

**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, 33.710, 36.145, 36.150, 36.155, 174.117, 184.631, 192.501, 238.005, 238.200,  
4 238.215, 238A.005, 243.107, 243.800, 243.820, 243.850, 243.910, 244.050, 270.110,  
5 276.610, 276.612, 279A.025, 287A.001, 291.055, 291.357, 292.043, 292.044, 297.250,  
6 307.090, 307.095, 307.110, 307.112, 340.310, 341.440, 343.961, 344.259, 344.753,  
7 348.010, 348.205, 348.282, 348.283, 348.470, 348.603, 348.890, 348.900, 351.011,  
8 351.015, 351.020, 351.047, 351.052, 351.054, 351.062, 351.063, 351.065, 351.067,  
9 351.070, 351.085, 351.094, 351.105, 351.110, 351.155, 351.165, 351.205, 351.300,  
10 351.310, 351.340, 351.509, 351.511, 351.517, 351.518, 351.519, 351.521, 351.538,  
11 351.539, 351.590, 351.626, 351.628, 351.638, 351.642, 351.643, 351.644, 351.646,  
12 351.658, 351.692, 351.695, 351.697, 351.718, 351.735, 352.002, 352.006, 352.010,  
13 352.012, 352.043, 352.046, 352.066, 352.068, 352.071, 352.074, 352.245, 352.360,  
14 353.440, 357.004, 408.095, 408.506, 430.651, 471.580, 659.850, 659.855, 659.860,  
15 660.358, 820.100, 820.110, 820.120, 820.130, 820.140, 820.150, 820.160 and 820.180  
16 and section 3, chapter 797, Oregon Laws 2001, sections 13, 14, 15 and 17,  
17 chapter 761, Oregon Laws 2007, sections 22 and 24, chapter 904, Oregon Laws  
18 2009, and section 14, chapter 36, Oregon Laws 2012; repealing ORS 352.035,  
19 352.048, 352.049, 352.051, 352.052 and 352.053; 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, acting by and through the governing board.**

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) ‘State bonds’ means ‘bonds’ as defined in ORS 286A.001 that are  
7 issued by the State Treasurer.

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

11 “SECTION 2a. A university with a governing board is a govern-  
12 mental entity performing governmental functions and exercising gov-  
13 ernmental powers. A university with a governing board is not  
14 considered a unit of local or municipal government or a state agency,  
15 board, commission or institution for purposes of state statutes or  
16 constitutional provisions.

17 “SECTION 2b. (1) A university with a governing board is created to  
18 carry out public missions and services in keeping with principles of  
19 public accountability and fundamental public policy, guided by the  
20 legislative findings in ORS 351.001 and 351.003 and consistent with the  
21 goals and mission described in ORS 351.006 and 351.009.

22 “(2) A university with a governing board is an independent public  
23 body with statewide purposes and missions and without territorial  
24 boundaries. A university with a governing board shall exercise and  
25 carry out all of the powers, rights and privileges, within and outside  
26 this state, that are expressly conferred upon the university with a  
27 governing board, or that are implied by law or are incident to such  
28 powers, rights and duties.

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

1       “(a) University of Oregon;

2       “(b) Portland State University; and

3       “(c) Oregon State University, if the president of Oregon State Uni-  
4       versity notifies the Governor that the university will become a uni-  
5       versity with a governing board in the manner set forth in section 168  
6       or 168b of this 2013 Act.

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

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

11      “(c) The Oregon State University governing board shall be known  
12      as the Board of Trustees of Oregon State University, if the president  
13      of Oregon State University notifies the Governor that the university  
14      will become a university with a governing board in the manner set  
15      forth in section 168 or 168b of this 2013 Act.

16      “SECTION 4. Upon a request to the Governor by the president of  
17      Eastern Oregon University, Oregon Institute of Technology, Southern  
18      Oregon University or Western Oregon University to establish a gov-  
19      erning board for the university, or upon a request made by the presi-  
20      dent of Oregon State University after January 1, 2014, to establish such  
21      a board, the Higher Education Coordinating Commission shall:

22      “(1) Evaluate and determine whether:

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

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

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

29      “(2) Make recommendations to the Legislative Assembly as to  
30      whether, in addition to the public universities with governing boards

1 listed in section 3 of this 2013 Act, a governing board should be estab-  
2 lished for the university.

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

9 **“(2) The evaluation must include:**

10 **“(a) A report on the university’s achievement of outcomes, meas-  
11 ures of progress, goals and targets as described in the university’s  
12 achievement compact with the Oregon Education Investment Board;**

13 **“(b) An assessment of the university’s progress toward achieving  
14 the mission of all education beyond high school as described in ORS  
15 351.009; and**

16 **“(c) An assessment as to how well the establishment of a governing  
17 board at the university comports with the findings set forth in section  
18 1 of this 2013 Act.**

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

21 **“(2)(a) Except as provided in subsection (3) of this section, the  
22 Governor shall appoint all of the 11 to 15 members of the governing  
23 board, subject to confirmation by the Senate in the manner provided  
24 in ORS 171.562 and 171.565.**

25 **“(b) The governing board must include one person who is a student  
26 enrolled at the university.**

27 **“(c) The governing board must include one person who is a member  
28 of the faculty of the university. The faculty member shall be a non-  
29 voting member of the governing board.**

30 **“(3) The president of the university shall be an ex officio nonvoting**

1 member of the governing board.

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

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

6 “(c) A member of the governing board may not be appointed to  
7 serve more than two consecutive full terms.

8 “(d) The Governor may remove any appointed member of the gov-  
9 erning board at any time for cause, after notice and public hearing,  
10 but may not remove more than three members within a period of four  
11 years, unless it is for corrupt conduct in office.

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

14 “(5) The governing board shall select one of its members as chair-  
15 person and another as vice chairperson for such terms and with duties  
16 and powers as the board considers necessary for the performance of  
17 the functions of those offices. The governing board shall adopt bylaws  
18 concerning how a quorum is constituted and when a quorum is nec-  
19 essary.

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

23 “SECTION 7. Notwithstanding the term of office specified in section  
24 6 of this 2013 Act, the initial term of a member appointed to a gov-  
25 erning board by the Governor may be adjusted so that one-half, as  
26 nearly as possible, of the members of the board are appointed  
27 biennially.

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

1       **“(2) The governing board shall adopt a mission statement for the**  
2 **university, and shall forward the statement to the Higher Education**  
3 **Coordinating Commission for approval.**

4       **“(3) A university with a governing board shall submit any signif-**  
5 **icant change in the university’s academic programs to the Higher**  
6 **Education Coordinating Commission for approval. The commission**  
7 **shall establish, by rule, what constitutes a significant change to a**  
8 **university’s academic program. The commission shall further ensure**  
9 **that approved programs:**

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

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

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

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

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

21       **“(b) Pursuant to ORS 351.052, the Higher Education Coordinating**  
22 **Commission shall submit a funding request to the Governor on behalf**  
23 **of all public universities listed in ORS 352.002.**

24       **“(c) The Governor’s biennial budget submitted to the Legislative**  
25 **Assembly may include funding requests from public universities, in-**  
26 **cluding universities with governing boards. An appropriation made by**  
27 **the Legislative Assembly must specify that the moneys be appropri-**  
28 **ated to the Higher Education Coordinating Commission for distrib-**  
29 **ution to public universities listed in ORS 352.002.**

30       **“(5) As part of a funding request submitted under subsection (4) of**

1 this section, a university with a governing board may request, and  
2 appropriations may include, funding for education and general oper-  
3 ations, statewide public services, state-funded debt service, capital  
4 improvements, deferred maintenance, special initiatives and invest-  
5 ments. Any moneys appropriated to pay debt service for state bonds  
6 must be held by the State Treasurer pursuant to an agreement entered  
7 into by the State Treasurer and a university with a governing board  
8 under section 15 (2) of this 2013 Act.

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

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

14 **“(2) The president of the university is the president of the faculty.**  
15 **The president is also the executive and governing officer of the uni-**  
16 **versity, except as otherwise provided by statute or action of the gov-**  
17 **erning board. Subject to the supervision of the governing board, the**  
18 **president of the university has authority to direct the affairs of the**  
19 **university.**

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

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

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



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

5       **“(2) The governing board shall establish a process for determining**  
6 **tuition and mandatory enrollment fees. The process must provide for**  
7 **participation of enrolled students and the recognized student govern-**  
8 **ment of the university.**

9       **“(3) The governing board shall request that the president of the**  
10 **university transmit to the board the joint recommendation of the**  
11 **president and the recognized student government before the board**  
12 **authorizes, establishes or eliminates any incidental fees for programs**  
13 **under the supervision or control of the board and found by the board**  
14 **to be advantageous to the cultural or physical development of stu-**  
15 **dents.**

16       **“(4) In determining tuition and mandatory enrollment fees for**  
17 **undergraduate students who are enrolled in a degree program and are**  
18 **qualified to pay resident tuition:**

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

22       **“(A) The Higher Education Coordinating Commission; or**

23       **“(B) The Legislative Assembly.**

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

30       **“(5) The governing board may not delegate authority to determine**

1 tuition and mandatory enrollment fees for undergraduate students  
2 who are enrolled in a degree program and are qualified to pay resident  
3 tuition.

4 **“SECTION 11. (1) A university with a governing board may:**

5 **“(a) Acquire, receive, hold, keep, pledge, control, convey, manage,**  
6 **use, lend, expend and invest all moneys, appropriations, gifts, be-**  
7 **quests, stock and revenue from any source.**

8 **“(b) Borrow money for the needs of the university in such amounts**  
9 **and for such time and upon such terms as may be determined by the**  
10 **university or the governing board.**

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

18 **“(d) Establish, collect and use charges, fines and fees for services,**  
19 **facilities, operations and programs.**

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

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

1       “(g) Establish employee benefit plans of any type, subject to ORS  
2 351.094.

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

5       “(i) Spend all available moneys without appropriation or expendi-  
6 ture limitation approval from the Legislative Assembly, except for  
7 moneys received by a university with a governing board pursuant to  
8 a funding request submitted under section 8 (4) of this 2013 Act and  
9 the proceeds of state bonds issued for the benefit of a university with  
10 a governing board. The proceeds of state bonds issued for the benefit  
11 of a university with a governing board must be held pursuant to an  
12 agreement entered into by the State Treasurer and a university with  
13 a governing board under section 15 (2) of this 2013 Act. The provisions  
14 of ORS 351.450, 351.455 and 351.460 do not apply to state bonds issued  
15 for the benefit of a university with a governing board pursuant to  
16 Article XI-F(1) or XI-G of the Oregon Constitution.

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

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

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

27       “(m) Establish policies for the organization, administration and  
28 development of the university which, to the extent set forth in those  
29 policies, shall have the force of law and may be enforced through  
30 university procedures that include an opportunity for appeal and in

1 any court of competent jurisdiction.

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

4 “(o) Hire or retain attorneys for the provision of all legal services.  
5 A university with a governing board shall reimburse the State Treas-  
6 urer for legal fees incurred in connection with state bonds issued at  
7 the request of the university.

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

12 “(q) Subject to the procedures set forth in section 8 of this 2013 Act,  
13 establish, supervise and control academic and other programs, units  
14 of operation and standards, qualifications, policies and practices re-  
15 lating to university matters such as admissions, curriculum, grading,  
16 student conduct, credits, scholarships and the granting of academic  
17 degrees, certificates and other forms of recognition.

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

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

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

24 “(2) The budget for a university with a governing board shall be  
25 prepared in accordance with generally accepted accounting principles  
26 and adopted by the governing board in accordance with ORS 192.610  
27 to 192.710.

28 “(3) A governing board or university with a governing board may  
29 perform any other acts that in the judgment of the board or university  
30 are required, necessary or appropriate to accomplish the rights and

1 responsibilities granted to the board or university by law.

2 **“SECTION 12. (1) Legal title to all real property acquired by a uni-**  
3 **versity with a governing board shall be taken and held in the name**  
4 **of the State of Oregon, acting by and through the governing board.**  
5 **Legal title to all real property conveyed to a university with a gov-**  
6 **erning board is considered to be conveyed to and vested in the State**  
7 **of Oregon, acting by and through the governing board. Authorized**  
8 **conveyances of all real property, other than university lands, acquired**  
9 **by or vested in the State of Oregon for the use or benefit of the uni-**  
10 **versity must be executed in the name of the State of Oregon, acting**  
11 **by and through the governing board, by the chairperson of the gov-**  
12 **erning board.**

13 **“(2) The governing board has custody and control of and shall care**  
14 **for all real property used for university purposes. Management,**  
15 **maintenance, disposal and preservation of all real property used for**  
16 **university purposes, whether the real property is acquired before or**  
17 **after the establishment of a governing board, is the responsibility of**  
18 **the governing board. Real property taken and held under this section**  
19 **may only be encumbered by the State of Oregon in accordance with**  
20 **state law and in a manner that would not impair the financial condi-**  
21 **tion of the university or the rights of the holders of any obligations**  
22 **of the university issued or incurred under any master indenture or**  
23 **other financing agreement.**

24 **“(3) Unless the State Treasurer has granted prior consent, real or**  
25 **personal property held in the name of the State of Oregon, or in which**  
26 **the State of Oregon has an ownership or other legal interest, that was**  
27 **acquired, constructed, improved with or otherwise directly benefited**  
28 **by the proceeds of outstanding state bonds, may not be:**

29 **“(a) Used by a governing board in a manner that would give rise to**  
30 **private business use; or**

1       “(b) Sold, transferred, encumbered, leased or otherwise disposed of  
2 by a governing board. The reference to leases in this paragraph does  
3 not apply to residential leases that a governing board enters into with  
4 students, faculty or employees of the university.

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

7       “(a) Police, control and regulate traffic and parking of vehicles on  
8 university property.

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

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

26       “(2) A university with a governing board, acting by and through its  
27 special campus security officers, is a criminal justice agency for pur-  
28 poses of rules adopted pursuant to ORS 181.730 (3).

29       “SECTION 14. (1) A university with a governing board shall engage  
30 in collective bargaining with local bargaining organizations of the

1 employees of the university.

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

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

14 “SECTION 15. (1) All moneys collected or received by a university  
15 with a governing board, placed to the credit of the governing board  
16 and remaining unexpended and unobligated on the date that the board  
17 is established, and all moneys collected or received by a university  
18 with a governing board after the date that the governing board is es-  
19 tablished, may be:

20 “(a) Deposited into one or more accounts established by the board  
21 in depositories insured by the Federal Deposit Insurance Corporation  
22 or the National Credit Union Share Insurance Fund, and the governing  
23 board shall ensure that sufficient collateral secures any amount of  
24 funds on deposit that exceeds the limits of the coverage of the Federal  
25 Deposit Insurance Corporation or the National Credit Union Share  
26 Insurance Fund; and

27 “(b) Held, kept, pledged, controlled, conveyed, managed, used,  
28 loaned, expended and invested as set forth in sections 10 and 11 of this  
29 2013 Act.

30 “(2) Upon a request by the State Treasurer, a university with a

1 governing board shall enter into a written agreement with the state  
2 that provides for the State Treasurer to receive, hold, keep, manage  
3 and invest any amounts under the control of the university that the  
4 State Treasurer determines should be held by the State Treasurer to  
5 provide for payment of state bonds and other state obligations that  
6 are to be paid from appropriations described in section 8 (5) of this 2013  
7 Act, revenues of the university or other moneys under the control of  
8 the university. The agreement may, at the request of the State  
9 Treasurer, require the university to pay the costs incurred by the  
10 State Treasurer in connection with entering into and carrying out the  
11 agreement.

12 “(3) Upon a request by a university with a governing board, the  
13 State Treasurer may receive, hold, keep, manage and invest any or all  
14 moneys, appropriations, gifts, bequests or revenues of the university  
15 from any source in accordance with an agreement described in sub-  
16 section (2) of this section and with the policies and procedures estab-  
17 lished by the State Treasurer, including the recoument 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, 33.710, 33.720, 200.005 to 200.025, 200.045 to



1 200.090, 236.605 to 236.640, 276.080, 279.835, 279.840, 279.850, 297.040, 307.090  
2 and 307.112 and ORS chapters 35, 190, 192 and 244 apply to a university  
3 with a governing board under the same terms as they apply to public  
4 bodies other than 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, 295 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) If state bonds are issued for the benefit of a university with  
13 a governing board, the university shall have the powers and duties of  
14 a related agency as defined in ORS 286A.001 to the extent necessary for  
15 the issuance of such state bonds and the administration of the pro-  
16 ceeds of the bonds.

17 “(11) Nothing in this section may be construed so that statutory  
18 provisions that are not set forth in this section apply to a university  
19 with a governing board.

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

27 “SECTION 18. The president and professors constitute the faculty  
28 and as such have the immediate government and discipline of a uni-  
29 versity with a governing board and the students therein, except as  
30 otherwise provided by law or action of the governing board. The fac-

1 **ulty may, subject to the supervision of the governing board and sec-**  
2 **tion 8 of this 2013 Act, prescribe the course of study to be pursued in**  
3 **the university and the textbooks to be used.**

4  
5 **“BONDING AUTHORITY OF GOVERNING BOARDS**

6  
7 **“SECTION 19. As used in sections 19 to 23 of this 2013 Act:**

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

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

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

14 **“(A) Redeeming revenue bonds.**

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

17 **“(C) Paying the fees, administrative costs and expenses of a uni-**  
18 **versity with a governing board related to revenue bonds, including, but**  
19 **not limited to, the costs of consultants, bond trustees, remarketing**  
20 **agents, escrow agents, arbitrage rebate consultants, calculation agents**  
21 **and advisers retained by the university.**

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

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

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

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

29 **“(2) ‘Credit enhancement device’ means an agreement or contrac-**  
30 **tual relationship between a university with a governing board and a**

1 bank, trust company, insurance company, surety bonding company,  
2 pension fund or other financial institution or entity providing addi-  
3 tional credit on or security for a revenue bond.

4 “(3) ‘For the benefit of a university with a governing board’ means,  
5 in relation to state bonds:

6 “(a) Before the effective date of this 2013 Act, the portion of the  
7 proceeds of the state bonds that was used to finance property, projects  
8 or liabilities on behalf of the State Board of Higher Education and for  
9 the benefit of a university with a governing board in pursuing the  
10 purposes and missions of the university.

11 “(b) On or after the effective date of this 2013 Act, the portion of  
12 the proceeds of the state bonds a university with a governing board is  
13 eligible to receive under section 20 of this 2013 Act to finance property,  
14 projects or liabilities on behalf of and for the benefit of a university  
15 with a governing board in pursuing the purposes and missions of the  
16 university.

17 “(4) ‘Obligation’ means:

18 “(a) A revenue bond;

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

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

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

25 “(6) ‘Pledge’ means:

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

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

28 “(7) ‘Revenue’ means tuition, fees, charges, rents, revenues, inter-  
29 est, dividends, receipts and other income of a university with a gov-  
30 erning board, except moneys received by the university from taxes

1 collected by the State of Oregon.

2 “(8) ‘Revenue bond’:

3 “(a) Means a contractual undertaking or instrument of a university  
4 with a governing board to repay borrowed moneys, which undertaking  
5 or instrument is secured by a pledge of all or part of the revenue of  
6 the university.

7 “(b) Does not mean a credit enhancement device or a state bond.

8 **“SECTION 20. (1) A university with a governing board may elect to**  
9 **remain eligible to receive proceeds of state bonds. If a university with**  
10 **a governing board requests the State Treasurer to issue state bonds**  
11 **for the benefit of the university with a governing board that are au-**  
12 **thorized under Article XI-F(1) or XI-Q of the Oregon Constitution or**  
13 **ORS 283.085 to 283.092, and the state bonds are intended to be repaid**  
14 **in whole or in part by university revenues or other moneys under the**  
15 **control of the university, the State Treasurer must review and approve**  
16 **all plans to issue revenue bonds of the university and to execute other**  
17 **obligations related to the revenue bonds.**

18 “(2) The State Treasurer shall limit the scope of review and ap-  
19 proval under subsection (1) of this section to consideration of periodic  
20 cash flow projections and other information necessary to determine  
21 the sufficiency of the cash flow of the university with a governing  
22 board to pay any loans from state agencies funded with the proceeds  
23 of state bonds and to pay bond-related costs for:

24 “(a) State bonds issued for the benefit of the university with a  
25 governing board pursuant to Article XI-F(1) or XI-Q of the Oregon  
26 Constitution or ORS 283.085 to 283.092; and

27 “(b) Revenue bonds issued pursuant to sections 19 to 23 of this 2013  
28 Act.

29 “(3) A university with a governing board that issues revenue bonds  
30 of the university, or executes other obligations related to the revenue

1 bonds, without the approval of the State Treasurer as provided in  
2 subsection (2) of this section is not eligible to receive proceeds of the  
3 state bonds described in subsection (1) of this section and that are in-  
4 tended to be repaid in whole or in part by university revenues or other  
5 moneys under the control of the university on or after the effective  
6 date of this 2013 Act.

7 “(4) For the purposes of ORS chapter 286A, a university with a  
8 governing board has the powers and duties of a related agency as de-  
9 scribed in section 16 (10) of this 2013 Act with respect to state bonds  
10 that:

11 “(a) Were issued before the effective date of this 2013 Act for the  
12 benefit of a university with a governing board and that remain out-  
13 standing; and

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

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

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

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

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

24 “(3) ORS 287A.150 does not apply to revenue bonds issued by a uni-  
25 versity with a governing board.

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

27 “(a) May grant leases of real property held by a trustee or lender  
28 for a term that ends on the date on which all amounts due under the  
29 operative documents have been paid, or provision for payment has  
30 been made, or for a term of up to 20 years after the last scheduled

1 payment under the operative documents, whichever is sooner. The  
2 leases may grant the trustee or lender the right to evict the university  
3 and exclude the university from possession of the real property for the  
4 term of the lease if the university fails to pay when due the amounts  
5 scheduled to be paid under the operative documents or otherwise de-  
6 faults under the operative documents. Upon default, the trustee or  
7 lender may sublease the real property to third parties and apply any  
8 rents to payments scheduled to be made under the operative docu-  
9 ments.

10 “(b) May not mortgage, pledge or grant a security interest in, or  
11 otherwise encumber, real or personal property that has been pledged  
12 or leased to provide security for, or acquired, constructed, improved  
13 with, or otherwise directly benefited by, the proceeds of outstanding  
14 state bonds, except as provided in section 12 (3) of this 2013 Act.

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

16 “(a) Are revenue bonds or obligations of a political subdivision of  
17 the State of Oregon.

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

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

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

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

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

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

3       **“SECTION 23. (1) Sections 19 to 23 of this 2013 Act do not impair**  
4 **the obligations or agreements of the State of Oregon or the State**  
5 **Board of Higher Education with respect to state bonds issued before**  
6 **the effective date of this 2013 Act for the benefit of a university with**  
7 **a governing board.**

8       **“(2) A university with a governing board and the Oregon University**  
9 **System shall take all actions necessary to ensure full compliance with**  
10 **the operative documents executed with respect to state bonds issued**  
11 **before, on or after the effective date of this 2013 Act by the State**  
12 **Treasurer for the benefit of the university with a governing board.**

13       **“(3) The State Treasurer and the Oregon University System shall**  
14 **promptly provide a university that acquires a governing board with a**  
15 **schedule of outstanding state bonds and other obligations for which**  
16 **the university must pay, including the payment dates and amounts,**  
17 **or methods for determining the amounts. The schedule must include**  
18 **amounts sufficient to pay principal, interest and premium, if any, on**  
19 **the state bonds, and to pay administrative and other costs of the State**  
20 **of Oregon that are related to the state bonds or other obligations. If**  
21 **the State Treasurer issues state bonds for the benefit of a university**  
22 **with a governing board on or after the effective date of this 2013 Act**  
23 **that are intended to be repaid in whole or in part by university reve-**  
24 **nues or other moneys under the control of the university, the schedule**  
25 **shall be amended to include such state bonds and the amounts to be**  
26 **paid by the university. In the absence of manifest error, the schedule**  
27 **provided by the State Treasurer and the Oregon University System to**  
28 **a university with a governing board is binding on the university. The**  
29 **university with a governing board shall pay the amounts specified in**  
30 **the schedule provided by the State Treasurer and the Oregon Univer-**



1 sity System on or before the dates specified in the schedule from the  
2 first legally available revenue of the university.

3 “(4) At the request of the State Treasurer, a university with a  
4 governing board shall provide the State Treasurer with periodic cash  
5 flow projections and other information that allow the State Treasurer  
6 to review and approve the sufficiency of the university’s cash flow to  
7 pay amounts specified in the schedule described in subsection (3) of  
8 this section and to pay amounts owed under loans from state agencies  
9 that were funded with the proceeds of state bonds.

10 “(5) Moneys deposited with the State Treasurer, the Controller of  
11 the Oregon University System or the Oregon Department of Adminis-  
12 trative Services in a debt service reserve account or otherwise for the  
13 portion of the debt service associated with obligations entered into  
14 before the effective date of this 2013 Act for the benefit of a university  
15 with a governing board must remain with the State Treasurer, the  
16 Controller of the Oregon University System or the Oregon Department  
17 of Administrative Services until the obligations have been retired or  
18 defeased. Earnings on moneys described in this subsection must be  
19 credited to the account or fund in which the moneys are held.

20 “(6) The principal, interest, premium, if any, and any issuance costs  
21 of state bonds issued before, on or after the effective date of this 2013  
22 Act for the benefit of a university with a governing board, and any  
23 related credit enhancement device or interest rate exchange agree-  
24 ment, shall be paid from the sources identified in the laws and opera-  
25 tive documents authorizing the state bonds. The university with a  
26 governing board for which the state bonds were issued shall pay any  
27 other expenses and liabilities, including, but not limited to, legal ex-  
28 penses arising from an inquiry, audit or other action by a federal or  
29 state regulatory body, unless the expense or liability results solely  
30 from the negligence or willful misconduct of a state agency.

1       “(7) Pursuant to ORS chapter 180, on behalf of the State Treasurer  
2 or any other state agency, the Attorney General shall appear, com-  
3 mence, prosecute or defend any action, suit, matter, cause or pro-  
4 ceeding arising from any state bond issued for the benefit of a  
5 university with a governing board and any related credit enhancement  
6 device or interest rate exchange agreement. As soon as practicable  
7 after a governing board is established by a university pursuant to  
8 section 3 of this 2013 Act, the university with a governing board and  
9 the State Treasurer shall enter into an agreement that addresses re-  
10 imbursement of reasonable costs and expenses associated with the le-  
11 gal representation of the State Treasurer in connection with state  
12 bonds issued for the benefit of the university with a governing board  
13 before, on or after the effective date of this 2013 Act and any other  
14 topic necessary for the Department of Justice to provide legal repre-  
15 sentation to the State Treasurer in connection with state bonds issued  
16 for the benefit of the university with a governing board and to provide  
17 representation related to funds and accounts or services provided un-  
18 der section 15 of this 2013 Act.

19       “(8) A university with a governing board shall assume responsibil-  
20 ity, in accordance with agreements entered into with the Department  
21 of Justice and the State Treasurer, for the indemnity and defense of  
22 university officers, agents and employees with regard to, as applicable,  
23 claims asserted and actions commenced in connection with state bonds  
24 issued for the benefit of the university with a governing board.

25

26

#### “STATUTORY AMENDMENTS

27

28       “SECTION 24. ORS 352.002 is amended to read:

29       “352.002. *[The Oregon University System established in ORS 351.011 con-*  
30 *sists of the following public universities under the jurisdiction of the State*

1 *Board of Higher Education*] **The following are established as public uni-**  
2 **versities in the State of Oregon:**

3 “(1) University of Oregon.

4 “(2) Oregon State University.

5 “(3) Portland State University.

6 “(4) Oregon Institute of Technology.

7 “(5) Western Oregon University.

8 “(6) Southern Oregon University.

9 “(7) Eastern Oregon University.

10 **“SECTION 25.** ORS 351.011 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[, *the public universities listed in ORS 352.002 and any re-*  
14 *lated offices, departments or activities.*] **and the following public universi-**  
15 **ties, and any related offices, departments or activities:**

16 “(a) **Oregon State University.**

17 “(b) **Oregon Institute of Technology.**

18 “(c) **Western Oregon University.**

19 “(d) **Southern Oregon University.**

20 “(e) **Eastern Oregon University.**

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

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

1 erwise expressly provided by law.

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

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

6 “351.011. (1) The Oregon University System is established as a public  
7 university system, consisting of the office of the Chancellor of the Oregon  
8 University System and the following public universities, and any related of-  
9 fices, departments or activities:

10 “[*a*] *Oregon State University.*]

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

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

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

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

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

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

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

28 “**SECTION 27.** (1) **The amendments to ORS 351.011 by section 26 of**  
29 **this 2013 Act become operative only if the president of Oregon State**  
30 **University notifies the Governor that the university will become a**

1 **university with a governing board in the manner set forth in section**  
2 **168 or 168b of this 2013 Act.**

3 **“(2) If the condition specified in subsection (1) of this section is met,**  
4 **the amendments to ORS 351.011 by section 26 of this 2013 Act become**  
5 **operative July 1, 2014.**

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

7 “287A.001. As used in this chapter:

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

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

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

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

18 “(3) ‘Bond’:

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

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

22 “(4) ‘Capital construction’ has the meaning given that term in ORS  
23 310.140.

24 “(5) ‘Capital improvements’ has the meaning given that term in ORS  
25 310.140.

26 “(6) ‘Credit enhancement device’:

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

1 “(b) Does not mean a bond.

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

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

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

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

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

21 “(12) ‘Pledge’ means:

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

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

24 “(13) ‘Public body’ means:

25 “(a) A county of this state;

26 “(b) A city of this state;

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

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

29 “(e) Oregon Health and Science University;

30 “(f) **A public university with a governing board listed in section 3**

1 **of this 2013 Act; or**

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

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

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

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

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

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

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

18 “348.010. (1) An account in the Oregon University System Fund estab-  
19 lished under ORS 351.506 is designated for the purpose of granting student  
20 loans under the terms established by the National Defense Education Act  
21 of 1958, as amended, under the terms of the Health Professions Educational  
22 Assistance Act of 1963, as amended, and under the terms of the Nurses  
23 Training Act of 1964, as amended.

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

25 “(a) All moneys made available to [*the State Board of Higher Education*]  
26 **public universities listed in ORS 352.002** for student loan purposes by state  
27 appropriations and by the federal government under terms of the National  
28 Defense Education Act of 1958, as amended, under the terms of the Health  
29 Professions Educational Assistance Act of 1963, as amended, and under the  
30 terms of the Nurses Training Act of 1964, as amended;

1 “(b) Repayments of loans identified in paragraph (a) of this subsection;  
2 “(c) Interest earned on student loans identified in paragraph (a) of this  
3 subsection; and

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

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

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

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

15 “348.205. (1) The Oregon Opportunity Grant program is established within  
16 the Oregon Student Access Commission.

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

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

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

25 “(b) For a student attending a public university [*under the direction of the*  
26 *State Board of Higher Education*] **listed in ORS 352.002**, the average cost  
27 of education of attending a public university [*under the direction of the*  
28 *board*];

29 “(c) For a student attending a two-year Oregon-based, generally accred-  
30 ited, not-for-profit institution of higher education, the average cost of edu-



1 cation of attending a community college in this state; and

2 “(d) For a student attending the Oregon Health and Science University  
3 or a four-year Oregon-based, generally accredited, not-for-profit institution  
4 of higher education, the average cost of education of attending [*an institution*  
5 *under the direction of the board*] **a public university listed in ORS**  
6 **352.002.**

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

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

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

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

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

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

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

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

29 “(6) The commission shall determine the amount of the federal share  
30 based on how much the student or the student’s family is expected to receive

1 from the federal government as grants, loans, tax credits or other student  
2 assistance.

3 “(7)(a) The commission shall determine the amount of the state share. The  
4 state share shall be equal to the cost of education reduced by the student  
5 share, family share and amount received by the student from the federal  
6 government.

7 “(b) The commission shall establish a minimum amount that a student  
8 may receive as a state share. If the commission determines that the amount  
9 of the state share of a student is below the minimum amount, the student  
10 may not receive the state share.

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

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

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

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

25 “348.282. As used in this section and ORS 348.283:

26 “(1) ‘Armed Forces of the United States’ means:

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

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

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

3 “(2) ‘Public post-secondary institution’ means:

4 “(a) A public university [*under the direction of the State Board of Higher*  
5 *Education*] **listed in ORS 352.002**; and

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

7 “(3) ‘Veteran’ has the meaning given that term in ORS 408.225.

8 **“SECTION 32.** ORS 348.283 is amended to read:

9 “348.283. (1) There is established within the Oregon Student Access Com-  
10 mission the Oregon Troops to Teachers program. Through the program, the  
11 commission shall pay for all of the resident tuition charges of a veteran  
12 imposed by a public post-secondary institution, provided the veteran:

13 “(a) Was discharged from the Armed Forces of the United States;

14 “(b) Is a resident of Oregon; and

15 “(c) Agrees to teach:

16 “(A) In an Oregon school district or public charter school classified as  
17 serving a high poverty area for not less than three years; or

18 “(B) In the area of mathematics, science or special education for not less  
19 than four years.

20 “(2) An award under subsection (1) of this section shall be used for the  
21 purpose of paying resident tuition. The commission may not award funds  
22 under subsection (1) of this section for the purpose of paying for books,  
23 supplies, housing, food or any other costs associated with attending a public  
24 post-secondary institution.

25 “(3) The commission shall adopt rules necessary for the implementation  
26 and administration of this section in consultation with the Department of  
27 Education, [*and*] the Oregon University System **and the public universities**  
28 **with governing boards listed in section 3 of this 2013 Act.**

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

30 “348.470. The Legislative Assembly finds and declares that:

1 “(1) It is the policy of this state to encourage cooperation between [*the*  
2 *Oregon University System*] **public universities listed in ORS 352.002** and  
3 community colleges on issues affecting students who transfer between the  
4 two segments; and

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

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

8 “348.603. (1) The Higher Education Coordinating Commission shall:

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

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

12 “(c) Validate claims of degree possession;

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

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

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

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

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

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

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

29 “(b) If the boards do not resolve the issue raised under paragraph (a) of  
30 this subsection within 90 days of the date when the issue was recommended

1 to the boards for mediation, the commission shall have final authority for  
2 approval or disapproval of the program or location. If the boards do not re-  
3 solve the issue, the commission shall approve or disapprove the program or  
4 location within 180 days of the date when the review began.

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

8 “(d) The commission shall establish by rule a fair and neutral decision-  
9 making process in consultation with representatives designated by the State  
10 Board of Education, the State Board of Higher Education, **the governing**  
11 **boards of public universities with a governing board listed in section**  
12 **3 of this 2013 Act**, associations representing Oregon independent colleges,  
13 associations representing Oregon career colleges, and the governing boards  
14 of otherwise unrepresented post-secondary schools.

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

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

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

28 “348.890. (1) The Higher Education Coordinating Commission shall pro-  
29 vide policy direction to implement regional partnership proposals and any  
30 other joint program or activity approved by the State Board of Education,

1 [and] the State Board of Higher Education **and the governing board of a**  
2 **public university with a governing board listed in section 3 of this 2013**  
3 **Act.**

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

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

12 “348.900. (1) The Employment Department, in consultation with health  
13 care industry employers, shall perform a statewide and regional needs as-  
14 sessment for health care occupations to identify emerging occupations and  
15 occupations for which there is high demand or a shortage of workers. The  
16 assessment shall be performed as necessary on a periodic basis, as determined  
17 by the department, in consultation with industry employers. To perform the  
18 needs assessment, the department may consider any reliable data sources  
19 available to the department.

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

25 “(3) When approving health care education programs, the State Board of  
26 Education, the State Board of Higher Education, **the governing board of**  
27 **a public university with a governing board listed in section 3 of this**  
28 **2013 Act** and the Oregon Health and Science University Board of Directors  
29 shall use the statewide needs assessment to evaluate whether a program  
30 fulfills statewide needs. If a board determines there is a statewide need, the

1 board shall facilitate the:

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

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

8 “(4) In the development and approval of health care education programs,  
9 community colleges, public universities, Oregon Health and Science Univer-  
10 sity, the State Board of Education, the State Board of Higher Education, **the**  
11 **governing board of a public university with a governing board listed**  
12 **in section 3 of this 2013 Act** and the Oregon Health and Science University  
13 Board of Directors shall consider issues related to statewide access, student  
14 transferability between programs, course articulation and common student  
15 learning outcomes for health care education programs. The community col-  
16 leges, public universities, Oregon Health and Science University and boards  
17 shall continue to provide and improve upon an effective articulation and  
18 transfer framework for students in Oregon’s post-secondary sectors.

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

20 “351.015. The Oregon University System shall be conducted under the  
21 control of a board of 15 directors, to be known as the State Board of Higher  
22 Education. Except as otherwise provided by law, the board has sole authority  
23 to govern, set policy and otherwise manage the affairs of the public univer-  
24 sities listed in ORS [352.002] **351.011**. The board shall consist of:

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

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

29 “[3)] (2) One member of the faculty at **Oregon State University**, East-  
30 ern Oregon University, Oregon Institute of Technology, Southern Oregon

1 University or Western Oregon University.

2 “[4] (3) [*Eleven*] **Twelve** members of the general public who are not  
3 students or faculty members at the time of appointment.

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

6 “351.015. The Oregon University System shall be conducted under the  
7 control of a board of 15 directors, to be known as the State Board of Higher  
8 Education. Except as otherwise provided by law, the board has sole authority  
9 to govern, set policy and otherwise manage the affairs of the public univer-  
10 sities listed in ORS 351.011. The board shall consist of:

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

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

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

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

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

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

27 “351.020. (1) The directors of the State Board of Higher Education must  
28 be residents of Oregon and are appointed by the Governor. The appointments  
29 are subject to the confirmation of the Senate in the manner provided by ORS  
30 171.562 and 171.565. No director who is not a student or faculty member at



1 the time of appointment may be an employee of any of the public universities  
2 or offices, departments or activities under the control of the State Board of  
3 Higher Education. The faculty [*members*] **member** appointed under this sec-  
4 tion may not participate in any discussions or action by the board or attend  
5 any executive session of the board involving collective bargaining issues that  
6 affect faculty at any public university listed in ORS [352.002] **351.011**.

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

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

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

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

25 “351.047. The [*State Board of*] Higher Education **Coordinating Commis-**  
26 **sion** shall:

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

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

7 “[*(c)*] (d) Are allocated among the public universities [*in the Oregon  
8 University System*] to maximize the achievement of statewide needs and re-  
9 quirements.

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

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

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

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

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

28 “[*(2)*] (3) On or before September 1 of each even-numbered year, the [*State  
29 Board of Higher Education*] **Higher Education Coordinating Commission**  
30 shall submit [*the*] a funding request and performance compact to the [*Oregon*

1 *Department of Administrative Services for the Oregon University System]*

2 **Governor on behalf of all the public universities listed in ORS 352.002.**

3 “[3] (4) The Governor’s biennial budget submitted to the Legislative  
4 Assembly may include the **Higher Education Coordinating Commission’s**  
5 *[State Board of Higher Education’s]* funding request *[submitted to the Oregon*  
6 *Department of Administrative Services for the Oregon University System]* **for**  
7 **public universities listed in ORS 352.002.** Any funding request approved  
8 by the Legislative Assembly must specify that the moneys be appropriated  
9 to the *[Oregon Department of Administrative Services]* **commission** for allo-  
10 cation to the *[Oregon University System]* **public universities listed in ORS**  
11 **352.002.**

12 “[4] (5) The **commission’s** funding request must include, in addition to  
13 the performance compact, a report on performance from the previous  
14 biennium’s performance compact.

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

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

22 “351.054. The *[State Board of Higher Education]* **Higher Education Co-**  
23 **ordinating Commission** is authorized to:

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

29 “(2) Allocate moneys, from funds appropriated to the *[board]* **commission**  
30 and other available moneys, among the office of the Chancellor of the

1 Oregon University System[,] **and** public universities listed in ORS 352.002  
2 [and offices, departments and activities under the control of the board].

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

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

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

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

15 “(2) The State Board of Higher Education shall[, *by rule*,] establish a  
16 **standard** process under which each public university may develop and sub-  
17 mit proposed enrollment fees for board consideration. The process must pro-  
18 vide for participation of enrolled students and the recognized student  
19 government of the public university.

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

25 **“(4) In setting enrollment fees under subsection (1) of this section**  
26 **for undergraduate students who are enrolled in a degree program at**  
27 **a public university listed in ORS 351.011 and are qualified to pay resi-**  
28 **dent tuition:**

29 **“(a) The State Board of Higher Education may not increase the**  
30 **total amount of enrollment fees by more than five percent annually**

1 **unless the board first receives approval from:**

2 **“(A) The Higher Education Coordinating Commission; or**

3 **“(B) The Legislative Assembly.**

4 **“(b) The State Board of Higher Education shall attempt to limit**  
5 **annual increases in enrollment fees for undergraduate students who**  
6 **are enrolled in a degree program at a public university listed in ORS**  
7 **351.011 and have established residency in Oregon to a percentage that**  
8 **is not greater than the percentage increase in the Higher Education**  
9 **Price Index, as compiled by the Commonfund Institute.**

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

11 **“351.065. (1) The State Board of Higher Education may, for each public**  
12 **university or office, department or activity under its control, and a gov-**  
13 **erning board as defined in section 2 of this 2013 Act may, for the public**  
14 **university under its control, adopt [rules] standards and specific orders**  
15 **by or through the president of each public university governing access to**  
16 **personnel records of the public university or office, department or activity**  
17 **that are less than 25 years old.**

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

26 **“(3) [No] A standard [rule] or order promulgated pursuant to this section**  
27 **[shall] may not deny to a faculty member full access to the member’s per-**  
28 **sonnel file or records kept by the board or [its public universities or offices,**  
29 **departments or activities] the public university, except as provided in sub-**  
30 **sections (7) and (8) of this section.**

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

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

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

10       “(7) Letters and other information submitted in confidence to the board  
11 or its public universities, offices, departments or activities prior to July 1,  
12 1975, shall be maintained in the files designated. However, if a faculty  
13 member requests access to those files, the anonymity of the contributor of  
14 letters and other information obtained prior to July 1, 1975, shall be pro-  
15 tected. The full text shall be made available except that portions of the text  
16 that would serve to identify the contributor shall be excised by a faculty  
17 committee. Only the names of the contributors and the excised portions of  
18 the documents may be kept in a file other than the three prescribed by sub-  
19 section (4) of this section.

20       “(8)(a) Confidential letters and other information submitted to or solic-  
21 ited after July 1, 1975, by the board or its public universities, offices, de-  
22 partments or activities prior to the employment of a prospective faculty  
23 member are exempt from the provisions of this section. However, if the  
24 member is employed by the board or its public universities, offices, depart-  
25 ments or activities, the confidential preemployment materials shall be placed  
26 in the three authorized files. If a faculty member requests access to the  
27 member’s files, the anonymity of the contributor of confidential preemploy-  
28 ment letters and other preemployment information shall be protected. The  
29 full text shall be made available, except that portions of the text that would  
30 serve to identify the contributor shall be excised and retained in a file other

1 than the three designated in subsection (4) of this section.

2       “(b) **Confidential letters and other information submitted to or so-**  
3 **lited by a public university with a governing board listed in section**  
4 **3 of this 2013 Act after July 1, 2014, and prior to the employment of a**  
5 **prospective faculty member are exempt from the provisions of this**  
6 **section. However, if the member is employed by the university, the**  
7 **confidential preemployment materials shall be placed in the three au-**  
8 **thorized files. If a faculty member requests access to the member’s**  
9 **files, the anonymity of the contributor of confidential preemployment**  
10 **letters and other preemployment information shall be protected. The**  
11 **full text shall be made available, except that portions of the text that**  
12 **would serve to identify the contributor shall be excised and retained**  
13 **in a file other than the three designated in subsection (4) of this sec-**  
14 **tion.**

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

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

27       “(11) [*No rule*] **A standard** or order promulgated pursuant to this section  
28 [*limits*] **does not limit** the authority of [*the public universities, offices, de-*  
29 *partments or activities under the control of the board*] **a public university** to  
30 prepare, without identification of individual persons who have not consented

1 thereto, statistical or demographic reports from personnel records.

2 “(12) Any category of personnel records specifically designated as confi-  
3 dential pursuant to valid [*rules*] **standards** or orders pursuant to this section  
4 is not a public record for the purposes of ORS 192.420.

5 “(13) As used in this section, ‘personnel records’ means records containing  
6 information kept by the public university, office, department or activity  
7 concerning a faculty member and furnished by the faculty member or by  
8 others about the faculty member at the request of the faculty member or the  
9 public university, office, department or activity, including, but not limited  
10 to, information concerning discipline, membership activity, employment per-  
11 formance or other personal records of individual persons.

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

13 “351.067. (1) **The State Board of Higher Education**, in carrying out its  
14 authority under ORS 351.070, [*the State Board of Higher Education*] **and the**  
15 **governing board of a public university with a governing board listed**  
16 **in section 3 of this 2013 Act** may authorize receipt of compensation for any  
17 officer or employee [*of the Oregon University System*] from private or public  
18 resources, including, but not limited to, income from:

19 “(a) Consulting;

20 “(b) Appearances and speeches;

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

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

28 “(e) Performing public duties paid by private organizations, including in-  
29 stitution corporate affiliates, that augments an officer’s or employee’s pub-  
30 licly funded salary. Such income shall be authorized and received in



1 accordance with policies and [*rules*] **standards** established by [*the*] **each**  
2 board.

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

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

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

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

21 “351.070. (1) The State Board of Higher Education shall[, *by rule,*] **develop**  
22 **standards to** implement a personnel system for the Oregon University Sys-  
23 tem and may engage in collective bargaining with the employees. All col-  
24 lective bargaining with any certified or recognized exclusive employee  
25 representative shall be under the direction and supervision of the Chancellor  
26 of the Oregon University System. The board and the Oregon University  
27 System shall have payroll authority.

28 “(2)(a) The board shall establish competitive procedures for the purchas-  
29 ing, procurement and contracting of goods, services and information tech-  
30 nology, for the benefit of the Oregon University System and all the public

1 universities and offices, departments and activities under the control of the  
2 board. The board may also establish exemptions from the competitive proce-  
3 dures when appropriate.

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

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

17 “(3) The board may, for each public university listed in ORS [352.002]  
18 **351.011:**

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

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

25 “(c) Prescribe incidental fees for programs under the supervision or con-  
26 trol of the board found by the board, upon its own motion or upon recom-  
27 mendation of the recognized student government, to be advantageous to the  
28 cultural or physical development of students. Fees realized in excess of  
29 amounts allocated and exceeding required reserves shall be considered sur-  
30 plus incidental fees and shall be allocated for programs under the control

1 of the board and found to be advantageous to the cultural or physical de-  
2 velopment of students by the president upon the recommendation of the re-  
3 cognized student government.

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

9 “(e) Confer, consistent with the mission and programs of each public  
10 university and on the recommendation of the faculty of the public university,  
11 such degrees as usually are conferred by public universities, or as the faculty  
12 deems appropriate.

13 “(f) Prescribe the qualifications for admission.

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

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

20 “(b) Shall [*adopt rules*] **develop and adopt standards** and bylaws for the  
21 government thereof, including the faculty, teachers, students and employees  
22 therein.

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

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

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

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

30 “(A) Dependents of students.

1 “(B) Staff.

2 “(C) Faculty.

3 “(g) Shall prescribe and collect charges.

4 “(h) Shall adopt [*rules*] **standards** relating to the creation, use, custody  
5 and disclosure, including access, of student education records that are con-  
6 sistent with the requirements of applicable state and federal law. Whenever  
7 a student has attained 18 years of age or is attending a public university  
8 listed in ORS [352.002] **351.011**, the permission or consent required of and the  
9 rights accorded to a parent of the student regarding education records shall  
10 thereafter be required of and accorded to only the student.

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

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

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

22 “351.085. The Chancellor of the Oregon University System shall exercise,  
23 under the direction of the State Board of Higher Education, the administra-  
24 tive and management authority necessary to carry out the policies and di-  
25 rectives of the board with respect to the public universities and offices,  
26 departments and activities under the control of the board. In carrying out  
27 the duties of the chancellor, the chancellor shall:

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

30 “(2) Supervise the presidents of the public universities listed in ORS

1 [352.002] **351.011** and recommend the terms and conditions of their employ-  
2 ment to the board, including but not limited to appointment, compensation  
3 and termination.

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

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

12 “(5) Prepare and submit to the board an annual operating budget for all  
13 public universities and offices, departments and activities under the control  
14 of the board, including but not limited to budget allocations to the public  
15 universities and offices, departments and activities.

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

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

21 “(8) Designate, if the chancellor wishes, one or more suitable persons to  
22 sign or countersign warrants, vouchers, certificates or other papers and  
23 documents requiring the signature of the chancellor.

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

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

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

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

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

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

10       “(15) Perform such other administrative or management assistance and  
11 consider other administrative or management matters as the board may re-  
12 quire.

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

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

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

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

22       “351.105. In order to carry out the duties described in ORS 352.008, the  
23 State Board of Higher Education **and the governing board of a public**  
24 **university with a governing board listed in section 3 of this 2013 Act**,  
25 in consultation with the Oregon Health Authority and the Alcohol and Drug  
26 Policy Commission, shall adopt [*by rule*] **standards that**, as a minimum,  
27 [*descriptions of*] **describe** the content of what shall be included in the policy  
28 and plan described in ORS 352.008.

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

30       “351.110. All relationships and negotiations between the Legislative As-

1 assembly and its various committees and a public university listed in ORS  
2 [352.002] **351.011** must be carried on through the office of the Chancellor of  
3 the Oregon University System. An employee representing any of the public  
4 universities may not appear before the Legislative Assembly or any commit-  
5 tee except upon the written authority of the State Board of Higher Education  
6 or the chancellor.

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

8 “351.155. Notwithstanding the applicable provisions of ORS 279.835 to  
9 279.855, 279A.140 to 279A.155, 279A.250 to 279A.290, 279A.990, 279B.200 to  
10 279B.240, 279B.270, 279B.275, 279B.280, 279C.360, 279C.365, 279C.370, 279C.375,  
11 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545, 279C.600 to  
12 279C.625, 279C.650 to 279C.670 and 279C.800 to 279C.870, the State Board of  
13 Higher Education **and the governing board of a public university listed**  
14 **in section 3 of this 2013 Act** may, in the management of all forestlands  
15 under [its] **each board’s** control and supervision, sell the forest products on  
16 such lands in the same manner as is provided in ORS 530.059, and for that  
17 purpose [the] **each** board shall have the same powers with respect to exper-  
18 imental or research projects in the field of forestland management or for  
19 forest product utilization on forestlands under its control as the State  
20 Forester has pursuant to the provisions of ORS 530.050 and 530.059.

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

22 “174.117. (1) Subject to ORS 174.108, as used in the statutes of this state  
23 ‘special government body’ means any of the following:

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

26 “(b) A school district.

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

28 “(d) An education service district.

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

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

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

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

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

6 “(B) Created pursuant to authority granted by a statute, ordinance or  
7 resolution, but not directly created by that statute, ordinance or resolution;  
8 and

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

12 “(i) **A university with a governing board listed in section 3 of this**  
13 **2013 Act.**

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

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

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

21 “(c) Any entity created by a special government body described in sub-  
22 section (1) of this section, other than an entity described in paragraph (b)  
23 of this subsection, unless the document creating the entity indicates that the  
24 entity is not a governmental entity or the entity is not subject to any sub-  
25 stantial control by the special government body.

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

27 “351.165. No later than March 1 of each odd-numbered year, the [*State*  
28 *Board of Higher Education*] **Higher Education Coordinating Commission**  
29 shall submit a report to the Legislative Assembly concerning the status of  
30 all previously approved [*Oregon University System*] capital construction



1 projects that have not been completed or have been completed within the  
2 preceding 24-month period. The report shall include the project title, funding  
3 sources, the amount of the original appropriation or expenditure limitation,  
4 the amount of unexpected funds, the construction status and the anticipated  
5 completion date.

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

7 “352.245. (1) There is established an Oregon Climate Service to be located  
8 at Oregon State University. The service shall acquire, maintain, disseminate  
9 and interpret climate data and information for the state.

10 “(2) The service shall:

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

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

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

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

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

21 “(f) Study and analyze the relationships between climatic phenomena and  
22 activities in areas such as agriculture, water resources, energy production  
23 and use, air quality, building design and construction, transportation and  
24 communication, and business and commerce.

25 “(g) Identify emerging climatic issues and anticipate public demand for  
26 information.

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

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

30 “351.205. The State Board of Higher Education may allow interchange of

1 members of the faculties of public universities listed in ORS [352.002] **351.011**  
2 with faculty members of comparable institutions of other states or countries  
3 for a period of one year. Such exchange service shall, for all purposes, be  
4 deemed continued service with the Oregon public university covered, with  
5 salary paid to the absent faculty member accordingly. Salary for the visiting  
6 faculty member shall not be paid by the Oregon public university covered.

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

8 “351.300. The Legislative Assembly finds that in order to avoid unneces-  
9 sary disruption at public universities listed in ORS 352.002 and in order to  
10 provide assurance that the public universities share in the benefits of any  
11 major reform in the Oregon tax system, it is necessary to stabilize funding  
12 for the [*Oregon University System*] **universities** over a longer period than is  
13 customary with biennial budgeting.

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

15 “351.310. (1) The State Board of Higher Education shall control the use,  
16 distribution and disbursement of all funds, appropriations and taxes now or  
17 hereafter in possession, levied and collected, received or appropriated for the  
18 use, benefit, support and maintenance of the public universities listed in ORS  
19 [352.002] **351.011** and offices, departments and activities under the control of  
20 the board, including the authorization of individuals to sign vouchers for the  
21 disbursement of funds for the various public universities, offices, departments  
22 and activities.

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

1        **SECTION 60.** ORS 351.340 is amended to read:

2        “351.340. All sums of money provided by law for the support and mainte-  
3 nance of the public universities listed in ORS [352.002] **351.011** and offices,  
4 departments and activities under the control of the State Board of Higher  
5 Education may be used for the payment of salaries of instructors and em-  
6 ployees, current expenses, construction of additional buildings, purchase of  
7 lands, purchase of equipment, purchase of library books and periodicals,  
8 purchase of laboratory supplies and apparatus and making necessary repairs  
9 and, in general, for the payment of all such expenses connected with the  
10 management of the public universities and offices, departments and activ-  
11 ities, as the board may from time to time determine. However, such moneys  
12 in the instruction budget of the board shall not be used to support hobby or  
13 recreation courses.

14        **SECTION 61.** ORS 351.509 is amended to read:

15        “351.509. (1) There is established in the General Fund an account to be  
16 known as the Portland State University Center for Nanoscience and  
17 Nanotechnology Account. Funds in the account shall be used for the acqui-  
18 sition and expansion of microscopy and materials characterization facilities  
19 at Portland State University related to a signature research center.

20        “(2) The account shall consist of proceeds from lottery bonds made  
21 available to [*the Oregon University System*] **Portland State University** for  
22 the purpose of the Portland State University center for nanoscience and  
23 nanotechnology project described in subsection (1) of this section. Interest  
24 earned on moneys in the account shall be credited to the account.

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

30        **SECTION 62.** ORS 351.511 is amended to read:

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

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

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

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

18 “351.517. (1) There is established in the General Fund an account to be  
19 known as the University of Oregon Education Building and Complex Ac-  
20 count. Funds in the account shall be used for the acquisition, construction,  
21 remodeling, expansion and renovation of facilities for an education building  
22 and complex at the University of Oregon.

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

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

5 “351.518. (1) There is established in the General Fund an account to be  
6 known as the University of Oregon Gilbert Hall Account. Funds in the ac-  
7 count shall be used for the acquisition, construction, remodeling, expansion  
8 and renovation of facilities for Gilbert Hall at the University of Oregon.

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

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

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

21 “351.519. (1) There is established in the General Fund an account to be  
22 known as the University of Oregon Integrative Science Complex Account.  
23 Funds in the account shall be used for the acquisition, construction, remod-  
24 eling, expansion and renovation of facilities for an integrative science com-  
25 plex at the University of Oregon that includes a multiscale materials and  
26 devices laboratory and other facilities related to a signature research center.

27 “(2) The account shall consist of proceeds from lottery bonds made  
28 available to the [*Oregon University System*] **University of Oregon** for the  
29 purpose of the University of Oregon integrative science complex project de-  
30 scribed in subsection (1) of this section. Interest earned on moneys in the

1 account shall be credited to the account.

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

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

8 “351.521. (1) There is established in the General Fund an account to be  
9 known as the University of Oregon School of Music Account. Funds in the  
10 account shall be used for additions and alterations to the School of Music  
11 at the University of Oregon.

12 “(2) The account shall consist of 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 University of Oregon School of Music  
15 project described in subsection (1) of this section. Interest earned on moneys  
16 in the account shall be credited to the account.

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

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

22 “351.538. (1) There is established in the General Fund an account to be  
23 known as the Museum of Art Project Account. Funds in the account shall  
24 be used for additions to and alterations of the Museum of Art at the Uni-  
25 versity of Oregon.

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

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

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

6 “351.539. (1) There is established in the General Fund an account to be  
7 known as the Straub Hall Project Account. Funds in the account shall be  
8 used for the additions to and alterations of Straub Hall at the University  
9 of Oregon.

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

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

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

20 “351.590. (1) An account in the Oregon University System Fund estab-  
21 lished by ORS 351.506 is designated for the purpose of receiving all revenue  
22 from incidental fees, optional fees, health services fees and all operating  
23 revenue from intercollegiate athletics, student unions and educational ac-  
24 tivities.

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

30 “(3) Income and interest derived from moneys in the account designated

1 by this section are credited to the account. The State Board of Higher Edu-  
2 cation shall distribute annually the total interest earnings proportionately  
3 to each public university listed in ORS [352.002] **351.011** based on each  
4 university's average cash balance in the account.

5 **SECTION 70.** ORS 351.626 is amended to read:

6 "351.626. An account in the Oregon University System Fund established  
7 by ORS 351.506 is designated for the construction, remodeling, expansion and  
8 renovation of facilities within the Oregon University System **or any public**  
9 **university with a governing board listed in section 3 of this 2013 Act.**  
10 Income and interest from moneys in the account are credited to the account.

11 **SECTION 71.** ORS 351.628 is amended to read:

12 "351.628. (1) There is established in the General Fund an account to be  
13 known as the Higher Education Academic Modernization Account. Funds in  
14 the account shall be used at public universities listed in ORS [352.002]  
15 **351.011** for academic modernization, capital repair, deferred maintenance and  
16 making facilities compliant with building and safety codes.

17 "(2) The account shall consist of funds donated to the Oregon University  
18 System for the purposes described in subsection (1) of this section. The ac-  
19 count may also consist of other funds available to the Oregon University  
20 System for the purposes described in subsection (1) of this section. The  
21 Oregon University System may not deposit any moneys into the account that  
22 were appropriated to the Department of Higher Education under chapter 725,  
23 Oregon Laws 2003. Interest earned on moneys in the account shall be cred-  
24 ited to the account.

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

29 **SECTION 72.** ORS 351.638 is amended to read:

30 "351.638. (1) An account in the Oregon University System Fund estab-



1 lished by ORS 351.506 is designated for the purpose of attracting new, out-  
2 standing faculty members to the public universities listed in ORS [352.002]  
3 **351.011**. This purpose includes payment of costs incurred in relocating new  
4 faculty, retraining necessary teaching assistants for new faculty, acquisition  
5 of equipment such as laboratory equipment and facilities to support research  
6 by new faculty, payment of other costs incurred in recruiting new faculty  
7 and payment of costs associated with committing salary supplements to  
8 newly recruited faculty over a period of more than one year.

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

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

13 “351.642. (1) As used in this section:

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

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

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

21 “(C) Reside in another state or a foreign country and establish Oregon  
22 residency by filing Oregon state income taxes no later than 12 months before  
23 leaving active duty.

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

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

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

29 “(C) The National Guard of the United States and the Oregon National  
30 Guard.

1 “(c) ‘Dependent children’ includes any children of an active member of the  
2 Armed Forces of the United States, of an active member of the commissioned  
3 corps of the National Oceanic and Atmospheric Administration or of a  
4 member of the Public Health Service of the United States Department of  
5 Health and Human Services detailed by proper authority for duty with the  
6 Army or Navy of the United States, who:

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

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

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

22 “(3) The State Board of Higher Education **and the governing board of**  
23 **a public university with a governing board listed in section 3 of this**  
24 **2013 Act** may contract with the Armed Forces of the United States to furnish  
25 educational service [*in the public universities*] to active members of the  
26 Armed Forces of the United States.

27 “(4) The State Board of Higher Education **and the governing board** shall  
28 determine the number of such students that should be accepted and shall  
29 make final decisions on admission of individual applicants.

30 “(5) Students attending the public universities under contracts with the

1 Armed Forces of the United States under this section shall pay fees and tu-  
2 tion customarily charged Oregon students.

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

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

9 “351.643. (1) A student at a public university listed in ORS 352.002 who  
10 is a member of the military, a member of the commissioned corps of the  
11 National Oceanic and Atmospheric Administration or a member of the Public  
12 Health Service of the United States Department of Health and Human Ser-  
13 vices detailed by proper authority for duty with the Army or Navy of the  
14 United States and who is ordered to federal or state active duty for more  
15 than 30 consecutive days has the following rights:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 “(c) A letter grade or a grade of pass may be awarded only if, in the  
21 opinion of the teacher of the course, the student completes sufficient work  
22 and demonstrates sufficient progress toward meeting course requirements to  
23 justify the grade.

24 “(4) The State Board of Higher Education **and the governing board of**  
25 **a public university with a governing board listed in section 3 of this**  
26 **2013 Act** shall adopt [*rules*] **standards** for the administration of this section.

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

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

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

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

4 “351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b)  
5 shall be based on:

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

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

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

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

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

18 “(B) As a monetary payment.

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

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

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

1 “(5) The State Board of Higher Education **and the governing board of**  
2 **a public university with a governing board listed in section 3 of this**  
3 **2013 Act** shall adopt [*rules*] **standards** for the administration of this section,  
4 including [*rules that determine*] **standards setting** the amount of credit and  
5 the method by which the credit is prorated.

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

7 “351.646. A public university listed in ORS 352.002 shall give credit for  
8 education and training obtained by a person while serving in the Armed  
9 Forces of the United States, as defined in ORS 351.642. The education and  
10 training for which credit may be given must meet the standards adopted by  
11 the State Board of Higher Education **or the governing board of a public**  
12 **university with a governing board listed in section 3 of this 2013 Act**  
13 [*by rule*].

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

15 “351.658. (1) [*The State Board of Higher Education shall direct*] Each  
16 public university listed in ORS 352.002 [*to*] **shall** waive tuition for any course  
17 audited by an Oregon resident 65 years of age or older if:

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

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

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

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

24 “(3) A public university may develop [*rules*] **standards** for implementa-  
25 tion of this section, including [*rules*] **standards** relating to registration, ad-  
26 mission and fees.

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

28 “351.692. (1) The State Board of Higher Education shall adopt policies  
29 that prescribe the requirements for a venture grant program and the re-  
30 quirements that a grant applicant must meet in order to receive grant mon-

1 eys from a university venture development fund, including requirements:

2 “[1] (a) That a grant recipient remain within this state for at least five  
3 years following the receipt of a grant or repay the grant plus interest;

4 “[2] (b) That each university that establishes a university venture de-  
5 velopment fund report amounts of tax credit certificates issued by the uni-  
6 versity and maintain records of income realized by the university as the  
7 result of grants made from the fund and records of amounts paid to the  
8 General Fund; and

9 “[3] (c) Under which the Oregon University System is to maintain re-  
10 cords and issue directions to universities that have established university  
11 venture development funds relating to when universities must cease issuing  
12 certificates, in order to ensure that the total amount owed to the General  
13 Fund by the Oregon University System at any one time under ORS 351.697  
14 (6) does not exceed \$6 million.

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

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

23 **“(b) That the university report amounts of tax credit certificates  
24 issued by the university and cease issuing certificates until the total  
25 amount owed to the General Fund by the university at any one time  
26 under ORS 351.697 (6) does not exceed \$2.4 million; and**

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

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

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

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

9 “(3) A university [*within the Oregon University System*] **listed in ORS**  
10 **352.002** or the Oregon Health and Science University may direct that moneys  
11 credited to its university venture development fund be held and invested by  
12 the university’s affiliated foundation. Any moneys held by an affiliated  
13 foundation under this section or ORS 351.697 are not subject to the pro-  
14 visions of ORS chapter 293 or 295 and may not be considered public or state  
15 funds for any purpose. Moneys transferred to an affiliated foundation under  
16 this section or ORS 351.697 may be used only as provided under ORS 351.692,  
17 351.695, 351.697 and 353.445.

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

22 “(5) A university [*within the Oregon University System*] **listed in ORS**  
23 **352.002** or the Oregon Health and Science University may retain or may elect  
24 to have its affiliated foundation retain some or all of the principal contrib-  
25 uted to a university venture development fund for investment to perpetuate  
26 and increase the moneys available for expenditure. The balance of the fund  
27 and the earnings on that balance may be used as provided under ORS 351.692,  
28 351.695, 351.697 and 353.445.

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

30 “351.697. (1) Each university [*in the Oregon University System*] **listed in**



1 **ORS 352.002** and Oregon Health and Science University may elect to estab-  
2 lish a university venture development fund as provided in this section for the  
3 purpose of facilitating the commercialization of university research and de-  
4 velopment. A university shall direct that the university venture development  
5 fund be administered, in whole or in part, by the university or by the  
6 university's affiliated foundation.

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

8 “(a) Capital for university entrepreneurial programs;

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

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

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

15 “(e) Tax credits for contributors to university research commercialization  
16 activities.

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

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

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

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

26 “(d) Establish a grant program that meets the requirements for a venture  
27 grant program under policies adopted **under ORS 351.692** by the State Board  
28 of Higher Education [*under ORS 351.692*] **or the governing board of a**  
29 **public university with a governing board listed in section 3 of this 2013**  
30 **Act** or under policies adopted by the Oregon Health and Science University

1 Board of Directors under ORS 353.445; and

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

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

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

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

26 “(7) A university that has established a university venture development  
27 fund shall report annually to the Legislative Assembly or, if the Legislative  
28 Assembly is not in session, to the interim legislative committees on revenue.  
29 The report shall be at the end of the fiscal year of the university or of its  
30 affiliated foundation and provide information for that fiscal year. The uni-

1 versity shall include in the report the following information pertaining to its  
2 university venture development fund:

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

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

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

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

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

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

10 “351.718. (1) The members of the Higher Education Coordinating Com-  
11 mission must be residents of this state who are well informed on the princi-  
12 ples of higher education.

13 “(2) A member of the State Board of Higher Education, **the Oregon**  
14 **Health and Science University Board of Directors, the governing board of**  
15 **a public university with a governing board listed in section 3 of this**  
16 **2013 Act** or the governing board of a community college district may not  
17 serve as a member of the Higher Education Coordinating Commission.

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

20 “351.735. (1) The Higher Education Coordinating Commission shall advise  
21 the Oregon Education Investment Board on state goals and associated  
22 achievement compacts for the state post-secondary education system, includ-  
23 ing community colleges and public universities listed in ORS 352.002, and for  
24 the Oregon Student Access Commission.

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

27 “(a) Develop a strategic plan for achieving state higher education goals,  
28 identifying priority areas for attention and taking into consideration the  
29 contributions of this state’s independent institutions and other organizations  
30 dedicated to helping Oregonians reach state goals. Goals should include, but

1 need not be limited to:

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

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

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

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

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

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

17 “(A) Recommended biennial appropriations to institutions, including a  
18 component specifically tied to institutional contributions to state educa-  
19 tional priorities;

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

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

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

28 “(E) Recommended biennial appropriations for any future statewide  
29 higher education initiatives.

30 “(d) Each biennium, recommend to the Oregon Education Investment

1 Board a consolidated higher education budget request consistent with the  
2 finance model, including appropriations for:

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

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

5 “(C) **Ongoing operations for all public universities listed in ORS**  
6 **352.002;**

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

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

9 “[*E*] (F) Capital improvements.

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

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

14 “(g) Authorize degrees to be offered in this state in accordance with ORS  
15 348.594 to 348.615, and adopt any rules to implement that authority.

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

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

20 “(b) Recommend and encourage student success and completion initi-  
21 atives.

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

24 “(A) Transfers and other movements throughout the higher education  
25 system;

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

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

28 “(D) Reciprocity agreements with other states.

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

1 “(e) Coordinate education initiatives with the State Workforce Investment  
2 Board, the Department of Community Colleges and Workforce Development,  
3 local workforce investment boards, the Oregon Health and Science Univer-  
4 sity, **public universities with governing boards listed in section 3 of this**  
5 **2013 Act** and independent institutions of post-secondary education.

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

8 “351.735. (1) The Higher Education Coordinating Commission shall advise  
9 the Oregon Education Investment Board on state goals and associated  
10 achievement compacts for the state post-secondary education system, includ-  
11 ing community colleges and public universities listed in ORS 352.002, and for  
12 the Oregon Student Access Commission.

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

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

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

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

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

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

27 “(b) Evaluate and recommend changes to statutory goals and missions  
28 described for community colleges in ORS 341.009 and for public universities  
29 in ORS 351.003 and 351.009 after receiving recommendations from the appro-  
30 priate governing board. The appropriate governing board shall have

1 decision-making authority over program offerings to implement established  
2 goals and missions.

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

5 “(A) Recommended biennial appropriations to institutions, including a  
6 component specifically tied to institutional contributions to state educa-  
7 tional priorities;

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

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

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

16 “(E) Recommended biennial appropriations for any future statewide  
17 higher education initiatives.

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

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

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

23 “(C) **Ongoing operations for all public universities listed in ORS**  
24 **352.002;**

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

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

27 “[*E*] (F) Capital improvements.

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

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

2 “(g) Authorize degrees to be offered in this state in accordance with ORS  
3 348.594 to 348.615, and adopt any rules to implement that authority.

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

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

8 “(b) Recommend and encourage student success and completion initi-  
9 atives.

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

12 “(A) Transfers and other movements throughout the higher education  
13 system;

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

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

16 “(D) Reciprocity agreements with other states.

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

19 “(e) Coordinate education initiatives with the State Workforce Investment  
20 Board, the Department of Community Colleges and Workforce Development,  
21 local workforce investment boards, the Oregon Health and Science Univer-  
22 sity, **public universities with governing boards listed in section 3 of this**  
23 **2013 Act** and independent institutions of post-secondary education.

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

25 “**SECTION 84.** ORS 351.735, as amended by sections 1, 3 and 5, chapter  
26 104, Oregon Laws 2012, is amended to read:

27 “351.735. The Higher Education Coordinating Commission shall:

28 “(1) Develop state goals and associated achievement compacts for the  
29 state post-secondary education system, including community colleges and  
30 public universities listed in ORS 352.002, and for the Oregon Student Access



1 Commission.

2 “(2) 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 “(3) 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 “(4) 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 higher  
4 education initiatives.

5 “(5) Each biennium, recommend to the Governor and the Legislative As-  
6 sembly 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 “(6) 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 “(7) Approve and authorize degrees for the Oregon University System.

19 “(8) 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 “(9) Develop and recommend policies to ensure or improve access to  
22 higher education by underserved populations.

23 “(10) Recommend and encourage student success and completion initi-  
24 atives.

25 “(11) Develop and recommend policies to improve the coordination of the  
26 provision of educational services, including:

27 “(a) Transfers and other movements throughout the higher education  
28 system;

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

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

1 “(d) Reciprocity agreements with other states.

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

4 “(13) Coordinate education initiatives with the State Workforce Invest-  
5 ment Board, the Department of Community Colleges and Workforce Devel-  
6 opment, local workforce investment boards, the Oregon Health and Science  
7 University, **public universities with governing boards listed in section**  
8 **3 of this 2013 Act** and independent institutions of post-secondary education.

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

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

11 “352.006. [No] **A** political or sectarian test [*shall ever*] **may not** be al-  
12 lowed or applied in the appointment of faculty and other employees of [*the*  
13 *Oregon University System*] **a public university listed in ORS 352.002.**

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

15 “352.010. The president and professors constitute the faculty of each of the  
16 public universities listed in ORS [352.002] **351.011** and as such have the im-  
17 mediate government and discipline of the public university and the students  
18 therein, except as otherwise provided by statute or action of the State Board  
19 of Higher Education. The faculty may, subject to the supervision of the board  
20 under ORS 351.070, prescribe the course of study to be pursued in the public  
21 university and the textbooks to be used.

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

23 “352.012. For the purpose of requesting a state or nationwide criminal  
24 records check under ORS 181.534, [*the Oregon University System*] **a public**  
25 **university listed in ORS 352.002** may require the fingerprints of a person  
26 who:

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

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

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

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

8 “(b) Is providing information technology services and has control over,  
9 or access to, information technology systems that would allow the person to  
10 harm the information technology systems or the information contained in the  
11 systems;

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

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

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

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

22 “(g) Has access to personal information about employees or members of  
23 the public including Social Security numbers, dates of birth, driver license  
24 numbers, medical information, personal financial information or criminal  
25 background information.

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

27 “351.094. (1)(a) The State Board of Higher Education shall provide group  
28 insurance to employees of the Oregon University System through the Public  
29 Employees’ Benefit Board or may elect to provide **an** alternative group  
30 health and welfare insurance benefit [*plans*] **plan** to employees of the Oregon

1 University System [*if the same level of benefits is available at a lower cost*  
2 *than through the Public Employees' Benefit Board*] **on or after October 1,**  
3 **2016, if the benefit plan is offered through the health insurance ex-**  
4 **change under ORS 741.310, unless their participation is precluded by**  
5 **federal law.**

6 “(b) **The governing board of each university with a governing board**  
7 **listed in section 3 of this 2013 Act shall provide group insurance to**  
8 **employees of the university through the Public Employees' Benefit**  
9 **Board or may elect to provide an alternative group health and welfare**  
10 **insurance benefit plan to employees of the university on or after Oc-**  
11 **tober 1, 2016, if the benefit plan is offered through the health insurance**  
12 **exchange under ORS 741.310, unless their participation is precluded by**  
13 **federal law.**

14 “(2) For the purposes of ORS 243.555 to 243.575, if the State Board of  
15 Higher Education **or the governing board of a public university with a**  
16 **governing board listed in section 3 of this 2013 Act** chooses not to par-  
17 ticipate in the benefit plans offered through the Public Employees' Benefit  
18 Board, the State Board of Higher Education **or governing board** may have  
19 the authority granted to the Public Employees' Benefit Board under ORS  
20 243.555 to 243.575 for the administration of an appropriate expense re-  
21 imbursement plan.

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

29 “(b) **The governing board of each public university with a governing**  
30 **board listed in section 3 of this 2013 Act shall offer one or more de-**

1 **ferred compensation plans to employees of the university. The gov-**  
2 **erning board shall choose whether to offer its employees the state**  
3 **deferred compensation plan established under ORS 243.401 to 243.507**  
4 **or another deferred compensation plan that the governing board elects**  
5 **to make available to the employees of the university.**

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

7 “352.043. (1) There is created [*within the Oregon University System*] the  
8 University of Oregon School of Law[. *The school shall*] **to** be administered  
9 by the University of Oregon.

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

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

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

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

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

16 “352.046. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*  
17 *University System*] the Center for Brain, Biology and Machine[. *The center*  
18 *shall*] **to** be administered by the University of Oregon.

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

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

30 **“NOTE:** Sections 91 through 94 were deleted by amendment. Subsequent

1 sections were not renumbered.

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

3 “352.066. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*  
4 *University System*] the Mark O. Hatfield School of Government[. *The Mark*  
5 *O. Hatfield School of Government shall*], **to** be administered by Portland State  
6 University. The president of Portland State University shall appoint the di-  
7 rector of the Mark O. Hatfield School of Government.

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

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

11 “(b) To perform the duties required of the school under ORS 36.179,  
12 183.502 and 390.240; and

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

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

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

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

28 “(c) Managing reviews and evaluations relating to major long-term issues  
29 confronting the state involving criminal and juvenile justice, public safety  
30 professionalism, ethics in leadership and early childhood development pro-

1 grams;

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

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

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

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

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

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

26 “352.068. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*  
27 *University System*] the Center for Lakes and Reservoirs[. *The Center for*  
28 *Lakes and Reservoirs shall*], **to** be administered by Portland State University.

29 “(2) The purpose of the Center for Lakes and Reservoirs is to assist state  
30 and federal agencies in researching and mitigating nonindigenous, invasive



1 aquatic species in this state and to work with communities in developing  
2 effective management of lakes and reservoirs.

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

4 “352.071. (1) Pursuant to ORS 351.870, [*there is created within the Oregon*  
5 *University System*] the Graduate School of Social Work[. *The Graduate*  
6 *School of Social Work shall*] **is created, to** be administered by Portland State  
7 University.

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

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

13 “352.074. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*  
14 *University System*] the Institute of Portland Metropolitan Studies[. *The In-*  
15 *stitute of Portland Metropolitan Studies shall*], **to** be administered by  
16 Portland State University.

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

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

22 “352.360. (1) The State Board of Higher Education may enact such regu-  
23 lations as the board deems convenient or necessary to provide for the polic-  
24 ing, control and regulation of traffic and parking of vehicles on the property  
25 of any public university listed in ORS [352.002] **351.011**. The regulations may  
26 provide for the registration of vehicles, the designation of parking areas and  
27 the assessment and collection of reasonable fees and charges for parking. The  
28 board may require that before a quarterly or yearly parking privilege for any  
29 vehicle is granted to any full-time or part-time student to use board property,  
30 the student must show that the vehicle is operated by a student holding a

1 valid driver license, that the vehicle is currently registered and that the  
2 student driving the vehicle is insured under a motor vehicle liability insur-  
3 ance policy that meets the requirements described under ORS 806.080 or that  
4 the student or owner of the vehicle has provided the Department of Trans-  
5 portation with other satisfactory proof of compliance with the financial re-  
6 sponsibility requirements of this state.

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

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

27 “(4) All fees and charges for parking privileges and violations are depos-  
28 ited in a designated account in the Oregon University System Fund estab-  
29 lished by ORS 351.506 for the purpose of defraying the costs of constructing  
30 bicycle racks and bicycle lanes and of traffic control, enforcement of traffic

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

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

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

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

1 the territorial jurisdiction of such court. Such courts shall have concurrent  
2 jurisdiction over offenses committed within their respective jurisdictions. All  
3 fines, penalties and court costs recovered shall be paid to the clerk of the  
4 court involved and shall be disposed of as provided in ORS 153.640 to 153.680.

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

7 “21.007. It is the intent of the Legislative Assembly that funding be pro-  
8 vided to the following entities by appropriations each biennium to fund pro-  
9 grams, services and activities that were funded through court fees before the  
10 2011-2013 biennium:

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

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

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

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

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

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

28 “(7) To the Judicial Department for the purposes of funding the appellate  
29 settlement program established under ORS 2.560.

30 “(8) To the Department of Human Services for the funding of the Office

1 of Children’s Advocate.

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

3 “30.264. (1)(a) The State Board of Higher Education may authorize public  
4 universities listed in ORS [352.002] **351.011** to provide liability insurance  
5 coverage for students involved in off-campus experiential activities, includ-  
6 ing, but not limited to, student teaching, internships, clinical experiences,  
7 capstone projects and related activities.

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

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

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

19 “30.864. (1) Any person claiming to be aggrieved by the reckless disclosure  
20 of personally identifiable information from a student’s education records as  
21 prohibited by [rules of] **standards issued by** the State Board of Education,  
22 [or] the State Board of Higher Education **or the governing board of a**  
23 **public university with a governing board listed in section 3 of this 2013**  
24 **Act** may file a civil action in circuit court for equitable relief or, subject to  
25 the terms and conditions of ORS 30.265 to 30.300, for damages, or both. The  
26 court may order such other relief as may be appropriate.

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

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

1        **SECTION 103.** ORS 36.145 is amended to read:

2        “36.145. The Dispute Resolution Account is established in the State  
3 Treasury, separate and distinct from the General Fund. All moneys received  
4 under ORS 36.150 shall be deposited to the credit of the account. Notwith-  
5 standing the provisions of ORS 291.238, all moneys in the account are con-  
6 tinuously appropriated to the [*Oregon University System*] **University of**  
7 **Oregon or Portland State University** for the purposes for which the  
8 moneys were made available and shall be expended in accordance with the  
9 terms and conditions upon which the moneys were made available.

10       **SECTION 104.** ORS 36.150 is amended to read:

11        “36.150. [*The Oregon University System*] **Portland State University**, on  
12 behalf of the Mark O. Hatfield School of Government and the **University**  
13 **of Oregon, on behalf of the** University of Oregon School of Law, may ac-  
14 cept and expend moneys from any public or private source, including the  
15 federal government, made available for the purpose of encouraging, promot-  
16 ing or establishing dispute resolution programs in Oregon or to facilitate and  
17 assist the schools in carrying out the responsibilities of the schools under  
18 ORS 36.100 to 36.238 and 183.502. All moneys received by the [*Oregon Uni-*  
19 *versity System*] **University of Oregon and Portland State University** un-  
20 der this section shall be deposited in the Dispute Resolution Account.

21       **SECTION 105.** ORS 36.155 is amended to read:

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

30       **SECTION 106.** ORS 184.631 is amended to read:

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

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

9 “(a) Individuals.

10 “(b) Businesses.

11 “(c) Nonprofit organizations.

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

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

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

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

21 “(5) The department shall adopt rules that govern the solicitation and  
22 selection of product development projects that will receive funding under the  
23 program established under this section.

24 “**SECTION 107.** ORS 192.501 is 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) The name, home address, professional address or location of a person  
26 that is engaged in, or that provides goods or services for, medical research  
27 at Oregon Health and Science University that is conducted using animals  
28 other than rodents. This subsection does not apply to Oregon Health and  
29 Science University press releases, websites or other publications circulated  
30 to the general public.

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

2 “(a) The home address and home telephone number of the public safety  
3 officer contained in the voter registration records for the public safety offi-  
4 cer.

5 “(b) The home address and home telephone number of the public safety  
6 officer contained in records of the Department of Public Safety Standards  
7 and Training.

8 “(c) The name of the public safety officer contained in county real prop-  
9 erty assessment or taxation records. This exemption:

10 “(A) Applies only to the name of the public safety officer and any other  
11 owner of the property in connection with a specific property identified by the  
12 officer in a request for exemption from disclosure;

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

15 “(C) Applies until the public safety officer requests termination of the  
16 exemption;

17 “(D) Does not apply to disclosure of records among public bodies as de-  
18 fined in ORS 174.109 for governmental purposes; and

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

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

29 “(a) The home address, home or cellular telephone number or personal  
30 electronic mail address contained in the records of any public body that has

1 received the request that is set forth in:

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

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

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

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

20 “(33) Land management plans required for voluntary stewardship agree-  
21 ments entered into under ORS 541.423.

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

25 “(a) Apply to the formulas for determining dividends to be paid to em-  
26 ployers insured by the State Accident Insurance Fund Corporation;

27 “(b) Apply to contracts for advertising, public relations or lobbying ser-  
28 vices or to documents related to the formation of such contracts;

29 “(c) Apply to group insurance contracts or to documents relating to the  
30 formation of such contracts, except that employer account records shall re-

1 main exempt from disclosure as provided in ORS 192.502 (35); or

2 “(d) Provide the basis for opposing the discovery of documents in liti-  
3 gation pursuant to the applicable rules of civil procedure.

4 “(35) Records of the Department of Public Safety Standards and Training  
5 relating to investigations conducted under ORS 181.662 or 181.878 (6), until  
6 the department issues the report described in ORS 181.662 or 181.878.

7 “(36) A medical examiner’s report, autopsy report or laboratory test report  
8 ordered by a medical examiner under ORS 146.117.

9 “(37) Any document or other information related to an audit of a public  
10 body, as defined in ORS 174.109, that is in the custody of an auditor or audit  
11 organization operating under nationally recognized government auditing  
12 standards, until the auditor or audit organization issues a final audit report  
13 in accordance with those standards or the audit is abandoned. This ex-  
14 emption does not prohibit disclosure of a draft audit report that is provided  
15 to the audited entity for the entity’s response to the audit findings.

16 **“SECTION 108.** ORS 192.501, as amended by section 3, chapter 455,  
17 Oregon Laws 2005, section 7, chapter 608, Oregon Laws 2007, section 2,  
18 chapter 687, Oregon Laws 2007, section 2, chapter 48, Oregon Laws 2008,  
19 section 3, chapter 57, Oregon Laws 2009, section 2, chapter 135, Oregon Laws  
20 2009, section 4, chapter 222, Oregon Laws 2009, section 2, chapter 769, Oregon  
21 Laws 2009, section 15, chapter 9, Oregon Laws 2011, section 2, chapter 285,  
22 Oregon Laws 2011, and section 69, chapter 637, Oregon Laws 2011, is  
23 amended to read:

24 “192.501. The following public records are exempt from disclosure under  
25 ORS 192.410 to 192.505 unless the public interest requires disclosure in the  
26 particular instance:

27 “(1) Records of a public body pertaining to litigation to which the public  
28 body is a party if the complaint has been filed, or if the complaint has not  
29 been filed, if the public body shows that such litigation is reasonably likely  
30 to occur. This exemption does not apply to litigation which has been con-



1 cluded, and nothing in this subsection shall limit any right or opportunity  
2 granted by discovery or deposition statutes to a party to litigation or po-  
3 tential litigation.

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

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

19 “(a) The arrested person’s name, age, residence, employment, marital sta-  
20 tus and similar biographical information;

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

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

23 “(d) The identity of and biographical information concerning both com-  
24 plaining party and victim;

25 “(e) The identity of the investigating and arresting agency and the length  
26 of the investigation;

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

29 “(g) Such information as may be necessary to enlist public assistance in  
30 apprehending fugitives from justice.

1       “(4) Test questions, scoring keys, and other data used to administer a li-  
2       censing examination, employment, academic or other examination or testing  
3       procedure before the examination is given and if the examination is to be  
4       used again. Records establishing procedures for and instructing persons ad-  
5       ministering, grading or evaluating an examination or testing procedure are  
6       included in this exemption, to the extent that disclosure would create a risk  
7       that the result might be affected.

8       “(5) Information consisting of production records, sale or purchase records  
9       or catch records, or similar business records of a private concern or enter-  
10      prise, required by law to be submitted to or inspected by a governmental  
11      body to allow it to determine fees or assessments payable or to establish  
12      production quotas, and the amounts of such fees or assessments payable or  
13      paid, to the extent that such information is in a form which would permit  
14      identification of the individual concern or enterprise. This exemption does  
15      not include records submitted by long term care facilities as defined in ORS  
16      442.015 to the state for purposes of reimbursement of expenses or determining  
17      fees for patient care. Nothing in this subsection shall limit the use which  
18      can be made of such information for regulatory purposes or its admissibility  
19      in any enforcement proceeding.

20      “(6) Information relating to the appraisal of real estate prior to its ac-  
21      quisition.

22      “(7) The names and signatures of employees who sign authorization cards  
23      or petitions for the purpose of requesting representation or decertification  
24      elections.

25      “(8) Investigatory information relating to any complaint filed under ORS  
26      659A.820 or 659A.825, until such time as the complaint is resolved under ORS  
27      659A.835, or a final order is issued under ORS 659A.850.

28      “(9) Investigatory information relating to any complaint or charge filed  
29      under ORS 243.676 and 663.180.

30      “(10) Records, reports and other information received or compiled by the

1 Director of the Department of Consumer and Business Services under ORS  
2 697.732.

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

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

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

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

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

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

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

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

30 “(16) Data and information provided by participants to mediation under

1 ORS 36.256.

2 “(17) Investigatory information relating to any complaint or charge filed  
3 under ORS chapter 654, until a final administrative determination is made  
4 or, if a citation is issued, until an employer receives notice of any citation.

5 “(18) Specific operational plans in connection with an anticipated threat  
6 to individual or public safety for deployment and use of personnel and  
7 equipment, prepared or used by a public body, if public disclosure of the  
8 plans would endanger an individual’s life or physical safety or jeopardize a  
9 law enforcement activity.

10 “(19)(a) Audits or audit reports required of a telecommunications carrier.  
11 As used in this paragraph, ‘audit or audit report’ means any external or  
12 internal audit or audit report pertaining to a telecommunications carrier, as  
13 defined in ORS 133.721, or pertaining to a corporation having an affiliated  
14 interest, as defined in ORS 759.390, with a telecommunications carrier that  
15 is intended to make the operations of the entity more efficient, accurate or  
16 compliant with applicable rules, procedures or standards, that may include  
17 self-criticism and that has been filed by the telecommunications carrier or  
18 affiliate under compulsion of state law. ‘Audit or audit report’ does not mean  
19 an audit of a cost study that would be discoverable in a contested case pro-  
20 ceeding and that is not subject to a protective order; and

21 “(b) Financial statements. As used in this paragraph, ‘financial  
22 statement’ means a financial statement of a nonregulated corporation having  
23 an affiliated interest, as defined in ORS 759.390, with a telecommunications  
24 carrier, as defined in ORS 133.721.

25 “(20) The residence address of an elector if authorized under ORS 247.965  
26 and subject to ORS 247.967.

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

1       “(a) Personal and corporate financial statements and information, in-  
2 cluding tax returns;  
3       “(b) Credit reports;  
4       “(c) Project appraisals;  
5       “(d) Market studies and analyses;  
6       “(e) Articles of incorporation, partnership agreements and operating  
7 agreements;  
8       “(f) Commitment letters;  
9       “(g) Project pro forma statements;  
10       “(h) Project cost certifications and cost data;  
11       “(i) Audits;  
12       “(j) Project tenant correspondence requested to be confidential;  
13       “(k) Tenant files relating to certification; and  
14       “(L) Housing assistance payment requests.  
15       “(22) Records or information that, if disclosed, would allow a person to:  
16       “(a) Gain unauthorized access to buildings or other property;  
17       “(b) Identify those areas of structural or operational vulnerability that  
18 would permit unlawful disruption to, or interference with, services; or  
19       “(c) Disrupt, interfere with or gain unauthorized access to public funds  
20 or to information processing, communication or telecommunication systems,  
21 including the information contained in the systems, that are used or operated  
22 by a public body.  
23       “(23) Records or information that would reveal or otherwise identify se-  
24 curity measures, or weaknesses or potential weaknesses in security measures,  
25 taken or recommended to be taken to protect:  
26       “(a) An individual;  
27       “(b) Buildings or other property;  
28       “(c) Information processing, communication or telecommunication sys-  
29 tems, including the information contained in the systems; or  
30       “(d) Those operations of the Oregon State Lottery the security of which

1 are subject to study and evaluation under ORS 461.180 (6).

2 “(24) Personal information held by or under the direction of officials of  
3 the Oregon Health and Science University, **a public university listed in**  
4 **ORS 352.002** or the Oregon University System about a person who has or  
5 who is interested in donating money or property to the **Oregon Health and**  
6 **Science** University, the system or a public university [*listed in ORS*  
7 *352.002*], if the information is related to the family of the person, personal  
8 assets of the person or is incidental information not related to the donation.

9 “(25) The home address, professional address and telephone number of a  
10 person who has or who is interested in donating money or property to the  
11 Oregon University System **or a public university listed in ORS 352.002.**

12 “(26) Records of the name and address of a person who files a report with  
13 or pays an assessment to a commodity commission established under ORS  
14 576.051 to 576.455, the Oregon Beef Council created under ORS 577.210 or the  
15 Oregon Wheat Commission created under ORS 578.030.

16 “(27) Information provided to, obtained by or used by a public body to  
17 authorize, originate, receive or authenticate a transfer of funds, including  
18 but not limited to a credit card number, payment card expiration date,  
19 password, financial institution account number and financial institution  
20 routing number.

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

22 “(29) The electronic mail address of a student who attends a public uni-  
23 versity listed in ORS 352.002 or Oregon Health and Science University.

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

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

28 “(b) The home address and home telephone number of the public safety  
29 officer contained in records of the Department of Public Safety Standards  
30 and Training.

1       “(c) The name of the public safety officer contained in county real prop-  
2 erty assessment or taxation records. This exemption:

3       “(A) Applies only to the name of the public safety officer and any other  
4 owner of the property in connection with a specific property identified by the  
5 officer in a request for exemption from disclosure;

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

8       “(C) Applies until the public safety officer requests termination of the  
9 exemption;

10       “(D) Does not apply to disclosure of records among public bodies as de-  
11 fined in ORS 174.109 for governmental purposes; and

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

15       “(31) Unless the public records request is made by a financial institution,  
16 as defined in ORS 706.008, consumer finance company licensed under ORS  
17 chapter 725, mortgage banker or mortgage broker licensed under ORS  
18 86A.095 to 86A.198, or title company for business purposes, records described  
19 in paragraph (a) of this subsection, if the exemption from disclosure of the  
20 records is sought by an individual described in paragraph (b) of this sub-  
21 section using the procedure described in paragraph (c) of this subsection:

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

25       “(A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance,  
26 release, satisfaction, substitution of trustee, easement, dog license, marriage  
27 license or military discharge record that is in the possession of the county  
28 clerk; or

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

30       “(b) The individual claiming the exemption from disclosure must be a

1 district attorney, a deputy district attorney, the Attorney General or an as-  
2 sistant attorney general, the United States Attorney for the District of  
3 Oregon or an assistant United States attorney for the District of Oregon, a  
4 city attorney who engages in the prosecution of criminal matters or a deputy  
5 city attorney who engages in the prosecution of criminal matters.

6 “(c) The individual claiming the exemption from disclosure must do so by  
7 filing the claim in writing with the public body for which the exemption from  
8 disclosure is being claimed on a form prescribed by the public body. Unless  
9 the claim is filed with the county clerk, the claim form shall list the public  
10 records in the possession of the public body to which the exemption applies.  
11 The exemption applies until the individual claiming the exemption requests  
12 termination of the exemption or ceases to qualify for the exemption.

13 “(32) Land management plans required for voluntary stewardship agree-  
14 ments entered into under ORS 541.423.

15 “(33) Sensitive business records or financial or commercial information  
16 of the State Accident Insurance Fund Corporation that is not customarily  
17 provided to business competitors. This exemption does not:

18 “(a) Apply to the formulas for determining dividends to be paid to em-  
19 ployers insured by the State Accident Insurance Fund Corporation;

20 “(b) Apply to contracts for advertising, public relations or lobbying ser-  
21 vices or to documents related to the formation of such contracts;

22 “(c) Apply to group insurance contracts or to documents relating to the  
23 formation of such contracts, except that employer account records shall re-  
24 main exempt from disclosure as provided in ORS 192.502 (35); or

25 “(d) Provide the basis for opposing the discovery of documents in liti-  
26 gation pursuant to the applicable rules of civil procedure.

27 “(34) Records of the Department of Public Safety Standards and Training  
28 relating to investigations conducted under ORS 181.662 or 181.878 (6), until  
29 the department issues the report described in ORS 181.662 or 181.878.

30 “(35) A medical examiner’s report, autopsy report or laboratory test report



1 ordered by a medical examiner under ORS 146.117.

2 “(36) Any document or other information related to an audit of a public  
3 body, as defined in ORS 174.109, that is in the custody of an auditor or audit  
4 organization operating under nationally recognized government auditing  
5 standards, until the auditor or audit organization issues a final audit report  
6 in accordance with those standards or the audit is abandoned. This ex-  
7 emption does not prohibit disclosure of a draft audit report that is provided  
8 to the audited entity for the entity’s response to the audit findings.

9 **“SECTION 109.** ORS 238.005, as amended by section 30, chapter 54,  
10 Oregon Laws 2012, is amended to read:

11 “238.005. For purposes of this chapter:

12 “(1) ‘Active member’ means a member who is presently employed by a  
13 participating public employer in a qualifying position and who has completed  
14 the six-month period of service required by ORS 238.015.

15 “(2) ‘Annuity’ means payments for life derived from contributions made  
16 by a member as provided in this chapter.

17 “(3) ‘Board’ means the Public Employees Retirement Board.

18 “(4) ‘Calendar year’ means 12 calendar months commencing on January  
19 1 and ending on December 31 following.

20 “(5) ‘Continuous service’ means service not interrupted for more than five  
21 years, except that such continuous service shall be computed without regard  
22 to interruptions in the case of:

23 “(a) An employee who had returned to the service of the employer as of  
24 January 1, 1945, and who remained in that employment until having estab-  
25 lished membership in the Public Employees Retirement System.

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

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

8 “(7) ‘Earliest service retirement age’ means the age attained by a member  
9 when the member could first make application for retirement under the pro-  
10 visions of ORS 238.280.

11 “(8) ‘Employee’ includes, in addition to employees, public officers, but  
12 does not include:

13 “(a) Persons engaged as independent contractors.

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

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

21 “(d) Persons employed and paid from federal funds received under a fed-  
22 eral program intended primarily to alleviate unemployment. However, any  
23 such person shall be considered an ‘employee’ if not otherwise excluded by  
24 paragraphs (a) to (c) of this subsection and the public employer elects to  
25 have the person so considered by an irrevocable written notice to the board.

26 “(e) Persons who are employees of a railroad, as defined in ORS 824.020,  
27 and who, as such employees, are included in a retirement plan under federal  
28 railroad retirement statutes. This paragraph shall be deemed to have been  
29 in effect since the inception of the system.

30 “(9) ‘Final average salary’ means whichever of the following is greater:

1       “(a) The average salary per calendar year paid by one or more partic-  
2 ipating public employers to an employee who is an active member of the  
3 system in three of the calendar years of membership before the effective date  
4 of retirement of the employee, in which three years the employee was paid  
5 the highest salary. The three calendar years in which the employee was paid  
6 the largest total salary may include calendar years in which the employee  
7 was employed for less than a full calendar year. If the number of calendar  
8 years of active membership before the effective date of retirement of the  
9 employee is three or fewer, the final average salary for the employee is the  
10 average salary per calendar year paid by one or more participating public  
11 employers to the employee in all of those years, without regard to whether  
12 the employee was employed for the full calendar year.

13       “(b) One-third of the total salary paid by a participating public employer  
14 to an employee who is an active member of the system in the last 36 calendar  
15 months of active membership before the effective date of retirement of the  
16 employee.

17       “(10) ‘Firefighter’ does not include a volunteer firefighter, but does in-  
18 clude:

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

21       “(b) An employee of the State Forestry Department who is certified by the  
22 State Forester as a professional wildland firefighter and whose primary du-  
23 ties include the abatement of uncontrolled fires as described in ORS 477.064.

24       “(11) ‘Fiscal year’ means 12 calendar months commencing on July 1 and  
25 ending on June 30 following.

26       “(12) ‘Fund’ means the Public Employees Retirement Fund.

27       “(13) ‘Inactive member’ means a member who is not employed in a quali-  
28 fying position, whose membership has not been terminated in the manner  
29 described by ORS 238.095 and who is not retired for service or disability.

30       “(14) ‘Institution of higher education’ means a public university listed in

1 ORS 352.002, the Oregon Health and Science University and a community  
2 college, as defined in ORS 341.005.

3 “(15) ‘Member’ means a person who has established membership in the  
4 system and whose membership has not been terminated as described in ORS  
5 238.095. ‘Member’ includes active, inactive and retired members.

6 “(16) ‘Member account’ means the regular account and the variable ac-  
7 count.

8 “(17) ‘Normal retirement age’ means:

9 “(a) For a person who establishes membership in the system before Jan-  
10 uary 1, 1996, as described in ORS 238.430, 55 years of age if the employee  
11 retires at that age as a police officer or firefighter or 58 years of age if the  
12 employee retires at that age as other than a police officer or firefighter.

13 “(b) For a person who establishes membership in the system on or after  
14 January 1, 1996, as described in ORS 238.430, 55 years of age if the employee  
15 retires at that age as a police officer or firefighter or 60 years of age if the  
16 employee retires at that age as other than a police officer or firefighter.

17 “(18) ‘Pension’ means annual payments for life derived from contributions  
18 by one or more public employers.

19 “(19) ‘Police officer’ includes:

20 “(a) Employees of institutions defined in ORS 421.005 as Department of  
21 Corrections institutions whose duties, as assigned by the Director of the  
22 Department of Corrections, include the custody of persons committed to the  
23 custody of or transferred to the Department of Corrections and employees  
24 of the Department of Corrections who were classified as police officers on  
25 or before July 27, 1989, whether or not such classification was authorized  
26 by law.

27 “(b) Employees of the Department of State Police who are classified as  
28 police officers by the Superintendent of State Police.

29 “(c) Employees of the Oregon Liquor Control Commission who are clas-  
30 sified as liquor enforcement inspectors by the administrator of the commis-

1 sion.

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

5 “(e) Police chiefs and police personnel of a city who are classified as po-  
6 lice officers by the council or other governing body of the city.

7 “(f) Police officers who are commissioned by a university under ORS  
8 352.383 and who are classified as police officers by the university.

9 “(g) Parole and probation officers employed by the Department of Cor-  
10 rections, parole and probation officers who are transferred to county em-  
11 ployment under ORS 423.549 and adult parole and probation officers, as  
12 defined in ORS 181.610, who are classified as police officers for the purposes  
13 of this chapter by the county governing body. If a county classifies adult  
14 parole and probation officers as police officers for the purposes of this  
15 chapter, and the employees so classified are represented by a labor organ-  
16 ization, any proposal by the county to change that classification or to cease  
17 to classify adult parole and probation officers as police officers for the pur-  
18 poses of this chapter is a mandatory subject of bargaining.

19 “(h) Police officers appointed under ORS 276.021 or 276.023.

20 “(i) Employees of the Port of Portland who are classified as airport police  
21 by the Board of Commissioners of the Port of Portland.

22 “(j) Employees of the State Department of Agriculture who are classified  
23 as livestock police officers by the Director of Agriculture.

24 “(k) Employees of the Department of Public Safety Standards and Train-  
25 ing who are classified by the department as other than secretarial or clerical  
26 personnel.

27 “(L) Investigators of the Criminal Justice Division of the Department of  
28 Justice.

29 “(m) Corrections officers as defined in ORS 181.610.

30 “(n) Employees of the Oregon State Lottery Commission who are classi-

1 fied by the Director of the Oregon State Lottery as enforcement agents pur-  
2 suant to ORS 461.110.

3 “(o) The Director of the Department of Corrections.

4 “(p) An employee who for seven consecutive years has been classified as  
5 a police officer as defined by this section, and who is employed or transferred  
6 by the Department of Corrections to fill a position designated by the Direc-  
7 tor of the Department of Corrections as being eligible for police officer sta-  
8 tus.

9 “(q) An employee of the Department of Corrections classified as a police  
10 officer on or prior to July 27, 1989, whether or not that classification was  
11 authorized by law, as long as the employee remains in the position held on  
12 July 27, 1989. The initial classification of an employee under a system im-  
13 plemented pursuant to ORS 240.190 does not affect police officer status.

14 “(r) Employees of a school district who are appointed and duly sworn  
15 members of a law enforcement agency of the district as provided in ORS  
16 332.531 or otherwise employed full-time as police officers commissioned by  
17 the district.

18 “(s) Employees at youth correction facilities and juvenile detention facil-  
19 ities under ORS 419A.050, 419A.052 and 420.005 to 420.915 who are required  
20 to hold valid Oregon teaching licenses and who have supervisory, control or  
21 teaching responsibilities over juveniles committed to the custody of the De-  
22 partment of Corrections or the Oregon Youth Authority.

23 “(t) Employees at youth correction facilities as defined in ORS 420.005  
24 whose primary job description involves the custody, control, treatment, in-  
25 vestigation or supervision of juveniles placed in such facilities.

26 “(u) Employees of the Oregon Youth Authority who are classified as ju-  
27 venile parole and probation officers.

28 “(20) ‘Prior service credit’ means credit provided under ORS 238.442 or  
29 under ORS 238.225 (2) to (6) (1999 Edition).

30 “(21) ‘Public employer’ means the state, one of its agencies, any city,

1 county, or municipal or public corporation, any political subdivision of the  
2 state or any instrumentality thereof, or an agency created by one or more  
3 such governmental organizations to provide governmental services. For pur-  
4 poses of this chapter, such agency created by one or more governmental or-  
5 ganizations is a governmental instrumentality and a legal entity with power  
6 to enter into contracts, hold property and sue and be sued.

7 “(22) ‘Qualifying position’ means one or more jobs with one or more par-  
8 ticipating public employers in which an employee performs 600 or more hours  
9 of service in a calendar year, excluding any service in a job for which a  
10 participating public employer does not provide benefits under this chapter  
11 pursuant to an application made under ORS 238.035.

12 “(23) ‘Regular account’ means the account established for each active and  
13 inactive member under ORS 238.250.

14 “(24) ‘Retired member’ means a member who is retired for service or dis-  
15 ability.

16 “(25) ‘Retirement credit’ means a period of time that is treated as credit-  
17 able service for the purposes of this chapter.

18 “(26)(a) ‘Salary’ means the remuneration paid an employee in cash out of  
19 the funds of a public employer in return for services to the employer, plus  
20 the monetary value, as determined by the Public Employees Retirement  
21 Board, of whatever living quarters, board, lodging, fuel, laundry and other  
22 advantages the employer furnishes the employee in return for services.

23 “(b) ‘Salary’ includes but is not limited to:

24 “(A) Payments of employee and employer money into a deferred compen-  
25 sation plan, which are deemed salary paid in each month of deferral;

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

28 “(C) Retroactive payments described in ORS 238.008; and

29 “(D) Wages of a deceased member paid to a surviving spouse or dependent  
30 children under ORS 652.190.

1       “(c) ‘Salary’ or ‘other advantages’ does not include:  
2       “(A) Travel or any other expenses incidental to employer’s business which  
3 is reimbursed by the employer;  
4       “(B) Payments for insurance coverage by an employer on behalf of em-  
5 ployee or employee and dependents, for which the employee has no cash op-  
6 tion;  
7       “(C) Payments made on account of an employee’s death;  
8       “(D) Any lump sum payment for accumulated unused sick leave;  
9       “(E) Any accelerated payment of an employment contract for a future  
10 period or an advance against future wages;  
11       “(F) Any retirement incentive, retirement severance pay, retirement bonus  
12 or retirement gratuitous payment;  
13       “(G) Payments for periods of leave of absence after the date the employer  
14 and employee have agreed that no future services qualifying pursuant to ORS  
15 238.015 (3) will be performed, except for sick leave and vacation;  
16       “(H) Payments for instructional services rendered to public universities  
17 [*of the Oregon University System*] **listed in ORS 352.002** or the Oregon  
18 Health and Science University when such services are in excess of full-time  
19 employment subject to this chapter. A person employed under a contract for  
20 less than 12 months is subject to this subparagraph only for the months to  
21 which the contract pertains; or  
22       “(I) Payments made by an employer for insurance coverage provided to a  
23 domestic partner of an employee.  
24       “(27) ‘School year’ means the period beginning July 1 and ending June 30  
25 next following.  
26       “(28) ‘System’ means the Public Employees Retirement System.  
27       “(29) ‘Variable account’ means the account established for a member who  
28 participates in the Variable Annuity Account under ORS 238.260.  
29       “(30) ‘Vested’ means being an active member of the system in each of five  
30 calendar years.



1 “(31) ‘Volunteer firefighter’ means a firefighter whose position normally  
2 requires less than 600 hours of service per year.

3 **“SECTION 110.** ORS 238.200 is amended to read:

4 “238.200. (1)(a) An active member of the Public Employees Retirement  
5 System shall contribute to the Public Employees Retirement Fund and there  
6 shall be withheld from salary of the member six percent of that salary as an  
7 employee contribution.

8 “(b) Notwithstanding paragraph (a) of this subsection, an employee who  
9 is an active member of the system on August 21, 1981, shall contribute to the  
10 fund and there shall be withheld from salary of the member, as long as the  
11 employee continues to be an active member of the system, four percent of  
12 that salary if the salary for a month is less than \$500, or five percent of that  
13 salary if the salary for a month is \$500 or more and less than \$1,000. Not-  
14 withstanding subsection (2) of this section, for the purpose of computing the  
15 percentage of salary to be withheld under this paragraph from a member who  
16 is an employee of a school district or [*of the State Board of Higher*  
17 *Education*] **a public university listed in ORS 352.002** whose salary is based  
18 on an annual agreement, the agreed annual salary of the member shall be  
19 divided into 12 equal installments, and each installment shall be considered  
20 as earned and paid in separate, consecutive months, commencing with the  
21 first month that payment is actually made under the terms of the salary  
22 agreement.

23 “(2) The contributions of each member as provided in subsection (1) of  
24 this section shall be deducted by the employer from each payroll and trans-  
25 mitted by the employer to the Public Employees Retirement Board, which  
26 shall cause them to be credited to the member account of the member. Salary  
27 shall be considered earned in the month in which it is paid. The date in-  
28 scribed on the paycheck or warrant shall be considered as the pay date, re-  
29 gardless of when the salary is actually delivered to the member.

30 “(3) An active member who is concurrently employed by more than one

1 participating public employer, and who is a member of or entitled to mem-  
2 bership in the system, shall make contributions to the fund on the basis of  
3 salary paid by each employer.

4 “(4) Notwithstanding subsections (1) to (3) of this section, a member of  
5 the system, or a participating employer acting on behalf of the member pur-  
6 suant to ORS 238.205, is not permitted or required to make employee contri-  
7 butions to the fund for service performed on or after January 1, 2004. This  
8 subsection does not affect any contribution for the purpose of unit purchases  
9 under ORS 238.440 or amounts paid for acquisition of creditable service un-  
10 der ORS 238.105 to 238.175.

11 **“SECTION 111.** ORS 238.215 is amended to read:

12 “238.215. Notwithstanding any other provision of this chapter:

13 “(1) An employee, as defined in ORS 243.910 (2), who is an active member  
14 of the system and who has elected, and not canceled that election, to be as-  
15 sisted **under ORS 243.920 (1)** by the State Board of Higher Education [*under*  
16 *ORS 243.920 (1), shall*] **or governing board of a public university with a**  
17 **governing board listed in section 3 of this 2013 Act, may** not contribute  
18 to the fund on any part of the annual salary of the employee in excess of  
19 \$4,800 at any time during which the [*State Board of Higher Education*] **board**  
20 assists the employee under ORS 243.920 (1).

21 “(2) The current service pension, whether for service or disability retire-  
22 ment, under this chapter provided by the contributions of the employers of  
23 such employee shall be:

24 “(a) If the State Board of Higher Education **or governing board** is as-  
25 sisting such employee under ORS 243.920 (1) at the time of retirement, a  
26 pension equal to the annuity provided by the employee’s accumulated con-  
27 tributions to the fund.

28 “(b) If the [*State Board of Higher Education*] **board** is not assisting such  
29 employee under ORS 243.920 (1) at the time of retirement, but previously so  
30 assisted the employee:

1       “(A) For service before the date the [*State Board of Higher Education*]  
2 **board** last ceased to assist the employee, a pension equal to the annuity  
3 provided by the employee’s accumulated contributions to the fund before that  
4 date.

5       “(B) For service on and after the date the [*State Board of Higher Educa-*  
6 *tion*] **board** last ceased to so assist the employee, a pension computed as  
7 provided in ORS 238.300 (2), but if the employee retires before reaching the  
8 normal retirement age, actuarially reduced and computed on the then at-  
9 tained age. For the purpose of computing the pension under this subpara-  
10 graph, only the number of years of membership of the employee after the day  
11 before that date and only the salary of the employee on which the employee  
12 contributes to the fund for those years shall be considered.

13       “(3) Subsection (2) of this section does not apply to an employee, as de-  
14 fined in ORS 243.910 (2), who is an active member of the system, who elected  
15 to be assisted by the State Board of Higher Education **or governing board**  
16 under ORS 243.920 (1) before January 1, 1968, who canceled that election  
17 within the first 60 days of the calendar year 1968 as provided in ORS 243.940  
18 (5) and who does not thereafter elect to be assisted by the [*State Board of*  
19 *Higher Education*] **board** under ORS 243.920 (1).

20       “(4) Subsection (2) of this section does not apply to an employee, as de-  
21 fined in ORS 243.910 (2), who is an active member of the system and has been  
22 an active member of the system continuously since any date before January  
23 1, 1968; who elected to be assisted by the State Board of Higher Education  
24 **or governing board** under ORS 243.920 (1) before January 1, 1968; and who  
25 cancels that election in any calendar year after 1968, but before the calendar  
26 year in which the employee retires, as provided in ORS 243.940 (5) and does  
27 not thereafter elect to be assisted by the [*State Board of Higher Education*]  
28 **board** under ORS 243.920 (1). In this case the benefit, whether for service  
29 or disability retirement, shall be computed as under ORS 238.300; however,  
30 for service during periods in which the employee was assisted by the [*State*

1 *Board of Higher Education*] **board** under ORS 243.920 (1), a year of member-  
2 ship as used in ORS 238.300 (2) shall be a portion of a year which is re-  
3 presented by a fraction the numerator of which is \$4,800 and the denominator  
4 of which is the salary earned by the employee in that year. However, in no  
5 case shall the fraction be greater than one.

6 **SECTION 112.** ORS 238A.005, as amended by section 1, chapter 31,  
7 Oregon Laws 2012, is amended to read:

8 “238A.005. For the purposes of this chapter:

9 “(1) ‘Active member’ means a member of the pension program or the in-  
10 dividual account program of the Oregon Public Service Retirement Plan who  
11 is actively employed in a qualifying position.

12 “(2) ‘Actuarial equivalent’ means a payment or series of payments having  
13 the same value as the payment or series of payments replaced, computed on  
14 the basis of interest rate and mortality assumptions adopted by the board.

15 “(3) ‘Board’ means the Public Employees Retirement Board.

16 “(4) ‘Eligible employee’ means a person who performs services for a par-  
17 ticipating public employer, including elected officials other than judges. ‘El-  
18 igible employee’ does not include:

19 “(a) Persons engaged as independent contractors;

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

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

24 “(d) Persons categorized by a participating public employer as student  
25 employees;

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

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

30 “(g) An employee actively participating in an alternative retirement pro-

1 gram established under ORS 353.250 or an optional retirement plan estab-  
2 lished under ORS 341.551;

3 “(h) Employees of [*the Oregon University System*] **a public university**  
4 **listed in ORS 352.002** who are actively participating in an optional retire-  
5 ment plan offered under ORS 243.800;

6 “(i) Any employee who belongs to a class of employees that was not eli-  
7 gible on August 28, 2003, for membership in the system under the provisions  
8 of ORS chapter 238 or other law;

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

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

15 “(L) Judges.

16 “(5) ‘Firefighter’ means:

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

19 “(b) The State Fire Marshal, the chief deputy state fire marshal and  
20 deputy state fire marshals; and

21 “(c) An employee of the State Forestry Department who is certified by the  
22 State Forester as a professional wildland firefighter and whose primary du-  
23 ties include the abatement of uncontrolled fires as described in ORS 477.064.

24 “(6) ‘Fund’ means the Public Employees Retirement Fund.

25 “(7)(a) ‘Hour of service’ means:

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

29 “(B) An hour of vacation, holiday, illness, incapacity, jury duty, military  
30 duty or authorized leave during which an employee does not perform duties

1 but for which the employee is directly or indirectly paid or entitled to pay-  
2 ment by a participating public employer for services in a qualifying position,  
3 as long as the hour is within the number of hours regularly scheduled for  
4 the performance of duties during the period of vacation, holiday, illness, in-  
5 capacity, jury duty, military duty or authorized leave.

6 “(b) ‘Hour of service’ does not include any hour for which payment is  
7 made or due under a plan maintained solely for the purpose of complying  
8 with applicable workers’ compensation laws or unemployment compensation  
9 laws.

10 “(8) ‘Inactive member’ means a member of the pension program or the  
11 individual account program of the Oregon Public Service Retirement Plan  
12 whose membership has not been terminated, who is not a retired member and  
13 who is not employed in a qualifying position.

14 “(9) ‘Individual account program’ means the defined contribution individ-  
15 ual account program of the Oregon Public Service Retirement Plan estab-  
16 lished under ORS 238A.025.

17 “(10) ‘Institution of higher education’ means a public university listed in  
18 ORS 352.002, the Oregon Health and Science University or a community  
19 college, as defined in ORS 341.005.

20 “(11) ‘Member’ means an eligible employee who has established member-  
21 ship in the pension program or the individual account program of the Oregon  
22 Public Service Retirement Plan and whose membership has not been termi-  
23 nated under ORS 238A.110 or 238A.310.

24 “(12) ‘Participating public employer’ means a public employer as defined  
25 in ORS 238.005 that provides retirement benefits for employees of the public  
26 employer under the system.

27 “(13) ‘Pension program’ means the defined benefit pension program of the  
28 Oregon Public Service Retirement Plan established under ORS 238A.025.

29 “(14) ‘Police officer’ means a police officer as described in ORS 238.005.

30 “(15) ‘Qualifying position’ means one or more jobs with one or more par-

1 participating public employers in which an eligible employee performs 600 or  
2 more hours of service in a calendar year, excluding any service in a job for  
3 which benefits are not provided under the Oregon Public Service Retirement  
4 Plan pursuant to ORS 238A.070 (2).

5 “(16) ‘Retired member’ means a pension program member who is receiving  
6 a pension as provided in ORS 238A.180 to 238A.195.

7 “(17)(a) ‘Salary’ means the remuneration paid to an active member in re-  
8 turn for services to the participating public employer, including  
9 remuneration in the form of living quarters, board or other items of value,  
10 to the extent the remuneration is includable in the employee’s taxable in-  
11 come under Oregon law. Salary includes the additional amounts specified  
12 in paragraph (b) of this subsection, but does not include the amounts speci-  
13 fied in paragraph (c) of this subsection, regardless of whether those amounts  
14 are includable in taxable income.

15 “(b) ‘Salary’ includes the following amounts:

16 “(A) Payments of employee and employer money into a deferred compen-  
17 sation plan that are made at the election of the employee.

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

20 “(C) Any amount that is contributed to a cafeteria plan or qualified  
21 transportation fringe benefit plan by the employer at the election of the  
22 employee and that is not includable in the taxable income of the employee  
23 by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2011.

24 “(D) Any amount that is contributed to a cash or deferred arrangement  
25 by the employer at the election of the employee and that is not included in  
26 the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in  
27 effect on December 31, 2011.

28 “(E) Retroactive payments described in ORS 238.008.

29 “(F) The amount of an employee contribution to the individual account  
30 program that is paid by the employer and deducted from the compensation

1 of the employee, as provided under ORS 238A.335 (1) and (2)(a).

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

4 “(H) Wages of a deceased member paid to a surviving spouse or dependent  
5 children under ORS 652.190.

6 “(c) ‘Salary’ does not include the following amounts:

7 “(A) Travel or any other expenses incidental to employer’s business which  
8 is reimbursed by the employer.

9 “(B) Payments made on account of an employee’s death.

10 “(C) Any lump sum payment for accumulated unused sick leave, vacation  
11 leave or other paid leave.

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

14 “(E) Any retirement incentive, retirement bonus or retirement gratuitous  
15 payment.

16 “(F) Payment for a leave of absence after the date the employer and em-  
17 ployee have agreed that no future services in a qualifying position will be  
18 performed.

19 “(G) Payments for instructional services rendered to public universities  
20 [*of the Oregon University System*] **listed in ORS 352.002** or the Oregon  
21 Health and Science University when those services are in excess of full-time  
22 employment subject to this chapter. A person employed under a contract for  
23 less than 12 months is subject to this subparagraph only for the months  
24 covered by the contract.

25 “(H) The amount of an employee contribution to the individual account  
26 program that is paid by the employer and is not deducted from the compen-  
27 sation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

28 “(I) Any amount in excess of \$200,000 for a calendar year. If any period  
29 over which salary is determined is less than 12 months, the \$200,000 limita-  
30 tion for that period shall be multiplied by a fraction, the numerator of which



1 is the number of months in the determination period and the denominator  
2 of which is 12. The board shall adopt rules adjusting this dollar limit to in-  
3 corporate cost-of-living adjustments authorized by the Internal Revenue Ser-  
4 vice.

5 “(18) ‘System’ means the Public Employees Retirement System.

6 **“SECTION 113.** ORS 243.107 is amended to read:

7 “243.107. A person employed by a public university listed in ORS 352.002  
8 or the Oregon Health and Science University may be considered an eligible  
9 employee for participation in one of the group benefit plans described in ORS  
10 243.135 if the State Board of Higher Education **or the governing board of**  
11 **the public university**, or the Oregon Health and Science University Board  
12 of Directors for Oregon Health and Science University employees, determines  
13 that funds are available therefor and if:

14 “(1) Notwithstanding ORS 243.105 (4)(b)(F), the person is a student en-  
15 rolled in an institution of higher education and is employed as a graduate  
16 teaching assistant, graduate research assistant or a fellow at the institution  
17 and elects to participate; or

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

21 **“SECTION 114.** ORS 243.800 is amended to read:

22 “243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A  
23 or ORS 243.910 to 243.945, the State Board of Higher Education **and the**  
24 **governing board of a public university with a governing board listed**  
25 **in section 3 of this 2013 Act** shall establish and administer an Optional  
26 Retirement Plan for administrative and academic employees of the Oregon  
27 University System **or public university** who are eligible for membership in  
28 the Public Employees Retirement System. The Optional Retirement Plan  
29 must be a qualified plan under the Internal Revenue Code, capable of ac-  
30 cepting funds transferred under subsection (7) of this section without the

1 transfer being treated as a taxable event under the Internal Revenue Code,  
2 and willing to accept those funds. Retirement and death benefits shall be  
3 provided under the plan by the purchase of annuity contracts, fixed or vari-  
4 able 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 with a gov-**  
18 **erning board listed in section 3 of this 2013 Act** may enter into an  
19 agreement to provide that:

20 “(a) The coach’s salary will be reduced monthly by a stated amount that  
21 is not less than \$25 a month, or the coach will forgo monthly a salary in-  
22 crease of a stated amount that is not less than \$25 a month; and

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

27 “(2) The amount by which an eligible football coach’s salary or wages is  
28 reduced by reason of the salary reduction or forgoing of a salary increase  
29 authorized by subsection (1) of this section shall continue to be included as  
30 regular compensation for the purpose of computing the retirement, pension

1 and Social Security benefits earned by the coach, but that amount shall not  
2 be considered current taxable income for the purpose of computing federal  
3 and state income taxes withheld on behalf of that coach.

4 “(3) For the purposes of this section:

5 “(a) ‘Eligible football coach’ means a staff member of [*the Oregon Uni-*  
6 *versity System*] **a public university listed in ORS 352.002** who primarily  
7 coaches football as a full-time employee of a four-year university described  
8 in 26 U.S.C. 170(b)(1)(A)(ii).

9 “(b) ‘Qualified football coaches plan’ has the meaning given that term in  
10 29 U.S.C. 1002(37).

11 **“SECTION 117.** ORS 243.910 is amended to read:

12 “243.910. As used in ORS 243.910 to 243.945:

13 “(1) ‘Board’ means the State Board of Higher Education for [*all*] public  
14 universities listed in ORS [*352.002*] **351.011, the governing board of a**  
15 **public university with a governing board listed in section 3 of this 2013**  
16 **Act** and for the Oregon Health and Science University, [*means*] the Oregon  
17 Health and Science University Board of Directors.

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

20 “(3) ‘System’ means the Public Employees Retirement System established  
21 by ORS 238.600.

22 **“SECTION 118.** ORS 244.050, as amended by sections 9 and 29, chapter  
23 90, Oregon Laws 2012, is amended to read:

24 “244.050. (1) On or before April 15 of each year the following persons shall  
25 file with the Oregon Government Ethics Commission a verified statement of  
26 economic interest as required under this chapter:

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

30 “(b) Any judicial officer, including justices of the peace and municipal



1 judges, except any pro tem judicial officer who does not otherwise serve as  
2 a judicial officer.

3 “(c) Any candidate for a public office designated in paragraph (a) or (b)  
4 of this subsection.

5 “(d) The Deputy Attorney General.

6 “(e) The Legislative Administrator, the Legislative Counsel, the Legisla-  
7 tive Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the  
8 House of Representatives.

9 “(f) The Chancellor and Vice Chancellors of the Oregon University Sys-  
10 tem and the president and vice presidents, or their administrative equiv-  
11 alents, in each public university listed in ORS 352.002.

12 “(g) The following state officers:

13 “(A) Adjutant General.

14 “(B) Director of Agriculture.

15 “(C) Manager of State Accident Insurance Fund Corporation.

16 “(D) Water Resources Director.

17 “(E) Director of Department of Environmental Quality.

18 “(F) Director of Oregon Department of Administrative Services.

19 “(G) State Fish and Wildlife Director.

20 “(H) State Forester.

21 “(I) State Geologist.

22 “(J) Director of Human Services.

23 “(K) Director of the Department of Consumer and Business Services.

24 “(L) Director of the Department of State Lands.

25 “(M) State Librarian.

26 “(N) Administrator of Oregon Liquor Control Commission.

27 “(O) Superintendent of State Police.

28 “(P) Director of the Public Employees Retirement System.

29 “(Q) Director of Department of Revenue.

30 “(R) Director of Transportation.

- 1 “(S) Public Utility Commissioner.
- 2 “(T) Director of Veterans’ Affairs.
- 3 “(U) Executive director of Oregon Government Ethics Commission.
- 4 “(V) Director of the State Department of Energy.
- 5 “(W) Director and each assistant director of the Oregon State Lottery.
- 6 “(X) Director of the Department of Corrections.
- 7 “(Y) Director of the Oregon Department of Aviation.
- 8 “(Z) Executive director of the Oregon Criminal Justice Commission.
- 9 “(AA) Director of the Oregon Business Development Department.
- 10 “(BB) Director of the Office of Emergency Management.
- 11 “(CC) Director of the Employment Department.
- 12 “(DD) Chief of staff for the Governor.
- 13 “(EE) Administrator of the Office for Oregon Health Policy and Research.
- 14 “(FF) Director of the Housing and Community Services Department.
- 15 “(GG) State Court Administrator.
- 16 “(HH) Director of the Department of Land Conservation and Develop-
- 17 ment.
- 18 “(II) Board chairperson of the Land Use Board of Appeals.
- 19 “(JJ) State Marine Director.
- 20 “(KK) Executive director of the Oregon Racing Commission.
- 21 “(LL) State Parks and Recreation Director.
- 22 “(MM) Public defense services executive director.
- 23 “(NN) Chairperson of the Public Employees’ Benefit Board.
- 24 “(OO) Director of the Department of Public Safety Standards and Train-
- 25 ing.
- 26 “(PP) Chairperson of the Oregon Student Access Commission.
- 27 “(QQ) Executive director of the Oregon Watershed Enhancement Board.
- 28 “(RR) Director of the Oregon Youth Authority.
- 29 “(SS) Director of the Oregon Health Authority.
- 30 “(TT) Deputy Superintendent of Public Instruction.

1       “(h) Any assistant in the Governor’s office other than personal secretaries  
2 and clerical personnel.

3       “(i) Every elected city or county official.

4       “(j) Every member of a city or county planning, zoning or development  
5 commission.

6       “(k) The chief executive officer of a city or county who performs the du-  
7 ties of manager or principal administrator of the city or county.

8       “(L) Members of local government boundary commissions formed under  
9 ORS 199.410 to 199.519.

10       “(m) Every member of a governing body of a metropolitan service district  
11 and the executive officer thereof.

12       “(n) Each member of the board of directors of the State Accident Insur-  
13 ance Fund Corporation.

14       “(o) The chief administrative officer and the financial officer of each  
15 common and union high school district, education service district and com-  
16 munity college district.

17       “(p) Every member of the following state boards and commissions:

18       “(A) Board of Geologic and Mineral Industries.

19       “(B) Oregon Business Development Commission.

20       “(C) State Board of Education.

21       “(D) Environmental Quality Commission.

22       “(E) Fish and Wildlife Commission of the State of Oregon.

23       “(F) State Board of Forestry.

24       “(G) Oregon Government Ethics Commission.

25       “(H) Oregon Health Policy Board.

26       “(I) State Board of Higher Education.

27       “(J) Oregon Investment Council.

28       “(K) Land Conservation and Development Commission.

29       “(L) Oregon Liquor Control Commission.

30       “(M) Oregon Short Term Fund Board.

1 “(N) State Marine Board.  
2 “(O) Mass transit district boards.  
3 “(P) Energy Facility Siting Council.  
4 “(Q) Board of Commissioners of the Port of Portland.  
5 “(R) Employment Relations Board.  
6 “(S) Public Employees Retirement Board.  
7 “(T) Oregon Racing Commission.  
8 “(U) Oregon Transportation Commission.  
9 “(V) Wage and Hour Commission.  
10 “(W) Water Resources Commission.  
11 “(X) Workers’ Compensation Board.  
12 “(Y) Oregon Facilities Authority.  
13 “(Z) Oregon State Lottery Commission.  
14 “(AA) Pacific Northwest Electric Power and Conservation Planning  
15 Council.  
16 “(BB) Columbia River Gorge Commission.  
17 “(CC) Oregon Health and Science University Board of Directors.  
18 “(DD) Capitol Planning Commission.  
19 “(EE) Higher Education Coordinating Commission.  
20 “(q) The following officers of the State Treasurer:  
21 “(A) Deputy State Treasurer.  
22 “(B) Chief of staff for the office of the State Treasurer.  
23 “(C) Director of the Investment Division.  
24 “(r) Every member of the board of commissioners of a port governed by  
25 ORS 777.005 to 777.725 or 777.915 to 777.953.  
26 “(s) Every member of the board of directors of an authority created under  
27 ORS 441.525 to 441.595.  
28 “(t) **Every member of a governing board of a public university with**  
29 **a governing board listed in section 3 of this 2013 Act.**  
30 “(2) By April 15 next after the date an appointment takes effect, every

1 appointed public official on a board or commission listed in subsection (1)  
2 of this section shall file with the Oregon Government Ethics Commission a  
3 statement of economic interest as required under ORS 244.060, 244.070 and  
4 244.090.

5 “(3) By April 15 next after the filing deadline for the primary election,  
6 each candidate described in subsection (1) of this section shall file with the  
7 commission a statement of economic interest as required under ORS 244.060,  
8 244.070 and 244.090.

9 “(4) Within 30 days after the filing deadline for the general election, each  
10 candidate described in subsection (1) of this section who was not a candidate  
11 in the preceding primary election, or who was nominated for public office  
12 described in subsection (1) of this section at the preceding primary election  
13 by write-in votes, shall file with the commission a statement of economic  
14 interest as required under ORS 244.060, 244.070 and 244.090.

15 “(5) Subsections (1) to (4) of this section apply only to persons who are  
16 incumbent, elected or appointed public officials as of April 15 and to persons  
17 who are candidates on April 15. Subsections (1) to (4) of this section also  
18 apply to persons who do not become candidates until 30 days after the filing  
19 deadline for the statewide general election.

20 “(6) If a statement required to be filed under this section has not been  
21 received by the commission within five days after the date the statement is  
22 due, the commission shall notify the public official or candidate and give the  
23 public official or candidate not less than 15 days to comply with the re-  
24 quirements of this section. If the public official or candidate fails to comply  
25 by the date set by the commission, the commission may impose a civil pen-  
26 alty as provided in ORS 244.350.

27 “**NOTE:** Section 119 was deleted by amendment. Subsequent sections were  
28 not renumbered.

29 “**SECTION 120.** ORS 270.110 is amended to read:

30 “270.110. (1) Except as provided in subsection (2) of this section, whenever

1 the state or any agency thereof possesses or controls real property not  
2 needed for public use, or whenever the public interest may be furthered, the  
3 state or its agency may sell, exchange, convey or lease for any period not  
4 exceeding 99 years all or any part of its interest in the property to or with  
5 the state or any political subdivision of the state or the United States or any  
6 agency thereof or private individual or corporation. Except where the state  
7 is exchanging real property, the consideration for the transfer or lease may  
8 be cash or real property, or both.

9 “(2) If the ownership, right or title of the state to any real property set  
10 apart by deed, will or otherwise for a burial ground or cemetery, or for the  
11 purpose of interring the remains of deceased persons, is limited or qualified  
12 or the use of such real property is restricted, whether by dedication or oth-  
13 erwise, the state or its agency may, after first declaring by resolution that  
14 such real property is not needed for public use, or that the sale, exchange,  
15 conveyance or lease thereof will further the public interest, file a complaint  
16 in the circuit court for the county in which such real property is located  
17 against all persons claiming any right, title or interest in such real property,  
18 whether the interest be contingent, conditional or otherwise, for authority  
19 to sell, exchange, convey or lease all or any part of such real property. The  
20 resolution is prima facie evidence that such real property is not needed for  
21 public use, or that the sale, exchange, conveyance or lease will further the  
22 public interest. The action shall be commenced and prosecuted to final de-  
23 termination in the same manner as an action not triable by right to a jury.  
24 The complaint shall contain a description of such real property, a statement  
25 of the nature of the restrictions, qualifications or limitations, and a state-  
26 ment that the defendants claim some interest therein. The court shall make  
27 such judgment as it shall deem proper, taking into consideration the limita-  
28 tions, qualifications or restrictions, the resolution and all other matters  
29 pertinent thereto. Neither costs nor disbursements may be recovered against  
30 any defendant.

1       “(3) The authority to lease property granted by this section includes au-  
2       thority to lease property not owned or controlled by the state at the time  
3       of entering into the lease. Such lease shall be conditioned upon the subse-  
4       quent acquisition of the interest covered by the lease.

5       “(4) Any lease of state real property exceeding five years must be ap-  
6       proved in advance by the Oregon Department of Administrative Services,  
7       except for leases:

8       “(a) Negotiated by the Oregon Department of Aviation;

9       “(b) Of state forestlands;

10       “(c) Of property controlled by the Department of State Lands, **the De-**  
11       partment of Transportation or [*Oregon University System*] **a public univer-**  
12       **sity listed in ORS 352.002;** or

13       “(d) Of property controlled by the legislative or judicial branches of state  
14       government.

15       “**SECTION 121.** ORS 276.610 is amended to read:

16       “276.610. There is established a fund in the State Treasury to be known  
17       as the State Building Fund which shall be used for the construction, alter-  
18       ation and repair of buildings required for use of institutions and activities  
19       under the jurisdiction of the Department of Corrections, the Department of  
20       Human Services, the Oregon Health Authority, **the governing boards of**  
21       **public universities with governing boards listed in section 3 of this 2013**  
22       **Act** or the State Board of Education and the State Board of Higher Educa-  
23       tion and for the furnishing and equipping of buildings so constructed, altered  
24       or repaired.

25       “**SECTION 122.** ORS 276.612 is amended to read:

26       “276.612. The Department of Corrections, the Department of Human Ser-  
27       vices, the Oregon Health Authority and the State Board of Education each  
28       shall determine the buildings to be constructed, altered, repaired, furnished  
29       and equipped for the use of institutions and activities under their respective  
30       jurisdictions. The State Board of Higher Education **or the governing board**

1 **of a public university with a governing board listed in section 3 of this**  
2 **2013 Act** shall determine the buildings to be constructed, altered, repaired,  
3 furnished and equipped for the use of public universities or offices, depart-  
4 ments or activities under its jurisdiction.

5 **“SECTION 123.** ORS 279A.025 is amended to read:

6 “279A.025. (1) Except as provided in subsections (2) to (4) of this section,  
7 the Public Contracting Code applies to all public contracting.

8 “(2) The Public Contracting Code does not apply to:

9 “(a) Contracts between a contracting agency and:

10 “(A) Another contracting agency;

11 “(B) The Oregon Health and Science University;

12 “(C) **A public university listed in ORS 352.002;**

13 “[C] (D) The Oregon State Bar;

14 “[D] (E) A governmental body of another state;

15 “[E] (F) The federal government;

16 “[F] (G) An American Indian tribe or an agency of an American Indian  
17 tribe;

18 “[G] (H) A nation, or a governmental body in a nation, other than the  
19 United States; or

20 “[H] (I) An intergovernmental entity formed between or among:

21 “(i) Governmental bodies of this or another state;

22 “(ii) The federal government;

23 “(iii) An American Indian tribe or an agency of an American Indian tribe;

24 “(iv) A nation other than the United States; or

25 “(v) A governmental body in a nation other than the United States;

26 “(b) Agreements authorized by ORS chapter 190 or by a statute, charter  
27 provision, ordinance or other authority for establishing agreements between  
28 or among governmental bodies or agencies or tribal governing bodies or  
29 agencies;

30 “(c) Insurance and service contracts as provided for under ORS 414.115,



1 414.125, 414.135 and 414.145 for purposes of source selection;

2 “(d) Grants;

3 “(e) Contracts for professional or expert witnesses or consultants to pro-  
4 vide services or testimony relating to existing or potential litigation or legal  
5 matters in which a public body is or may become interested;

6 “(f) Acquisitions or disposals of real property or interest in real property;

7 “(g) Sole-source expenditures when rates are set by law or ordinance for  
8 purposes of source selection;

9 “(h) Contracts for the procurement or distribution of textbooks;

10 “(i) Procurements by a contracting agency from an Oregon Corrections  
11 Enterprises program;

12 “(j) The procurement, transportation or distribution of distilled liquor, as  
13 defined in ORS 471.001, or the appointment of agents under ORS 471.750 by  
14 the Oregon Liquor Control Commission;

15 “(k) Contracts entered into under ORS chapter 180 between the Attorney  
16 General and private counsel or special legal assistants;

17 “(L) Contracts for the sale of timber from lands owned or managed by the  
18 State Board of Forestry and the State Forestry Department;

19 “(m) Contracts for forest protection or forest related activities, as de-  
20 scribed in ORS 477.406, by the State Forester or the State Board of Forestry;

21 “(n) Sponsorship agreements entered into by the State Parks and Recre-  
22 ation Director in accordance with ORS 565.080 (4);

23 “(o) Contracts entered into by the Housing and Community Services De-  
24 partment in exercising the department’s duties prescribed in ORS chapters  
25 456 and 458, except that the department’s public contracting for goods and  
26 services is subject to ORS chapter 279B;

27 “(p) Contracts entered into by the State Treasurer in exercising the  
28 powers of that office prescribed in ORS chapters 178, 286A, 287A, 289, 293,  
29 294 and 295, including but not limited to investment contracts and agree-  
30 ments, banking services, clearing house services and collateralization agree-

1 ments, bond documents, certificates of participation and other debt  
2 repayment agreements, and any associated contracts, agreements and docu-  
3 ments, regardless of whether the obligations that the contracts, agreements  
4 or documents establish are general, special or limited, except that the State  
5 Treasurer’s public contracting for goods and services is subject to ORS  
6 chapter 279B;

7 “(q) Contracts, agreements or other documents entered into, issued or es-  
8 tablished in connection with:

9 “(A) The issuance of obligations, as defined in ORS 286A.100 and  
10 287A.310, of a public body;

11 “(B) The making of program loans and similar extensions or advances of  
12 funds, aid or assistance by a public body to a public or private body for the  
13 purpose of carrying out, promoting or sustaining activities or programs au-  
14 thorized by law; or

15 “(C) The investment of funds by a public body as authorized by law, and  
16 other financial transactions of a public body that by their character cannot  
17 practically be established under the competitive contractor selection proce-  
18 dures of ORS 279B.050 to 279B.085;

19 “(r) Contracts for employee benefit plans as provided in ORS 243.105 (1),  
20 243.125 (4), 243.221, 243.275, 243.291, 243.303 and 243.565;

21 “(s) Contracts for employee benefit plans as provided in ORS 243.860 to  
22 243.886; or

23 “(t) Any other public contracting of a public body specifically exempted  
24 from the code by another provision of law.

25 “(3) The Public Contracting Code does not apply to the contracting ac-  
26 tivities of:

27 “(a) The Oregon State Lottery Commission;

28 “[*(b) The Oregon University System and member public universities, except*  
29 *as provided in ORS 351.086;*]

30 “[*(c)*] **(b)** The legislative department;

1       “[(d)] (c) The judicial department;  
2       “[(e)] (d) Semi-independent state agencies listed in ORS 182.454, except  
3 as provided in ORS 279.835 to 279.855 and 279A.250 to 279A.290;  
4       “[(f)] (e) Oregon Corrections Enterprises;  
5       “[(g)] (f) The Oregon Film and Video Office, except as provided in ORS  
6 279A.100 and 279A.250 to 279A.290;  
7       “[(h)] (g) The Travel Information Council, except as provided in ORS  
8 279A.250 to 279A.290;  
9       “[(i)] (h) The Oregon 529 College Savings Network and the Oregon 529  
10 College Savings Board;  
11       “[(j)] (i) The Oregon Innovation Council;  
12       “[(k)] (j) The Oregon Utility Notification Center; or  
13       “[(L)] (k) Any other public body specifically exempted from the code by  
14 another provision of law.

15       “(4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to  
16 contracts made with qualified nonprofit agencies providing employment op-  
17 portunities for individuals with disabilities under ORS 279.835 to 279.855.

18       “**SECTION 124.** ORS 33.710 is amended to read:

19       “33.710. (1) As used in [*ORS 33.710 and*] **this section and ORS 33.720,**  
20 unless the context requires otherwise:

21       “(a) ‘Governing body’ means the city council, board of commissioners,  
22 board of directors, county court or other managing board of a municipal  
23 corporation, including a board managing a municipally owned public utility  
24 or a dock commission **and a governing board established for a public**  
25 **university pursuant to section 3 of this 2013 Act.**

26       “(b) ‘Municipal corporation’ means any county, city, port, school district,  
27 union high school district, community college district **or public university**  
28 **with a governing board established pursuant to section 3 of this 2013**  
29 **Act** and all other public or quasi-public corporations, including a municipal  
30 utility or dock commission operated by a separate board or commission.

1       “(2) The governing body may commence a proceeding in the circuit court  
2 of the county in which the municipal corporation or the greater part thereof  
3 is located, for the purpose of having a judicial examination and judgment  
4 of the court as to the regularity and legality of:

5       “(a) The proceedings in connection with the establishment or creation of  
6 the municipal corporation, including any action or proceedings proclaiming  
7 the creation of the municipal corporation or declaring the result of any  
8 election therein.

9       “(b) The proceedings of the governing body and of the municipal corpo-  
10 ration providing for and authorizing the issue and sale of bonds of the mu-  
11 nicipal corporation, whether the bonds or any of them have or have not been  
12 sold or disposed of.

13       “(c) Any order of the governing body levying a tax.

14       “(d) The authorization of any contract and as to the validity of the con-  
15 tract, whether or not it has been executed.

16       “(e) Any decision of the governing body that raises novel or important  
17 legal issues that would be efficiently and effectively resolved by a proceeding  
18 before the decision becomes effective, when the decision will:

19       “(A) Require a significant expenditure of public funds;

20       “(B) Significantly affect the lives or businesses of a significant number  
21 of persons within the boundaries of the governing body; or

22       “(C) Indirectly impose a significant financial burden on the cost of con-  
23 ducting business within the boundaries of the governing body.

24       “(f) The authority of the governing body to enact any ordinance, resolu-  
25 tion or regulation.

26       “(g) Any ordinance, resolution or regulation enacted by the governing  
27 body, including the constitutionality of the ordinance, resolution or regu-  
28 lation.

29       “(3) All proceedings of the municipal corporation may be judicially ex-  
30 amined and determined in one special proceeding, or any part thereof may

1 be separately examined and determined by the court.

2 “(4) Nothing in this section allows a governing body to have a judicial  
3 examination and judgment of the court without a justiciable controversy.

4 **“SECTION 125.** ORS 307.090 is amended to read:

5 “307.090. (1) Except as provided by law, all property of the state and all  
6 public or corporate property used or intended for corporate purposes of the  
7 several counties, cities, towns, school districts, irrigation districts, drainage  
8 districts, ports, water districts, housing authorities, **public universities**  
9 **listed in ORS 352.002** and all other public or municipal corporations in this  
10 state, is exempt from taxation.

11 “(2) Any city may agree with any school district to make payments in lieu  
12 of taxes on all property of the city located in any such school district, and  
13 which is exempt from taxation under subsection (1) of this section when such  
14 property is outside the boundaries of the city and owned, used or operated  
15 for the production, transmission, distribution or furnishing of electric power  
16 or energy or electric service for or to the public.

17 **“SECTION 126.** ORS 307.112, as amended by section 2, chapter 42, Oregon  
18 Laws 2012, is amended to read:

19 “307.112. (1) Real or personal property of a taxable owner held under  
20 lease, sublease or lease-purchase agreement by an institution, organization  
21 or public body, other than the State of Oregon, **or a public university listed**  
22 **in ORS 352.002**, granted exemption or the right to claim exemption for any  
23 of its property under ORS 307.090, 307.130, 307.136, 307.140, 307.145, 307.147  
24 or 307.181 (3), is exempt from taxation if:

25 “(a) The property is used by the lessee or, if the lessee is not in possession  
26 of the property, by the entity in possession of the property, in the manner,  
27 if any, required by law for the exemption of property owned, leased, sub-  
28 leased or being purchased by it; and

29 “(b) It is expressly agreed within the lease, sublease or lease-purchase  
30 agreement that the rent payable by the institution, organization or public

1 body has been established to reflect the savings below market rent resulting  
2 from the exemption from taxation.

3 “(2) To obtain the exemption under this section, the lessee or, if the lessee  
4 is not in possession of the property, the entity in possession of the property,  
5 must file a claim for exemption with the county assessor, verified by the oath  
6 or affirmation of the president or other proper officer of the institution or  
7 organization, or head official of the public body or legally authorized dele-  
8 gate, showing:

9 “(a) A complete description of the property for which exemption is  
10 claimed.

11 “(b) If applicable, all facts relating to the use of the property by the lessee  
12 or, if the lessee is not in possession of the property, by the entity in pos-  
13 session of the property.

14 “(c) A true copy of the lease, sublease or lease-purchase agreement cov-  
15 ering the property for which exemption is claimed.

16 “(d) Any other information required by the claim form.

17 “(3) If the assessor is not satisfied that the rent stated in the lease, sub-  
18 lease or lease-purchase agreement has been established to reflect the savings  
19 below market rent resulting from the tax exemption, before the exemption  
20 may be granted the lessor must provide documentary proof, as specified by  
21 rule of the Department of Revenue, that the rent has been established to  
22 reflect the savings below market rent resulting from the tax exemption.

23 “(4)(a) The claim must be filed on or before April 1 preceding the tax year  
24 for which the exemption is claimed, except:

25 “(A) If the lease, sublease or lease-purchase agreement is entered into  
26 after March 1 but not later than June 30, the claim must be filed within 30  
27 days after the date the lease, sublease or lease-purchase agreement is entered  
28 into if exemption is claimed for that year; or

29 “(B) If a late filing fee is paid in the manner provided in ORS 307.162 (2),  
30 the claim may be filed within the time specified in ORS 307.162 (2).

1       “(b) The exemption first applies for the tax year beginning July 1 of the  
2 year for which the claim is filed.

3       “(5)(a) An exemption granted under this section continues as long as the  
4 use of the property remains unchanged and during the period of the lease,  
5 sublease or lease-purchase agreement.

6       “(b) If the use changes, a new claim must be filed as provided in this  
7 section.

8       “(c) If the use changes due to sublease of the property or any portion of  
9 the property from the tax exempt entity described in subsection (1) of this  
10 section to another tax exempt entity, the entity in possession of the property  
11 must file a new claim for exemption as provided in this section.

12       “(d) If the lease, sublease or lease-purchase agreement expires before July  
13 1 of any year, the exemption terminates as of January 1 of the same calendar  
14 year.

15       **“SECTION 127. ORS 291.055 is amended to read:**

16       “291.055. (1) Notwithstanding any other law that grants to a state agency  
17 the authority to establish fees, all new state agency fees or fee increases  
18 adopted during the period beginning on the date of adjournment sine die of  
19 a regular session of the Legislative Assembly and ending on the date of  
20 adjournment sine die of the next regular session of the Legislative Assembly:

21       “(a) Are not effective for agencies in the executive department of gov-  
22 ernment unless approved in writing by the Director of the Oregon Depart-  
23 ment of Administrative Services;

24       “(b) Are not effective for agencies in the judicial department of govern-  
25 ment unless approved in writing by the Chief Justice of the Supreme Court;

26       “(c) Are not effective for agencies in the legislative department of gov-  
27 ernment unless approved in writing by the President of the Senate and the  
28 Speaker of the House of Representatives;

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

1 “(e) Are rescinded on adjournment sine die of the next regular session of  
2 the Legislative Assembly as described in this subsection, unless otherwise  
3 authorized by enabling legislation setting forth the approved fees.

4 “(2) This section does not apply to:

5 “(a) Any tuition or fees charged by [*the State Board of Higher Education*  
6 *and the public universities*] **a public university** listed in ORS 352.002.

7 “(b) Taxes or other payments made or collected from employers for un-  
8 employment insurance required by ORS chapter 657 or premium assessments  
9 required by ORS 656.612 and 656.614 or contributions and assessments cal-  
10 culated by cents per hour for workers’ compensation coverage required by  
11 ORS 656.506.

12 “(c) Fees or payments required for:

13 “(A) Health care services provided by the Oregon Health and Science  
14 University, by the Oregon Veterans’ Homes and by other state agencies and  
15 institutions pursuant to ORS 179.610 to 179.770.

16 “(B) Assessments and premiums paid to the Oregon Medical Insurance  
17 Pool established by ORS 735.614 and 735.625.

18 “(C) Copayments and premiums paid to the Oregon medical assistance  
19 program.

20 “(D) Assessments paid to the Department of Consumer and Business Ser-  
21 vices under ORS 743.951 and 743.961.

22 “(d) Fees created or authorized by statute that have no established rate  
23 or amount but are calculated for each separate instance for each fee payer  
24 and are based on actual cost of services provided.

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

26 “(f) Any intergovernmental charges.

27 “(g) Forest protection district assessment rates established by ORS 477.210  
28 to 477.265 and the Oregon Forest Land Protection Fund fees established by  
29 ORS 477.760.

30 “(h) State Department of Energy assessments required by ORS 469.421 (8)



1 and 469.681.

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

4 “(j) Assessments on premiums charged by the Department of Consumer  
5 and Business Services pursuant to ORS 731.804 or fees charged by the Divi-  
6 sion of Finance and Corporate Securities of the Department of Consumer and  
7 Business Services to banks, trusts and credit unions pursuant to ORS 706.530  
8 and 723.114.

9 “(k) Public Utility Commission operating assessments required by ORS  
10 756.310 or charges paid to the Residential Service Protection Fund required  
11 by chapter 290, Oregon Laws 1987.

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

14 “(m) New or increased fees that are anticipated in the legislative budg-  
15 eting process for an agency, revenues from which are included, explicitly or  
16 implicitly, in the legislatively adopted budget or the legislatively approved  
17 budget for the agency.

18 “(n) Tolls approved by the Oregon Transportation Commission pursuant  
19 to ORS 383.004.

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

23 “(3)(a) Fees temporarily decreased for competitive or promotional reasons  
24 or because of unexpected and temporary revenue surpluses may be increased  
25 to not more than their prior level without compliance with subsection (1)  
26 of this section if, at the time the fee is decreased, the state agency specifies  
27 the following:

28 “(A) The reason for the fee decrease; and

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

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

4 **“SECTION 128.** ORS 291.357 is amended to read:

5 “291.357. (1) As used in this section, ‘general governmental purposes’  
6 means:

7 “(a) Those activities defined as governmental activities under the ac-  
8 counting standards promulgated by the Governmental Accounting Standards  
9 Board of the Financial Accounting Foundation that are in effect on August  
10 10, 2001; and

11 “(b) Post-secondary educational activities that are partially funded by  
12 student tuition and fees.

13 “(2) Each biennium, state governmental appropriations for general gov-  
14 ernmental purposes shall be no greater than eight percent of projected per-  
15 sonal income in Oregon for the same biennium. Projected personal income  
16 shall be based on the United States Department of Commerce projections  
17 used by the Oregon Department of Administrative Services in the last fore-  
18 cast given to the Legislative Assembly before adjournment sine die of the  
19 odd-numbered year regular session on which the printed, adopted budget is  
20 based.

21 “(3) For purposes of this section, the following are considered to be ap-  
22 propriations:

23 “(a) An authorization, given by law, to expend moneys in a biennium;

24 “(b) A limitation, imposed by law, on the expenditure in a biennium of  
25 moneys that are continuously appropriated; and

26 “(c) An estimate of amounts of moneys that are continuously appropriated  
27 that will be spent in a biennium without limitation.

28 “(4) The following appropriations are not subject to the limitation on  
29 appropriations contained in this section:

30 “(a) Appropriations for the construction or acquisition of assets that are

1 financed by state bonds, certificates of participation or other forms of bor-  
2 rowing.

3 “(b) Appropriations of moneys received directly or indirectly from the  
4 federal government.

5 “(c) Appropriations for fee remission programs of [*the Oregon University*  
6 *System*] **public universities listed in ORS 352.002.**

7 “(d) Appropriations of moneys voluntarily donated to a state agency.

8 “(e) Appropriations of moneys from revenue increases or new revenue  
9 sources if the increases or sources result from approval of a measure by the  
10 people at an election held on or after August 10, 2001.

11 “(f) Appropriations to fund new programs or to increase funding for ex-  
12 isting programs if the need for new or increased funding results from ap-  
13 proval of a measure by the people at an election held on or after August 10,  
14 2001.

15 “(5) The limitation on appropriations established by this section may be  
16 exceeded for a biennium if the Governor declares an emergency and three-  
17 fifths of the members serving in each house of the Legislative Assembly  
18 affirmatively vote to exceed the limitation for the biennium.

19 “**NOTE:** Section 129 was deleted by amendment. Subsequent sections were  
20 not renumbered.

21 “**SECTION 130.** ORS 292.043 is amended to read:

22 “292.043. (1) As used in this section:

23 “(a) ‘Foundation’ means:

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

26 “(B) A tax exempt organization designated by the State Board of Higher  
27 Education **or the governing board of a public university with a gov-**  
28 **erning board listed in section 3 of this 2013 Act** to solicit contributions  
29 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 with a**  
22 **governing board listed in section 3 of this 2013 Act** shall prescribe pro-  
23 cedures for determining whether an organization qualifies as a nonprofit  
24 organization under this section.

25 “**SECTION 132.** ORS 307.095 is amended to read:

26 “307.095. (1) Any portion of state property that is used during the tax year  
27 for parking on a rental or fee basis to private individuals is subject to ad  
28 valorem taxation.

29 “(2) The real market value of such portion shall be computed by deter-  
30 mining that percentage which the total of receipts from private use bears to

1 the total of receipts from all use of the property. The assessed value of such  
2 portion shall be computed as provided in ORS 308.146. However, receipts  
3 from any use by a state officer or employee in the performance of the official  
4 duties of the state officer or employee shall not be considered as receipts  
5 from private use in computing the portion subject to ad valorem taxation.

6 “(3) This section and ORS 276.592 do not apply to state property that is  
7 used by [*the Oregon University System*] **a public university listed in ORS**  
8 **352.002** or the Oregon Health and Science University solely to provide  
9 parking for employees, students or visitors.

10 **“SECTION 133.** ORS 307.110 is amended to read:

11 “307.110. (1) Except as provided in ORS 307.120, all real and personal  
12 property of this state or any institution or department thereof or of any  
13 county or city, town or other municipal corporation or political subdivision  
14 of this state, held under a lease or other interest or estate less than a fee  
15 simple, by any person whose real property, if any, is taxable, except em-  
16 ployees of the state, municipality or political subdivision as an incident to  
17 such employment, shall be subject to assessment and taxation for the as-  
18 sessed or specially assessed value thereof uniformly with real property of  
19 nonexempt ownerships.

20 “(2) Each leased or rented premises not exempt under ORS 307.120 and  
21 subject to assessment and taxation under this section which is located on  
22 property used as an airport and owned by and serving a municipality or port  
23 shall be separately assessed and taxed.

24 “(3) Nothing contained in this section shall be construed as subjecting to  
25 assessment and taxation any publicly owned property described in subsection  
26 (1) of this section that is:

27 “(a) Leased for student housing by a school or college to students at-  
28 tending such a school or college.

29 “(b) Leased to or rented by persons, other than sublessees or subrenters,  
30 for agricultural or grazing purposes and for other than a cash rental or a

1 percentage of the crop.

2 “(c) Utilized by persons under a land use permit issued by the Department  
3 of Transportation for which the department’s use restrictions are such that  
4 only an administrative processing fee is able to be charged.

5 “(d) County fairgrounds and the buildings thereon, in a county holding  
6 annual county fairs, managed by the county fair board under ORS 565.230,  
7 if utilized, in addition to county fair use, for any of the purposes described  
8 in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or  
9 farm machinery or equipment.

10 “(e) The properties and grounds managed and operated by the State Parks  
11 and Recreation Director under ORS 565.080, if utilized, in addition to the  
12 purpose of holding the Oregon State Fair, for horse stalls or for storage for  
13 recreational vehicles or farm machinery or equipment.

14 “(f) State property that is used by [*the Oregon University System*] **a public**  
15 **university listed in ORS 352.002** or the Oregon Health and Science Uni-  
16 versity to provide parking for employees, students or visitors.

17 “(g) Property of a housing authority created under ORS chapter 456 which  
18 is leased or rented to persons of lower income for housing pursuant to the  
19 public and governmental purposes of the housing authority. For purposes of  
20 this paragraph, ‘persons of lower income’ has the meaning given the phrase  
21 under ORS 456.055.

22 “(h) Property of a health district if:

23 “(A) The property is leased or rented for the purpose of providing facili-  
24 ties for health care practitioners practicing within the county; and

25 “(B) The county is a frontier rural practice county under rules adopted  
26 by the Office of Rural Health.

27 “(4) Property determined to be an eligible project for tax exemption under  
28 ORS 285C.600 to 285C.626 and 307.123 that was acquired with revenue bonds  
29 issued under ORS 285B.320 to 285B.371 and that is leased by this state, any  
30 institution or department thereof or any county, city, town or other munici-

1 pal corporation or political subdivision of this state to an eligible applicant  
2 shall be assessed and taxed in accordance with ORS 307.123. The property's  
3 continued eligibility for taxation and assessment under ORS 307.123 is not  
4 affected:

5 “(a) If the eligible applicant retires the bonds prior to the original dates  
6 of maturity; or

7 “(b) If any applicable lease or financial agreement is terminated prior to  
8 the original date of expiration.

9 “(5) The provisions of law for liens and the payment and collection of  
10 taxes levied against real property of nonexempt ownerships shall apply to  
11 all real property subject to the provisions of this section. Taxes remaining  
12 unpaid upon the termination of a lease or other interest or estate less than  
13 a fee simple, shall remain a lien against the real or personal property.

14 “(6) If the state enters into a lease of property with, or grants an interest  
15 or other estate less than a fee simple in property to, a person whose real  
16 property, if any, is taxable, then within 30 days after the date of the lease,  
17 or within 30 days after the date the interest or estate less than a fee simple  
18 is created, the state shall file a copy of the lease or other instrument creat-  
19 ing or evidencing the interest or estate with the county assessor. This sec-  
20 tion applies notwithstanding that the property may otherwise be entitled to  
21 an exemption under this section, ORS 307.120 or as otherwise provided by  
22 law.

23 “**SECTION 134.** ORS 340.310, as amended by section 10, chapter 104,  
24 Oregon Laws 2012, is amended to read:

25 “340.310. (1) The Higher Education Coordinating Commission shall de-  
26 velop statewide standards for dual credit programs to be implemented by  
27 public high schools, community colleges and [*state institutions of higher ed-*  
28 *ucation within the Oregon University System*] **public universities listed in**  
29 **ORS 352.002.** The standards must establish the manner by which:

30 “(a) A student may, upon completion of a course, earn course credit both



1 for high school and for a community college or [*state institution of higher*  
2 *education within the Oregon University System*] **public university**; and

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

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

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

18 “**SECTION 135.** ORS 341.440 is amended to read:

19 “341.440. (1) A community college district may contract with another  
20 community college district, common or union high school district, education  
21 service district, [*the Oregon University System*] **public university listed in**  
22 **ORS 352.002**, the Oregon Health and Science University, with a private ed-  
23 ucational institution accredited by the Northwest Association of Schools and  
24 Colleges or its successor or a career school as defined in ORS 345.010 to  
25 obtain educational services for students enrolled in the community college  
26 of the district. However, the educational services so obtained must meet the  
27 standards for educational services provided by the college and the contract  
28 price to the college for such services must not exceed the costs which would  
29 otherwise be incurred by the college to provide its students the same or  
30 similar services.

1 “(2) Educational services for which a district operating a community  
2 college may contract include services offered by correspondence and services  
3 offered electronically or through telecommunications if such services are  
4 accredited by a nationally recognized accrediting association.

5 “(3) For purposes of ORS 341.626, costs incurred under subsection (1) of  
6 this section shall be considered operating expenses of the district if the  
7 contract is approved by the Commissioner for Community College Services.

8 **“SECTION 136.** ORS 343.961 is amended to read:

9 “343.961. (1) As used in this section:

10 “(a) ‘Day treatment program’ means a public or private program that  
11 provides treatment of children with a mental illness, an emotional disturb-  
12 ance or another mental health issue.

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

18 “(c) ‘Eligible residential treatment program’ means a residential treat-  
19 ment program with which the Oregon Health Authority, the Department of  
20 Human Services or the Oregon Youth Authority contracts for long term care  
21 or treatment. ‘Eligible residential treatment program’ does not include psy-  
22 chiatric day treatment programs or programs that provide care or treatment  
23 to juveniles who are in detention facilities.

24 “(d) ‘Residential treatment program’ means a public or private residential  
25 program that provides treatment of children with a mental illness, an emo-  
26 tional disturbance or another mental health issue.

27 “(e) ‘Student’ means a child who is placed in an eligible day treatment  
28 program or eligible residential treatment program by a public or private en-  
29 tity or by the child’s parent.

30 “(2) The Department of Education shall be responsible for payment of the

1 costs of education of students in eligible day treatment programs and eligible  
2 residential treatment programs by contracting with the school district in  
3 which the eligible day treatment program or eligible residential treatment  
4 program is located. The costs of education do not include transportation,  
5 care, treatment or medical expenses.

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

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

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

15 “(B) In the facilities of an eligible day treatment program or eligible  
16 residential treatment program, the facilities of a school district or the facil-  
17 ities of an education service district.

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

22 “(4) A school district may request the Department of Education to com-  
23 bine several eligible day treatment programs or eligible residential treatment  
24 programs into one contract with another school district or an education  
25 service district.

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

1 “(6) The Department of Education may make advances to school districts  
2 responsible for providing an education to students under this section from  
3 funds appropriated for that purpose based on the estimated agreed cost of  
4 educating the students per school year. Advances equal to 25 percent of the  
5 estimated cost may be made on September 1, December 1 and March 1 of the  
6 current year. The balance may be paid whenever the full determination of  
7 cost is made.

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

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

14 “(a) Negotiate interagency agreements to pay for the cost of education in  
15 day treatment programs and residential treatment programs operated under  
16 the auspices of the State Board of Higher Education **or the governing**  
17 **board of a public university with a governing board listed in section 3**  
18 **of this 2013 Act;** and

19 “(b) Negotiate intergovernmental agreements to pay for the cost of edu-  
20 cation in day treatment programs and residential treatment programs oper-  
21 ated under the auspices of the Oregon Health and Science University Board  
22 of Directors.

23 **“SECTION 137.** ORS 344.259 is amended to read:

24 “344.259. (1) The State Board of Education shall coordinate continuing  
25 education in lower division, developmental, adult self-improvement, profes-  
26 sional and technical education for agencies under its regulatory authority.  
27 The State Board of Higher Education shall coordinate continuing education  
28 in upper division and graduate education for public universities under its  
29 jurisdiction.

30 “(2) When significantly adverse impact is alleged by one or more of the

1 agencies listed in this subsection, the affected parties jointly shall provide  
2 for written agreements. These agreements shall allocate responsibility for  
3 planning and providing continuing education or off-campus instruction in  
4 specific areas or by specific types. The agencies are:

5 “(a) The State Board of Education.

6 “(b) The State Board of Higher Education.

7 “(c) Community college districts.

8 “(d) Independent colleges.

9 “(e) Proprietary schools.

10 “(f) **The governing board of a public university with a governing**  
11 **board listed in section 3 of this 2013 Act.**

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

16 “(4) Nothing in this section prohibits the offering of upper division or  
17 graduate programs within 30 miles of the campus of [*the Oregon University*  
18 *System university*] **a public university listed in ORS 352.002** offering the  
19 program, or the offering of lower division programs within 30 miles of the  
20 campus offering the program in areas outside a community college district.  
21 Such programs are entitled to the same college credit and financial support  
22 as programs offered on the campus of the university.

23 “**SECTION 138.** ORS 344.753 is amended to read:

24 “344.753. (1) Employers who enter into written agreements with educa-  
25 tional institutions and who are providing training to participants in youth  
26 apprenticeship and training or work based learning programs are eligible for  
27 reimbursement of expenses incurred in the training process. These expenses  
28 may include wages paid to the student, training costs for mentors and  
29 supervisors, equipment costs to set up youth training capacity, curriculum  
30 development costs, costs of establishing interfirm training centers or other

1 costs necessitated by the training agreement.

2 “(2) The amount of reimbursement shall be 50 percent of the actual cost  
3 of the investment, such reimbursement not to exceed \$2,500 per student who  
4 completes the agreed upon course of study. In the event that a student drops  
5 out of the program through no fault of the employer, the Department of Ed-  
6 ucation may reimburse the employer for costs incurred to that point.

7 “(3) Eligible employers may elect to receive education service credits in  
8 lieu of the reimbursement provided in this section. The amount of the edu-  
9 cation service credit shall equal the value of the potential reimbursement  
10 on a dollar-for-dollar basis. Education service credits may be used to pur-  
11 chase educational services provided to the employer by school districts, ed-  
12 ucation service districts, community colleges, [*the Oregon University*  
13 *System*] **public universities listed in ORS 352.002** or private providers ap-  
14 proved by the Department of Education.

15 “(4) Employers who terminate students without the concurrence of the  
16 school forfeit all claim to reimbursements or education service credits earned  
17 under this section.

18 “(5) The total amount of employer reimbursement allowable under this  
19 section to all employers shall not exceed the amount allocated therefor  
20 biennially from the Administrative Services Economic Development Fund.

21 “(6) Reimbursements allowed under this section must first be certified  
22 with regard to eligibility and availability of funds pursuant to a method es-  
23 tablished by the Department of Education in consultation with the Bureau  
24 of Labor and Industries.

25 **“SECTION 139.** ORS 353.440 is amended to read:

26 “353.440. The Legislative Assembly finds that:

27 “(1) Public universities [*in the Oregon University System*] **listed in ORS**  
28 **352.002** and other educational sectors have academic programs that are re-  
29 lated to or integrated with the programs of Oregon Health and Science  
30 University.

1 “(2) It is in the best interest of the state that a coordinated approach be  
2 taken to these related and integrated academic programs.

3 “(3) In order to best ensure the continued harmony of such academic  
4 programs, the Oregon Health and Science University and [*the Oregon Uni-*  
5 *versity System*] **public universities** shall coordinate such programs and shall  
6 advise each other of the following proposed changes to such academic pro-  
7 grams:

8 “(a) Creation or significant revision, such as a merger or closure, of de-  
9 gree programs;

10 “(b) Creation or significant revision, such as a merger or closure, of  
11 schools; and

12 “(c) Creation or significant revision of major academic policies.

13 “(4) The Oregon Health and Science University and the Higher Education  
14 Coordinating Commission shall coordinate and advise each other of the fol-  
15 lowing types of proposed changes to their related or integrated academic  
16 programs:

17 “(a) Coordination of strategic plans for achieving higher education goals;

18 “(b) Seeking advice and input from each other on modifications to statu-  
19 tory educational missions;

20 “(c) Working to develop a statewide educational data system;

21 “(d) Collaborating as necessary on the creation of any new degree pro-  
22 grams; and

23 “(e) Notifying each other and commenting on tuition rate changes.

24 “(5) In order to further the coordination described by this section, Oregon  
25 Health and Science University officers shall maintain a role in the appro-  
26 priate committees of the State Board of Higher Education, the Higher Edu-  
27 cation Coordinating Commission and the Oregon University System.

28 “**SECTION 140.** ORS 357.004 is amended to read:

29 “357.004. As used in ORS 357.001 to 357.200, unless the context requires  
30 otherwise:

1 “(1) ‘Depository library’ means a library that is designated as such under  
2 ORS 357.095.

3 “(2)(a) ‘Issuing agency’ means state government, as that term is defined  
4 in ORS 174.111.

5 “(b) ‘Issuing agency’ does not include the State Board of Higher Educa-  
6 tion, or any public university or office, department or activity under the  
7 control of the board, **or the governing board of a public university with**  
8 **a governing board listed in section 3 of this 2013 Act.**

9 “(3)(a) ‘Public document’ means informational matter produced for public  
10 distribution or access regardless of format, medium, source or copyright,  
11 originating in or produced with the imprint of, by the authority of or at the  
12 total or partial expense of any state agency. ‘Public document’ includes in-  
13 formational matter produced on computer diskettes, CD-ROMs, computer  
14 tapes, the Internet or in other electronic formats.

15 “(b) ‘Public document’ does not include:

16 “(A) Correspondence, forms, interoffice or intraoffice memoranda;

17 “(B) Legislative bills;

18 “(C) Oregon Revised Statutes or any edition thereof; or

19 “(D) Reports and publications of the Oregon Supreme Court, the Oregon  
20 Court of Appeals and the Oregon Tax Court.

21 **“SECTION 141.** ORS 408.095 is amended to read:

22 “408.095. (1) As used in this section, ‘community college’ has the meaning  
23 given that term in ORS 341.005.

24 “(2) There is created in the Department of Veterans’ Affairs the Campus  
25 Veterans’ Service Officers Program.

26 “(3) The purpose of the program is to provide educational outreach to  
27 veterans to help ensure that they obtain maximum state and federal benefits.

28 “(4) The department shall appoint a sufficient number of campus veterans’  
29 service officers to ensure that each Oregon community college and each  
30 public university [*in the Oregon University System, as described*] **listed** in



1 ORS 352.002[,] is provided veterans' services.

2 “(5) Each community college and public university [*in the Oregon Uni-*  
3 *versity System*] shall provide office space that may be used for the provision  
4 of veterans' services.

5 “(6) The department may adopt rules to implement the Campus Veterans'  
6 Service Officers Program.

7 **“SECTION 142.** ORS 408.506 is amended to read:

8 “408.506. The Department of Human Services, the Department of Trans-  
9 portation, the Housing and Community Services Department, the Employ-  
10 ment Department, the Department of Justice, the Judicial Department, the  
11 Oregon University System, **public universities with governing boards**  
12 **listed in section 3 of this 2013 Act**, the Bureau of Labor and Industries,  
13 the Department of Community Colleges and Workforce Development and the  
14 Department of Veterans' Affairs shall partner with the Oregon Military De-  
15 partment to provide reintegration services for veterans throughout this state  
16 through regional strategies.

17 **“SECTION 143.** ORS 430.651 is amended to read:

18 “430.651. (1) If the Oregon Health Authority uses a formula for allocating  
19 to counties moneys, and if the formula includes population as a factor in  
20 determining the amount of each allocation, the authority shall calculate the  
21 formula annually using the most current population data that is available.

22 “(2) The authority shall use as the source of the population data required  
23 by subsection (1) of this section the primary population research center that  
24 is part of [*the Oregon University System*] **Portland State University**.

25 **“SECTION 144.** ORS 471.580 is amended to read:

26 “471.580. (1) As used in this section:

27 “(a) ‘Alcohol equivalence’ means the amount of ethanol that would be  
28 expected to be present in a beverage based on the standard drink measure-  
29 ment used by the Centers for Disease Control and Prevention.

30 “(b) ‘Education provider’ means:

1       “(A) A community college, as defined in ORS 341.005, offering a food or  
2 beverage career program approved by the State Board of Education;

3       “(B) A career school, as defined in ORS 345.010, offering a food or  
4 beverage career program approved by the Oregon Student Assistance Com-  
5 mission or the State Board of Education;

6       “(C) An institution of higher education listed in ORS 352.002 offering a  
7 food or beverage career program approved by the State Board of Higher Ed-  
8 ucation **or by the governing board of a public university with a gov-**  
9 **erning board listed in section 3 of this 2013 Act;** or

10       “(D) A private and independent institution of higher education, as defined  
11 in ORS 352.720, offering a food or beverage career program that qualifies for  
12 payment under ORS 352.740.

13       “(c) ‘Food or beverage career program’ means a course of study designed  
14 to qualify a person for a career in the food service industry or alcoholic  
15 beverage industry, including but not limited to a course of study in culinary  
16 arts, viticulture, winemaking, enology, brewing or restaurant management.

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

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

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

1 “(b) The alcoholic beverages are served to, and possessed and consumed  
2 by, the person for educational purposes as part of the class curriculum or a  
3 workshop or seminar concerning food or beverage workforce training;

4 “(c) The service, possession and consumption of the alcoholic beverages  
5 are supervised by a faculty or staff member of the education provider who  
6 is 21 years of age or older;

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

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

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

14 “(a) The person served is enrolled as a student in a required or elective  
15 class that is part of a food or beverage career program offered by the edu-  
16 cation provider;

17 “(b) The alcoholic beverages are served to, and consumed by, the person  
18 for educational purposes as part of the class curriculum or, with the ap-  
19 proval of the education provider, as part of a workshop or seminar concern-  
20 ing food or beverage workforce training;

21 “(c) The service and consumption of the alcoholic beverages are super-  
22 vised by a faculty or staff member of the education provider who is 21 years  
23 of age or older;

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

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

27 “(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS  
28 471.430, a person who is 18, 19 or 20 years of age may possess and consume  
29 alcoholic beverages on a licensed or unlicensed premises that an education  
30 provider uses for educational purposes if:

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

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

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

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

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

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

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

25       “**SECTION 145.** ORS 471.580, as amended by section 44, chapter 104,  
26 Oregon Laws 2012, is amended to read:

27       “471.580. (1) As used in this section:

28       “(a) ‘Alcohol equivalence’ means the amount of ethanol that would be  
29 expected to be present in a beverage based on the standard drink measure-  
30 ment used by the Centers for Disease Control and Prevention.

1 “(b) ‘Education provider’ means:

2 “(A) A community college, as defined in ORS 341.005, offering a food or  
3 beverage career program approved by the State Board of Education;

4 “(B) A career school, as defined in ORS 345.010, offering a food or  
5 beverage career program approved by the Oregon Student Assistance Com-  
6 mission or the Higher Education Coordinating Commission;

7 “(C) An institution of higher education listed in ORS 352.002 offering a  
8 food or beverage career program approved by the State Board of Higher Ed-  
9 ucation **or by the governing board of a public university with a gov-  
10 erning board listed in section 3 of this 2013 Act;** or

11 “(D) A private and independent institution of higher education, as defined  
12 in ORS 352.720, offering a food or beverage career program that qualifies for  
13 payment under ORS 352.740.

14 “(c) ‘Food or beverage career program’ means a course of study designed  
15 to qualify a person for a career in the food service industry or alcoholic  
16 beverage industry, including but not limited to a course of study in culinary  
17 arts, viticulture, winemaking, enology, brewing or restaurant management.

18 “(2) The charging or payment of tuition or a special fee for enrollment  
19 in a class that is part of a food or beverage career program or in a workshop  
20 or seminar concerning matters related to food or beverage industry  
21 workforce training, offered by an education provider, that includes the con-  
22 sumption of alcoholic beverages for educational purposes, is not a sale or  
23 purchase of, or other exchange of consideration for, alcoholic beverages.

24 “(3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an educa-  
25 tion provider may serve alcoholic beverages to a person who is 18, 19 or 20  
26 years of age and may allow the person to possess and consume alcoholic  
27 beverages on a licensed or unlicensed premises that the education provider  
28 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 alcoholic beverages are served to, and possessed and consumed  
3 by, the person for educational purposes as part of the class curriculum or a  
4 workshop or seminar concerning food or beverage workforce training;

5 “(c) The service, possession and consumption of the alcoholic beverages  
6 are supervised by a faculty or staff member of the education provider who  
7 is 21 years of age or older;

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

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

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

15 “(a) The person served is enrolled as a student in a required or elective  
16 class that is part of a food or beverage career program offered by the edu-  
17 cation provider;

18 “(b) The alcoholic beverages are served to, and consumed by, the person  
19 for educational purposes as part of the class curriculum or, with the ap-  
20 proval of the education provider, as part of a workshop or seminar concern-  
21 ing food or beverage workforce training;

22 “(c) The service and consumption of the alcoholic beverages are super-  
23 vised by a faculty or staff member of the education provider who is 21 years  
24 of age or older;

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

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

28 “(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS  
29 471.430, a person who is 18, 19 or 20 years of age may possess and consume  
30 alcoholic beverages on a licensed or unlicensed premises that an education

1 provider uses for educational purposes if:

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

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

9 “(c) The person possesses and consumes the alcoholic beverages under the  
10 supervision of a faculty or staff member of the education provider who is 21  
11 years of age or older;

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

13 “(e) The amount consumed by the person during any two-hour class,  
14 workshop or seminar period does not exceed two ounces of alcohol equiv-  
15 alence.

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

21 “(7) Subsections (3) to (5) of this section do not affect the ability of an  
22 education provider, a licensee or a permittee to make alcoholic beverages  
23 available to a person 21 years of age or older in accordance with this chapter  
24 or the ability of a person 21 years of age or older to possess or consume al-  
25 coholic beverages in accordance with this chapter.

26 “**SECTION 146.** ORS 659.850 is amended to read:

27 “659.850. (1) As used in this section, ‘discrimination’ means any act that  
28 unreasonably differentiates treatment, intended or unintended, or any act  
29 that is fair in form but discriminatory in operation, either of which is based  
30 on race, color, religion, sex, sexual orientation, national origin, marital sta-

1 tus, age or disability. ‘Discrimination’ does not include enforcement of an  
2 otherwise valid dress code or policy, as long as the code or policy provides,  
3 on a case-by-case basis, for reasonable accommodation of an individual based  
4 on the health and safety needs of the individual.

5 “(2) A person may not be subjected to discrimination in any public ele-  
6 mentary, secondary or community college education program or service,  
7 school or interschool activity or in any higher education program or service,  
8 school or interschool activity where the program, service, school or activity  
9 is financed in whole or in part by moneys appropriated by the Legislative  
10 Assembly.

11 “(3) The State Board of Education **and the Higher Education Coordi-**  
12 **nating Commission** [*and the State Board of Higher Education*] shall estab-  
13 lish rules necessary to ensure compliance with subsection (2) of this section  
14 in the manner required by ORS chapter 183.

15 **“SECTION 147.** ORS 659.855 is amended to read:

16 “659.855. (1) Any public elementary or secondary school determined by the  
17 Superintendent of Public Instruction or any community college determined  
18 by the Commissioner for Community College Services to be in noncompliance  
19 with provisions of ORS 659.850 and this section shall be subject to appro-  
20 priate sanctions, which may include withholding of all or part of state  
21 funding, as established by rule of the State Board of Education.

22 “(2) Any public university listed in ORS 352.002 determined by the  
23 [*Chancellor of the Oregon University System*] **Higher Education Coordi-**  
24 **nating Commission** to be in noncompliance with provisions of ORS 659.850  
25 and this section shall be subject to appropriate sanctions, which may include  
26 withholding of all or part of state funding, as established by rule of the  
27 [*State Board of Higher Education*] **commission.**

28 “(3) Any public charter school determined by the sponsor of the school  
29 or the superintendent to be in noncompliance with the provisions of ORS  
30 659.850 and this section shall be subject to appropriate sanctions, which may



1 include the withholding of all or part of state funding by the sponsor or su-  
2 perintendent, as established by rule of the State Board of Education.

3 **“SECTION 148.** ORS 659.860 is amended to read:

4 “659.860. (1) Any person claiming to be aggrieved by unlawful discrimi-  
5 nation as prohibited by ORS 659.850 may file a civil action in circuit court  
6 for equitable relief or, subject to the terms and conditions of ORS 30.265 to  
7 30.300, damages, or both. The court may order such other relief as may be  
8 appropriate. Damages shall be \$200 or actual damages, whichever is greater.

9 “(2) The action authorized by this section shall be filed within one year  
10 of the filing of a grievance.

11 “(3) [*No action shall*] **An action may not** be filed unless, within 180 days  
12 of the alleged discrimination, a grievance has been filed with the school  
13 district board, public charter school governing body, community college  
14 board of education, **governing board of a public university with a gov-**  
15 **erning board listed in section 3 of this 2013 Act** or State Board of Higher  
16 Education.

17 “(4) [*No action may*] **An action may not** be filed until 90 days after filing  
18 a grievance unless only injunctive relief is sought pursuant to ORCP 79. The  
19 right to temporary or preliminary injunctive relief shall be independent of  
20 the right to pursue any administrative remedy available to complainants  
21 pursuant to ORS 659.850.

22 “(5) [*No action may*] **An action may not** be filed if the school district  
23 board, public charter school governing body, community college board of  
24 education, **governing board of a public university with a governing**  
25 **board listed in section 3 of this 2013 Act** or State Board of Higher Edu-  
26 cation has obtained a conciliation agreement with the person filing the  
27 grievance or if a final determination of a grievance has been made except  
28 as provided in ORS 183.480.

29 “(6) Notwithstanding the filing of a grievance, pursuant to subsection (3)  
30 of this section, any person seeking to maintain an action under this section

1 shall also file a notice of claim within 180 days of the alleged discrimination  
2 as required by ORS 30.275.

3 “(7) The court shall award reasonable attorney fees to a prevailing  
4 plaintiff in any action under this section. The court may award reasonable  
5 attorney fees and expert witness fees incurred by a defendant who prevails  
6 in the action if the court determines that the plaintiff had no objectively  
7 reasonable basis for asserting a claim or no objectively reasonable basis for  
8 appealing an adverse decision of a trial court.

9 “(8) Nothing in this section is intended to reduce the obligations of the  
10 education agencies under this section and ORS 659.850 and 659.855.

11 **“SECTION 149.** ORS 660.358 is amended to read:

12 “660.358. (1) The State Workforce Investment Board, in consultation with  
13 the Governor, the Education and Workforce Policy Advisor and other parties  
14 deemed appropriate by the board and after consideration of the clean energy  
15 and energy efficiency policies of this state, shall develop a plan for a green  
16 jobs growth initiative to promote the development of emerging technologies  
17 and innovations that lead to, create or sustain family wage green jobs.

18 “(2) The plan for the initiative developed by the board shall:

19 “(a) Identify industries that are high demand green industries based on  
20 current and projected creation of family wage green jobs and the potential  
21 for career pathways created for such jobs.

22 “(b) Use the needs of identified high demand green industries as the basis  
23 for the planning of workforce development activities that promote the de-  
24 velopment of emerging green technologies and innovations. These activities  
25 include, but are not limited to, such efforts undertaken by community col-  
26 leges, [*the*] public universities [*of the Oregon University System*] **listed in**  
27 **ORS 352.002**, designated signature research centers, registered apprentice-  
28 ship programs and other private sector training programs.

29 “(c) Leverage and align existing public workforce development programs  
30 and other public and private resources to the goal of recruiting, supporting,

1 educating and training of targeted populations of workers.

2 “(d) Require the board to work collaboratively with stakeholders from  
3 business, labor and low income advocacy groups in the regional economy to  
4 develop and implement the initiative.

5 “(e) Link adult basic and remedial education programs with job training  
6 for skills necessary for green jobs.

7 “(f) Require the board to collaborate with employers and labor organiza-  
8 tions to identify skills and competencies necessary for green job career  
9 pathways.

10 “(g) Ensure that support services are integrated with education and  
11 training for green jobs and that such services are provided by organizations  
12 with direct access to and experience with targeted populations.

13 “(h) Include an analysis of occupations in the forest products industry to:

14 “(A) Determine key growth factors and employment projections for green  
15 jobs in the forest products industry; and

16 “(B) Define the educational and skill standards required for current and  
17 emerging green occupations in the forest products industry.

18 “(3) Based on the analysis conducted under subsection (2)(h) of this sec-  
19 tion, the State Workforce Investment Board, in consultation with the Edu-  
20 cation and Workforce Policy Advisor, shall identify those forest products  
21 industries to be classified as high-demand green industries, taking into con-  
22 sideration current and future job creation and the strategic importance of  
23 the development of high-demand green forest products industry jobs to the  
24 development and growth of the state’s green economy.

25 “(4) As used in this section, ‘forest products industry’ includes, but is not  
26 limited to, businesses that grow, manage, harvest, transport or process forest,  
27 wood and paper products.

28 **“SECTION 150.** ORS 820.100 is amended to read:

29 “820.100. (1) The State Board of Education shall adopt and enforce such  
30 reasonable standards relating to school bus and school activity vehicle con-

1 construction and school bus and school activity vehicle equipment as the board  
2 deems necessary for safe and economical operation, except that the board  
3 may not authorize the use of school buses manufactured before April 1, 1977.

4 “(2) The State Board of Higher Education **and the governing board of**  
5 **a public university with a governing board listed in section 3 of this**  
6 **2013 Act** may adopt and enforce separate [*rules*] **standards** of the type de-  
7 scribed under this section for school buses and school activity vehicles that  
8 are under the board’s jurisdiction, except that the board may not authorize  
9 the use of school buses manufactured before April 1, 1977.

10 “(3) The State Board of Education shall adopt and enforce standards for  
11 school bus stop arms authorized by ORS 820.105.

12 “(4) [*Rules*] **Standards** adopted under this section:

13 “(a) Must be consistent with requirements established by statute or by  
14 rule adopted under statutory authority that relate to the same subject.

15 “(b) Shall be consistent with minimum uniform national standards, if such  
16 standards exist.

17 “(c) May include different requirements for different classes or types of  
18 school buses or school activity vehicles.

19 “(d) May include any exemptions determined appropriate under ORS  
20 820.150.

21 “**SECTION 151.** ORS 820.110 is amended to read:

22 “820.110. (1) The State Board of Education shall adopt and enforce rules  
23 to establish requirements of operation, qualifications or special training of  
24 drivers and special accident reports for school buses and school activity ve-  
25 hicles.

26 “(2) The State Board of Higher Education **and the governing board of**  
27 **a public university with a governing board listed in section 3 of this**  
28 **2013 Act** may adopt and enforce separate [*rules*] **standards** 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 **and standards** 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 **stan-**  
19 **dards and** rules established under ORS 820.100 and 820.110, as applicable,  
20 and that the vehicles are safe for operation. The rules may include intervals  
21 of inspections.  
22 “(2) The State Board of Higher Education **and the governing board of**  
23 **a public university with a governing board listed in section 3 of this**  
24 **2013 Act** may adopt and enforce separate [*rules*] **standards** of the type de-  
25 scribed under this section for school buses and school activity vehicles that  
26 are under its jurisdiction.  
27 “(3) The rules **and standards** adopted under this section:  
28 “(a) Are subject to any other statute or regulation relating to the safety  
29 of vehicles for operation and the inspection of vehicles.  
30 “(b) May include different requirements for different classes or types of

1 school buses or school activity vehicles.

2 “(c) May include any exemptions determined appropriate under ORS  
3 820.150.

4 **“SECTION 153.** ORS 820.130 is amended to read:

5 “820.130. The Department of Transportation shall issue registration for a  
6 school bus when notified that the vehicle conforms to applicable **standards**  
7 **and** rules under ORS 820.100 to 820.120 and that the vehicle is safe for op-  
8 eration on the highways. Notification required by this section shall be from:

9 “(1) The State Board of Education or its authorized representative re-  
10 garding vehicles under its regulatory authority.

11 “(2) The State Board of Higher Education or its authorized representative  
12 regarding vehicles under its jurisdiction.

13 **“(3) The governing board of a public university with a governing**  
14 **board listed in section 3 of this 2013 Act or the authorized represen-**  
15 **tative of the board regarding vehicles under the board’s jurisdiction.**

16 **“SECTION 153a.** ORS 820.140 is amended to read:

17 “820.140. The Department of Transportation may revoke the registration  
18 of any school bus if the department determines that the vehicle:

19 “(1) Is not maintained and operated in accordance with **standards and**  
20 rules applicable to the vehicle under ORS 820.100 to 820.120; or

21 “(2) Is not safe for operation over or is not safely operated over the public  
22 highways.

23 **“SECTION 154.** ORS 820.150 is amended to read:

24 “820.150. (1) The State Board of Education, by rule, may establish classes  
25 or types of vehicles that are not considered school buses or school activity  
26 vehicles for purposes of the Oregon Vehicle Code or classes of school buses  
27 or school activity vehicles that are not subject to regulation under the  
28 Oregon Vehicle Code either partially or completely.

29 “(2) The State Board of Higher Education **and the governing board of**  
30 **a public university with a governing board listed in section 3 of this**

1 **2013 Act** may adopt separate [*rules*] **standards** of the type described under  
2 this section for vehicles that are under its jurisdiction.

3 “(3) Rules **and standards** adopted under this section are subject to the  
4 following:

5 “(a) Any exemption, either partial or total, established under this section  
6 may be based upon passenger capacity, on limited use or on any other basis  
7 the State Board of Education, **the governing board** or the State Board of  
8 Higher Education considers appropriate.

9 “(b) [*No*] **An** exemption, either partial or total, [*shall*] **may not** be es-  
10 tablished under this section for any vehicle that is marked with or displays  
11 the words ‘school bus.’

12 “(c) Any vehicle determined not to be a school bus under this section is  
13 not a school bus within the definition established under ORS 801.460. Partial  
14 exemptions established for vehicles under this section may include removal  
15 of the vehicle from any provisions relating to school buses under the vehicle  
16 code.

17 “(d) Any vehicle determined not to be a school activity vehicle under this  
18 section is not a school activity vehicle within the definition established un-  
19 der ORS 801.455. Partial exemptions established for vehicles under this sec-  
20 tion may include removal of the vehicle from any provisions relating to  
21 school activity vehicles under the vehicle code.

22 “(e) In considering any rules **and standards** under this section, the  
23 boards shall consider the need to [*assure*] **ensure** student safety.

24 “**SECTION 154a.** ORS 820.160 is amended to read:

25 “820.160. (1) A person commits the offense of illegal display of school bus  
26 markings if the person displays the words ‘School Bus’ on any vehicle unless  
27 the vehicle:

28 “(a) Is used in transporting school children to or from school or an au-  
29 thorized school activity or function; and

30 “(b) Complies with the applicable requirements under **standards and**

1 rules established under ORS 820.100 to 820.120.

2 “(2) The offense described in this section, illegal display of school bus  
3 markings, is a Class B traffic violation.

4 **“SECTION 154b.** ORS 820.180 is amended to read:

5 “820.180. (1) A person commits the offense of unsafe school vehicle oper-  
6 ation if:

7 “(a) The person operates or owns and causes or permits to be operated a  
8 school bus or school activity vehicle in a manner that is in violation of any  
9 **standards and** rules applicable to the vehicle that are adopted under ORS  
10 820.100 to 820.120;

11 “(b) The person owns or leases and causes or permits to be operated for  
12 school purposes a school bus or school activity vehicle containing more  
13 passengers than the vehicle is designed to transport; or

14 “(c) The person operates or owns and causes or permits to be operated a  
15 school bus manufactured before April 1, 1977.

16 “(2) A person is not in violation of subsection (1)(b) of this section if a  
17 bus or vehicle contains more passengers than it is designed to transport due  
18 to unforeseen or unusual circumstances.

19 “(3) The offense described in this section, unsafe school vehicle operation,  
20 is a Class B traffic violation.

21 **“SECTION 155.** Section 14, chapter 36, Oregon Laws 2012, is amended to  
22 read:

23 **“Sec. 14.** (1) For the purposes of this section:

24 “(a) ‘Achievement compact’ means an agreement entered into between the  
25 Oregon Education Investment Board and the governing body of an education  
26 entity as described in this section.

27 “(b) ‘Education entity’ means:

28 “(A) A school district, as defined in ORS 332.002;

29 “(B) An education service district operated under ORS chapter 334;

30 “(C) A community college district or community college service district



1 operated under ORS chapter 341;

2 “(D) The Oregon University System established by ORS 351.011;

3 “(E) A public university [*of the Oregon University System, as*] listed in  
4 ORS 352.002; and

5 “(F) The health professions and graduate science programs of the Oregon  
6 Health and Science University operated under ORS chapter 353.

7 “(c) ‘Governing body of an education entity’ means:

8 “(A) For a school district, the school district board.

9 “(B) For an education service district, the board of directors of the edu-  
10 cation service district.

11 “(C) For a community college district or a community college service  
12 district, the board of education of the community college district.

13 “(D) For the Oregon University System, the State Board of Higher Edu-  
14 cation.

15 “(E) For a public university of the Oregon University System, the presi-  
16 dent of the university.

17 “(F) **For a public university with a governing board listed in section**  
18 **3 of this 2013 Act, the governing board of the university.**

19 “[~~(F)~~] (G) For the Oregon Health and Science University, the Oregon  
20 Health and Science University Board of Directors.

21 “(2)(a) Prior to the beginning of each fiscal year, the governing body of  
22 each education entity must enter into an achievement compact with the  
23 Oregon Education Investment Board for the fiscal year.

24 “(b) Governing bodies of education entities identified in subsection  
25 (1)(b)(A) to (C) of this section shall enter into achievement compacts as part  
26 of the budgeting process under ORS 294.305 to 294.565 and shall submit  
27 achievement compacts to the board prior to July 1 of each year.

28 “(c) The board shall specify a process for adoption and a timeline for  
29 submission of achievement compacts for education entities identified in sub-  
30 section (1)(b)(D) to (F) of this section.

1 “(d) The board shall provide to each school district a number quantifying  
2 the district’s estimated level of funding for the next fiscal year compared to  
3 the determination of funding needed to ensure that the state’s system of  
4 kindergarten through grade 12 public education meets the quality goals  
5 specified under ORS 327.506.

6 “(3)(a) The board shall establish the terms for achievement compacts.

7 “(b) The terms of an achievement compact may include:

8 “(A) A description of goals for outcomes that are consistent with the ed-  
9 ucational goals identified in ORS 329.015, the findings described in ORS  
10 351.003 and the mission of education provided in ORS 351.009.

11 “(B) A description of the outcomes and measures of progress that will  
12 allow each education entity to quantify:

13 “(i) Completion rates for:

14 “(I) Critical stages of learning and programs of study;

15 “(II) The attainment of diplomas, certificates and degrees; and

16 “(III) Achieving the high school and post-secondary education goals es-  
17 tablished in ORS 351.009 and a projection of the progress needed to achieve  
18 those goals by 2025;

19 “(ii) Validations of the quality of knowledge and skills acquired by stu-  
20 dents of the education entity; and

21 “(iii) The relevance of the knowledge and skills acquired by the students  
22 of the education entity and the means by which those skills and knowledge  
23 will contribute to the workforce, the economy and society as described in  
24 state policy.

25 “(C) Other information suggested by the governing body of an education  
26 entity and approved by the board.

27 “(c) Notwithstanding the terms described in paragraph (b) of this sub-  
28 section, for an achievement compact entered into by an education entity  
29 identified in subsection (1)(b)(F) of this section, the terms of the achievement  
30 compact shall be limited to the enrollment of, and attainment of degrees by,

1 Oregon residents in programs for which the state provides funding.

2 “(4)(a) The governing body of each education entity shall identify a target  
3 number and percentage of students for achievement of the outcomes, meas-  
4 ures of progress and goals specified in the achievement compact for the fiscal  
5 year.

6 “(b) The governing body of each education entity shall provide a target  
7 number and percentage of students for the aggregate of all disadvantaged  
8 subgroups, as defined by federal law or specified by rules adopted by the  
9 board. The target number and percentage of students must reflect the edu-  
10 cation entity’s goals of improving education outcomes for disadvantaged  
11 student groups and closing any student achievement gaps between disadvan-  
12 taged student groups and other student groups.

13 “(5) As part of the process of entering into an achievement compact, the  
14 governing body of an education entity shall ensure that open communi-  
15 cations are provided to parents, students, teachers or faculty, employees,  
16 exclusive bargaining representatives and community representatives for the  
17 purposes of explaining and discussing the outcomes, measures of progress,  
18 goals and targets specified in the achievement compact for the fiscal year.  
19 The open communications must be provided during each education entity’s  
20 public budget process.

21 “(6) The board shall specify the format of the achievement compacts and  
22 provide model achievement compacts to the governing body of each education  
23 entity.

24 “(7) The board may adopt a timeline and method for governing bodies of  
25 education entities to provide the board with a report at the end of a fiscal  
26 year that describes the achievements made by the education entities during  
27 the fiscal year. The report:

28 “(a) Must include disaggregated data for each disadvantaged student  
29 group specified by the board; and

30 “(b) May state achievements in numbers and percentages and in relation

1 to the outcomes, measures of progress, goals and targets specified in the  
2 achievement compact for the fiscal year.

3 **“SECTION 156.** Section 13, chapter 761, Oregon Laws 2007, as amended  
4 by section 5, chapter 2, Oregon Laws 2009, section 93, chapter 762, Oregon  
5 Laws 2009, and section 32, chapter 2, Oregon Laws 2011, is amended to read:

6 **“Sec. 13.** (1) There is established in the General Fund an account to be  
7 known as the Portland State University Science Research and Teaching  
8 Center and Hazardous Waste Facility Account. Funds in the account shall  
9 be used for the acquisition, construction, remodeling, expansion and reno-  
10 vation of facilities for a Science Research and Teaching Center and Hazard-  
11 ous Waste Facility Phase I at Portland State University.

12 **“(2)** The account shall consist of proceeds from certificates of partic-  
13 ipation, grant funds, gift funds, proceeds of legal settlements, federal and  
14 local government funds made available to and funds donated to [*the Oregon*  
15 *University System*] **Portland State University** for the purpose of the center  
16 and facility project described in subsection (1) of this section. Interest earned  
17 on moneys in the account shall be credited to the account. The account may  
18 not be credited with more than \$7,000,000 for purposes of this subsection.

19 **“(3)** Moneys in the account are continuously appropriated to [*the Oregon*  
20 *University System*] **Portland State University** and may be transferred to the  
21 account designated by [*ORS 351.626*] **the university** for the center and fa-  
22 cility project described in subsection (1) of this section.

23 **“SECTION 157.** Section 14, chapter 761, Oregon Laws 2007, as amended  
24 by section 94, chapter 762, Oregon Laws 2009, and section 33, chapter 2,  
25 Oregon Laws 2011, is amended to read:

26 **“Sec. 14.** (1) There is established in the General Fund an account to be  
27 known as the University of Oregon Integrative Science Complex, Phase 2  
28 Account. Funds in the account shall be used for the acquisition, con-  
29 struction, remodeling, expansion and renovation of facilities for an Interac-  
30 tive Science Complex, Phase 2 at the University of Oregon.

1       “(2) The account shall consist of grant funds, gift funds, federal and local  
2 government funds made available to and funds donated to the [*Oregon Uni-*  
3 *versity System*] **University of Oregon** for the purpose of the Interactive  
4 Science Complex, Phase 2 project described in subsection (1) of this section.  
5 Interest earned on moneys in the account shall be credited to the account.  
6 The account may not be credited with more than \$30,000,000 for purposes of  
7 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*] **the university** for the Interactive Science  
11 Complex, Phase 2 project described in subsection (1) of this section.

12       “**SECTION 158.** Section 15, chapter 761, Oregon Laws 2007, as amended  
13 by section 95, chapter 762, Oregon Laws 2009, and section 34, chapter 2,  
14 Oregon Laws 2011, is amended to read:

15       “**Sec. 15.** (1) There is established in the General Fund an account to be  
16 known as the University of Oregon Hayward Field Account. Funds in the  
17 account shall be used for the purposes described in Article XI-G of the  
18 Oregon Constitution at Hayward Field at the University of Oregon.

19       “(2) The account shall consist of funds received from not-for-profit or-  
20 ganizations, grant funds, gift funds, 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 Hayward Field project described in sub-  
23 section (1) of this section. Interest earned on moneys in the account shall  
24 be credited to the account. The account may not be credited with more than  
25 \$2,500,000 for purposes of this subsection.

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

30       “**SECTION 159.** Section 17, chapter 761, Oregon Laws 2007, as amended

1 by section 97, chapter 762, Oregon Laws 2009, and section 36, chapter 2,  
2 Oregon Laws 2011, is amended to read:

3 “**Sec. 17.** (1) There is established in the General Fund an account to be  
4 known as the Portland State University Science PCAT Redevelopment Ac-  
5 count. Funds in the account shall be used for the acquisition, construction,  
6 remodeling, expansion and renovation of facilities on the current site of the  
7 Portland Center for Advanced Technology at Portland State University.

8 “(2) The account shall consist of grant funds, gift funds, proceeds of legal  
9 settlements, federal and local government funds made available to and funds  
10 donated to [*the Oregon University System*] **Portland State University** for  
11 the purpose of the project described in subsection (1) of this section. Interest  
12 earned on moneys in the account shall be credited to the account. The ac-  
13 count may not be credited with more than \$10,000,000 for purposes of this  
14 subsection.

15 “(3) Moneys in the account are continuously appropriated to [*the Oregon*  
16 *University System*] **Portland State University** and may be transferred to the  
17 account designated by [*ORS 351.626*] **the university** for the project described  
18 in subsection (1) of this section.

19 “**SECTION 160.** Section 22, chapter 904, Oregon Laws 2009, as amended  
20 by section 50, chapter 2, Oregon Laws 2011, and section 46, chapter 9, Oregon  
21 Laws 2011, is amended to read:

22 “**Sec. 22.** (1) There is established in the General Fund an account to be  
23 known as the Portland State University Science Research and Teaching  
24 Center/Hazardous Waste Facility Phase 2 Project Account. Funds in the ac-  
25 count shall be used for the acquisition, construction, remodeling, expansion  
26 and renovation of facilities for a facility project at [*Oregon*] **Portland State**  
27 **University**.

28 “(2) The account shall consist of proceeds from grant funds, gift funds and  
29 federal and local government funds made available to [*the Oregon University*  
30 *System*] **Portland State University** for the purpose of the facility project

1 described in subsection (1) of this section. Interest earned on moneys in the  
2 account shall be credited to the account. The account may not be credited  
3 with more than \$2,500,000 for purposes of this subsection.

4 “(3) Moneys in the account are continuously appropriated to [*the Oregon*  
5 *University System*] **Portland State University** and may be transferred to the  
6 account designated by [*ORS 351.626*] **the university** for the facility project  
7 described in subsection (1) of this section.

8 “**SECTION 161.** Section 24, chapter 904, Oregon Laws 2009, as amended  
9 by section 52, chapter 2, Oregon Laws 2011, and section 48, chapter 9, Oregon  
10 Laws 2011, is amended to read:

11 “**Sec. 24.** (1) There is established in the General Fund an account to be  
12 known as the University of Oregon Allen Hall Expansion and Remodel  
13 Project Account. Funds in the account shall be used for the acquisition,  
14 construction, remodeling, expansion and renovation of facilities for a facility  
15 project at the University of Oregon.

16 “(2) The account shall consist of proceeds from grant funds and gift funds  
17 made available to and funds donated to the [*Oregon University System*]  
18 **University of Oregon** for the purpose of the facility project described in  
19 subsection (1) of this section. Interest earned on moneys in the account shall  
20 be credited to the account. The account may not be credited with more than  
21 \$7,500,000 for purposes of this subsection.

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

26 “**SECTION 162.** Section 3, chapter 797, Oregon Laws 2001, is amended to  
27 read:

28 “**Sec. 3.** Subject to available funding, if a building evaluated under sec-  
29 tion 2 (4), **chapter 797, Oregon Laws 2001**, [*of this 2001 Act*] is found by a  
30 board to pose an undue risk to life safety during a seismic event, the State

1 Board of Higher Education, **governing board of a public university with**  
2 **a governing board listed in section 3 of this 2013 Act**, local school dis-  
3 trict board, community college board or education service district board, as  
4 appropriate, shall develop a plan for seismic rehabilitation of the building  
5 or for other actions to reduce the risk. For a board that is subject to ORS  
6 291.224, the board’s plan to rehabilitate or take other action to reduce the  
7 seismic risk of a building must be included in the capital construction pro-  
8 gram of the board. A board that is subject to ORS 291.224 shall rank the  
9 relative benefit of projects to reduce seismic risk in comparison with other  
10 life safety and code requirement projects. Subject to availability of funding,  
11 all seismic rehabilitations or other actions to reduce seismic risk must be  
12 completed before January 1, 2032. If the building is listed on a national or  
13 state register of historic places or properties or is designated as a landmark  
14 by local ordinance, the plan for seismic rehabilitation or other action shall  
15 be developed in a manner that gives consideration to preserving the charac-  
16 ter of the building.

17 **“SECTION 163. ORS 352.035, 352.048, 352.049, 352.051, 352.052 and**  
18 **352.053 are repealed.**

19 **“SECTION 164. Notwithstanding ORS 62.720, 351.506, 351.507, 351.508,**  
20 **351.532, 352.560, 567.010, 567.025, 567.030 and 759.445 and section 1, chap-**  
21 **ter 39, Oregon Laws 2012, and section 6, chapter 79, Oregon Laws 2012,**  
22 **if the president of Oregon State University notifies the Governor that**  
23 **the university will become a university with a governing board in the**  
24 **manner set forth in section 168 or 168b of this 2013 Act, any moneys**  
25 **provided or transferred by law to the Oregon University System or**  
26 **State Board of Higher Education for the benefit of or use by Oregon**  
27 **State University shall be provided directly to Oregon State University.**

28 **“SECTION 165. Notwithstanding ORS 196.438, 351.350, 352.230,**  
29 **352.239, 352.247, 352.610, 526.225, 542.710, 561.364, 566.210, 567.005, 567.035,**  
30 **567.210, 567.260, 567.455, 567.505, 567.510 and 567.580, if the president of**



1 Oregon State University notifies the Governor that the university will  
2 become a university with a governing board in the manner set forth  
3 in section 168 or 168b of this 2013 Act, the university shall act inde-  
4 pendently, rather than under the direction, control or management  
5 of the State Board of Higher Education.

6  
7 **“ESTABLISHMENT OF SPECIAL COMMITTEE**  
8 **AND WORK GROUP**

9  
10 **“SECTION 166. (1) The Special Committee on Regional and Techni-**  
11 **cal Universities is established, consisting of 10 members appointed as**  
12 **follows:**

13 **“(a) The President of the Senate shall appoint four members from**  
14 **among members of the Senate, taking into consideration the ge-**  
15 **ographic areas that will be most affected if local governance is granted**  
16 **to the Oregon Institute of Technology, Western Oregon University,**  
17 **Southern Oregon University and Eastern Oregon University.**

18 **“(b) The Speaker of the House of Representatives shall appoint four**  
19 **members from among members of the House of Representatives, tak-**  
20 **ing into consideration the geographic areas that will be most affected**  
21 **if local governance is granted to the Oregon Institute of Technology,**  
22 **Western Oregon University, Southern Oregon University and Eastern**  
23 **Oregon University.**

24 **“(c) The Governor shall appoint two members who are members of**  
25 **the Oregon Education Investment Board.**

26 **“(2) The special committee shall review, discuss and analyze:**

27 **“(a) Issues of administration within the state post-secondary edu-**  
28 **cation system with an emphasis on four-year public universities; and**

29 **“(b) Coordination of operations, academic programs, shared services**  
30 **and other elements of that system.**

1       **“(3) The special committee may recommend legislation on:**

2       **“(a) The future governance of the Oregon Institute of Technology,**  
3 **Western Oregon University, Southern Oregon University and Eastern**  
4 **Oregon University; and**

5       **“(b) The future relationship between Oregon’s institutions of post-**  
6 **secondary education.**

7       **“(4) Any legislation recommended by the special committee shall:**

8       **“(a) Take into consideration whether local governance is appropri-**  
9 **ate at the Oregon Institute of Technology, Western Oregon University,**  
10 **Southern Oregon University and Eastern Oregon University, with a**  
11 **focus on what type of governance will best increase student access,**  
12 **affordability and competitiveness at these institutions in pursuit of the**  
13 **mission described in ORS 351.009.**

14       **“(b) Take into consideration the unique mission associated with**  
15 **each of Oregon’s seven public universities and identify how these**  
16 **missions can best be accomplished and sustained over the next 10**  
17 **years.**

18       **“(c) Define the operating arrangements between the institutions in**  
19 **order to ensure:**

20       **“(A) That all post-secondary institutions, including public univer-**  
21 **sities listed in ORS 352.002 and Oregon’s 17 community colleges, are**  
22 **able to achieve the goals and mission described in ORS 351.006 and**  
23 **351.009;**

24       **“(B) The achievement of cost efficiencies, economies of scale, cost**  
25 **effectiveness, accountability, administrative streamlining and the**  
26 **ability to provide the best quality education possible for the amount**  
27 **of state dollars spent; and**

28       **“(C) That the public missions of Oregon’s public universities, in-**  
29 **cluding access and affordability for residents of this state, are main-**  
30 **tained and enhanced.**

1       **“(5)(a) Any shared services legislation recommended by the special**  
2 **committee must consider the recommended shared services model**  
3 **provided by the Work Group on University Shared Services under**  
4 **section 166a (10) of this 2013 Act.**

5       **“(b) The shared services subject to review by the special committee**  
6 **shall include, but are not limited to, risk management, cash manage-**  
7 **ment, asset management, treasury services, payroll, employee bene-**  
8 **fits, accounting, auditing, purchasing and contracting, information**  
9 **technology and any other administrative function that might benefit**  
10 **from the sharing or pooling of public university resources.**

11       **“(6) A majority of the members of the special committee constitutes**  
12 **a quorum for the transaction of business.**

13       **“(7) Official action by the special committee requires the approval**  
14 **of a majority of the members of the committee.**

15       **“(8) The special committee shall elect two of its members to serve**  
16 **as cochairpersons, one from the Senate and one from the House of**  
17 **Representatives.**

18       **“(9) If there is a vacancy for any cause, the appointing authority**  
19 **shall make an appointment to become immediately effective.**

20       **“(10) The special committee shall meet at times and places specified**  
21 **by the call of the cochairpersons or of a majority of the members of**  
22 **the committee.**

23       **“(11) The special committee may adopt rules necessary for the op-**  
24 **eration of the committee.**

25       **“(12)(a) The special committee shall convene and begin work no**  
26 **later than September 15, 2013.**

27       **“(b) The special committee shall complete a first draft of its rec-**  
28 **ommendations and report to an interim committee of the Legislative**  
29 **Assembly related to education no later than December 15, 2013.**

30       **“(c) The special committee shall finalize and submit recommen-**

1 **dations to the Governor and Legislative Assembly no later than Feb-**  
2 **ruary 1, 2014, for consideration during the 2014 regular Legislative**  
3 **Session.**

4 **“(13) The Legislative Administration Committee shall provide staff**  
5 **support to the special committee.**

6 **“(14) Members of the special committee who are not members of the**  
7 **Legislative Assembly are not entitled to compensation.**

8 **“(15) All agencies of state government, as defined in ORS 174.111,**  
9 **are directed to assist the special committee in the performance of its**  
10 **duties and, to the extent permitted by laws relating to confidentiality,**  
11 **to furnish such information and advice as the members of the com-**  
12 **mittee consider necessary to perform their duties.**

13 **“(16) The special committee may accept contributions of funds and**  
14 **assistance from any source, public or private, for the purposes of the**  
15 **consultation with national experts required by subsections (2) to (5)**  
16 **of this section.**

17 **“SECTION 166a. (1) The Work Group on University Shared Services**  
18 **is established, consisting of the presidents of the seven public univer-**  
19 **sities listed in ORS 352.002, or the presidents’ designees.**

20 **“(2) The work group shall develop a shared services model that de-**  
21 **livers efficient and effective administrative operations to participating**  
22 **post-secondary institutions in a manner that focuses on quality, re-**  
23 **sponsiveness and customer service and that seeks to achieve cost**  
24 **savings, economies of scale, accountability, transparency and stream-**  
25 **lining.**

26 **“(3) In developing a shared services model under subsection (2) of**  
27 **this section, the services that the work group must consider include,**  
28 **but are not limited to, risk management, cash management, asset**  
29 **management, treasury services, payroll, employee benefits, account-**  
30 **ing, auditing, purchasing and contracting, information technology and**

1 any other administrative function that might benefit from the sharing  
2 or pooling of public university resources.

3 “(4) The State Board of Higher Education and the office of the  
4 Chancellor of the Oregon University System shall assist the work  
5 group in developing the work group’s recommendations. The work  
6 group may seek and accept consulting or other technical assistance  
7 from any source in preparing its recommendations.

8 “(5) A majority of the members of the work group constitutes a  
9 quorum for the transaction of business.

10 “(6) Official action by the work group requires the approval of a  
11 majority of the members of the work group.

12 “(7) The work group shall elect one of its members to serve as  
13 chairperson.

14 “(8) The work group shall meet at times and places specified by the  
15 call of the chairperson or of a majority of the members of the work  
16 group.

17 “(9) The work group may adopt rules necessary for the operation  
18 of the work group.

19 “(10)(a) The work group shall submit a first draft of its recom-  
20 mended shared services model to the Special Committee on Regional  
21 and Technical Universities created in section 166 of this 2013 Act no  
22 later than November 15, 2013.

23 “(b) The work group shall finalize and submit its recommended  
24 shared services model to the special committee no later than January  
25 7, 2014.

26 “(11) The Oregon University System shall provide staff support to  
27 the work group.

28 “(12) Members of the work group are not entitled to compensation.

29 “(13) All agencies of state government, as defined in ORS 174.111,  
30 are directed to assist the work group in the performance of its duties

1 and, to the extent permitted by laws relating to confidentiality, to  
2 furnish such information and advice as the members of the work  
3 group consider necessary to perform their duties.

4 **“SECTION 167.** Sections 166 and 166a of this 2013 Act are repealed  
5 on the date of the convening of the 2014 regular session of the Legis-  
6 lative Assembly as specified in ORS 171.010.

7  
8 **“OPERATIVE DATE AND TRANSITIONAL PROVISIONS**

9  
10 **“SECTION 168.** (1) The Governor shall appoint all of the members  
11 of the Board of Trustees of the University of Oregon and all of the  
12 members of the Board of Trustees of Portland State University by  
13 August 31, 2013, so that these appointees may be confirmed by the  
14 Senate in the manner provided in ORS 171.562 and 171.565 by December  
15 31, 2013.

16 **“(2) If the president of Oregon State University notifies the Gover-**  
17 **nor by August 1, 2013, the university will become a university with a**  
18 **governing board:**

19 **“(a) Within two weeks after receiving the notification, the Governor**  
20 **shall inform the President of the Senate, the Speaker of the House of**  
21 **Representatives and the Legislative Counsel of the notification; and**

22 **“(b) The Governor shall appoint all of the members of the Board**  
23 **of Trustees of Oregon State University in the same manner and time**  
24 **frame as set forth in subsection (1) of this section.**

25 **“(3) If the president of Oregon State University notifies the Gover-**  
26 **nor between August 2, 2013, and January 1, 2014, that the university**  
27 **will become a university with a governing board, the Board of Trustees**  
28 **of Oregon State University shall be established in the manner set forth**  
29 **in section 168b of this 2013 Act.**

30 **“SECTION 168a.** (1) Notwithstanding the operative date set forth in

1 section 171 of this 2013 Act, the Board of Trustees of the University  
2 of Oregon and the Board of Trustees of Portland State University may  
3 first issue bonds in the manner set forth in sections 19 to 23 of this  
4 2013 Act on January 1, 2014.

5 “(2) If the president of Oregon State University notifies the Gover-  
6 nor in the manner set forth in section 168 (2) of this 2013 Act that the  
7 university will become a university with a governing board, the Board  
8 of Trustees of Oregon State University may first issue bonds in the  
9 manner set forth in sections 19 to 23 of this 2013 Act on January 1,  
10 2014.

11 **“SECTION 168b.** If the president of Oregon State University notifies  
12 the Governor between August 2, 2013, and January 1, 2014, that the  
13 university will become a university with a governing board:

14 “(1) Within two weeks after receiving the notification, the Governor  
15 shall inform the President of the Senate, the Speaker of the House of  
16 Representatives and the Legislative Counsel of the notification; and

17 “(2) Not later than February 1, 2014, the Governor shall appoint all  
18 of the members of the governing board in the manner set forth in  
19 section 6 of this 2013 Act.

20 **“SECTION 169.** (1) Except as provided in section 168a of this 2013  
21 Act, the State Board of Higher Education shall continue to have ju-  
22 risdiction over the operations of a university with a governing board  
23 as defined in section 2 of this 2013 Act for the 2013-2014 academic year.  
24 However, the governing board shall propose funding requests pursuant  
25 to ORS 351.052, as amended by section 42 of this 2013 Act, and shall  
26 prepare budgets, in cooperation with the Higher Education Coordinat-  
27 ing Commission, for the biennium beginning July 1, 2015.

28 “(2) The president of a university with a governing board shall take  
29 over administrative responsibilities for the university from the State  
30 Board of Higher Education on July 1, 2014.

1       **“SECTION 170. (1) Except as otherwise expressly provided in this**  
2 **section, all persons employed by a university with a governing board,**  
3 **as defined in section 2 of this 2013 Act, on the effective date of this 2013**  
4 **Act shall continue their employment with the university and shall re-**  
5 **tain any seniority, contractual rights or tenure granted prior to the**  
6 **effective date of this 2013 Act. Nothing in this section shall affect any**  
7 **term or condition of any collective bargaining agreement in effect on**  
8 **the effective date of this 2013 Act.**

9       **“(2) All of the duties, functions, powers and lawfully incurred rights**  
10 **and obligations of the State Board of Higher Education that pertain**  
11 **to a university with a governing board are transferred to and vested**  
12 **in the governing board. The transfer shall include but not be limited**  
13 **to all applicable contractual rights and obligations and title to all ap-**  
14 **licable records, property, supplies and materials, including equip-**  
15 **ment, books and papers. For the purpose of succession to these rights**  
16 **and obligations, the governing board is considered to be a continuation**  
17 **of the State Board of Higher Education and not a new authority, and**  
18 **the governing board must exercise such rights and fulfill such obli-**  
19 **gations as if they had not been assigned or transferred, except as**  
20 **otherwise provided by law.**

21       **“(3) All unexpended moneys, including but not limited to General**  
22 **Fund appropriations, gifts, bequests, other funds, assessments, liabil-**  
23 **ity and worker’s compensation reserves and premiums that are ap-**  
24 **propriated to, held, managed or invested by or on behalf of or**  
25 **otherwise available to a university with a governing board, are appro-**  
26 **priated and transferred to the university.**

27       **“(4) A university with a governing board shall conduct and complete**  
28 **any proceeding, action, prosecution or other matter that the univer-**  
29 **sity commenced before the effective date of this 2013 Act and that is**  
30 **pending on the effective date of this 2013 Act.**



1       “(5) The transfer of duties, functions and powers to a governing  
2 board or university with a governing board does not affect any action,  
3 suit or proceeding relating to the university, except that the university  
4 shall be substituted for the State Board of Higher Education and the  
5 State of Oregon in any such action, suit or proceeding.

6       “(6) Any action, proceeding or other matter that was commenced  
7 by a state agency, a state officer, the State Board of Higher Education  
8 or an officer or employee of the State Board of Higher Education be-  
9 fore the effective date of this 2013 Act and relates to the governing  
10 board or university with a governing board and is still pending on the  
11 effective date of this 2013 Act shall be conducted and completed by the  
12 governing board or university.

13       “(7) Nothing in this 2013 Act relieves any person, public entity or  
14 private entity of any obligation with respect to a tax, fee, fine or other  
15 charge, interest, penalty, forfeiture, rule, policy, document, record or  
16 proceeding.

17       “(8) Notwithstanding any other provision of this section, the law-  
18 fully adopted rules and policies of the State Board of Higher Education  
19 pertaining to a university with a governing board that are in effect  
20 on the effective date of this 2013 Act continue in effect until lawfully  
21 superseded or repealed by the standards or policies of the governing  
22 board or the university. References in rules or policies of the State  
23 Board of Higher Education to the state board or an officer or employee  
24 of the state board are considered to be references to the governing  
25 board or an officer or employee of a university with a governing board.

26       “SECTION 171. Sections 2, 2a, 2b, 3, 5, 8 to 23, 164, 165, 169 and 170  
27 of this 2013 Act, the amendments to statutes and session laws by  
28 sections 24, 25, 28 to 37 and 40 to 162 of this 2013 Act and the repeal  
29 of statutes by section 163 of this 2013 Act become operative on July 1,  
30 2014.

1       **SECTION 172.** The State Board of Higher Education and a univer-  
2 sity with a governing board as defined in section 2 of this 2013 Act  
3 may take any action before the operative date specified in section 171  
4 of this 2013 Act that is necessary for the State Board of Higher Edu-  
5 cation and the university to exercise, on and after the operative date  
6 specified in section 171 of this 2013 Act, all of the duties, functions and  
7 powers conferred on the State Board of Higher Education and univer-  
8 sity by this 2013 Act.

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**“CAPTIONS**

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12       **SECTION 173.** The unit captions used in this 2013 Act are provided  
13 only for the convenience of the reader and do not become part of the  
14 statutory law of this state or express any legislative intent in the  
15 enactment of this 2013 Act.

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17

**“EMERGENCY CLAUSE**

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19       **SECTION 174.** This 2013 Act being necessary for the immediate  
20 preservation of the public peace, health and safety, an emergency is  
21 declared to exist, and this 2013 Act takes effect on its passage.”.

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