other than rodents. This subsection does not apply to Oregon Health and  
30 Science University press releases, websites or other publications circulated

1 to the general public.

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

3 “(a) The home address and home telephone number of the public safety  
4 officer contained in the voter registration records for the public safety offi-  
5 cer.

6 “(b) The home address and home telephone number of the public safety  
7 officer contained in records of the Department of Public Safety Standards  
8 and Training.

9 “(c) The name of the public safety officer contained in county real prop-  
10 erty assessment or taxation records. This exemption:

11 “(A) Applies only to the name of the public safety officer and any other  
12 owner of the property in connection with a specific property identified by the  
13 officer in a request for exemption from disclosure;

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

16 “(C) Applies until the public safety officer requests termination of the  
17 exemption;

18 “(D) Does not apply to disclosure of records among public bodies as de-  
19 fined in ORS 174.109 for governmental purposes; and

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

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

30 “(a) The home address, home or cellular telephone number or personal

1 electronic mail address contained in the records of any public body that has  
2 received the request that is set forth in:

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

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

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

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

21 “(33) Land management plans required for voluntary stewardship agree-  
22 ments entered into under ORS 541.423.

23 “(34) Sensitive business records or financial or commercial information  
24 of the State Accident Insurance Fund Corporation that is not customarily  
25 provided to business competitors. This exemption does not:

26 “(a) Apply to the formulas for determining dividends to be paid to em-  
27 ployers insured by the State Accident Insurance Fund Corporation;

28 “(b) Apply to contracts for advertising, public relations or lobbying ser-  
29 vices or to documents related to the formation of such contracts;

30 “(c) Apply to group insurance contracts or to documents relating to the

1 formation of such contracts, except that employer account records shall re-  
2 main exempt from disclosure as provided in ORS 192.502 (35); or

3 “(d) Provide the basis for opposing the discovery of documents in liti-  
4 gation pursuant to the applicable rules of civil procedure.

5 “(35) Records of the Department of Public Safety Standards and Training  
6 relating to investigations conducted under ORS 181.662 or 181.878 (6), until  
7 the department issues the report described in ORS 181.662 or 181.878.

8 “(36) A medical examiner’s report, autopsy report or laboratory test report  
9 ordered by a medical examiner under ORS 146.117.

10 “(37) Any document or other information related to an audit of a public  
11 body, as defined in ORS 174.109, that is in the custody of an auditor or audit  
12 organization operating under nationally recognized government auditing  
13 standards, until the auditor or audit organization issues a final audit report  
14 in accordance with those standards or the audit is abandoned. This ex-  
15 emption does not prohibit disclosure of a draft audit report that is provided  
16 to the audited entity for the entity’s response to the audit findings.

17 **“SECTION 108.** ORS 192.501, as amended by section 3, chapter 455,  
18 Oregon Laws 2005, section 7, chapter 608, Oregon Laws 2007, section 2,  
19 chapter 687, Oregon Laws 2007, section 2, chapter 48, Oregon Laws 2008,  
20 section 3, chapter 57, Oregon Laws 2009, section 2, chapter 135, Oregon Laws  
21 2009, section 4, chapter 222, Oregon Laws 2009, section 2, chapter 769, Oregon  
22 Laws 2009, section 15, chapter 9, Oregon Laws 2011, section 2, chapter 285,  
23 Oregon Laws 2011, and section 69, chapter 637, Oregon Laws 2011, is  
24 amended to read:

25 “192.501. The following public records are exempt from disclosure under  
26 ORS 192.410 to 192.505 unless the public interest requires disclosure in the  
27 particular instance:

28 “(1) Records of a public body pertaining to litigation to which the public  
29 body is a party if the complaint has been filed, or if the complaint has not  
30 been filed, if the public body shows that such litigation is reasonably likely

1 to occur. This exemption does not apply to litigation which has been con-  
2 cluded, and nothing in this subsection shall limit any right or opportunity  
3 granted by discovery or deposition statutes to a party to litigation or po-  
4 tential litigation.

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

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

20 “(a) The arrested person’s name, age, residence, employment, marital sta-  
21 tus and similar biographical information;

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

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

24 “(d) The identity of and biographical information concerning both com-  
25 plaining party and victim;

26 “(e) The identity of the investigating and arresting agency and the length  
27 of the investigation;

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

30 “(g) Such information as may be necessary to enlist public assistance in

1 apprehending fugitives from justice.

2 “(4) Test questions, scoring keys, and other data used to administer a li-  
3 censing examination, employment, academic or other examination or testing  
4 procedure before the examination is given and if the examination is to be  
5 used again. Records establishing procedures for and instructing persons ad-  
6 ministering, grading or evaluating an examination or testing procedure are  
7 included in this exemption, to the extent that disclosure would create a risk  
8 that the result might be affected.

9 “(5) Information consisting of production records, sale or purchase records  
10 or catch records, or similar business records of a private concern or enter-  
11 prise, required by law to be submitted to or inspected by a governmental  
12 body to allow it to determine fees or assessments payable or to establish  
13 production quotas, and the amounts of such fees or assessments payable or  
14 paid, to the extent that such information is in a form which would permit  
15 identification of the individual concern or enterprise. This exemption does  
16 not include records submitted by long term care facilities as defined in ORS  
17 442.015 to the state for purposes of reimbursement of expenses or determining  
18 fees for patient care. Nothing in this subsection shall limit the use which  
19 can be made of such information for regulatory purposes or its admissibility  
20 in any enforcement proceeding.

21 “(6) Information relating to the appraisal of real estate prior to its ac-  
22 quisition.

23 “(7) The names and signatures of employees who sign authorization cards  
24 or petitions for the purpose of requesting representation or decertification  
25 elections.

26 “(8) Investigatory information relating to any complaint filed under ORS  
27 659A.820 or 659A.825, until such time as the complaint is resolved under ORS  
28 659A.835, or a final order is issued under ORS 659A.850.

29 “(9) Investigatory information relating to any complaint or charge filed  
30 under ORS 243.676 and 663.180.

1 “(10) Records, reports and other information received or compiled by the  
2 Director of the Department of Consumer and Business Services under ORS  
3 697.732.

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

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

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

15 “(14) Writings prepared by or under the direction of faculty of public ed-  
16 ucational institutions, in connection with research, until publicly released,  
17 copyrighted or patented.

18 “(15) Computer programs developed or purchased by or for any public  
19 body for its own use. As used in this subsection, ‘computer program’ means  
20 a series of instructions or statements which permit the functioning of a  
21 computer system in a manner designed to provide storage, retrieval and ma-  
22 nipulation of data from such computer system, and any associated documen-  
23 tation and source material that explain how to operate the computer  
24 program. ‘Computer program’ does not include:

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

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

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

1 “(16) Data and information provided by participants to mediation under  
2 ORS 36.256.

3 “(17) Investigatory information relating to any complaint or charge filed  
4 under ORS chapter 654, until a final administrative determination is made  
5 or, if a citation is issued, until an employer receives notice of any citation.

6 “(18) Specific operational plans in connection with an anticipated threat  
7 to individual or public safety for deployment and use of personnel and  
8 equipment, prepared or used by a public body, if public disclosure of the  
9 plans would endanger an individual’s life or physical safety or jeopardize a  
10 law enforcement activity.

11 “(19)(a) Audits or audit reports required of a telecommunications carrier.  
12 As used in this paragraph, ‘audit or audit report’ means any external or  
13 internal audit or audit report pertaining to a telecommunications carrier, as  
14 defined in ORS 133.721, or pertaining to a corporation having an affiliated  
15 interest, as defined in ORS 759.390, with a telecommunications carrier that  
16 is intended to make the operations of the entity more efficient, accurate or  
17 compliant with applicable rules, procedures or standards, that may include  
18 self-criticism and that has been filed by the telecommunications carrier or  
19 affiliate under compulsion of state law. ‘Audit or audit report’ does not mean  
20 an audit of a cost study that would be discoverable in a contested case pro-  
21 ceeding and that is not subject to a protective order; and

22 “(b) Financial statements. As used in this paragraph, ‘financial  
23 statement’ means a financial statement of a nonregulated corporation having  
24 an affiliated interest, as defined in ORS 759.390, with a telecommunications  
25 carrier, as defined in ORS 133.721.

26 “(20) The residence address of an elector if authorized under ORS 247.965  
27 and subject to ORS 247.967.

28 “(21) The following records, communications and information submitted  
29 to a housing authority as defined in ORS 456.005, or to an urban renewal  
30 agency as defined in ORS 457.010, by applicants for and recipients of loans,

1 grants and tax credits:

2 “(a) Personal and corporate financial statements and information, in-  
3 cluding tax returns;

4 “(b) Credit reports;

5 “(c) Project appraisals;

6 “(d) Market studies and analyses;

7 “(e) Articles of incorporation, partnership agreements and operating  
8 agreements;

9 “(f) Commitment letters;

10 “(g) Project pro forma statements;

11 “(h) Project cost certifications and cost data;

12 “(i) Audits;

13 “(j) Project tenant correspondence requested to be confidential;

14 “(k) Tenant files relating to certification; and

15 “(L) Housing assistance payment requests.

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

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

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

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

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

27 “(a) An individual;

28 “(b) Buildings or other property;

29 “(c) Information processing, communication or telecommunication sys-  
30 tems, including the information contained in the systems; or

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

3 “(24) Personal information held by or under the direction of officials of  
4 the Oregon Health and Science University, **a public university listed in**  
5 **ORS 352.002** or the Oregon University System about a person who has or  
6 who is interested in donating money or property to the **Oregon Health and**  
7 **Science** University, the system or a public university [*listed in ORS*  
8 *352.002*], if the information is related to the family of the person, personal  
9 assets of the person or is incidental information not related to the donation.

10 “(25) The home address, professional address and telephone number of a  
11 person who has or who is interested in donating money or property to the  
12 Oregon University System **or a public university listed in ORS 352.002.**

13 “(26) Records of the name and address of a person who files a report with  
14 or pays an assessment to a commodity commission established under ORS  
15 576.051 to 576.455, the Oregon Beef Council created under ORS 577.210 or the  
16 Oregon Wheat Commission created under ORS 578.030.

17 “(27) Information provided to, obtained by or used by a public body to  
18 authorize, originate, receive or authenticate a transfer of funds, including  
19 but not limited to a credit card number, payment card expiration date,  
20 password, financial institution account number and financial institution  
21 routing number.

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

23 “(29) The electronic mail address of a student who attends a public uni-  
24 versity listed in ORS 352.002 or Oregon Health and Science University.

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

26 “(a) The home address and home telephone number of the public safety  
27 officer contained in the voter registration records for the public safety offi-  
28 cer.

29 “(b) The home address and home telephone number of the public safety  
30 officer contained in records of the Department of Public Safety Standards

1 and Training.

2 “(c) The name of the public safety officer contained in county real prop-  
3 erty assessment or taxation records. This exemption:

4 “(A) Applies only to the name of the public safety officer and any other  
5 owner of the property in connection with a specific property identified by the  
6 officer in a request for exemption from disclosure;

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

9 “(C) Applies until the public safety officer requests termination of the  
10 exemption;

11 “(D) Does not apply to disclosure of records among public bodies as de-  
12 fined in ORS 174.109 for governmental purposes; and

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

16 “(31) Unless the public records request is made by a financial institution,  
17 as defined in ORS 706.008, consumer finance company licensed under ORS  
18 chapter 725, mortgage banker or mortgage broker licensed under ORS  
19 86A.095 to 86A.198, or title company for business purposes, records described  
20 in paragraph (a) of this subsection, if the exemption from disclosure of the  
21 records is sought by an individual described in paragraph (b) of this sub-  
22 section using the procedure described in paragraph (c) of this subsection:

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

26 “(A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance,  
27 release, satisfaction, substitution of trustee, easement, dog license, marriage  
28 license or military discharge record that is in the possession of the county  
29 clerk; or

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

1       “(b) The individual claiming the exemption from disclosure must be a  
2 district attorney, a deputy district attorney, the Attorney General or an as-  
3 sistant attorney general, the United States Attorney for the District of  
4 Oregon or an assistant United States attorney for the District of Oregon, a  
5 city attorney who engages in the prosecution of criminal matters or a deputy  
6 city attorney who engages in the prosecution of criminal matters.

7       “(c) The individual claiming the exemption from disclosure must do so by  
8 filing the claim in writing with the public body for which the exemption from  
9 disclosure is being claimed on a form prescribed by the public body. Unless  
10 the claim is filed with the county clerk, the claim form shall list the public  
11 records in the possession of the public body to which the exemption applies.  
12 The exemption applies until the individual claiming the exemption requests  
13 termination of the exemption or ceases to qualify for the exemption.

14       “(32) Land management plans required for voluntary stewardship agree-  
15 ments entered into under ORS 541.423.

16       “(33) Sensitive business records or financial or commercial information  
17 of the State Accident Insurance Fund Corporation that is not customarily  
18 provided to business competitors. This exemption does not:

19       “(a) Apply to the formulas for determining dividends to be paid to em-  
20 ployers insured by the State Accident Insurance Fund Corporation;

21       “(b) Apply to contracts for advertising, public relations or lobbying ser-  
22 vices or to documents related to the formation of such contracts;

23       “(c) Apply to group insurance contracts or to documents relating to the  
24 formation of such contracts, except that employer account records shall re-  
25 main exempt from disclosure as provided in ORS 192.502 (35); or

26       “(d) Provide the basis for opposing the discovery of documents in liti-  
27 gation pursuant to the applicable rules of civil procedure.

28       “(34) Records of the Department of Public Safety Standards and Training  
29 relating to investigations conducted under ORS 181.662 or 181.878 (6), until  
30 the department issues the report described in ORS 181.662 or 181.878.

1       “(35) A medical examiner’s report, autopsy report or laboratory test report  
2 ordered by a medical examiner under ORS 146.117.

3       “(36) Any document or other information related to an audit of a public  
4 body, as defined in ORS 174.109, that is in the custody of an auditor or audit  
5 organization operating under nationally recognized government auditing  
6 standards, until the auditor or audit organization issues a final audit report  
7 in accordance with those standards or the audit is abandoned. This ex-  
8 emption does not prohibit disclosure of a draft audit report that is provided  
9 to the audited entity for the entity’s response to the audit findings.

10       “**SECTION 109.** ORS 238.005, as amended by section 30, chapter 54,  
11 Oregon Laws 2012, is amended to read:

12       “238.005. For purposes of this chapter:

13       “(1) ‘Active member’ means a member who is presently employed by a  
14 participating public employer in a qualifying position and who has completed  
15 the six-month period of service required by ORS 238.015.

16       “(2) ‘Annuity’ means payments for life derived from contributions made  
17 by a member as provided in this chapter.

18       “(3) ‘Board’ means the Public Employees Retirement Board.

19       “(4) ‘Calendar year’ means 12 calendar months commencing on January  
20 1 and ending on December 31 following.

21       “(5) ‘Continuous service’ means service not interrupted for more than five  
22 years, except that such continuous service shall be computed without regard  
23 to interruptions in the case of:

24       “(a) An employee who had returned to the service of the employer as of  
25 January 1, 1945, and who remained in that employment until having estab-  
26 lished membership in the Public Employees Retirement System.

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

1 System.

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

9 “(7) ‘Earliest service retirement age’ means the age attained by a member  
10 when the member could first make application for retirement under the pro-  
11 visions of ORS 238.280.

12 “(8) ‘Employee’ includes, in addition to employees, public officers, but  
13 does not include:

14 “(a) Persons engaged as independent contractors.

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

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

22 “(d) Persons employed and paid from federal funds received under a fed-  
23 eral program intended primarily to alleviate unemployment. However, any  
24 such person shall be considered an ‘employee’ if not otherwise excluded by  
25 paragraphs (a) to (c) of this subsection and the public employer elects to  
26 have the person so considered by an irrevocable written notice to the board.

27 “(e) Persons who are employees of a railroad, as defined in ORS 824.020,  
28 and who, as such employees, are included in a retirement plan under federal  
29 railroad retirement statutes. This paragraph shall be deemed to have been  
30 in effect since the inception of the system.

1 “(9) ‘Final average salary’ means whichever of the following is greater:

2 “(a) The average salary per calendar year paid by one or more partic-  
3 ipating public employers to an employee who is an active member of the  
4 system in three of the calendar years of membership before the effective date  
5 of retirement of the employee, in which three years the employee was paid  
6 the highest salary. The three calendar years in which the employee was paid  
7 the largest total salary may include calendar years in which the employee  
8 was employed for less than a full calendar year. If the number of calendar  
9 years of active membership before the effective date of retirement of the  
10 employee is three or fewer, the final average salary for the employee is the  
11 average salary per calendar year paid by one or more participating public  
12 employers to the employee in all of those years, without regard to whether  
13 the employee was employed for the full calendar year.

14 “(b) One-third of the total salary paid by a participating public employer  
15 to an employee who is an active member of the system in the last 36 calendar  
16 months of active membership before the effective date of retirement of the  
17 employee.

18 “(10) ‘Firefighter’ does not include a volunteer firefighter, but does in-  
19 clude:

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

22 “(b) An employee of the State Forestry Department who is certified by the  
23 State Forester as a professional wildland firefighter and whose primary du-  
24 ties include the abatement of uncontrolled fires as described in ORS 477.064.

25 “(11) ‘Fiscal year’ means 12 calendar months commencing on July 1 and  
26 ending on June 30 following.

27 “(12) ‘Fund’ means the Public Employees Retirement Fund.

28 “(13) ‘Inactive member’ means a member who is not employed in a quali-  
29 fying position, whose membership has not been terminated in the manner  
30 described by ORS 238.095 and who is not retired for service or disability.

1 “(14) ‘Institution of higher education’ means a public university listed in  
2 ORS 352.002, the Oregon Health and Science University and a community  
3 college, as defined in ORS 341.005.

4 “(15) ‘Member’ means a person who has established membership in the  
5 system and whose membership has not been terminated as described in ORS  
6 238.095. ‘Member’ includes active, inactive and retired members.

7 “(16) ‘Member account’ means the regular account and the variable ac-  
8 count.

9 “(17) ‘Normal retirement age’ means:

10 “(a) For a person who establishes membership in the system before Jan-  
11 uary 1, 1996, as described in ORS 238.430, 55 years of age if the employee  
12 retires at that age as a police officer or firefighter or 58 years of age if the  
13 employee retires at that age as other than a police officer or firefighter.

14 “(b) For a person who establishes membership in the system on or after  
15 January 1, 1996, as described in ORS 238.430, 55 years of age if the employee  
16 retires at that age as a police officer or firefighter or 60 years of age if the  
17 employee retires at that age as other than a police officer or firefighter.

18 “(18) ‘Pension’ means annual payments for life derived from contributions  
19 by one or more public employers.

20 “(19) ‘Police officer’ includes:

21 “(a) Employees of institutions defined in ORS 421.005 as Department of  
22 Corrections institutions whose duties, as assigned by the Director of the  
23 Department of Corrections, include the custody of persons committed to the  
24 custody of or transferred to the Department of Corrections and employees  
25 of the Department of Corrections who were classified as police officers on  
26 or before July 27, 1989, whether or not such classification was authorized  
27 by law.

28 “(b) Employees of the Department of State Police who are classified as  
29 police officers by the Superintendent of State Police.

30 “(c) Employees of the Oregon Liquor Control Commission who are clas-

1 sified as liquor enforcement inspectors by the administrator of the commis-  
2 sion.

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

6 “(e) Police chiefs and police personnel of a city who are classified as po-  
7 lice officers by the council or other governing body of the city.

8 “(f) Police officers who are commissioned by a university under ORS  
9 352.383 and who are classified as police officers by the university.

10 “(g) Parole and probation officers employed by the Department of Cor-  
11 rections, parole and probation officers who are transferred to county em-  
12 ployment under ORS 423.549 and adult parole and probation officers, as  
13 defined in ORS 181.610, who are classified as police officers for the purposes  
14 of this chapter by the county governing body. If a county classifies adult  
15 parole and probation officers as police officers for the purposes of this  
16 chapter, and the employees so classified are represented by a labor organ-  
17 ization, any proposal by the county to change that classification or to cease  
18 to classify adult parole and probation officers as police officers for the pur-  
19 poses of this chapter is a mandatory subject of bargaining.

20 “(h) Police officers appointed under ORS 276.021 or 276.023.

21 “(i) Employees of the Port of Portland who are classified as airport police  
22 by the Board of Commissioners of the Port of Portland.

23 “(j) Employees of the State Department of Agriculture who are classified  
24 as livestock police officers by the Director of Agriculture.

25 “(k) Employees of the Department of Public Safety Standards and Train-  
26 ing who are classified by the department as other than secretarial or clerical  
27 personnel.

28 “(L) Investigators of the Criminal Justice Division of the Department of  
29 Justice.

30 “(m) Corrections officers as defined in ORS 181.610.

1       “(n) Employees of the Oregon State Lottery Commission who are classi-  
2       fied by the Director of the Oregon State Lottery as enforcement agents pur-  
3       suant to ORS 461.110.

4       “(o) The Director of the Department of Corrections.

5       “(p) An employee who for seven consecutive years has been classified as  
6       a police officer as defined by this section, and who is employed or transferred  
7       by the Department of Corrections to fill a position designated by the Direc-  
8       tor of the Department of Corrections as being eligible for police officer sta-  
9       tus.

10       “(q) An employee of the Department of Corrections classified as a police  
11       officer on or prior to July 27, 1989, whether or not that classification was  
12       authorized by law, as long as the employee remains in the position held on  
13       July 27, 1989. The initial classification of an employee under a system im-  
14       plemented pursuant to ORS 240.190 does not affect police officer status.

15       “(r) Employees of a school district who are appointed and duly sworn  
16       members of a law enforcement agency of the district as provided in ORS  
17       332.531 or otherwise employed full-time as police officers commissioned by  
18       the district.

19       “(s) Employees at youth correction facilities and juvenile detention facil-  
20       ities under ORS 419A.050, 419A.052 and 420.005 to 420.915 who are required  
21       to hold valid Oregon teaching licenses and who have supervisory, control or  
22       teaching responsibilities over juveniles committed to the custody of the De-  
23       partment of Corrections or the Oregon Youth Authority.

24       “(t) Employees at youth correction facilities as defined in ORS 420.005  
25       whose primary job description involves the custody, control, treatment, in-  
26       vestigation or supervision of juveniles placed in such facilities.

27       “(u) Employees of the Oregon Youth Authority who are classified as ju-  
28       venile parole and probation officers.

29       “(20) ‘Prior service credit’ means credit provided under ORS 238.442 or  
30       under ORS 238.225 (2) to (6) (1999 Edition).

1 “(21) ‘Public employer’ means the state, one of its agencies, any city,  
2 county, or municipal or public corporation, any political subdivision of the  
3 state or any instrumentality thereof, or an agency created by one or more  
4 such governmental organizations to provide governmental services. For pur-  
5 poses of this chapter, such agency created by one or more governmental or-  
6 ganizations is a governmental instrumentality and a legal entity with power  
7 to enter into contracts, hold property and sue and be sued.

8 “(22) ‘Qualifying position’ means one or more jobs with one or more par-  
9 ticipating public employers in which an employee performs 600 or more hours  
10 of service in a calendar year, excluding any service in a job for which a  
11 participating public employer does not provide benefits under this chapter  
12 pursuant to an application made under ORS 238.035.

13 “(23) ‘Regular account’ means the account established for each active and  
14 inactive member under ORS 238.250.

15 “(24) ‘Retired member’ means a member who is retired for service or dis-  
16 ability.

17 “(25) ‘Retirement credit’ means a period of time that is treated as credit-  
18 able service for the purposes of this chapter.

19 “(26)(a) ‘Salary’ means the remuneration paid an employee in cash out of  
20 the funds of a public employer in return for services to the employer, plus  
21 the monetary value, as determined by the Public Employees Retirement  
22 Board, of whatever living quarters, board, lodging, fuel, laundry and other  
23 advantages the employer furnishes the employee in return for services.

24 “(b) ‘Salary’ includes but is not limited to:

25 “(A) Payments of employee and employer money into a deferred compen-  
26 sation plan, which are deemed salary paid in each month of deferral;

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

29 “(C) Retroactive payments described in ORS 238.008; and

30 “(D) Wages of a deceased member paid to a surviving spouse or dependent

1 children under ORS 652.190.

2 “(c) ‘Salary’ or ‘other advantages’ does not include:

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

5 “(B) Payments for insurance coverage by an employer on behalf of em-  
6 ployee or employee and dependents, for which the employee has no cash op-  
7 tion;

8 “(C) Payments made on account of an employee’s death;

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

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

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

14 “(G) Payments for periods of leave of absence after the date the employer  
15 and employee have agreed that no future services qualifying pursuant to ORS  
16 238.015 (3) will be performed, except for sick leave and vacation;

17 “(H) Payments for instructional services rendered to public universities  
18 [*of the Oregon University System*] **listed in ORS 352.002** or the Oregon  
19 Health and Science University when such services are in excess of full-time  
20 employment subject to this chapter. A person employed under a contract for  
21 less than 12 months is subject to this subparagraph only for the months to  
22 which the contract pertains; or

23 “(I) Payments made by an employer for insurance coverage provided to a  
24 domestic partner of an employee.

25 “(27) ‘School year’ means the period beginning July 1 and ending June 30  
26 next following.

27 “(28) ‘System’ means the Public Employees Retirement System.

28 “(29) ‘Variable account’ means the account established for a member who  
29 participates in the Variable Annuity Account under ORS 238.260.

30 “(30) ‘Vested’ means being an active member of the system in each of five

1 calendar years.

2 “(31) ‘Volunteer firefighter’ means a firefighter whose position normally  
3 requires less than 600 hours of service per year.

4 **“SECTION 110.** ORS 238.200 is amended to read:

5 “238.200. (1)(a) An active member of the Public Employees Retirement  
6 System shall contribute to the Public Employees Retirement Fund and there  
7 shall be withheld from salary of the member six percent of that salary as an  
8 employee contribution.

9 “(b) Notwithstanding paragraph (a) of this subsection, an employee who  
10 is an active member of the system on August 21, 1981, shall contribute to the  
11 fund and there shall be withheld from salary of the member, as long as the  
12 employee continues to be an active member of the system, four percent of  
13 that salary if the salary for a month is less than \$500, or five percent of that  
14 salary if the salary for a month is \$500 or more and less than \$1,000. Not-  
15 withstanding subsection (2) of this section, for the purpose of computing the  
16 percentage of salary to be withheld under this paragraph from a member who  
17 is an employee of a school district or [*of the State Board of Higher*  
18 *Education*] **a public university listed in ORS 352.002** whose salary is based  
19 on an annual agreement, the agreed annual salary of the member shall be  
20 divided into 12 equal installments, and each installment shall be considered  
21 as earned and paid in separate, consecutive months, commencing with the  
22 first month that payment is actually made under the terms of the salary  
23 agreement.

24 “(2) The contributions of each member as provided in subsection (1) of  
25 this section shall be deducted by the employer from each payroll and trans-  
26 mitted by the employer to the Public Employees Retirement Board, which  
27 shall cause them to be credited to the member account of the member. Salary  
28 shall be considered earned in the month in which it is paid. The date in-  
29 scribed on the paycheck or warrant shall be considered as the pay date, re-  
30 gardless of when the salary is actually delivered to the member.

1 “(3) An active member who is concurrently employed by more than one  
2 participating public employer, and who is a member of or entitled to mem-  
3 bership in the system, shall make contributions to the fund on the basis of  
4 salary paid by each employer.

5 “(4) Notwithstanding subsections (1) to (3) of this section, a member of  
6 the system, or a participating employer acting on behalf of the member pur-  
7 suant to ORS 238.205, is not permitted or required to make employee contri-  
8 butions to the fund for service performed on or after January 1, 2004. This  
9 subsection does not affect any contribution for the purpose of unit purchases  
10 under ORS 238.440 or amounts paid for acquisition of creditable service un-  
11 der ORS 238.105 to 238.175.

12 **“SECTION 111.** ORS 238.215 is amended to read:

13 “238.215. Notwithstanding any other provision of this chapter:

14 “(1) An employee, as defined in ORS 243.910 (2), who is an active member  
15 of the system and who has elected, and not canceled that election, to be as-  
16 sisted **under ORS 243.920 (1)** by the State Board of Higher Education [*under*  
17 *ORS 243.920 (1), shall*] **or governing board of a public university with a**  
18 **governing board listed in section 3 of this 2013 Act, may** not contribute  
19 to the fund on any part of the annual salary of the employee in excess of  
20 \$4,800 at any time during which the [*State Board of Higher Education*] **board**  
21 assists the employee under ORS 243.920 (1).

22 “(2) The current service pension, whether for service or disability retire-  
23 ment, under this chapter provided by the contributions of the employers of  
24 such employee shall be:

25 “(a) If the State Board of Higher Education **or governing board** is as-  
26 sisting such employee under ORS 243.920 (1) at the time of retirement, a  
27 pension equal to the annuity provided by the employee’s accumulated con-  
28 tributions to the fund.

29 “(b) If the [*State Board of Higher Education*] **board** is not assisting such  
30 employee under ORS 243.920 (1) at the time of retirement, but previously so

1 assisted the employee:

2 “(A) For service before the date the [*State Board of Higher Education*]  
3 **board** last ceased to assist the employee, a pension equal to the annuity  
4 provided by the employee’s accumulated contributions to the fund before that  
5 date.

6 “(B) For service on and after the date the [*State Board of Higher Educa-*  
7 *tion*] **board** last ceased to so assist the employee, a pension computed as  
8 provided in ORS 238.300 (2), but if the employee retires before reaching the  
9 normal retirement age, actuarially reduced and computed on the then at-  
10 tained age. For the purpose of computing the pension under this subpara-  
11 graph, only the number of years of membership of the employee after the day  
12 before that date and only the salary of the employee on which the employee  
13 contributes to the fund for those years shall be considered.

14 “(3) Subsection (2) of this section does not apply to an employee, as de-  
15 fined in ORS 243.910 (2), who is an active member of the system, who elected  
16 to be assisted by the State Board of Higher Education **or governing board**  
17 under ORS 243.920 (1) before January 1, 1968, who canceled that election  
18 within the first 60 days of the calendar year 1968 as provided in ORS 243.940  
19 (5) and who does not thereafter elect to be assisted by the [*State Board of*  
20 *Higher Education*] **board** under ORS 243.920 (1).

21 “(4) Subsection (2) of this section does not apply to an employee, as de-  
22 fined in ORS 243.910 (2), who is an active member of the system and has been  
23 an active member of the system continuously since any date before January  
24 1, 1968; who elected to be assisted by the State Board of Higher Education  
25 **or governing board** under ORS 243.920 (1) before January 1, 1968; and who  
26 cancels that election in any calendar year after 1968, but before the calendar  
27 year in which the employee retires, as provided in ORS 243.940 (5) and does  
28 not thereafter elect to be assisted by the [*State Board of Higher Education*]  
29 **board** under ORS 243.920 (1). In this case the benefit, whether for service  
30 or disability retirement, shall be computed as under ORS 238.300; however,

1 for service during periods in which the employee was assisted by the [*State*  
2 *Board of Higher Education*] **board** under ORS 243.920 (1), a year of member-  
3 ship as used in ORS 238.300 (2) shall be a portion of a year which is re-  
4 presented by a fraction the numerator of which is \$4,800 and the denominator  
5 of which is the salary earned by the employee in that year. However, in no  
6 case shall the fraction be greater than one.

7 **SECTION 112.** ORS 238A.005, as amended by section 1, chapter 31,  
8 Oregon Laws 2012, is amended to read:

9 “238A.005. For the purposes of this chapter:

10 “(1) ‘Active member’ means a member of the pension program or the in-  
11 dividual account program of the Oregon Public Service Retirement Plan who  
12 is actively employed in a qualifying position.

13 “(2) ‘Actuarial equivalent’ means a payment or series of payments having  
14 the same value as the payment or series of payments replaced, computed on  
15 the basis of interest rate and mortality assumptions adopted by the board.

16 “(3) ‘Board’ means the Public Employees Retirement Board.

17 “(4) ‘Eligible employee’ means a person who performs services for a par-  
18 ticipating public employer, including elected officials other than judges. ‘El-  
19 igible employee’ does not include:

20 “(a) Persons engaged as independent contractors;

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

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

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

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

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

1 “(g) An employee actively participating in an alternative retirement pro-  
2 gram established under ORS 353.250 or an optional retirement plan estab-  
3 lished under ORS 341.551;

4 “(h) Employees of the Oregon University System **or a public university**  
5 **listed in ORS 352.002** who are actively participating in an optional retire-  
6 ment plan offered under ORS 243.800;

7 “(i) Any employee who belongs to a class of employees that was not eli-  
8 gible on August 28, 2003, for membership in the system under the provisions  
9 of ORS chapter 238 or other law;

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

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

16 “(L) Judges.

17 “(5) ‘Firefighter’ means:

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

20 “(b) The State Fire Marshal, the chief deputy state fire marshal and  
21 deputy state fire marshals; and

22 “(c) An employee of the State Forestry Department who is certified by the  
23 State Forester as a professional wildland firefighter and whose primary du-  
24 ties include the abatement of uncontrolled fires as described in ORS 477.064.

25 “(6) ‘Fund’ means the Public Employees Retirement Fund.

26 “(7)(a) ‘Hour of service’ means:

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

30 “(B) An hour of vacation, holiday, illness, incapacity, jury duty, military

1 duty or authorized leave during which an employee does not perform duties  
2 but for which the employee is directly or indirectly paid or entitled to pay-  
3 ment by a participating public employer for services in a qualifying position,  
4 as long as the hour is within the number of hours regularly scheduled for  
5 the performance of duties during the period of vacation, holiday, illness, in-  
6 capacity, jury duty, military duty or authorized leave.

7 “(b) ‘Hour of service’ does not include any hour for which payment is  
8 made or due under a plan maintained solely for the purpose of complying  
9 with applicable workers’ compensation laws or unemployment compensation  
10 laws.

11 “(8) ‘Inactive member’ means a member of the pension program or the  
12 individual account program of the Oregon Public Service Retirement Plan  
13 whose membership has not been terminated, who is not a retired member and  
14 who is not employed in a qualifying position.

15 “(9) ‘Individual account program’ means the defined contribution individ-  
16 ual account program of the Oregon Public Service Retirement Plan estab-  
17 lished under ORS 238A.025.

18 “(10) ‘Institution of higher education’ means a public university listed in  
19 ORS 352.002, the Oregon Health and Science University or a community  
20 college, as defined in ORS 341.005.

21 “(11) ‘Member’ means an eligible employee who has established member-  
22 ship in the pension program or the individual account program of the Oregon  
23 Public Service Retirement Plan and whose membership has not been termi-  
24 nated under ORS 238A.110 or 238A.310.

25 “(12) ‘Participating public employer’ means a public employer as defined  
26 in ORS 238.005 that provides retirement benefits for employees of the public  
27 employer under the system.

28 “(13) ‘Pension program’ means the defined benefit pension program of the  
29 Oregon Public Service Retirement Plan established under ORS 238A.025.

30 “(14) ‘Police officer’ means a police officer as described in ORS 238.005.

1       “(15) ‘Qualifying position’ means one or more jobs with one or more par-  
2       ticipating public employers in which an eligible employee performs 600 or  
3       more hours of service in a calendar year, excluding any service in a job for  
4       which benefits are not provided under the Oregon Public Service Retirement  
5       Plan pursuant to ORS 238A.070 (2).

6       “(16) ‘Retired member’ means a pension program member who is receiving  
7       a pension as provided in ORS 238A.180 to 238A.195.

8       “(17)(a) ‘Salary’ means the remuneration paid to an active member in re-  
9       turn for services to the participating public employer, including  
10      remuneration in the form of living quarters, board or other items of value,  
11      to the extent the remuneration is includable in the employee’s taxable in-  
12      come under Oregon law. Salary includes the additional amounts specified  
13      in paragraph (b) of this subsection, but does not include the amounts speci-  
14      fied in paragraph (c) of this subsection, regardless of whether those amounts  
15      are includable in taxable income.

16      “(b) ‘Salary’ includes the following amounts:

17      “(A) Payments of employee and employer money into a deferred compen-  
18      sation plan that are made at the election of the employee.

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

21      “(C) Any amount that is contributed to a cafeteria plan or qualified  
22      transportation fringe benefit plan by the employer at the election of the  
23      employee and that is not includable in the taxable income of the employee  
24      by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2011.

25      “(D) Any amount that is contributed to a cash or deferred arrangement  
26      by the employer at the election of the employee and that is not included in  
27      the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in  
28      effect on December 31, 2011.

29      “(E) Retroactive payments described in ORS 238.008.

30      “(F) The amount of an employee contribution to the individual account

1 program that is paid by the employer and deducted from the compensation  
2 of the employee, as provided under ORS 238A.335 (1) and (2)(a).

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

5 “(H) Wages of a deceased member paid to a surviving spouse or dependent  
6 children under ORS 652.190.

7 “(c) ‘Salary’ does not include the following amounts:

8 “(A) Travel or any other expenses incidental to employer’s business which  
9 is reimbursed by the employer.

10 “(B) Payments made on account of an employee’s death.

11 “(C) Any lump sum payment for accumulated unused sick leave, vacation  
12 leave or other paid leave.

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

15 “(E) Any retirement incentive, retirement bonus or retirement gratuitous  
16 payment.

17 “(F) Payment for a leave of absence after the date the employer and em-  
18 ployee have agreed that no future services in a qualifying position will be  
19 performed.

20 “(G) Payments for instructional services rendered to public universities  
21 [*of the Oregon University System*] **listed in ORS 352.002** or the Oregon  
22 Health and Science University when those services are in excess of full-time  
23 employment subject to this chapter. A person employed under a contract for  
24 less than 12 months is subject to this subparagraph only for the months  
25 covered by the contract.

26 “(H) The amount of an employee contribution to the individual account  
27 program that is paid by the employer and is not deducted from the compen-  
28 sation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

29 “(I) Any amount in excess of \$200,000 for a calendar year. If any period  
30 over which salary is determined is less than 12 months, the \$200,000 limita-

1 tion for that period shall be multiplied by a fraction, the numerator of which  
2 is the number of months in the determination period and the denominator  
3 of which is 12. The board shall adopt rules adjusting this dollar limit to in-  
4 corporate cost-of-living adjustments authorized by the Internal Revenue Ser-  
5 vice.

6 “(18) ‘System’ means the Public Employees Retirement System.

7 **“SECTION 113.** ORS 243.107 is amended to read:

8 “243.107. A person employed by a public university listed in ORS 352.002  
9 or the Oregon Health and Science University may be considered an eligible  
10 employee for participation in one of the group benefit plans described in ORS  
11 243.135 if the State Board of Higher Education **or the governing board of**  
12 **the public university**, or the Oregon Health and Science University Board  
13 of Directors for Oregon Health and Science University employees, determines  
14 that funds are available therefor and if:

15 “(1) Notwithstanding ORS 243.105 (4)(b)(F), the person is a student en-  
16 rolled in an institution of higher education and is employed as a graduate  
17 teaching assistant, graduate research assistant or a fellow at the institution  
18 and elects to participate; or

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

22 **“SECTION 114.** ORS 243.800 is amended to read:

23 “243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A  
24 or ORS 243.910 to 243.945, the State Board of Higher Education **and the**  
25 **governing board of a public university** shall establish and administer an  
26 Optional Retirement Plan for administrative and academic employees of the  
27 Oregon University System **or public university** who are eligible for mem-  
28 bership in the Public Employees Retirement System. The Optional Retire-  
29 ment Plan must be a qualified plan under the Internal Revenue Code, capable  
30 of accepting funds transferred under subsection (7) of this section without

1 the transfer being treated as a taxable event under the Internal Revenue  
2 Code, and willing to accept those funds. Retirement and death benefits shall  
3 be provided under the plan by the purchase of annuity contracts, fixed or  
4 variable or a combination thereof, or by contracts for investments in mutual  
5 funds.

6 “(2) [*The State Board of Higher Education*] **Each board** shall select at  
7 least two life insurance companies providing fixed and variable annuities and  
8 at least two investment companies providing mutual funds, but not more  
9 than five companies in total, for the purpose of providing benefits under the  
10 Optional Retirement Plan. [*The State Board of Higher Education*] **Each**  
11 **board** shall establish selection criteria for the purpose of this subsection.

12 “(3) An administrative or academic employee may make an irrevocable  
13 election to participate in the Optional Retirement Plan within six months  
14 after being employed. An election under this subsection is effective on the  
15 first day of the month following six full months of employment.

16 “(4) An administrative or academic employee who does not elect to par-  
17 ticipate in the Optional Retirement Plan:

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

20 “(b) Continues to be assisted by the State Board of Higher Education **or**  
21 **governing board** under ORS 243.920 if the employee is being so assisted.

22 “(5) Except as provided in subsection (6) of this section, employees who  
23 elect to participate in the Optional Retirement Plan are ineligible for active  
24 membership in the Public Employees Retirement System or for any assistance  
25 by the State Board of Higher Education **or governing board** under ORS  
26 243.920 as long as those employees are employed in the Oregon University  
27 System **or public university** and the plan is in effect.

28 “(6)(a) An administrative or academic employee who elects to participate  
29 in the Optional Retirement Plan, who has creditable service under ORS  
30 chapter 238 as defined by ORS 238.005 and who is not vested shall be con-

1 sidered by the Public Employees Retirement Board to be a terminated mem-  
2 ber under the provisions of ORS 238.095 as of the effective date of the  
3 election, and the amount credited to the member account of the member shall  
4 be transferred directly to the Optional Retirement Plan by the Public Em-  
5 ployees Retirement Board in the manner provided by subsection (7) of this  
6 section.

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

20 “(c) An administrative or academic employee who elects to participate in  
21 the Optional Retirement Plan, and who is not a vested member of the pension  
22 program of the Oregon Public Service Retirement Plan as described in ORS  
23 238A.115 on the date that the election becomes effective, shall be considered  
24 to be a terminated member of the pension program by the Public Employees  
25 Retirement Board as of the effective date of the election.

26 “(d) An administrative or academic employee who elects to participate in  
27 the Optional Retirement Plan, and who is a vested member of the pension  
28 program of the Oregon Public Service Retirement Plan as described in ORS  
29 238A.115 on the date that the election becomes effective, shall be considered  
30 an inactive member of the pension program by the Public Employees Re-

1 tirement Board as of the effective date of the election. An employee who is  
2 subject to the provisions of this paragraph retains all the rights, privileges  
3 and options of an inactive member of the pension program. If the actuarial  
4 equivalent of the employee's benefit under the pension program at the time  
5 that the election becomes effective is \$5,000 or less, the employee may make  
6 a written request to the Public Employees Retirement Board for a transfer  
7 of the employee's interest under the pension program to the Optional Re-  
8 tirement Plan. The request must be made at the time the member elects to  
9 participate in the Optional Retirement Plan. Upon receiving the request, the  
10 Public Employees Retirement Board shall transfer the amount determined to  
11 be the actuarial equivalent of the employee's benefit under the pension pro-  
12 gram directly to the Optional Retirement Plan, and shall terminate the  
13 membership of the employee in the pension program.

14       “(e) An administrative or academic employee who elects to participate in  
15 the Optional Retirement Plan, and who is a vested member of the individual  
16 account program of the Oregon Public Service Retirement Plan as described  
17 in ORS 238A.320 on the date that the election becomes effective, shall be  
18 considered an inactive member of the individual account program by the  
19 Public Employees Retirement Board as of the effective date of the election.  
20 An employee who is subject to the provisions of this paragraph retains all  
21 the rights, privileges and options of an inactive member of the individual  
22 account program. An administrative or academic employee who elects to  
23 participate in the Optional Retirement Plan, and who is a member of the  
24 individual account program of the Oregon Public Service Retirement Plan,  
25 may make a written request to the Public Employees Retirement Board that  
26 all amounts in the member's employee account, rollover account and em-  
27 ployer account, to the extent the member is vested in those accounts under  
28 ORS 238A.320, be transferred to the Optional Retirement Plan. The request  
29 must be made at the time the member elects to participate in the Optional  
30 Retirement Plan. Upon receiving the request, the Public Employees Retire-

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

4 “(f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the  
5 Public Employees Retirement Board may not treat any employee as an inac-  
6 tive member under the provisions of this subsection for the purpose of re-  
7 ceiving any benefit under ORS chapter 238 or 238A that requires that the  
8 employee be separated from all service with participating public employers  
9 and with employers who are treated as part of a participating public  
10 employer’s controlled group under the federal laws and rules governing the  
11 status of the system and the Public Employees Retirement Fund as a quali-  
12 fied governmental retirement plan and trust.

13 “(7) Any amounts transferred from the Public Employees Retirement Fund  
14 under subsection (6) of this section shall be transferred directly to the Op-  
15 tional Retirement Plan by the Public Employees Retirement Board and may  
16 not be made available to the employee.

17 “(8) An employee participating in the Optional Retirement Plan shall  
18 contribute monthly an amount equal to the percentage of the employee’s  
19 salary that the employee would otherwise have contributed as an employee  
20 contribution to the Public Employees Retirement System if the employee had  
21 not elected to participate in the Optional Retirement Plan.

22 “(9) The State Board of Higher Education **or governing board** shall  
23 contribute monthly to the Optional Retirement Plan the percentage of salary  
24 of each employee participating in the plan equal to the percentage of salary  
25 that would otherwise have been contributed as an employer contribution on  
26 behalf of the employee to the Public Employees Retirement System, before  
27 any offset under ORS 238.229 (2), if the employee had not elected to partic-  
28 ipate in the Optional Retirement Plan.

29 “(10) Both employee and employer contributions to an Optional Retire-  
30 ment Plan shall be remitted directly to the companies that have issued an-

1 nuity contracts to the participating employees or directly to the mutual  
2 funds.

3 “(11) Benefits under the Optional Retirement Plan are payable to em-  
4 ployees who elect to participate in the plan and their beneficiaries by the  
5 selected annuity provider or mutual fund in accordance with the terms of the  
6 annuity contracts or the terms of the contract with the mutual fund. Em-  
7 ployees electing to participate in the plan agree that benefits payable under  
8 the plan are not obligations of the State of Oregon or of the Public Em-  
9 ployees Retirement System.

10 **“SECTION 115.** ORS 243.820 is amended to read:

11 “243.820. (1) In order to obtain the advantages of 26 U.S.C. 403(b), or any  
12 equivalent provision of federal law, an employer may agree with an employee  
13 who performs services for an educational institution that:

14 “(a) The employee’s salary will be reduced monthly by a stated amount,  
15 or the employee will forgo monthly a salary increase of a stated amount; and

16 “(b) On behalf of the employee, the employer shall contribute monthly an  
17 amount equal to the stated amount determined under paragraph (a) of this  
18 subsection as premiums for an annuity contract or to a custodial account for  
19 investment in the stock of regulated investment companies as defined in 26  
20 U.S.C. 403(b)(7)(C). The amount contributed by the employer under this  
21 subsection may not exceed the stated amount.

22 “(2) Notwithstanding any other provision of law, pursuant to an agree-  
23 ment under subsection (1) of this section, the stated amounts shall be for-  
24 warded by the employer as annuity premiums to the company or association  
25 with which it has entered into an annuity contract or to the regulated in-  
26 vestment company or its transfer agent for the benefit of the employee.

27 “(3) An employer may make nonelective employer contributions on behalf  
28 of an employee who performs services for an educational institution as pre-  
29 miums for an annuity contract, or to a custodial account for investment in  
30 the stock of regulated investment companies as defined in 26 U.S.C.

1 403(b)(7)(C), for the purpose of obtaining the advantages of 26 U.S.C. 403(b)  
2 or any equivalent provision of federal law. Employer contributions under this  
3 subsection are in addition to any employee contributions under subsection  
4 (1) of this section.

5 “(4) As used in this section:

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

10 “(b) ‘Employer’ means the State Board of Higher Education, any other  
11 state agency, a community college district, a school district, **a public uni-**  
12 **versity listed in ORS 352.002**, the Oregon Health and Science University  
13 or an education service district employing an individual who performs ser-  
14 vices for an educational institution.

15 **“SECTION 116.** ORS 243.850 is amended to read:

16 “243.850. (1) An eligible football coach and the State Board of Higher  
17 Education **or the governing board of a public university** may enter into  
18 an agreement to provide that:

19 “(a) The coach’s salary will be reduced monthly by a stated amount that  
20 is not less than \$25 a month, or the coach will forgo monthly a salary in-  
21 crease of a stated amount that is not less than \$25 a month; and

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

26 “(2) The amount by which an eligible football coach’s salary or wages is  
27 reduced by reason of the salary reduction or forgoing of a salary increase  
28 authorized by subsection (1) of this section shall continue to be included as  
29 regular compensation for the purpose of computing the retirement, pension  
30 and Social Security benefits earned by the coach, but that amount shall not

1 be considered current taxable income for the purpose of computing federal  
2 and state income taxes withheld on behalf of that coach.

3 “(3) For the purposes of this section:

4 “(a) ‘Eligible football coach’ means a staff member of [*the Oregon Uni-*  
5 *versity System*] **a public university listed in ORS 352.002** who primarily  
6 coaches football as a full-time employee of a four-year university described  
7 in 26 U.S.C. 170(b)(1)(A)(ii).

8 “(b) ‘Qualified football coaches plan’ has the meaning given that term in  
9 29 U.S.C. 1002(37).

10 **“SECTION 117.** ORS 243.910 is amended to read:

11 “243.910. As used in ORS 243.910 to 243.945:

12 “(1) ‘Board’ means the State Board of Higher Education for [*all*] public  
13 universities listed in ORS [*352.002*] **351.011, the governing board of a**  
14 **public university with a governing board listed in section 3 of this 2013**  
15 **Act** and for the Oregon Health and Science University, [*means*] the Oregon  
16 Health and Science University Board of Directors.

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

19 “(3) ‘System’ means the Public Employees Retirement System established  
20 by ORS 238.600.

21 **“SECTION 118.** ORS 244.050, as amended by sections 9 and 29, chapter  
22 90, Oregon Laws 2012, is amended to read:

23 “244.050. (1) On or before April 15 of each year the following persons shall  
24 file with the Oregon Government Ethics Commission a verified statement of  
25 economic interest as required under this chapter:

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

29 “(b) Any judicial officer, including justices of the peace and municipal  
30 judges, except any pro tem judicial officer who does not otherwise serve as

1 a judicial officer.

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

4 “(d) The Deputy Attorney General.

5 “(e) The Legislative Administrator, the Legislative Counsel, the Legisla-  
6 tive Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the  
7 House of Representatives.

8 “(f) The Chancellor and Vice Chancellors of the Oregon University Sys-  
9 tem and the president and vice presidents, or their administrative equiv-  
10 alents, in each public university listed in ORS 352.002.

11 “(g) The following state officers:

12 “(A) Adjutant General.

13 “(B) Director of Agriculture.

14 “(C) Manager of State Accident Insurance Fund Corporation.

15 “(D) Water Resources Director.

16 “(E) Director of Department of Environmental Quality.

17 “(F) Director of Oregon Department of Administrative Services.

18 “(G) State Fish and Wildlife Director.

19 “(H) State Forester.

20 “(I) State Geologist.

21 “(J) Director of Human Services.

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

23 “(L) Director of the Department of State Lands.

24 “(M) State Librarian.

25 “(N) Administrator of Oregon Liquor Control Commission.

26 “(O) Superintendent of State Police.

27 “(P) Director of the Public Employees Retirement System.

28 “(Q) Director of Department of Revenue.

29 “(R) Director of Transportation.

30 “(S) Public Utility Commissioner.

- 1 “(T) Director of Veterans’ Affairs.
- 2 “(U) Executive director of Oregon Government Ethics Commission.
- 3 “(V) Director of the State Department of Energy.
- 4 “(W) Director and each assistant director of the Oregon State Lottery.
- 5 “(X) Director of the Department of Corrections.
- 6 “(Y) Director of the Oregon Department of Aviation.
- 7 “(Z) Executive director of the Oregon Criminal Justice Commission.
- 8 “(AA) Director of the Oregon Business Development Department.
- 9 “(BB) Director of the Office of Emergency Management.
- 10 “(CC) Director of the Employment Department.
- 11 “(DD) Chief of staff for the Governor.
- 12 “(EE) Administrator of the Office for Oregon Health Policy and Research.
- 13 “(FF) Director of the Housing and Community Services Department.
- 14 “(GG) State Court Administrator.
- 15 “(HH) Director of the Department of Land Conservation and Develop-
- 16 ment.
- 17 “(II) Board chairperson of the Land Use Board of Appeals.
- 18 “(JJ) State Marine Director.
- 19 “(KK) Executive director of the Oregon Racing Commission.
- 20 “(LL) State Parks and Recreation Director.
- 21 “(MM) Public defense services executive director.
- 22 “(NN) Chairperson of the Public Employees’ Benefit Board.
- 23 “(OO) Director of the Department of Public Safety Standards and Train-
- 24 ing.
- 25 “(PP) Chairperson of the Oregon Student Access Commission.
- 26 “(QQ) Executive director of the Oregon Watershed Enhancement Board.
- 27 “(RR) Director of the Oregon Youth Authority.
- 28 “(SS) Director of the Oregon Health Authority.
- 29 “(TT) Deputy Superintendent of Public Instruction.
- 30 “(h) Any assistant in the Governor’s office other than personal secretaries

1 and clerical personnel.

2 “(i) Every elected city or county official.

3 “(j) Every member of a city or county planning, zoning or development  
4 commission.

5 “(k) The chief executive officer of a city or county who performs the du-  
6 ties of manager or principal administrator of the city or county.

7 “(L) Members of local government boundary commissions formed under  
8 ORS 199.410 to 199.519.

9 “(m) Every member of a governing body of a metropolitan service district  
10 and the executive officer thereof.

11 “(n) Each member of the board of directors of the State Accident Insur-  
12 ance Fund Corporation.

13 “(o) The chief administrative officer and the financial officer of each  
14 common and union high school district, education service district and com-  
15 munity college district.

16 “(p) Every member of the following state boards and commissions:

17 “(A) Board of Geologic and Mineral Industries.

18 “(B) Oregon Business Development Commission.

19 “(C) State Board of Education.

20 “(D) Environmental Quality Commission.

21 “(E) Fish and Wildlife Commission of the State of Oregon.

22 “(F) State Board of Forestry.

23 “(G) Oregon Government Ethics Commission.

24 “(H) Oregon Health Policy Board.

25 “(I) State Board of Higher Education.

26 “(J) Oregon Investment Council.

27 “(K) Land Conservation and Development Commission.

28 “(L) Oregon Liquor Control Commission.

29 “(M) Oregon Short Term Fund Board.

30 “(N) State Marine Board.

1 “(O) Mass transit district boards.  
2 “(P) Energy Facility Siting Council.  
3 “(Q) Board of Commissioners of the Port of Portland.  
4 “(R) Employment Relations Board.  
5 “(S) Public Employees Retirement Board.  
6 “(T) Oregon Racing Commission.  
7 “(U) Oregon Transportation Commission.  
8 “(V) Wage and Hour Commission.  
9 “(W) Water Resources Commission.  
10 “(X) Workers’ Compensation Board.  
11 “(Y) Oregon Facilities Authority.  
12 “(Z) Oregon State Lottery Commission.  
13 “(AA) Pacific Northwest Electric Power and Conservation Planning  
14 Council.  
15 “(BB) Columbia River Gorge Commission.  
16 “(CC) Oregon Health and Science University Board of Directors.  
17 “(DD) Capitol Planning Commission.  
18 “(EE) Higher Education Coordinating Commission.  
19 “(q) The following officers of the State Treasurer:  
20 “(A) Deputy State Treasurer.  
21 “(B) Chief of staff for the office of the State Treasurer.  
22 “(C) Director of the Investment Division.  
23 “(r) Every member of the board of commissioners of a port governed by  
24 ORS 777.005 to 777.725 or 777.915 to 777.953.  
25 “(s) Every member of the board of directors of an authority created under  
26 ORS 441.525 to 441.595.  
27 “(t) **Governing board of a public university with a governing board**  
28 **listed in section 3 of this 2013 Act.**  
29 “(2) By April 15 next after the date an appointment takes effect, every  
30 appointed public official on a board or commission listed in subsection (1)

1 of this section shall file with the Oregon Government Ethics Commission a  
2 statement of economic interest as required under ORS 244.060, 244.070 and  
3 244.090.

4 “(3) By April 15 next after the filing deadline for the primary election,  
5 each candidate described in subsection (1) of this section shall file with the  
6 commission a statement of economic interest as required under ORS 244.060,  
7 244.070 and 244.090.

8 “(4) Within 30 days after the filing deadline for the general election, each  
9 candidate described in subsection (1) of this section who was not a candidate  
10 in the preceding primary election, or who was nominated for public office  
11 described in subsection (1) of this section at the preceding primary election  
12 by write-in votes, shall file with the commission a statement of economic  
13 interest as required under ORS 244.060, 244.070 and 244.090.

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

19 “(6) If a statement required to be filed under this section has not been  
20 received by the commission within five days after the date the statement is  
21 due, the commission shall notify the public official or candidate and give the  
22 public official or candidate not less than 15 days to comply with the re-  
23 quirements of this section. If the public official or candidate fails to comply  
24 by the date set by the commission, the commission may impose a civil pen-  
25 alty as provided in ORS 244.350.

26 “**NOTE:** Section 119 was deleted by amendment. Subsequent sections were  
27 not renumbered.

28 “**SECTION 120.** ORS 270.110 is amended to read:

29 “270.110. (1) Except as provided in subsection (2) of this section, whenever  
30 the state or any agency thereof possesses or controls real property not

1 needed for public use, or whenever the public interest may be furthered, the  
2 state or its agency may sell, exchange, convey or lease for any period not  
3 exceeding 99 years all or any part of its interest in the property to or with  
4 the state or any political subdivision of the state or the United States or any  
5 agency thereof or private individual or corporation. Except where the state  
6 is exchanging real property, the consideration for the transfer or lease may  
7 be cash or real property, or both.

8 “(2) If the ownership, right or title of the state to any real property set  
9 apart by deed, will or otherwise for a burial ground or cemetery, or for the  
10 purpose of interring the remains of deceased persons, is limited or qualified  
11 or the use of such real property is restricted, whether by dedication or oth-  
12 erwise, the state or its agency may, after first declaring by resolution that  
13 such real property is not needed for public use, or that the sale, exchange,  
14 conveyance or lease thereof will further the public interest, file a complaint  
15 in the circuit court for the county in which such real property is located  
16 against all persons claiming any right, title or interest in such real property,  
17 whether the interest be contingent, conditional or otherwise, for authority  
18 to sell, exchange, convey or lease all or any part of such real property. The  
19 resolution is prima facie evidence that such real property is not needed for  
20 public use, or that the sale, exchange, conveyance or lease will further the  
21 public interest. The action shall be commenced and prosecuted to final de-  
22 termination in the same manner as an action not triable by right to a jury.  
23 The complaint shall contain a description of such real property, a statement  
24 of the nature of the restrictions, qualifications or limitations, and a state-  
25 ment that the defendants claim some interest therein. The court shall make  
26 such judgment as it shall deem proper, taking into consideration the limita-  
27 tions, qualifications or restrictions, the resolution and all other matters  
28 pertinent thereto. Neither costs nor disbursements may be recovered against  
29 any defendant.

30 “(3) The authority to lease property granted by this section includes au-

1 thority to lease property not owned or controlled by the state at the time  
2 of entering into the lease. Such lease shall be conditioned upon the subse-  
3 quent acquisition of the interest covered by the lease.

4 “(4) Any lease of state real property exceeding five years must be ap-  
5 proved in advance by the Oregon Department of Administrative Services,  
6 except for leases:

7 “(a) Negotiated by the Oregon Department of Aviation;

8 “(b) Of state forestlands;

9 “(c) Of property controlled by the Department of State Lands, Department  
10 of Transportation, [or] Oregon University System **or a public university**  
11 **listed in ORS 352.002;** or

12 “(d) Of property controlled by the legislative or judicial branches of state  
13 government.

14 **“SECTION 121.** ORS 276.610 is amended to read:

15 “276.610. There is established a fund in the State Treasury to be known  
16 as the State Building Fund which shall be used for the construction, alter-  
17 ation and repair of buildings required for use of institutions and activities  
18 under the jurisdiction of the Department of Corrections, the Department of  
19 Human Services, the Oregon Health Authority, **the governing boards of**  
20 **public universities with governing boards listed in section 3 of this 2013**  
21 **Act** or the State Board of Education and the State Board of Higher Educa-  
22 tion and for the furnishing and equipping of buildings so constructed, altered  
23 or repaired.

24 **“SECTION 122.** ORS 276.612 is amended to read:

25 “276.612. The Department of Corrections, the Department of Human Ser-  
26 vices, the Oregon Health Authority and the State Board of Education each  
27 shall determine the buildings to be constructed, altered, repaired, furnished  
28 and equipped for the use of institutions and activities under their respective  
29 jurisdictions. The State Board of Higher Education **or governing board**  
30 shall determine the buildings to be constructed, altered, repaired, furnished

1 and equipped for the use of public universities or offices, departments or  
2 activities under its jurisdiction.

3 **“SECTION 123.** ORS 279A.025 is amended to read:

4 “279A.025. (1) Except as provided in subsections (2) to (4) of this section,  
5 the Public Contracting Code applies to all public contracting.

6 “(2) The Public Contracting Code does not apply to:

7 “(a) Contracts between a contracting agency and:

8 “(A) Another contracting agency;

9 “(B) The Oregon Health and Science University;

10 “(C) The Oregon State Bar;

11 “(D) A governmental body of another state;

12 “(E) The federal government;

13 “(F) An American Indian tribe or an agency of an American Indian tribe;

14 “(G) A nation, or a governmental body in a nation, other than the United  
15 States; or

16 “(H) An intergovernmental entity formed between or among:

17 “(i) Governmental bodies of this or another state;

18 “(ii) The federal government;

19 “(iii) An American Indian tribe or an agency of an American Indian tribe;

20 “(iv) A nation other than the United States; or

21 “(v) A governmental body in a nation other than the United States;

22 “(b) Agreements authorized by ORS chapter 190 or by a statute, charter  
23 provision, ordinance or other authority for establishing agreements between  
24 or among governmental bodies or agencies or tribal governing bodies or  
25 agencies;

26 “(c) Insurance and service contracts as provided for under ORS 414.115,  
27 414.125, 414.135 and 414.145 for purposes of source selection;

28 “(d) Grants;

29 “(e) Contracts for professional or expert witnesses or consultants to pro-  
30 vide services or testimony relating to existing or potential litigation or legal

1 matters in which a public body is or may become interested;

2 “(f) Acquisitions or disposals of real property or interest in real property;

3 “(g) Sole-source expenditures when rates are set by law or ordinance for

4 purposes of source selection;

5 “(h) Contracts for the procurement or distribution of textbooks;

6 “(i) Procurements by a contracting agency from an Oregon Corrections

7 Enterprises program;

8 “(j) The procurement, transportation or distribution of distilled liquor, as

9 defined in ORS 471.001, or the appointment of agents under ORS 471.750 by

10 the Oregon Liquor Control Commission;

11 “(k) Contracts entered into under ORS chapter 180 between the Attorney

12 General and private counsel or special legal assistants;

13 “(L) Contracts for the sale of timber from lands owned or managed by the

14 State Board of Forestry and the State Forestry Department;

15 “(m) Contracts for forest protection or forest related activities, as de-

16 scribed in ORS 477.406, by the State Forester or the State Board of Forestry;

17 “(n) Sponsorship agreements entered into by the State Parks and Recre-

18 ation Director in accordance with ORS 565.080 (4);

19 “(o) Contracts entered into by the Housing and Community Services De-

20 partment in exercising the department’s duties prescribed in ORS chapters

21 456 and 458, except that the department’s public contracting for goods and

22 services is subject to ORS chapter 279B;

23 “(p) Contracts entered into by the State Treasurer in exercising the

24 powers of that office prescribed in ORS chapters 178, 286A, 287A, 289, 293,

25 294 and 295, including but not limited to investment contracts and agree-

26 ments, banking services, clearing house services and collateralization agree-

27 ments, bond documents, certificates of participation and other debt

28 repayment agreements, and any associated contracts, agreements and docu-

29 ments, regardless of whether the obligations that the contracts, agreements

30 or documents establish are general, special or limited, except that the State

1 Treasurer's public contracting for goods and services is subject to ORS  
2 chapter 279B;

3 "(q) Contracts, agreements or other documents entered into, issued or es-  
4 tablished in connection with:

5 "(A) The issuance of obligations, as defined in ORS 286A.100 and  
6 287A.310, of a public body;

7 "(B) The making of program loans and similar extensions or advances of  
8 funds, aid or assistance by a public body to a public or private body for the  
9 purpose of carrying out, promoting or sustaining activities or programs au-  
10 thorized by law; or

11 "(C) The investment of funds by a public body as authorized by law, and  
12 other financial transactions of a public body that by their character cannot  
13 practically be established under the competitive contractor selection proce-  
14 dures of ORS 279B.050 to 279B.085;

15 "(r) Contracts for employee benefit plans as provided in ORS 243.105 (1),  
16 243.125 (4), 243.221, 243.275, 243.291, 243.303 and 243.565;

17 "(s) Contracts for employee benefit plans as provided in ORS 243.860 to  
18 243.886; or

19 "(t) Any other public contracting of a public body specifically exempted  
20 from the code by another provision of law.

21 "(3) The Public Contracting Code does not apply to the contracting ac-  
22 tivities of:

23 "(a) The Oregon State Lottery Commission;

24 "(b) [*The Oregon University System and member*] Public universities **listed**  
25 **in ORS 352.002**, except as provided in ORS 351.086;

26 "(c) The legislative department;

27 "(d) The judicial department;

28 "(e) Semi-independent state agencies listed in ORS 182.454, except as  
29 provided in ORS 279.835 to 279.855 and 279A.250 to 279A.290;

30 "(f) Oregon Corrections Enterprises;

1 “(g) The Oregon Film and Video Office, except as provided in ORS  
2 279A.100 and 279A.250 to 279A.290;

3 “(h) The Travel Information Council, except as provided in ORS 279A.250  
4 to 279A.290;

5 “(i) The Oregon 529 College Savings Network and the Oregon 529 College  
6 Savings Board;

7 “(j) The Oregon Innovation Council;

8 “(k) The Oregon Utility Notification Center; or

9 “(L) Any other public body specifically exempted from the code by another  
10 provision of law.

11 “(4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to  
12 contracts made with qualified nonprofit agencies providing employment op-  
13 portunities for individuals with disabilities under ORS 279.835 to 279.855.

14 “**NOTE:** Sections 124 through 126 were deleted by amendment. Subse-  
15 quent sections were not renumbered.

16 “**SECTION 127.** ORS 291.055 is amended to read:

17 “291.055. (1) Notwithstanding any other law that grants to a state agency  
18 the authority to establish fees, all new state agency fees or fee increases  
19 adopted during the period beginning on the date of adjournment sine die of  
20 a regular session of the Legislative Assembly and ending on the date of  
21 adjournment sine die of the next regular session of the Legislative Assembly:

22 “(a) Are not effective for agencies in the executive department of gov-  
23 ernment unless approved in writing by the Director of the Oregon Depart-  
24 ment of Administrative Services;

25 “(b) Are not effective for agencies in the judicial department of govern-  
26 ment unless approved in writing by the Chief Justice of the Supreme Court;

27 “(c) Are not effective for agencies in the legislative department of gov-  
28 ernment unless approved in writing by the President of the Senate and the  
29 Speaker of the House of Representatives;

30 “(d) Shall be reported by the state agency to the Oregon Department of

1 Administrative Services within 10 days of their adoption; and

2 “(e) Are rescinded on adjournment sine die of the next regular session of  
3 the Legislative Assembly as described in this subsection, unless otherwise  
4 authorized by enabling legislation setting forth the approved fees.

5 “(2) This section does not apply to:

6 “(a) Any tuition or fees charged by [*the State Board of Higher Education*  
7 *and the public universities*] **a public university** listed in ORS 352.002.

8 “(b) Taxes or other payments made or collected from employers for un-  
9 employment insurance required by ORS chapter 657 or premium assessments  
10 required by ORS 656.612 and 656.614 or contributions and assessments cal-  
11 culated by cents per hour for workers’ compensation coverage required by  
12 ORS 656.506.

13 “(c) Fees or payments required for:

14 “(A) Health care services provided by the Oregon Health and Science  
15 University, by the Oregon Veterans’ Homes and by other state agencies and  
16 institutions pursuant to ORS 179.610 to 179.770.

17 “(B) Assessments and premiums paid to the Oregon Medical Insurance  
18 Pool established by ORS 735.614 and 735.625.

19 “(C) Copayments and premiums paid to the Oregon medical assistance  
20 program.

21 “(D) Assessments paid to the Department of Consumer and Business Ser-  
22 vices under ORS 743.951 and 743.961.

23 “(d) Fees created or authorized by statute that have no established rate  
24 or amount but are calculated for each separate instance for each fee payer  
25 and are based on actual cost of services provided.

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

27 “(f) Any intergovernmental charges.

28 “(g) Forest protection district assessment rates established by ORS 477.210  
29 to 477.265 and the Oregon Forest Land Protection Fund fees established by  
30 ORS 477.760.

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

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

5 “(j) Assessments on premiums charged by the Department of Consumer  
6 and Business Services pursuant to ORS 731.804 or fees charged by the Divi-  
7 sion of Finance and Corporate Securities of the Department of Consumer and  
8 Business Services to banks, trusts and credit unions pursuant to ORS 706.530  
9 and 723.114.

10 “(k) Public Utility Commission operating assessments required by ORS  
11 756.310 or charges paid to the Residential Service Protection Fund required  
12 by chapter 290, Oregon Laws 1987.

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

15 “(m) New or increased fees that are anticipated in the legislative budg-  
16 eting process for an agency, revenues from which are included, explicitly or  
17 implicitly, in the legislatively adopted budget or the legislatively approved  
18 budget for the agency.

19 “(n) Tolls approved by the Oregon Transportation Commission pursuant  
20 to ORS 383.004.

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

24 “(3)(a) Fees temporarily decreased for competitive or promotional reasons  
25 or because of unexpected and temporary revenue surpluses may be increased  
26 to not more than their prior level without compliance with subsection (1)  
27 of this section if, at the time the fee is decreased, the state agency specifies  
28 the following:

29 “(A) The reason for the fee decrease; and

30 “(B) The conditions under which the fee will be increased to not more

1 than its prior level.

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

5 **“SECTION 128.** ORS 291.357 is amended to read:

6 “291.357. (1) As used in this section, ‘general governmental purposes’  
7 means:

8 “(a) Those activities defined as governmental activities under the ac-  
9 counting standards promulgated by the Governmental Accounting Standards  
10 Board of the Financial Accounting Foundation that are in effect on August  
11 10, 2001; and

12 “(b) Post-secondary educational activities that are partially funded by  
13 student tuition and fees.

14 “(2) Each biennium, state governmental appropriations for general gov-  
15 ernmental purposes shall be no greater than eight percent of projected per-  
16 sonal income in Oregon for the same biennium. Projected personal income  
17 shall be based on the United States Department of Commerce projections  
18 used by the Oregon Department of Administrative Services in the last fore-  
19 cast given to the Legislative Assembly before adjournment sine die of the  
20 odd-numbered year regular session on which the printed, adopted budget is  
21 based.

22 “(3) For purposes of this section, the following are considered to be ap-  
23 propriations:

24 “(a) An authorization, given by law, to expend moneys in a biennium;

25 “(b) A limitation, imposed by law, on the expenditure in a biennium of  
26 moneys that are continuously appropriated; and

27 “(c) An estimate of amounts of moneys that are continuously appropriated  
28 that will be spent in a biennium without limitation.

29 “(4) The following appropriations are not subject to the limitation on  
30 appropriations contained in this section:

1       “(a) Appropriations for the construction or acquisition of assets that are  
2 financed by state bonds, certificates of participation or other forms of bor-  
3 rowing.

4       “(b) Appropriations of moneys received directly or indirectly from the  
5 federal government.

6       “(c) Appropriations for fee remission programs of [*the Oregon University*  
7 *System*] **public universities listed in ORS 352.002.**

8       “(d) Appropriations of moneys voluntarily donated to a state agency.

9       “(e) Appropriations of moneys from revenue increases or new revenue  
10 sources if the increases or sources result from approval of a measure by the  
11 people at an election held on or after August 10, 2001.

12       “(f) Appropriations to fund new programs or to increase funding for ex-  
13 isting programs if the need for new or increased funding results from ap-  
14 proval of a measure by the people at an election held on or after August 10,  
15 2001.

16       “(5) The limitation on appropriations established by this section may be  
17 exceeded for a biennium if the Governor declares an emergency and three-  
18 fifths of the members serving in each house of the Legislative Assembly  
19 affirmatively vote to exceed the limitation for the biennium.

20       “**NOTE:** Section 129 was deleted by amendment. Subsequent sections were  
21 not renumbered.

22       “**SECTION 130.** ORS 292.043 is amended to read:

23       “292.043. (1) As used in this section:

24       “(a) ‘Foundation’ means:

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

27       “(B) A tax exempt organization designated by the State Board of Higher  
28 Education **or the governing board of a public university** to solicit con-  
29 tributions for the support of a public university listed in ORS 352.002.

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

1 “(2) Any state official authorized to disburse funds in payment of salaries  
2 or wages of the officers and employees of a state agency, or of the officers,  
3 teachers, instructors and other employees of [*the Oregon University System*]  
4 **a public university listed in ORS 352.002**, is authorized, upon written re-  
5 quest of the individual, to deduct each month from the salary or wages of  
6 the individual the amount of money designated by the individual for payment  
7 to a foundation.

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

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

16 **“SECTION 131.** ORS 292.044 is amended to read:

17 “292.044. (1) As used in this section:

18 “(a) ‘Employee’ means officers, faculty, teachers, instructors and other  
19 employees of [*the Oregon University System as described*] **a public university**  
20 **listed** in ORS 352.002.

21 “(b) ‘Nonprofit organization’ means an organization described in section  
22 501(c)(3) of the Internal Revenue Code that is exempt from income tax under  
23 section 501(a) of the Internal Revenue Code.

24 “(2)(a) The Chancellor of the Oregon University System or a designee of  
25 the chancellor may approve a written request made by a public university  
26 or office, department or activity under the jurisdiction of the State Board  
27 of Higher Education, in which an employee of the public university or office,  
28 department or activity may designate an amount from the salary or wages  
29 of the employee for payment to a qualifying nonprofit organization. A re-  
30 quest made to the chancellor under this section must identify the nonprofit

1 organization to whom payments would be made.

2 “(b) **The governing board of a public university with a governing**  
3 **board listed in section 3 of this 2013 Act may approve a written request**  
4 **made by the university or office, department or activity under the**  
5 **board’s jurisdiction, in which an employee of the university or office,**  
6 **department or activity may designate an amount from the salary or**  
7 **wages of the employee for payment to a qualifying nonprofit organ-**  
8 **ization. A request made under this section must identify the nonprofit**  
9 **organization to whom payments would be made.**

10 “(3) Upon written approval [*of the chancellor or of a designee of the*  
11 *chancellor*] and a written request of an employee of the public university or  
12 office, department or activity to which the approval applies, the state official  
13 within the Oregon University System **or public university with a govern-**  
14 **ing board listed in section 3 of this 2013 Act** authorized to disburse funds  
15 in payment of salaries or wages shall deduct from the salary or wages of the  
16 employee the amount of money designated by the employee for payment to  
17 the nonprofit organization.

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

20 “(5) The [*Chancellor of the*] Oregon University System [*or a designee of*  
21 *the chancellor*] **and the governing board of a public university** shall pre-  
22 scribe procedures for determining whether an organization qualifies as a  
23 nonprofit organization under this section.

24 “**SECTION 132.** ORS 307.095 is amended to read:

25 “307.095. (1) Any portion of state property that is used during the tax year  
26 for parking on a rental or fee basis to private individuals is subject to ad  
27 valorem taxation.

28 “(2) The real market value of such portion shall be computed by deter-  
29 mining that percentage which the total of receipts from private use bears to  
30 the total of receipts from all use of the property. The assessed value of such

1 portion shall be computed as provided in ORS 308.146. However, receipts  
2 from any use by a state officer or employee in the performance of the official  
3 duties of the state officer or employee shall not be considered as receipts  
4 from private use in computing the portion subject to ad valorem taxation.

5 “(3) This section and ORS 276.592 do not apply to state property that is  
6 used by [*the Oregon University System*] **a public university listed in ORS**  
7 **352.002** or the Oregon Health and Science University solely to provide  
8 parking for employees, students or visitors.

9 **“SECTION 133.** ORS 307.110 is amended to read:

10 “307.110. (1) Except as provided in ORS 307.120, all real and personal  
11 property of this state or any institution or department thereof or of any  
12 county or city, town or other municipal corporation or political subdivision  
13 of this state, held under a lease or other interest or estate less than a fee  
14 simple, by any person whose real property, if any, is taxable, except em-  
15 ployees of the state, municipality or political subdivision as an incident to  
16 such employment, shall be subject to assessment and taxation for the as-  
17 sessed or specially assessed value thereof uniformly with real property of  
18 nonexempt ownerships.

19 “(2) Each leased or rented premises not exempt under ORS 307.120 and  
20 subject to assessment and taxation under this section which is located on  
21 property used as an airport and owned by and serving a municipality or port  
22 shall be separately assessed and taxed.

23 “(3) Nothing contained in this section shall be construed as subjecting to  
24 assessment and taxation any publicly owned property described in subsection  
25 (1) of this section that is:

26 “(a) Leased for student housing by a school or college to students at-  
27 tending such a school or college.

28 “(b) Leased to or rented by persons, other than sublessees or subrenters,  
29 for agricultural or grazing purposes and for other than a cash rental or a  
30 percentage of the crop.

1 “(c) Utilized by persons under a land use permit issued by the Department  
2 of Transportation for which the department’s use restrictions are such that  
3 only an administrative processing fee is able to be charged.

4 “(d) County fairgrounds and the buildings thereon, in a county holding  
5 annual county fairs, managed by the county fair board under ORS 565.230,  
6 if utilized, in addition to county fair use, for any of the purposes described  
7 in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or  
8 farm machinery or equipment.

9 “(e) The properties and grounds managed and operated by the State Parks  
10 and Recreation Director under ORS 565.080, if utilized, in addition to the  
11 purpose of holding the Oregon State Fair, for horse stalls or for storage for  
12 recreational vehicles or farm machinery or equipment.

13 “(f) State property that is used by [*the Oregon University System*] **a public**  
14 **university listed in ORS 352.002** or the Oregon Health and Science Uni-  
15 versity to provide parking for employees, students or visitors.

16 “(g) Property of a housing authority created under ORS chapter 456 which  
17 is leased or rented to persons of lower income for housing pursuant to the  
18 public and governmental purposes of the housing authority. For purposes of  
19 this paragraph, ‘persons of lower income’ has the meaning given the phrase  
20 under ORS 456.055.

21 “(h) Property of a health district if:

22 “(A) The property is leased or rented for the purpose of providing facili-  
23 ties for health care practitioners practicing within the county; and

24 “(B) The county is a frontier rural practice county under rules adopted  
25 by the Office of Rural Health.

26 “(4) Property determined to be an eligible project for tax exemption under  
27 ORS 285C.600 to 285C.626 and 307.123 that was acquired with revenue bonds  
28 issued under ORS 285B.320 to 285B.371 and that is leased by this state, any  
29 institution or department thereof or any county, city, town or other municipi-  
30 pal corporation or political subdivision of this state to an eligible applicant

1 shall be assessed and taxed in accordance with ORS 307.123. The property's  
2 continued eligibility for taxation and assessment under ORS 307.123 is not  
3 affected:

4 “(a) If the eligible applicant retires the bonds prior to the original dates  
5 of maturity; or

6 “(b) If any applicable lease or financial agreement is terminated prior to  
7 the original date of expiration.

8 “(5) The provisions of law for liens and the payment and collection of  
9 taxes levied against real property of nonexempt ownerships shall apply to  
10 all real property subject to the provisions of this section. Taxes remaining  
11 unpaid upon the termination of a lease or other interest or estate less than  
12 a fee simple, shall remain a lien against the real or personal property.

13 “(6) If the state enters into a lease of property with, or grants an interest  
14 or other estate less than a fee simple in property to, a person whose real  
15 property, if any, is taxable, then within 30 days after the date of the lease,  
16 or within 30 days after the date the interest or estate less than a fee simple  
17 is created, the state shall file a copy of the lease or other instrument creat-  
18 ing or evidencing the interest or estate with the county assessor. This sec-  
19 tion applies notwithstanding that the property may otherwise be entitled to  
20 an exemption under this section, ORS 307.120 or as otherwise provided by  
21 law.

22 “**SECTION 134.** ORS 340.310, as amended by section 10, chapter 104,  
23 Oregon Laws 2012, is amended to read:

24 “340.310. (1) The Higher Education Coordinating Commission shall de-  
25 velop statewide standards for dual credit programs to be implemented by  
26 public high schools, community colleges and [*state institutions of higher ed-*  
27 *ucation within the Oregon University System*] **public universities listed in**  
28 **ORS 352.002.** The standards must establish the manner by which:

29 “(a) A student may, upon completion of a course, earn course credit both  
30 for high school and for a community college or [*state institution of higher*

1 *education within the Oregon University System*] **public university**; and

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

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

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

17 **“SECTION 135.** ORS 341.440 is amended to read:

18 “341.440. (1) A community college district may contract with another  
19 community college district, common or union high school district, education  
20 service district, [*the Oregon University System*] **public university listed in**  
21 **ORS 352.002**, the Oregon Health and Science University, with a private ed-  
22 ucational institution accredited by the Northwest Association of Schools and  
23 Colleges or its successor or a career school as defined in ORS 345.010 to  
24 obtain educational services for students enrolled in the community college  
25 of the district. However, the educational services so obtained must meet the  
26 standards for educational services provided by the college and the contract  
27 price to the college for such services must not exceed the costs which would  
28 otherwise be incurred by the college to provide its students the same or  
29 similar services.

30 “(2) Educational services for which a district operating a community

1 college may contract include services offered by correspondence and services  
2 offered electronically or through telecommunications if such services are  
3 accredited by a nationally recognized accrediting association.

4 “(3) For purposes of ORS 341.626, costs incurred under subsection (1) of  
5 this section shall be considered operating expenses of the district if the  
6 contract is approved by the Commissioner for Community College Services.

7 **“SECTION 136.** ORS 343.961 is amended to read:

8 “343.961. (1) As used in this section:

9 “(a) ‘Day treatment program’ means a public or private program that  
10 provides treatment of children with a mental illness, an emotional disturb-  
11 ance or another mental health issue.

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

17 “(c) ‘Eligible residential treatment program’ means a residential treat-  
18 ment program with which the Oregon Health Authority, the Department of  
19 Human Services or the Oregon Youth Authority contracts for long term care  
20 or treatment. ‘Eligible residential treatment program’ does not include psy-  
21 chiatric day treatment programs or programs that provide care or treatment  
22 to juveniles who are in detention facilities.

23 “(d) ‘Residential treatment program’ means a public or private residential  
24 program that provides treatment of children with a mental illness, an emo-  
25 tional disturbance or another mental health issue.

26 “(e) ‘Student’ means a child who is placed in an eligible day treatment  
27 program or eligible residential treatment program by a public or private en-  
28 tity or by the child’s parent.

29 “(2) The Department of Education shall be responsible for payment of the  
30 costs of education of students in eligible day treatment programs and eligible

1 residential treatment programs by contracting with the school district in  
2 which the eligible day treatment program or eligible residential treatment  
3 program is located. The costs of education do not include transportation,  
4 care, treatment or medical expenses.

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

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

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

14 “(B) In the facilities of an eligible day treatment program or eligible  
15 residential treatment program, the facilities of a school district or the facil-  
16 ities of an education service district.

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

21 “(4) A school district may request the Department of Education to com-  
22 bine several eligible day treatment programs or eligible residential treatment  
23 programs into one contract with another school district or an education  
24 service district.

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

30 “(6) The Department of Education may make advances to school districts

1 responsible for providing an education to students under this section from  
2 funds appropriated for that purpose based on the estimated agreed cost of  
3 educating the students per school year. Advances equal to 25 percent of the  
4 estimated cost may be made on September 1, December 1 and March 1 of the  
5 current year. The balance may be paid whenever the full determination of  
6 cost is made.

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

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

13 “(a) Negotiate interagency agreements to pay for the cost of education in  
14 day treatment programs and residential treatment programs operated under  
15 the auspices of the State Board of Higher Education **or the governing**  
16 **board of a public university with a governing board listed in section 3**  
17 **of this 2013 Act**; and

18 “(b) Negotiate intergovernmental agreements to pay for the cost of edu-  
19 cation in day treatment programs and residential treatment programs oper-  
20 ated under the auspices of the Oregon Health and Science University Board  
21 of Directors.

22 **“SECTION 137.** ORS 344.259 is amended to read:

23 “344.259. (1) The State Board of Education shall coordinate continuing  
24 education in lower division, developmental, adult self-improvement, profes-  
25 sional and technical education for agencies under its regulatory authority.  
26 The State Board of Higher Education shall coordinate continuing education  
27 in upper division and graduate education for public universities under its  
28 jurisdiction.

29 “(2) When significantly adverse impact is alleged by one or more of the  
30 agencies listed in this subsection, the affected parties jointly shall provide

1 for written agreements. These agreements shall allocate responsibility for  
2 planning and providing continuing education or off-campus instruction in  
3 specific areas or by specific types. The agencies are:

4 “(a) The State Board of Education.

5 “(b) The State Board of Higher Education.

6 “(c) Community college districts.

7 “(d) Independent colleges.

8 “(e) Proprietary schools.

9 “(f) **The governing board of a public university with a governing**  
10 **board listed in section 3 of this 2013 Act.**

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

15 “(4) Nothing in this section prohibits the offering of upper division or  
16 graduate programs within 30 miles of the campus of [*the Oregon University*  
17 *System university*] **a public university listed in ORS 352.002** offering the  
18 program, or the offering of lower division programs within 30 miles of the  
19 campus offering the program in areas outside a community college district.  
20 Such programs are entitled to the same college credit and financial support  
21 as programs offered on the campus of the university.

22 “**SECTION 138.** ORS 344.753 is amended to read:

23 “344.753. (1) Employers who enter into written agreements with educa-  
24 tional institutions and who are providing training to participants in youth  
25 apprenticeship and training or work based learning programs are eligible for  
26 reimbursement of expenses incurred in the training process. These expenses  
27 may include wages paid to the student, training costs for mentors and  
28 supervisors, equipment costs to set up youth training capacity, curriculum  
29 development costs, costs of establishing interfirm training centers or other  
30 costs necessitated by the training agreement.

1       “(2) The amount of reimbursement shall be 50 percent of the actual cost  
2 of the investment, such reimbursement not to exceed \$2,500 per student who  
3 completes the agreed upon course of study. In the event that a student drops  
4 out of the program through no fault of the employer, the Department of Ed-  
5 ucation may reimburse the employer for costs incurred to that point.

6       “(3) Eligible employers may elect to receive education service credits in  
7 lieu of the reimbursement provided in this section. The amount of the edu-  
8 cation service credit shall equal the value of the potential reimbursement  
9 on a dollar-for-dollar basis. Education service credits may be used to pur-  
10 chase educational services provided to the employer by school districts, ed-  
11 ucation service districts, community colleges, [*the Oregon University*  
12 *System*] **public universities listed in ORS 352.002** or private providers ap-  
13 proved by the Department of Education.

14       “(4) Employers who terminate students without the concurrence of the  
15 school forfeit all claim to reimbursements or education service credits earned  
16 under this section.

17       “(5) The total amount of employer reimbursement allowable under this  
18 section to all employers shall not exceed the amount allocated therefor  
19 biennially from the Administrative Services Economic Development Fund.

20       “(6) Reimbursements allowed under this section must first be certified  
21 with regard to eligibility and availability of funds pursuant to a method es-  
22 tablished by the Department of Education in consultation with the Bureau  
23 of Labor and Industries.

24       “**SECTION 139.** ORS 353.440 is amended to read:

25       “353.440. The Legislative Assembly finds that:

26       “(1) Public universities [*in the Oregon University System*] **listed in ORS**  
27 **352.002** and other educational sectors have academic programs that are re-  
28 lated to or integrated with the programs of Oregon Health and Science  
29 University.

30       “(2) It is in the best interest of the state that a coordinated approach be

1 taken to these related and integrated academic programs.

2 “(3) In order to best ensure the continued harmony of such academic  
3 programs, the Oregon Health and Science University and [*the Oregon Uni-*  
4 *versity System*] **public universities** shall coordinate such programs and shall  
5 advise each other of the following proposed changes to such academic pro-  
6 grams:

7 “(a) Creation or significant revision, such as a merger or closure, of de-  
8 gree programs;

9 “(b) Creation or significant revision, such as a merger or closure, of  
10 schools; and

11 “(c) Creation or significant revision of major academic policies.

12 “(4) The Oregon Health and Science University and the Higher Education  
13 Coordinating Commission shall coordinate and advise each other of the fol-  
14 lowing types of proposed changes to their related or integrated academic  
15 programs:

16 “(a) Coordination of strategic plans for achieving higher education goals;

17 “(b) Seeking advice and input from each other on modifications to statu-  
18 tory educational missions;

19 “(c) Working to develop a statewide educational data system;

20 “(d) Collaborating as necessary on the creation of any new degree pro-  
21 grams; and

22 “(e) Notifying each other and commenting on tuition rate changes.

23 “(5) In order to further the coordination described by this section, Oregon  
24 Health and Science University officers shall maintain a role in the appro-  
25 priate committees of the State Board of Higher Education, the Higher Edu-  
26 cation Coordinating Commission and the Oregon University System.

27 **“SECTION 140.** ORS 357.004 is amended to read:

28 “357.004. As used in ORS 357.001 to 357.200, unless the context requires  
29 otherwise:

30 “(1) ‘Depository library’ means a library that is designated as such under

1 ORS 357.095.

2 “(2)(a) ‘Issuing agency’ means state government, as that term is defined  
3 in ORS 174.111.

4 “(b) ‘Issuing agency’ does not include the State Board of Higher Educa-  
5 tion, or any public university or office, department or activity under the  
6 control of the board, **or the governing board of a public university with**  
7 **a governing board listed in section 3 of this 2013 Act.**

8 “(3)(a) ‘Public document’ means informational matter produced for public  
9 distribution or access regardless of format, medium, source or copyright,  
10 originating in or produced with the imprint of, by the authority of or at the  
11 total or partial expense of any state agency. ‘Public document’ includes in-  
12 formational matter produced on computer diskettes, CD-ROMs, computer  
13 tapes, the Internet or in other electronic formats.

14 “(b) ‘Public document’ does not include:

15 “(A) Correspondence, forms, interoffice or intraoffice memoranda;

16 “(B) Legislative bills;

17 “(C) Oregon Revised Statutes or any edition thereof; or

18 “(D) Reports and publications of the Oregon Supreme Court, the Oregon  
19 Court of Appeals and the Oregon Tax Court.

20 **“SECTION 141.** ORS 408.095 is amended to read:

21 “408.095. (1) As used in this section, ‘community college’ has the meaning  
22 given that term in ORS 341.005.

23 “(2) There is created in the Department of Veterans’ Affairs the Campus  
24 Veterans’ Service Officers Program.

25 “(3) The purpose of the program is to provide educational outreach to  
26 veterans to help ensure that they obtain maximum state and federal benefits.

27 “(4) The department shall appoint a sufficient number of campus veterans’  
28 service officers to ensure that each Oregon community college and each  
29 public university [*in the Oregon University System, as described*] **listed** in  
30 ORS 352.002[,] is provided veterans’ services.

1 “(5) Each community college and public university [*in the Oregon Uni-*  
2 *versity System*] shall provide office space that may be used for the provision  
3 of veterans’ services.

4 “(6) The department may adopt rules to implement the Campus Veterans’  
5 Service Officers Program.

6 “**SECTION 142.** ORS 408.506 is amended to read:

7 “408.506. The Department of Human Services, the Department of Trans-  
8 portation, the Housing and Community Services Department, the Employ-  
9 ment Department, the Department of Justice, the Judicial Department, the  
10 Oregon University System, **the governing boards of public universities**  
11 **with governing boards listed in section 3 of this 2013 Act**, the Bureau  
12 of Labor and Industries, the Department of Community Colleges and  
13 Workforce Development and the Department of Veterans’ Affairs shall part-  
14 ner with the Oregon Military Department to provide reintegration services  
15 for veterans throughout this state through regional strategies.

16 “**SECTION 143.** ORS 430.651 is amended to read:

17 “430.651. (1) If the Oregon Health Authority uses a formula for allocating  
18 to counties moneys, and if the formula includes population as a factor in  
19 determining the amount of each allocation, the authority shall calculate the  
20 formula annually using the most current population data that is available.

21 “(2) The authority shall use as the source of the population data required  
22 by subsection (1) of this section the primary population research center that  
23 is part of [*the Oregon University System*] **Portland State University**.

24 “**SECTION 144.** ORS 471.580 is amended to read:

25 “471.580. (1) As used in this section:

26 “(a) ‘Alcohol equivalence’ means the amount of ethanol that would be  
27 expected to be present in a beverage based on the standard drink measure-  
28 ment used by the Centers for Disease Control and Prevention.

29 “(b) ‘Education provider’ means:

30 “(A) A community college, as defined in ORS 341.005, offering a food or

1 beverage career program approved by the State Board of Education;

2 “(B) A career school, as defined in ORS 345.010, offering a food or  
3 beverage career program approved by the Oregon Student Assistance Com-  
4 mission or the State Board of Education;

5 “(C) An institution of higher education listed in ORS 352.002 offering a  
6 food or beverage career program approved by the State Board of Higher Ed-  
7 ucation **or governing board**; or

8 “(D) A private and independent institution of higher education, as defined  
9 in ORS 352.720, offering a food or beverage career program that qualifies for  
10 payment under ORS 352.740.

11 “(c) ‘Food or beverage career program’ means a course of study designed  
12 to qualify a person for a career in the food service industry or alcoholic  
13 beverage industry, including but not limited to a course of study in culinary  
14 arts, viticulture, winemaking, enology, brewing or restaurant management.

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

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

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

29 “(b) The alcoholic beverages are served to, and possessed and consumed  
30 by, the person for educational purposes as part of the class curriculum or a

1 workshop or seminar concerning food or beverage workforce training;

2 “(c) The service, possession and consumption of the alcoholic beverages  
3 are supervised by a faculty or staff member of the education provider who  
4 is 21 years of age or older;

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

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

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

12 “(a) The person served is enrolled as a student in a required or elective  
13 class that is part of a food or beverage career program offered by the edu-  
14 cation provider;

15 “(b) The alcoholic beverages are served to, and consumed by, the person  
16 for educational purposes as part of the class curriculum or, with the ap-  
17 proval of the education provider, as part of a workshop or seminar concern-  
18 ing food or beverage workforce training;

19 “(c) The service and consumption of the alcoholic beverages are super-  
20 vised by a faculty or staff member of the education provider who is 21 years  
21 of age or older;

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

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

25 “(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS  
26 471.430, a person who is 18, 19 or 20 years of age may possess and consume  
27 alcoholic beverages on a licensed or unlicensed premises that an education  
28 provider uses for educational purposes if:

29 “(a) The person is enrolled as a student in a required or elective class  
30 that is part of a food or beverage career program offered by the education

1 provider;

2 “(b) The person possesses and consumes the alcoholic beverages for edu-  
3 cational purposes as part of the class curriculum or, with the approval of the  
4 education provider, as part of a workshop or seminar concerning food or  
5 beverage workforce training;

6 “(c) The person possesses and consumes the alcoholic beverages under the  
7 supervision of a faculty or staff member of the education provider who is 21  
8 years of age or older;

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

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

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

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

23 **“SECTION 145.** ORS 471.580, as amended by section 44, chapter 104,  
24 Oregon Laws 2012, is amended to read:

25 “471.580. (1) As used in this section:

26 “(a) ‘Alcohol equivalence’ means the amount of ethanol that would be  
27 expected to be present in a beverage based on the standard drink measure-  
28 ment used by the Centers for Disease Control and Prevention.

29 “(b) ‘Education provider’ means:

30 “(A) A community college, as defined in ORS 341.005, offering a food or

1 beverage career program approved by the State Board of Education;

2 “(B) A career school, as defined in ORS 345.010, offering a food or  
3 beverage career program approved by the Oregon Student Assistance Com-  
4 mission or the Higher Education Coordinating Commission;

5 “(C) An institution of higher education listed in ORS 352.002 offering a  
6 food or beverage career program approved by the State Board of Higher Ed-  
7 ucation **or governing board**; or

8 “(D) A private and independent institution of higher education, as defined  
9 in ORS 352.720, offering a food or beverage career program that qualifies for  
10 payment under ORS 352.740.

11 “(c) ‘Food or beverage career program’ means a course of study designed  
12 to qualify a person for a career in the food service industry or alcoholic  
13 beverage industry, including but not limited to a course of study in culinary  
14 arts, viticulture, winemaking, enology, brewing or restaurant management.

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

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

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

29 “(b) The alcoholic beverages are served to, and possessed and consumed  
30 by, the person for educational purposes as part of the class curriculum or a

1 workshop or seminar concerning food or beverage workforce training;

2 “(c) The service, possession and consumption of the alcoholic beverages  
3 are supervised by a faculty or staff member of the education provider who  
4 is 21 years of age or older;

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

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

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

12 “(a) The person served is enrolled as a student in a required or elective  
13 class that is part of a food or beverage career program offered by the edu-  
14 cation provider;

15 “(b) The alcoholic beverages are served to, and consumed by, the person  
16 for educational purposes as part of the class curriculum or, with the ap-  
17 proval of the education provider, as part of a workshop or seminar concern-  
18 ing food or beverage workforce training;

19 “(c) The service and consumption of the alcoholic beverages are super-  
20 vised by a faculty or staff member of the education provider who is 21 years  
21 of age or older;

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

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

25 “(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS  
26 471.430, a person who is 18, 19 or 20 years of age may possess and consume  
27 alcoholic beverages on a licensed or unlicensed premises that an education  
28 provider uses for educational purposes if:

29 “(a) The person is enrolled as a student in a required or elective class  
30 that is part of a food or beverage career program offered by the education

1 provider;

2 “(b) The person possesses and consumes the alcoholic beverages for edu-  
3 cational purposes as part of the class curriculum or, with the approval of the  
4 education provider, as part of a workshop or seminar concerning food or  
5 beverage workforce training;

6 “(c) The person possesses and consumes the alcoholic beverages under the  
7 supervision of a faculty or staff member of the education provider who is 21  
8 years of age or older;

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

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

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

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

23 **“SECTION 146.** ORS 659.850 is amended to read:

24 “659.850. (1) As used in this section, ‘discrimination’ means any act that  
25 unreasonably differentiates treatment, intended or unintended, or any act  
26 that is fair in form but discriminatory in operation, either of which is based  
27 on race, color, religion, sex, sexual orientation, national origin, marital sta-  
28 tus, age or disability. ‘Discrimination’ does not include enforcement of an  
29 otherwise valid dress code or policy, as long as the code or policy provides,  
30 on a case-by-case basis, for reasonable accommodation of an individual based

1 on the health and safety needs of the individual.

2 “(2) A person may not be subjected to discrimination in any public ele-  
3 mentary, secondary or community college education program or service,  
4 school or interschool activity or in any higher education program or service,  
5 school or interschool activity where the program, service, school or activity  
6 is financed in whole or in part by moneys appropriated by the Legislative  
7 Assembly.

8 “(3) The State Board of Education, **the governing board of a public**  
9 **university with a governing board listed in section 3 of this 2013 Act**  
10 and the State Board of Higher Education shall establish rules necessary to  
11 ensure compliance with subsection (2) of this section in the manner required  
12 by ORS chapter 183.

13 **“SECTION 147.** ORS 659.855 is amended to read:

14 “659.855. (1) Any public elementary or secondary school determined by the  
15 Superintendent of Public Instruction or any community college determined  
16 by the Commissioner for Community College Services to be in noncompliance  
17 with provisions of ORS 659.850 and this section shall be subject to appro-  
18 priate sanctions, which may include withholding of all or part of state  
19 funding, as established by rule of the State Board of Education.

20 “(2) Any public university listed in ORS [352.002] **351.011** determined by  
21 the Chancellor of the Oregon University System to be in noncompliance with  
22 provisions of ORS 659.850 and this section shall be subject to appropriate  
23 sanctions, which may include withholding of all or part of state funding, as  
24 established by rule of the State Board of Higher Education.

25 **“(3) Any public university with a governing board listed in section**  
26 **3 of this 2013 Act determined by the Higher Education Coordinating**  
27 **Commission to be in noncompliance with the provisions of ORS 659.850**  
28 **and this section shall be subject to appropriate sanctions, which may**  
29 **include withholding of all or part of state funding, as established by**  
30 **rule of the commission.**

1        “[3] (4) Any public charter school determined by the sponsor of the  
2 school or the superintendent to be in noncompliance with the provisions of  
3 ORS 659.850 and this section shall be subject to appropriate sanctions, which  
4 may include the withholding of all or part of state funding by the sponsor  
5 or superintendent, as established by rule of the State Board of Education.

6        “**SECTION 148.** ORS 659.860 is amended to read:

7        “659.860. (1) Any person claiming to be aggrieved by unlawful discrimi-  
8 nation as prohibited by ORS 659.850 may file a civil action in circuit court  
9 for equitable relief or, subject to the terms and conditions of ORS 30.265 to  
10 30.300, damages, or both. The court may order such other relief as may be  
11 appropriate. Damages shall be \$200 or actual damages, whichever is greater.

12        “(2) The action authorized by this section shall be filed within one year  
13 of the filing of a grievance.

14        “(3) [*No action shall*] **An action may not** be filed unless, within 180 days  
15 of the alleged discrimination, a grievance has been filed with the school  
16 district board, public charter school governing body, community college  
17 board of education, **governing board of a public university** or State Board  
18 of Higher Education.

19        “(4) [*No action may*] **An action may not** be filed until 90 days after filing  
20 a grievance unless only injunctive relief is sought pursuant to ORCP 79. The  
21 right to temporary or preliminary injunctive relief shall be independent of  
22 the right to pursue any administrative remedy available to complainants  
23 pursuant to ORS 659.850.

24        “(5) [*No action may*] **An action may not** be filed if the school district  
25 board, public charter school governing body, community college board of  
26 education, **governing board of a public university** or State Board of  
27 Higher Education has obtained a conciliation agreement with the person  
28 filing the grievance or if a final determination of a grievance has been made  
29 except as provided in ORS 183.480.

30        “(6) Notwithstanding the filing of a grievance, pursuant to subsection (3)

1 of this section, any person seeking to maintain an action under this section  
2 shall also file a notice of claim within 180 days of the alleged discrimination  
3 as required by ORS 30.275.

4 “(7) The court shall award reasonable attorney fees to a prevailing  
5 plaintiff in any action under this section. The court may award reasonable  
6 attorney fees and expert witness fees incurred by a defendant who prevails  
7 in the action if the court determines that the plaintiff had no objectively  
8 reasonable basis for asserting a claim or no objectively reasonable basis for  
9 appealing an adverse decision of a trial court.

10 “(8) Nothing in this section is intended to reduce the obligations of the  
11 education agencies under this section and ORS 659.850 and 659.855.

12 **“SECTION 149.** ORS 660.358 is amended to read:

13 “660.358. (1) The State Workforce Investment Board, in consultation with  
14 the Governor, the Education and Workforce Policy Advisor and other parties  
15 deemed appropriate by the board and after consideration of the clean energy  
16 and energy efficiency policies of this state, shall develop a plan for a green  
17 jobs growth initiative to promote the development of emerging technologies  
18 and innovations that lead to, create or sustain family wage green jobs.

19 “(2) The plan for the initiative developed by the board shall:

20 “(a) Identify industries that are high demand green industries based on  
21 current and projected creation of family wage green jobs and the potential  
22 for career pathways created for such jobs.

23 “(b) Use the needs of identified high demand green industries as the basis  
24 for the planning of workforce development activities that promote the de-  
25 velopment of emerging green technologies and innovations. These activities  
26 include, but are not limited to, such efforts undertaken by community col-  
27 leges, [*the*] public universities [*of the Oregon University System*] **listed in**  
28 **ORS 352.002**, designated signature research centers, registered apprentice-  
29 ship programs and other private sector training programs.

30 “(c) Leverage and align existing public workforce development programs

1 and other public and private resources to the goal of recruiting, supporting,  
2 educating and training of targeted populations of workers.

3 “(d) Require the board to work collaboratively with stakeholders from  
4 business, labor and low income advocacy groups in the regional economy to  
5 develop and implement the initiative.

6 “(e) Link adult basic and remedial education programs with job training  
7 for skills necessary for green jobs.

8 “(f) Require the board to collaborate with employers and labor organiza-  
9 tions to identify skills and competencies necessary for green job career  
10 pathways.

11 “(g) Ensure that support services are integrated with education and  
12 training for green jobs and that such services are provided by organizations  
13 with direct access to and experience with targeted populations.

14 “(h) Include an analysis of occupations in the forest products industry to:

15 “(A) Determine key growth factors and employment projections for green  
16 jobs in the forest products industry; and

17 “(B) Define the educational and skill standards required for current and  
18 emerging green occupations in the forest products industry.

19 “(3) Based on the analysis conducted under subsection (2)(h) of this sec-  
20 tion, the State Workforce Investment Board, in consultation with the Edu-  
21 cation and Workforce Policy Advisor, shall identify those forest products  
22 industries to be classified as high-demand green industries, taking into con-  
23 sideration current and future job creation and the strategic importance of  
24 the development of high-demand green forest products industry jobs to the  
25 development and growth of the state’s green economy.

26 “(4) As used in this section, ‘forest products industry’ includes, but is not  
27 limited to, businesses that grow, manage, harvest, transport or process forest,  
28 wood and paper products.

29 **“SECTION 150.** ORS 820.100 is amended to read:

30 “820.100. (1) The State Board of Education shall adopt and enforce such

1 reasonable standards relating to school bus and school activity vehicle con-  
2 struction and school bus and school activity vehicle equipment as the board  
3 deems necessary for safe and economical operation, except that the board  
4 may not authorize the use of school buses manufactured before April 1, 1977.

5 “(2) The State Board of Higher Education **and the governing board of**  
6 **a public university with a governing board listed in section 3 of this**  
7 **2013 Act** may adopt and enforce separate rules of the type described under  
8 this section for school buses and school activity vehicles that are under the  
9 board’s jurisdiction, except that the board may not authorize the use of  
10 school buses manufactured before April 1, 1977.

11 “(3) The State Board of Education shall adopt and enforce standards for  
12 school bus stop arms authorized by ORS 820.105.

13 “(4) Rules adopted under this section:

14 “(a) Must be consistent with requirements established by statute or by  
15 rule adopted under statutory authority that relate to the same subject.

16 “(b) Shall be consistent with minimum uniform national standards, if such  
17 standards exist.

18 “(c) May include different requirements for different classes or types of  
19 school buses or school activity vehicles.

20 “(d) May include any exemptions determined appropriate under ORS  
21 820.150.

22 “**SECTION 151.** ORS 820.110 is amended to read:

23 “820.110. (1) The State Board of Education shall adopt and enforce rules  
24 to establish requirements of operation, qualifications or special training of  
25 drivers and special accident reports for school buses and school activity ve-  
26 hicles.

27 “(2) The State Board of Higher Education **and the governing board of**  
28 **a public university** may adopt and enforce separate rules of the type de-  
29 scribed under this section for school buses and school activity vehicles that  
30 are under its jurisdiction.

1 “(3) The rules adopted under this section:

2 “(a) Are subject to ORS 820.190 and 820.200 and to any other statute or  
3 regulation relating to the operation of vehicles, qualifications of drivers and  
4 accident reports.

5 “(b) Must be consistent with requirements established by statute or by  
6 rule adopted under statutory authority that relate to the same subject.

7 “(c) May include different requirements for different classes or types of  
8 school buses or school activity vehicles.

9 “(d) May include any exemptions determined appropriate under ORS  
10 820.150.

11 “(4) If the Department of Transportation suspends, cancels or revokes any  
12 driving privileges of a person who holds a school bus endorsement under  
13 ORS 807.035 (5), the Department of Transportation shall notify the Depart-  
14 ment of Education of the suspension, cancellation or revocation.

15 **“SECTION 152.** ORS 820.120 is amended to read:

16 “820.120. (1) The State Board of Education shall adopt and enforce rules  
17 to provide for the inspection of school buses and school activity vehicles to  
18 assure that the vehicles are in compliance with requirements under rules  
19 established under ORS 820.100 and 820.110, as applicable, and that the vehi-  
20 cles are safe for operation. The rules may include intervals of inspections.

21 “(2) The State Board of Higher Education **and the governing board of**  
22 **a public university** may adopt and enforce separate rules of the type de-  
23 scribed under this section for school buses and school activity vehicles that  
24 are under its jurisdiction.

25 “(3) The rules adopted under this section:

26 “(a) Are subject to any other statute or regulation relating to the safety  
27 of vehicles for operation and the inspection of vehicles.

28 “(b) May include different requirements for different classes or types of  
29 school buses or school activity vehicles.

30 “(c) May include any exemptions determined appropriate under ORS

1 820.150.

2 **“SECTION 153.** ORS 820.130 is amended to read:

3 “820.130. The Department of Transportation shall issue registration for a  
4 school bus when notified that the vehicle conforms to applicable rules under  
5 ORS 820.100 to 820.120 and that the vehicle is safe for operation on the  
6 highways. Notification required by this section shall be from:

7 “(1) The State Board of Education or its authorized representative re-  
8 garding vehicles under its regulatory authority.

9 “(2) The State Board of Higher Education or its authorized representative  
10 regarding vehicles under its jurisdiction.

11 **“(3) The governing board of a public university with a governing**  
12 **board listed in section 3 of this 2013 Act or the authorized represen-**  
13 **tative of the board regarding vehicles under the board’s jurisdiction.**

14 **“SECTION 154.** ORS 820.150 is amended to read:

15 “820.150. (1) The State Board of Education, by rule, may establish classes  
16 or types of vehicles that are not considered school buses or school activity  
17 vehicles for purposes of the Oregon Vehicle Code or classes of school buses  
18 or school activity vehicles that are not subject to regulation under the  
19 Oregon Vehicle Code either partially or completely.

20 “(2) The State Board of Higher Education **and the governing board of**  
21 **a public university** may adopt separate rules of the type described under  
22 this section for vehicles that are under its jurisdiction.

23 “(3) Rules adopted under this section are subject to the following:

24 “(a) Any exemption, either partial or total, established under this section  
25 may be based upon passenger capacity, on limited use or on any other basis  
26 the State Board of Education, **the governing board** or the State Board of  
27 Higher Education considers appropriate.

28 “(b) [No] **An** exemption, either partial or total, [*shall*] **may not** be es-  
29 tablished under this section for any vehicle that is marked with or displays  
30 the words ‘school bus.’

1 “(c) Any vehicle determined not to be a school bus under this section is  
2 not a school bus within the definition established under ORS 801.460. Partial  
3 exemptions established for vehicles under this section may include removal  
4 of the vehicle from any provisions relating to school buses under the vehicle  
5 code.

6 “(d) Any vehicle determined not to be a school activity vehicle under this  
7 section is not a school activity vehicle within the definition established un-  
8 der ORS 801.455. Partial exemptions established for vehicles under this sec-  
9 tion may include removal of the vehicle from any provisions relating to  
10 school activity vehicles under the vehicle code.

11 “(e) In considering any rules under this section, the boards shall consider  
12 the need to assure student safety.

13 **“SECTION 155.** Section 14, chapter 36, Oregon Laws 2012, is amended to  
14 read:

15 **“Sec. 14.** (1) For the purposes of this section:

16 “(a) ‘Achievement compact’ means an agreement entered into between the  
17 Oregon Education Investment Board and the governing body of an education  
18 entity as described in this section.

19 “(b) ‘Education entity’ means:

20 “(A) A school district, as defined in ORS 332.002;

21 “(B) An education service district operated under ORS chapter 334;

22 “(C) A community college district or community college service district  
23 operated under ORS chapter 341;

24 “(D) The Oregon University System established by ORS 351.011;

25 “(E) A public university [*of the Oregon University System, as*] listed in  
26 ORS 352.002; and

27 “(F) The health professions and graduate science programs of the Oregon  
28 Health and Science University operated under ORS chapter 353.

29 “(c) ‘Governing body of an education entity’ means:

30 “(A) For a school district, the school district board.

1 “(B) For an education service district, the board of directors of the edu-  
2 cation service district.

3 “(C) For a community college district or a community college service  
4 district, the board of education of the community college district.

5 “(D) For the Oregon University System, the State Board of Higher Edu-  
6 cation.

7 “(E) For a public university of the Oregon University System, the presi-  
8 dent of the university.

9 “(F) **For a public university with a governing board listed in section**  
10 **3 of this 2013 Act, the governing board of the university.**

11 “[~~F~~] (G) For the Oregon Health and Science University, the Oregon  
12 Health and Science University Board of Directors.

13 “(2)(a) Prior to the beginning of each fiscal year, the governing body of  
14 each education entity must enter into an achievement compact with the  
15 Oregon Education Investment Board for the fiscal year.

16 “(b) Governing bodies of education entities identified in subsection  
17 (1)(b)(A) to (C) of this section shall enter into achievement compacts as part  
18 of the budgeting process under ORS 294.305 to 294.565 and shall submit  
19 achievement compacts to the board prior to July 1 of each year.

20 “(c) The board shall specify a process for adoption and a timeline for  
21 submission of achievement compacts for education entities identified in sub-  
22 section (1)(b)(D) to (F) of this section.

23 “(d) The board shall provide to each school district a number quantifying  
24 the district’s estimated level of funding for the next fiscal year compared to  
25 the determination of funding needed to ensure that the state’s system of  
26 kindergarten through grade 12 public education meets the quality goals  
27 specified under ORS 327.506.

28 “(3)(a) The board shall establish the terms for achievement compacts.

29 “(b) The terms of an achievement compact may include:

30 “(A) A description of goals for outcomes that are consistent with the ed-

1 ucational goals identified in ORS 329.015, the findings described in ORS  
2 351.003 and the mission of education provided in ORS 351.009.

3 “(B) A description of the outcomes and measures of progress that will  
4 allow each education entity to quantify:

5 “(i) Completion rates for:

6 “(I) Critical stages of learning and programs of study;

7 “(II) The attainment of diplomas, certificates and degrees; and

8 “(III) Achieving the high school and post-secondary education goals es-  
9 tablished in ORS 351.009 and a projection of the progress needed to achieve  
10 those goals by 2025;

11 “(ii) Validations of the quality of knowledge and skills acquired by stu-  
12 dents of the education entity; and

13 “(iii) The relevance of the knowledge and skills acquired by the students  
14 of the education entity and the means by which those skills and knowledge  
15 will contribute to the workforce, the economy and society as described in  
16 state policy.

17 “(C) Other information suggested by the governing body of an education  
18 entity and approved by the board.

19 “(c) Notwithstanding the terms described in paragraph (b) of this sub-  
20 section, for an achievement compact entered into by an education entity  
21 identified in subsection (1)(b)(F) of this section, the terms of the achievement  
22 compact shall be limited to the enrollment of, and attainment of degrees by,  
23 Oregon residents in programs for which the state provides funding.

24 “(4)(a) The governing body of each education entity shall identify a target  
25 number and percentage of students for achievement of the outcomes, meas-  
26 ures of progress and goals specified in the achievement compact for the fiscal  
27 year.

28 “(b) The governing body of each education entity shall provide a target  
29 number and percentage of students for the aggregate of all disadvantaged  
30 subgroups, as defined by federal law or specified by rules adopted by the

1 board. The target number and percentage of students must reflect the edu-  
2 cation entity's goals of improving education outcomes for disadvantaged  
3 student groups and closing any student achievement gaps between disadvan-  
4 tagged student groups and other student groups.

5 “(5) As part of the process of entering into an achievement compact, the  
6 governing body of an education entity shall ensure that open communi-  
7 cations are provided to parents, students, teachers or faculty, employees,  
8 exclusive bargaining representatives and community representatives for the  
9 purposes of explaining and discussing the outcomes, measures of progress,  
10 goals and targets specified in the achievement compact for the fiscal year.  
11 The open communications must be provided during each education entity's  
12 public budget process.

13 “(6) The board shall specify the format of the achievement compacts and  
14 provide model achievement compacts to the governing body of each education  
15 entity.

16 “(7) The board may adopt a timeline and method for governing bodies of  
17 education entities to provide the board with a report at the end of a fiscal  
18 year that describes the achievements made by the education entities during  
19 the fiscal year. The report:

20 “(a) Must include disaggregated data for each disadvantaged student  
21 group specified by the board; and

22 “(b) May state achievements in numbers and percentages and in relation  
23 to the outcomes, measures of progress, goals and targets specified in the  
24 achievement compact for the fiscal year.

25 “**SECTION 156.** Section 13, chapter 761, Oregon Laws 2007, as amended  
26 by section 5, chapter 2, Oregon Laws 2009, section 93, chapter 762, Oregon  
27 Laws 2009, and section 32, chapter 2, Oregon Laws 2011, is amended to read:

28 “**Sec. 13.** (1) There is established in the General Fund an account to be  
29 known as the Portland State University Science Research and Teaching  
30 Center and Hazardous Waste Facility Account. Funds in the account shall

1 be used for the acquisition, construction, remodeling, expansion and reno-  
2 vation of facilities for a Science Research and Teaching Center and Hazard-  
3 ous Waste Facility Phase I at Portland State University.

4 “(2) The account shall consist of proceeds from certificates of partic-  
5 ipation, grant funds, gift funds, proceeds of legal settlements, federal and  
6 local government funds made available to and funds donated to [*the Oregon*  
7 *University System*] **Portland State University** for the purpose of the center  
8 and facility project described in subsection (1) of this section. Interest earned  
9 on moneys in the account shall be credited to the account. The account may  
10 not be credited with more than \$7,000,000 for purposes of this subsection.

11 “(3) Moneys in the account are continuously appropriated to [*the Oregon*  
12 *University System*] **Portland State University** and may be transferred to the  
13 account designated by [*ORS 351.626*] **the university** for the center and fa-  
14 cility project described in subsection (1) of this section.

15 “**SECTION 157.** Section 14, chapter 761, Oregon Laws 2007, as amended  
16 by section 94, chapter 762, Oregon Laws 2009, and section 33, chapter 2,  
17 Oregon Laws 2011, is amended to read:

18 “**Sec. 14.** (1) There is established in the General Fund an account to be  
19 known as the University of Oregon Integrative Science Complex, Phase 2  
20 Account. Funds in the account shall be used for the acquisition, con-  
21 struction, remodeling, expansion and renovation of facilities for an Interac-  
22 tive Science Complex, Phase 2 at the University of Oregon.

23 “(2) The account shall consist of grant funds, gift funds, federal and local  
24 government funds made available to and funds donated to the [*Oregon Uni-*  
25 *versity System*] **University of Oregon** for the purpose of the Interactive  
26 Science Complex, Phase 2 project described in subsection (1) of this section.  
27 Interest earned on moneys in the account shall be credited to the account.  
28 The account may not be credited with more than \$30,000,000 for purposes of  
29 this subsection.

30 “(3) Moneys in the account are continuously appropriated to the [*Oregon*

1 *University System*] **University of Oregon** and may be transferred to the ac-  
2 count designated by [ORS 351.626] **the university** for the Interactive Science  
3 Complex, Phase 2 project described in subsection (1) of this section.

4 **“SECTION 158.** Section 15, chapter 761, Oregon Laws 2007, as amended  
5 by section 95, chapter 762, Oregon Laws 2009, and section 34, chapter 2,  
6 Oregon Laws 2011, is amended to read:

7 **“Sec. 15.** (1) There is established in the General Fund an account to be  
8 known as the University of Oregon Hayward Field Account. Funds in the  
9 account shall be used for the purposes described in Article XI-G of the  
10 Oregon Constitution at Hayward Field at the University of Oregon.

11 “(2) The account shall consist of funds received from not-for-profit or-  
12 ganizations, grant funds, gift funds, federal and local government funds made  
13 available to and funds donated to the [*Oregon University System*] **University**  
14 **of Oregon** for the purpose of the Hayward Field project described in sub-  
15 section (1) of this section. Interest earned on moneys in the account shall  
16 be credited to the account. The account may not be credited with more than  
17 \$2,500,000 for purposes of this subsection.

18 “(3) Moneys in the account are continuously appropriated to the [*Oregon*  
19 *University System*] **University of Oregon** and may be transferred to the ac-  
20 count designated by [ORS 351.626] **the university** for the purposes described  
21 in subsection (1) of this section.

22 **“SECTION 159.** Section 17, chapter 761, Oregon Laws 2007, as amended  
23 by section 97, chapter 762, Oregon Laws 2009, and section 36, chapter 2,  
24 Oregon Laws 2011, is amended to read:

25 **“Sec. 17.** (1) There is established in the General Fund an account to be  
26 known as the Portland State University Science PCAT Redevelopment Ac-  
27 count. Funds in the account shall be used for the acquisition, construction,  
28 remodeling, expansion and renovation of facilities on the current site of the  
29 Portland Center for Advanced Technology at Portland State University.

30 “(2) The account shall consist of grant funds, gift funds, proceeds of legal

1 settlements, federal and local government funds made available to and funds  
2 donated to [*the Oregon University System*] **Portland State University** for  
3 the purpose of the project described in subsection (1) of this section. Interest  
4 earned on moneys in the account shall be credited to the account. The ac-  
5 count may not be credited with more than \$10,000,000 for purposes of this  
6 subsection.

7 “(3) Moneys in the account are continuously appropriated to [*the Oregon*  
8 *University System*] **Portland State University** and may be transferred to the  
9 account designated by [*ORS 351.626*] **the university** for the project described  
10 in subsection (1) of this section.

11 “**SECTION 160.** Section 22, chapter 904, Oregon Laws 2009, as amended  
12 by section 50, chapter 2, Oregon Laws 2011, and section 46, chapter 9, Oregon  
13 Laws 2011, is amended to read:

14 “**Sec. 22.** (1) There is established in the General Fund an account to be  
15 known as the Portland State University Science Research and Teaching  
16 Center/Hazardous Waste Facility Phase 2 Project Account. Funds in the ac-  
17 count shall be used for the acquisition, construction, remodeling, expansion  
18 and renovation of facilities for a facility project at [*Oregon*] **Portland State**  
19 **University**.

20 “(2) The account shall consist of proceeds from grant funds, gift funds and  
21 federal and local government funds made available to [*the Oregon University*  
22 *System*] **Portland State University** for the purpose of the facility project  
23 described in subsection (1) of this section. Interest earned on moneys in the  
24 account shall be credited to the account. The account may not be credited  
25 with more than \$2,500,000 for purposes of this subsection.

26 “(3) Moneys in the account are continuously appropriated to [*the Oregon*  
27 *University System*] **Portland State University** and may be transferred to the  
28 account designated by [*ORS 351.626*] **the university** for the facility project  
29 described in subsection (1) of this section.

30 “**SECTION 161.** Section 24, chapter 904, Oregon Laws 2009, as amended

1 by section 52, chapter 2, Oregon Laws 2011, and section 48, chapter 9, Oregon  
2 Laws 2011, is amended to read:

3 “**Sec. 24.** (1) There is established in the General Fund an account to be  
4 known as the University of Oregon Allen Hall Expansion and Remodel  
5 Project Account. Funds in the account shall be used for the acquisition,  
6 construction, remodeling, expansion and renovation of facilities for a facility  
7 project at the University of Oregon.

8 “(2) The account shall consist of proceeds from grant funds and gift funds  
9 made available to and funds donated to the [*Oregon University System*]  
10 **University of Oregon** for the purpose of the facility project described in  
11 subsection (1) of this section. Interest earned on moneys in the account shall  
12 be credited to the account. The account may not be credited with more than  
13 \$7,500,000 for purposes of this subsection.

14 “(3) Moneys in the account are continuously appropriated to the [*Oregon*  
15 *University System*] **University of Oregon** and may be transferred to the ac-  
16 count designated by [*ORS 351.626*] **the university** for the facility project  
17 described in subsection (1) of this section.

18 “**SECTION 162.** Section 3, chapter 797, Oregon Laws 2001, is amended to  
19 read:

20 “**Sec. 3.** Subject to available funding, if a building evaluated under sec-  
21 tion 2 (4), **chapter 797, Oregon Laws 2001**, [*of this 2001 Act*] is found by a  
22 board to pose an undue risk to life safety during a seismic event, the State  
23 Board of Higher Education, **governing board of a public university**, local  
24 school district board, community college board or education service district  
25 board, as appropriate, shall develop a plan for seismic rehabilitation of the  
26 building or for other actions to reduce the risk. For a board that is subject  
27 to ORS 291.224, the board’s plan to rehabilitate or take other action to re-  
28 duce the seismic risk of a building must be included in the capital con-  
29 struction program of the board. A board that is subject to ORS 291.224 shall  
30 rank the relative benefit of projects to reduce seismic risk in comparison

1 with other life safety and code requirement projects. Subject to availability  
2 of funding, all seismic rehabilitations or other actions to reduce seismic risk  
3 must be completed before January 1, 2032. If the building is listed on a na-  
4 tional or state register of historic places or properties or is designated as a  
5 landmark by local ordinance, the plan for seismic rehabilitation or other  
6 action shall be developed in a manner that gives consideration to preserving  
7 the character of the building.

8 **“SECTION 163. ORS 352.035, 352.048, 352.049, 352.051, 352.052 and**  
9 **352.053 are repealed.**

10 **“SECTION 164. Notwithstanding ORS 62.720, 351.506, 351.507, 351.508,**  
11 **351.532, 352.560, 567.010, 567.025, 567.030 and 759.445 and section 1, chap-**  
12 **ter 39, Oregon Laws 2012, and section 6, chapter 79, Oregon Laws 2012,**  
13 **if the president of Oregon State University notifies the Governor that**  
14 **the university will become a university with a governing board in the**  
15 **manner set forth in section 168 of this 2013 Act, any moneys provided**  
16 **or transferred by law to the Oregon University System or State Board**  
17 **of Higher Education for the benefit of or use by Oregon State Uni-**  
18 **versity shall be provided directly to Oregon State University.**

19 **“SECTION 165. Notwithstanding ORS 196.438, 351.350, 352.230,**  
20 **352.239, 352.247, 352.610, 526.225, 542.710, 561.364, 566.210, 567.005, 567.035,**  
21 **567.210, 567.260, 567.455, 567.505, 567.510 and 567.580, if the president of**  
22 **Oregon State University notifies the Governor that the university will**  
23 **become a university with a governing board in the manner set forth**  
24 **in section 168 of this 2013 Act, the university shall act independently,**  
25 **rather than under the direction, control or management of the State**  
26 **Board of Higher Education.**

27

28 **“ESTABLISHMENT OF SPECIAL COMMITTEE**

29

30 **“SECTION 166. (1) The Special Committee on University Adminis-**

1 **tration, Financial Sustainability and Shared Services is established,**  
2 **consisting of 10 members appointed as follows:**

3 **“(a) The President of the Senate shall appoint four members from**  
4 **among members of the Senate, taking into consideration the ge-**  
5 **ographic areas that will be most affected if local governance is granted**  
6 **to the Oregon Institute of Technology, Western Oregon University,**  
7 **Southern Oregon University and Eastern Oregon University.**

8 **“(b) The Speaker of the House of Representatives shall appoint four**  
9 **members from among members of the House of Representatives, tak-**  
10 **ing into consideration the geographic areas that will be most affected**  
11 **if local governance is granted to the Oregon Institute of Technology,**  
12 **Western Oregon University, Southern Oregon University and Eastern**  
13 **Oregon University.**

14 **“(c) The Governor shall appoint two members who are members of**  
15 **the Oregon Education Investment Board.**

16 **“(2) The special committee shall review, discuss and analyze:**

17 **“(a) Issues of administration within the state post-secondary edu-**  
18 **cation system with an emphasis on four-year public universities; and**

19 **“(b) Coordination of operations, academic programs, shared services**  
20 **and other elements of that system.**

21 **“(3) The special committee may recommend legislation establishing**  
22 **requirements and options for a shared services enterprise for post-**  
23 **secondary institutions in Oregon. Any plan for implementing a shared**  
24 **services enterprise or changing the relationships between institutions**  
25 **shall:**

26 **“(a) Consider whether local governance is appropriate at the Oregon**  
27 **Institute of Technology, Western Oregon University, Southern Oregon**  
28 **University and Eastern Oregon University.**

29 **“(b) Consider the unique missions associated with each of Oregon’s**  
30 **seven public universities and identify how these missions can best be**

1 accomplished and sustained over the next 10 years.

2 “(c) Define the operating arrangements between the institutions in  
3 order to ensure:

4 “(A) That post-secondary institutions listed in ORS 352.002 and  
5 Oregon’s 17 community colleges are able to achieve the policy goals  
6 listed in ORS 351.009;

7 “(B) The achievement of cost efficiencies, economies of scale, cost  
8 effectiveness, accountability, administrative streamlining and the  
9 ability to provide the best quality education possible for the amount  
10 of state dollars spent; and

11 “(C) That the public missions of Oregon’s public universities, in-  
12 cluding access and affordability for residents of this state, are main-  
13 tained and enhanced.

14 “(4) The shared services subject to review by the special committee  
15 shall include, but are not limited to, admissions application processing  
16 and standards, risk management, cash flow management, asset man-  
17 agement, financial aid processing and any other administrative and  
18 programmatic elements that may benefit from joint or concurrent  
19 implementation.

20 “(5) A majority of the members of the special committee constitutes  
21 a quorum for the transaction of business.

22 “(6) Official action by the special committee requires the approval  
23 of a majority of the members of the committee.

24 “(7) The special committee shall elect two of its members to serve  
25 as cochairpersons, one from the Senate and one from the House of  
26 Representatives.

27 “(8) If there is a vacancy for any cause, the appointing authority  
28 shall make an appointment to become immediately effective.

29 “(9) The special committee shall meet at times and places specified  
30 by the call of the cochairpersons or of a majority of the members of

1 the committee.

2 “(10) The special committee may adopt rules necessary for the op-  
3 eration of the committee.

4 “(11)(a) The special committee shall convene and begin work no  
5 later than September 15, 2013.

6 “(b) The special committee shall complete a first draft of its rec-  
7 ommendations and report to an interim committee of the Legislative  
8 Assembly related to education no later than December 15, 2013.

9 “(c) The special committee shall finalize and submit recommen-  
10 dations to the Governor and Legislative Assembly no later than Feb-  
11 ruary 1, 2014, for consideration during the 2014 regular Legislative  
12 Session.

13 “(12) The Legislative Administration Committee shall provide staff  
14 support to the special committee.

15 “(13) Members of the special committee who are not members of the  
16 Legislative Assembly are not entitled to compensation.

17 “(14) All agencies of state government, as defined in ORS 174.111,  
18 are directed to assist the special committee in the performance of its  
19 duties and, to the extent permitted by laws relating to confidentiality,  
20 to furnish such information and advice as the members of the com-  
21 mittee consider necessary to perform their duties.

22 “(15) The special committee may accept contributions of funds and  
23 assistance from any source, public or private, for the purposes of the  
24 consultation with national experts required by subsections (2) and (3)  
25 of this section.

26 “SECTION 167. Section 166 of this 2013 Act is repealed on the date  
27 of the convening of the 2014 regular session of the Legislative Assem-  
28 bly as specified in ORS 171.010.

29

30 “OPERATIVE DATE AND TRANSITIONAL PROVISIONS

1       **“SECTION 168. Not later than January 1, 2014, the president of**  
2 **Oregon State University may notify the Governor that the university**  
3 **will become a university with a governing board. If a timely notifica-**  
4 **tion is made to the Governor by the president of Oregon State Uni-**  
5 **versity:**

6       **“(1) Within two weeks after receiving the notification, the Governor**  
7 **shall inform the President of the Senate, the Speaker of the House of**  
8 **Representatives and the Legislative Counsel of the notification;**

9       **“(2) The Oregon State University governing board shall be estab-**  
10 **lished on January 1, 2014;**

11       **“(3) Not later than January 10, 2014, Oregon State University shall**  
12 **forward recommendations for candidates for the governing board to**  
13 **the Governor for consideration; and**

14       **“(4) Not later than February 1, 2014, the Governor shall appoint the**  
15 **members of the governing board in the manner set forth in section 6**  
16 **of this 2013 Act.**

17       **“SECTION 169. (1) The State Board of Higher Education shall con-**  
18 **tinue to have jurisdiction over the operations of a university with a**  
19 **governing board as defined in section 2 of this 2013 Act for the 2013-2014**  
20 **academic year. However, the governing board shall propose funding**  
21 **requests pursuant to ORS 351.052, as amended by section 42 of this 2013**  
22 **Act, and shall prepare budgets, in cooperation with the Higher Edu-**  
23 **cation Coordinating Commission, for the biennium beginning July 1,**  
24 **2015.**

25       **“(2) The president of a university with a governing board shall take**  
26 **over administrative responsibilities for the university from the State**  
27 **Board of Higher Education on a date of the president’s choosing that**  
28 **is no earlier than January 1, 2014, and no later than July 1, 2014.**

29       **“SECTION 170. (1) Except as otherwise expressly provided in this**  
30 **section, all persons employed by a university with a governing board,**

1 as defined in section 2 of this 2013 Act, on the effective date of this 2013  
2 Act shall continue their employment with the university and shall re-  
3 tain any seniority, contractual rights or tenure granted prior to the  
4 effective date of this 2013 Act. Nothing in this section shall affect any  
5 term or condition of any collective bargaining agreement in effect on  
6 the effective date of this 2013 Act.

7 “(2) All of the duties, functions, powers and lawfully incurred rights  
8 and obligations of the State Board of Higher Education that pertain  
9 to a university with a governing board are transferred to and vested  
10 in the governing board. The transfer shall include but not be limited  
11 to all applicable contractual rights and obligations and title to all ap-  
12 plicable records, property, supplies and materials, including equip-  
13 ment, books and papers. For the purpose of succession to these rights  
14 and obligations, the governing board is considered to be a continuation  
15 of the State Board of Higher Education and not a new authority, and  
16 the governing board must exercise such rights and fulfill such obli-  
17 gations as if they had not been assigned or transferred, except as  
18 otherwise provided by law.

19 “(3) All unexpended moneys, including but not limited to General  
20 Fund appropriations, gifts, bequests, other funds, assessments, liabil-  
21 ity and worker’s compensation reserves and premiums that are ap-  
22 propriated to, held, managed or invested by or on behalf of or  
23 otherwise available to a university with a governing board, are appro-  
24 priated and transferred to the university.

25 “(4) A university with a governing board shall conduct and complete  
26 any proceeding, action, prosecution or other matter that the univer-  
27 sity commenced before the effective date of this 2013 Act and that is  
28 pending on the effective date of this 2013 Act.

29 “(5) The transfer of duties, functions and powers to a governing  
30 board or university with a governing board does not affect any action,

1 suit or proceeding relating to the university, except that the university  
2 shall be substituted for the State Board of Higher Education and the  
3 State of Oregon in any such action, suit or proceeding.

4 “(6) Any action, proceeding or other matter that was commenced  
5 by a state agency, a state officer, the State Board of Higher Education  
6 or an officer or employee of the State Board of Higher Education be-  
7 fore the effective date of this 2013 Act and relates to the governing  
8 board or university with a governing board and is still pending on the  
9 effective date of this 2013 Act shall be conducted and completed by the  
10 governing board or university.

11 “(7) Nothing in this 2013 Act relieves any person, public entity or  
12 private entity of any obligation with respect to a tax, fee, fine or other  
13 charge, interest, penalty, forfeiture, rule, policy, document, record or  
14 proceeding.

15 “(8) Notwithstanding any other provision of this section, the law-  
16 fully adopted rules and policies of the State Board of Higher Education  
17 pertaining to a university with a governing board that are in effect  
18 on the effective date of this 2013 Act continue in effect until lawfully  
19 superseded or repealed by the rules or policies of the governing board  
20 or the university. References in rules or policies of the State Board  
21 of Higher Education to the state board or an officer or employee of the  
22 state board are considered to be references to the governing board or  
23 an officer or employee of a university with a governing board.

24 “SECTION 171. Sections 1 to 23, 164, 165, 169 and 170 of this 2013 Act,  
25 the amendments to statutes and session laws by sections 24, 25, 28 to  
26 37 and 40 to 162 of this 2013 Act and the repeal of statutes by section  
27 163 of this 2013 Act become operative on January 1, 2014.

28 “SECTION 172. (1) The State Board of Higher Education and a uni-  
29 versity with a governing board as defined in section 2 of this 2013 Act  
30 may take any action before the operative date specified in section 171

1 of this 2013 Act that is necessary for the State Board of Higher Edu-  
2 cation and the university to exercise, on and after the operative date  
3 specified in section 171 of this 2013 Act, all of the duties, functions and  
4 powers conferred on the State Board of Higher Education and univer-  
5 sity by this 2013 Act.

6 “(2) Before the operative date specified in section 171 of this 2013  
7 Act, the president of Oregon State University may inform the Gover-  
8 nor of the university’s decision to establish a governing board in the  
9 manner set forth in section 168 of this 2013 Act.

10 “(3) If Oregon State University notifies the Governor of the  
11 university’s decision to establish a governing board before January 1,  
12 2014, the Governor may appoint members to the governing board be-  
13 fore the operative date specified in section 171 of this 2013 Act.

14

15 “CAPTIONS

16

17 “SECTION 173. The unit captions used in this 2013 Act are provided  
18 only for the convenience of the reader and do not become part of the  
19 statutory law of this state or express any legislative intent in the  
20 enactment of this 2013 Act.

21

22 “EMERGENCY CLAUSE

23

24 “SECTION 174. This 2013 Act being necessary for the immediate  
25 preservation of the public peace, health and safety, an emergency is  
26 declared to exist, and this 2013 Act takes effect on its passage.”.

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