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# MEMORANDUM

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**To:** *Education Subcommittee*

**From:** *Tim Walker, Legislative Fiscal Office*  
(503) 986-1827

**Date:** June 25, 2013

**Subject:** *SB 270 B*  
Work Session

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SB 270 establishes institutional boards for University of Oregon and Portland State University. Establishes timeframe in which Oregon State University may elect to establish institutional board. Vests institutional boards with specified duties and rights. Details composition requirements of institutional boards. Establishes process by which other universities in Oregon University System may similarly establish institutional boards. Allows universities with an institutional board to issue revenue bonds. Establishes Special Committee on Regional and Technical Universities. Establishes Work Group on University Shared Services. Declares emergency, effective on passage.

The Work Session packet, including measure, staff measure summary, and amendment are available on the Oregon Legislative Information System (OLIS). The measure has no revenue impact and a fiscal impact.

## **Amendment**

The –A23 clarifies the Governor’s role in the board appointment process and clarifies the Special Committee will be considering questions related the future academic coordination of the seven universities.

**Motion #1: Move the –A23 amendment to SB 270 A.**

## **Measure as Modified**

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

**Motion #2: Move SB 270 A to the full committee with a “do pass” recommendation, as modified.**

**Chair to assign carriers:**

**Full:** \_\_\_\_\_

**House:** \_\_\_\_\_

**Senate:** \_\_\_\_\_

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 270 – A23**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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Prepared by: Tim Walker  
Reviewed by: Paul Siebert, Doug Wilson, John Borden  
Date: 06/24/2013

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**Measure Description:**

Establishes governing boards for University of Oregon and Portland State University.

**Government Unit(s) Affected:**

Oregon University System (OUS), Employment Relations Board, Higher Education Coordinating Commission

**Summary of Expenditure Impact:**

See Analysis.

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:** This bill establishes institutional boards for the University of Oregon (UO) and Portland State University (PSU) separate from the Oregon University System (OUS) and vests these boards with specific duties and rights. Allows UO and PSU to use all, some, or none of the shared services offered by OUS. Establishes a timeframes for Oregon State University may elect to establish an institutional board. The bill also provides a methodology by which other universities may establish institutional boards. Establishes the Special Committee on Regional and Technical Universities and the Work Group on University Shared Services. In addition, the bill allows the institutional boards to issue revenue bonds.

The –A17 amendments to SB 270 makes technical changes to ensure consistency with HB 3120, changes the composition of institutional governing boards to include representation of faculty, student, and non-faculty staff as voting members, provisions to ensure collaboration and cooperation between the universities, clarification of shared administrative services, the ability of regional universities to form their own governing boards and timelines for doing so, and the expansion of the Special Committee on University Governance and Operations.

In addition to the support of the Board, the primary drivers for the fiscal impact to UO and PSU would be to what extent the universities use the shared services offered by OUS. The following is a list of the shared services currently performed by the Chancellor's Office (CO):

- Accounting and Reporting
- External and Internal Audits
- Financial Services
- Legal Affairs
- Payroll and Labor Relations
- Employee Benefits
- Treasury and Banking including daily operations and Bond Issuance and Debt Service
- Student Building Fees and Associated Debt Service
- Interest Earnings
- Administrative Systems Management

- Risk Management
- Purchasing and Contracting
- Institutional Research
- Legislative Relations
- Public Relations
- Coordination with other educational entities
- PEBB

OUS has developed estimates for a university that elects to provide, internally, the shared services that OUS currently provides all universities in the system. OUS outlined two different scenarios in which in scenario #1 it is assumed that the university provides board support and continues with selected shared services. Scenario #2 assumes board support and discontinuing all shared services and providing these services internally. Each scenario has a high a low estimate of the costs. In addition, OUS calculated the fiscal impact to the CO's office. The –A16 amendment requires universities with governing boards to continue shared services for employee benefits, collective bargaining, and risk management until July 1, 2015. If universities with governing boards choose to discontinue these services after July 1, 2015, and this discontinuation of shared services has a negative impact on the remaining universities, the Higher Education Coordinating Commission will compensate the negatively impacted universities by reducing appropriations to the universities opting out of the shared services.

	<b>Scenario #1 - Institutions with Local Governing Board Continue Selected Shared Services (amounts per campus)</b>		<b>Scenario #2 - Institutions with Local Governing Board Discontinue All Shared Services (amounts per campus)</b>		<b>Effect on Other Campuses/Chancellor's Office</b>	
	<b><u>Low</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>	<b><u>High</u></b>	<b><u>Scenario #1</u></b>	<b><u>Scenario #2</u></b>
<b>Annual fiscal impacts per campus to an Institution with a local governing board</b>						
Total per Campus (OSU, PSU, UO)	\$1,190,000	\$2,620,000	\$3,065,000	\$5,860,000	(\$57,000)	(\$1,618,785)
Total Per Campus (EOU, OIT, SOU, WOU)	\$710,000	\$1,610,000	\$2,460,000	\$5,250,000		

In addition to the above costs, if the universities (UO, OSU, and PSU) were to opt out of PEBB there would be savings to OSU, PSU, and UO of \$1.2 million per year that would need to be absorbed by the remaining universities. In addition, the CO's office would receive lower assessments of \$3.8 million per year.

This bill would also exempt a university with an independent governing board from Chapter 240, State Personnel Relations, which provides for the administrative expenses and costs of operation for the Employment Relations Board (ERB). Approximately one-half of the cost of operating the Employment Relations Board (ERB) is funded through a monthly per employee assessment on state agencies, including OUS. General Fund and a limited amount of fees pay for the remaining cost of the agency. This bill would exempt a university with an independent governing board from paying the state agency assessment under ORS 240.167; however, ERB would still be required to provide services to such a university. Therefore, the cost would become a General Fund expense. ERB would require approximately \$100,000 General Fund for the second year of the 2013-15 biennium to replace the lost revenue from OUS and approximately \$200,000 General Fund for the 2015-17 biennium.

The bill adds responsibilities for the Higher Education Coordinating Commission (HECC). Upon the request of Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University, HECC is required to determine if they have the capacity and demand to be

governed by an independent board and provide recommendations to the Legislative Assembly. In addition, HECC will perform a number of other duties including the following with respect to the provisions of this bill:

- Report annually to the Legislature on the universities with independent boards' progress on achievement compacts signed with the Oregon Education Investment Board (OEIB).
- Approve universities mission statements, all academic programs and significant changes to academic programs, and allocations among institutions.
- Submit a biennial funding request to the Governor after receiving requests from universities and the State Board of Higher Education.
- Distribute appropriations made by the Legislature.
- Approve increases in tuition and mandatory enrollment fees in excess of five percent if requested by the universities. The universities may also request approval from the Legislature.
- Enter into a performance compact with the state in exchange for state appropriations.
- Report biennially on capital construction projects.
- Monitor, along with the State Board of Education, compliance with discrimination statutes and withhold funding from a university that is deemed out of compliance.

The Executive Branch submitted a fiscal impact to HECC for this bill of approximately \$860,000 General Fund, 6 positions (4.25 FTE) in the 2013-15 biennium and \$1.2 million, 6 positions (6.00 FTE) in the 2015-17 biennium. This estimate includes the impact of this bill as well as the existing responsibilities of HECC as outlined in law. Currently, HECC does not have a budget for the responsibilities currently in law.

The 6 positions include a higher level executive or agency head (PEM F and a support staff position for 24 months. The remaining staff would start three to six months into the biennium (funded for 18 to 21 months). These other staff positions include two Ops/Policy Analyst 4, two Education Program Specialist 2 and one Procurement and Contract Specialist 3.

This estimate also corresponds to the Executive's Branch's fiscal impact for HB 3120 where there are a number of similar responsibilities added for HECC. Regardless, this estimated impact is higher than it should be for this bill exclusive of the existing HECC responsibilities and those included in HB 3120. There currently is no 2013-15 budget for HECC even given the responsibilities included in current law. It should be noted that the Governor's budget includes \$1.7 million General Fund for HECC and the OUS Chancellor's Office budget was reduced by \$1.6 million tied to policy related activities.

The –A23 amendment clarifies the Governor's role in the board appointment process and clarifies the Special Committee will be considering questions related the future academic coordination of the seven universities.

Joint Committee on Ways and Means

Carrier – House: Rep.  
Carrier – Senate: Sen.

Revenue:

Fiscal:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Tim Walker, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

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**WHAT THE MEASURE DOES:** Establishes institutional boards for University of Oregon and Portland State University. Establishes timeframe in which Oregon State University may elect to establish institutional board. Vests institutional boards with specified duties and rights. Details composition requirements of institutional boards. Establishes process by which other universities in Oregon University System may similarly establish institutional boards. Allows universities with an institutional board to issue revenue bonds. Establishes Special Committee on Regional and Technical Universities. Establishes Work Group on University Shared Services. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

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**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Senate Bill 242 (2011) redefined the Oregon University System (OUS) as a public university system. House Bill 4061 (2012) created the Joint Special Committee on University Governance (the Committee). The Committee was tasked with reviewing, analyzing, and discussing, “issues surrounding governance within the higher education system including establishment of institutional boards for Oregon’s public universities.” The Committee met ten times between April and September of 2012, and on October 4, 2012 voted unanimously to forward its recommendations as represented in legislative concept draft (LC 759, dated 10/4/12) for consideration by the 2013 Legislative Assembly. Senate Bill 270-A reflects these recommendations.

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 270**

1 On page 1 of the printed A-engrossed bill, delete lines 4 through 16 and  
2 insert “36.155, 174.117, 184.631, 190.510, 190.520, 190.530, 190.540, 190.580,  
3 190.590, 190.610, 192.501, 238.005, 238.200, 238.215, 238A.005, 243.107, 243.800,  
4 243.820, 243.850, 243.910, 244.050, 270.100, 270.110, 273.155, 276.610, 276.612,  
5 279A.025, 282.076, 284.540, 284.706, 286A.700, 287A.001, 291.055, 291.357,  
6 291.375, 292.043, 292.044, 294.311, 297.250, 307.090, 307.095, 307.110, 307.112,  
7 320.100, 329.810, 337.521, 340.310, 341.440, 342.443, 343.465, 343.961, 344.259,  
8 344.753, 348.010, 348.205, 348.282, 348.283, 348.470, 348.603, 348.890, 348.900,  
9 351.011, 351.015, 351.020, 351.047, 351.049, 351.052, 351.054, 351.062, 351.063,  
10 351.065, 351.067, 351.070, 351.085, 351.094, 351.105, 351.110, 351.155, 351.165,  
11 351.203, 351.205, 351.300, 351.310, 351.340, 351.509, 351.511, 351.516, 351.517,  
12 351.518, 351.519, 351.521, 351.538, 351.539, 351.590, 351.626, 351.628, 351.638,  
13 351.642, 351.643, 351.644, 351.646, 351.658, 351.692, 351.695, 351.697, 351.718,  
14 351.735, 352.002, 352.006, 352.010, 352.012, 352.043, 352.046, 352.066, 352.068,  
15 352.071, 352.074, 352.245, 352.360, 353.440, 354.090, 357.004, 358.575, 366.785,  
16 401.922, 408.095, 408.506, 430.651, 442.830, 461.543, 468A.245, 471.580, 471.810,  
17 526.215, 576.768, 659.850, 659.855, 659.860, 660.312, 660.358, 820.100, 820.110,  
18 820.120, 820.130, 820.140, 820.150, 820.160 and 820.180 and section 3, chapter  
19 797, Oregon Laws 2001, sections 13, 14, 15 and 17, chapter 761, Oregon Laws  
20 2007, sections 5, 9, 22 and 24, chapter 904, Oregon Laws 2009, sections 8 and  
21 11, chapter 615, Oregon Laws 2011, and section 14, chapter 36, Oregon Laws  
22 2012; repealing ORS 352.035, 352.048, 352.049.”

1 On page 3, delete lines 2 through 30 and insert:

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

4 **“(a) University of Oregon;**

5 **“(b) Portland State University;**

6 **“(c) Oregon State University, if the president of Oregon State Uni-**  
7 **versity notifies the Governor that the university will become a uni-**  
8 **versity with a governing board in the manner set forth in section 168**  
9 **or 168a of this 2013 Act;**

10 **“(d) Eastern Oregon University, if Eastern Oregon University be-**  
11 **comes a university with a governing board in the manner set forth in**  
12 **section 168a of this 2013 Act;**

13 **“(e) Oregon Institute of Technology, if Oregon Institute of Tech-**  
14 **nology becomes a university with a governing board in the manner set**  
15 **forth in section 168a of this 2013 Act;**

16 **“(f) Southern Oregon University, if Southern Oregon University**  
17 **becomes a university with a governing board in the manner set forth**  
18 **in section 168a of this 2013 Act; and**

19 **“(g) Western Oregon University, if Western Oregon University be-**  
20 **comes a university with a governing board in the manner set forth in**  
21 **section 168a of this 2013 Act.**

22 **“(2)(a) The University of Oregon governing board shall be known**  
23 **as the Board of Trustees of the University of Oregon.**

24 **“(b) The Portland State University governing board shall be known**  
25 **as the Board of Trustees of Portland State University.**

26 **“(c) The Oregon State University governing board shall be known**  
27 **as the Board of Trustees of Oregon State University, if the president**  
28 **of Oregon State University notifies the Governor that the university**  
29 **will become a university with a governing board in the manner set**  
30 **forth in section 168 or 168a of this 2013 Act.**



1       “(d) The Eastern Oregon University governing board shall be known  
2 as the Board of Trustees of Eastern Oregon University, if Eastern  
3 Oregon University becomes a university with a governing board in the  
4 manner set forth in section 168a of this 2013 Act.

5       “(e) The Oregon Institute of Technology governing board shall be  
6 known as the Board of Trustees of the Oregon Institute of Technology,  
7 if the Oregon Institute of Technology becomes a university with a  
8 governing board in the manner set forth in section 168a of this 2013  
9 Act.

10       “(f) The Southern Oregon University governing board shall be  
11 known as the Board of Trustees of Southern Oregon University, if  
12 Southern Oregon University becomes a university with a governing  
13 board in the manner set forth in section 168a of this 2013 Act.

14       “(g) The Western Oregon University governing board shall be  
15 known as the Board of Trustees of Western Oregon University, if  
16 Western Oregon University becomes a university with a governing  
17 board in the manner set forth in section 168a of this 2013 Act.

18       “**NOTE:** Section 4 was deleted by amendment. Subsequent sections were  
19 not renumbered.”.

20       Delete lines 43 through 45.

21       On page 4, delete lines 1 through 24 and insert:

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

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

28       “(b) The governing board must include one person who is a student  
29 enrolled at the university. The student shall be a voting member of the  
30 board.

1       **“(c) The governing board must include one person who is a member**  
2 **of the faculty of the university and one person who is a member of the**  
3 **nonfaculty staff of the university. For each appointment made under**  
4 **this paragraph, the Governor may appoint the person as either a vot-**  
5 **ing or nonvoting member of the governing board.**

6       **“(3) The president of the university shall be an ex officio nonvoting**  
7 **member of the governing board.**

8       **“(4)(a) Except as provided in paragraph (b) of this subsection, the**  
9 **term of office for each appointed member of the governing board is**  
10 **four years.**

11       **“(b) The term of office of each student, faculty and nonfaculty staff**  
12 **member of the governing board is two years.**

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

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

19       **“(e) Vacancies shall be filled by appointment by the Governor for**  
20 **the remainder of the unexpired term.**

21       **“(5) The governing board shall select one of its members as chair-**  
22 **person and another as vice chairperson for such terms and with duties**  
23 **and powers as the board considers necessary for the performance of**  
24 **the functions of those offices. The governing board shall adopt bylaws**  
25 **concerning how a quorum is constituted and when a quorum is nec-**  
26 **essary.**

27       **“(6) The governing board shall meet at least once quarterly, and**  
28 **may meet at the call of the chairperson or a majority of the voting**  
29 **members of the board.”.**

30       Delete lines 28 through 45.

1 On page 5, delete lines 1 through 15 and insert:

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

5 **“(2) The governing board shall adopt a mission statement for the**  
6 **university, and shall forward the statement to an office designated by**  
7 **the Higher Education Coordinating Commission as being responsible**  
8 **for university coordination.**

9 **“(3) A university with a governing board shall submit any signif-**  
10 **icant change in the university’s academic programs to an office des-**  
11 **ignated by the Higher Education Coordinating Commission as being**  
12 **responsible for university coordination. The office shall establish a**  
13 **process for reviewing the program change and submitting it to the**  
14 **Higher Education Coordinating Commission for approval. The com-**  
15 **mission shall establish, by rule, what constitutes a significant change**  
16 **to a university’s academic program. The commission shall further**  
17 **ensure that approved programs:**

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

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

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

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

25 **“(4)(a) On or before April 1 of each even-numbered year, each uni-**  
26 **versity listed in ORS 352.002 must submit to an office designated by the**  
27 **Higher Education Coordinating Commission as being responsible for**  
28 **university coordination a funding request applicable to the biennium**  
29 **beginning on July 1 of the following year. On or before May 1 of each**  
30 **even-numbered year, the office shall consolidate the funding requests**

1 from public universities listed in ORS 352.002 and submit the consol-  
2 idated funding requests to the commission.

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

6 “(c) The Governor’s biennial budget submitted to the Legislative  
7 Assembly may include funding requests from public universities, in-  
8 cluding universities with governing boards.

9 “(5) As part of a funding request submitted under subsection (4) of  
10 this section, a university with a governing board may request, and  
11 appropriations may include, funding for education and general oper-  
12 ations, statewide public services, state-funded debt service, capital  
13 improvements, deferred maintenance, special initiatives and invest-  
14 ments. Any moneys appropriated to pay debt service for state bonds  
15 must be held by the State Treasurer pursuant to an agreement entered  
16 into by the State Treasurer and a university with a governing board  
17 under section 15 (2) of this 2013 Act.

18 “(6) A public university listed in ORS 352.002 that wishes to request  
19 the issuance of state bonds, including a university with a governing  
20 board that elects to remain eligible to receive proceeds of state bonds  
21 under section 20 of this 2013 Act, must make a request to this effect  
22 to an office designated by the Higher Education Coordinating Com-  
23 mission as being responsible for university coordination. The office  
24 shall establish a process for reviewing the request to issue state bonds  
25 and submit the request to the commission. The commission shall de-  
26 cide whether, and in what manner, to make a request for the issuance  
27 of state bonds to the Legislative Assembly.

28 “(7)(a) Each public university listed in ORS 352.002, including uni-  
29 versities with governing boards, shall respond to a request for data  
30 from the Legislative Assembly or other state body by submitting the

1 requested information to an office designated by the Higher Education  
2 Coordinating Commission as being responsible for university coordi-  
3 nation. The office shall consolidate the data received from public uni-  
4 versities and provide the data to the commission. The commission  
5 shall be responsible for providing the data to the Legislative Assembly  
6 or other requesting entity.

7 “(b) As used in this subsection, ‘data’ means any information that,  
8 as of the effective date of this 2013 Act, is collected by an office des-  
9 ignated by the Higher Education Coordinating Commission as being  
10 responsible for university coordination from each university and re-  
11 ported to the Legislative Assembly or any other state entity, including  
12 but not limited to retention and graduation rates and demographic  
13 information on students.”.

14 On page 6, line 34, delete the first “and” and insert “, pledge or” and after  
15 “mortgages” insert “, liens”.

16 On page 7, line 1, after “convey,” insert “mortgage, pledge or otherwise  
17 encumber,”.

18 In line 26, after “to” insert “tuition and”.

19 On page 8, line 2, after “maintenance,” insert “encumbrance,”.

20 In line 5, before “Real” insert “Unless the governing board has granted  
21 prior consent,”.

22 On page 9, delete lines 2 through 5 and insert:

23 **“SECTION 14a. (1) Notwithstanding sections 10, 11 and 169 of this**  
24 **2013 Act, the amendments to ORS 243.107 and 351.094 by sections 88 and**  
25 **113 of this 2013 Act and the operative date set forth in section 171 of**  
26 **this 2013 Act, a university with a governing board shall continue to**  
27 **participate with other public universities listed in ORS 352.002 in all**  
28 **shared administrative services relating to:**

29 **“(a) Employee benefits, including but not limited to group insur-**  
30 **ance or deferred compensation plans authorized by ORS 351.094;**

1       **“(b) Collective bargaining with any statewide bargaining unit that**  
2 **includes employees of two or more public universities listed in ORS**  
3 **352.002; and**

4       **“(c) Risk management, the purchase of insurance or the manage-**  
5 **ment of a self-insurance program authorized by ORS 351.096 or section**  
6 **11 of this 2013 Act.**

7       **“(2) The shared administrative services listed in subsection (1) of**  
8 **this section must be done under the same terms, conditions, funding**  
9 **model and policy frameworks as those that exist on the effective date**  
10 **of this 2013 Act until July 1, 2015. On and after July 1, 2015, public**  
11 **universities listed in ORS 352.002 may choose to participate in shared**  
12 **services under an alternative shared services model.**

13       **“(3) Two or more public universities listed in ORS 352.002, including**  
14 **universities with governing boards, may participate in shared services**  
15 **not described in subsection (1) of this section, including but not lim-**  
16 **ited to shared services involving legal services and information tech-**  
17 **nology.**

18       **“(4) Pursuant to section 1 of this 2013 Act, and in order to ensure**  
19 **that the establishment of universities with governing boards does not**  
20 **negatively impact public universities that do not have governing**  
21 **boards, if a university with a governing board stops participating in a**  
22 **service shared by two or more public universities listed in ORS 352.002,**  
23 **including but not limited to the shared services listed in this section,**  
24 **and the withdrawal from the service has a negative effect on the re-**  
25 **maining public universities, the Higher Education Coordinating Com-**  
26 **mission shall compensate universities suffering a negative impact**  
27 **through either reduction of appropriations made to the university with**  
28 **a governing board or any other method found to be appropriate by the**  
29 **commission.**

30       **“(5) The office of the Chancellor of the Oregon University System**

1 **shall coordinate public university shared services described in this**  
2 **section until a new entity to coordinate shared services is operational.**

3 **“SECTION 15.** (1) All moneys collected or received by a university with  
4 a governing board, placed to the credit of the governing board and remaining  
5 unexpended and unobligated on July 1, 2014, or the date that the board is  
6 established, whichever is later, and all moneys collected or received by a  
7 university with a governing board after that date, may be:”.

8 On page 10, line 20, delete “university” and insert “public universities  
9 listed in ORS 352.002”.

10 In line 21, delete “\$2.4 million” and insert “\$6 million”.

11 On page 12, line 36, after “of” insert “ORS 271.390 and”.

12 On page 13, line 43, after the period delete the rest of the line and delete  
13 lines 44 and 45 and insert “The university with a governing board shall pay  
14 the amounts specified in the schedule provided by the State Treasurer and  
15 the Oregon University System on or before the dates specified in the sched-  
16 ule from the legally available revenue of the university and on a pari passu  
17 basis with the payment of any revenue bonds of the university issued pur-  
18 suant to section 21 of this 2013 Act.”.

19 On page 15, delete lines 12 through 45.

20 On page 16, delete lines 1 through 9 and insert:

21 **“SECTION 25.** ORS 351.011 is amended to read:

22 “351.011. (1) The Oregon University System is established as a public  
23 university system, consisting of the office of the Chancellor of the Oregon  
24 University System[, *the public universities listed in ORS 352.002 and any re-*  
25 *lated offices, departments or activities.*] **and the following public universi-**  
26 **ties, and any related offices, departments or activities:**

27 **“(a) Oregon State University.**

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

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

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

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

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

6       **“(3) The Oregon University System is an instrumentality of the state and**  
7       **a government entity performing governmental functions and exercising gov-**  
8       **ernmental powers. Notwithstanding the status of the Oregon University**  
9       **System as an instrumentality of the state, the Oregon University System is**  
10       **not eligible to request or receive legal services from the Attorney General**  
11       **and the Department of Justice pursuant to ORS chapter 180, except as oth-**  
12       **erwise expressly provided by law.**

13       **“(4) The Oregon University System is not considered a unit of local or**  
14       **municipal government.**

15       **“(5) Subsections (1) to (4) of this section apply only to listed public**  
16       **universities that do not become a university with a governing board**  
17       **under section 3, 168 or 168a of this 2013 Act.**

18       **“SECTION 26. A public university that becomes a university with**  
19       **a governing board under section 168 or 168a of this 2013 Act is not**  
20       **considered to be a public university listed in ORS 351.011.**

21       **“NOTE:** Section 27 was deleted by amendment. Subsequent sections were  
22       not renumbered.”.

23       On page 21, delete lines 41 through 45.

24       On page 22, delete lines 1 through 25 and insert:

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

26       **“351.015. The Oregon University System shall be conducted under the**  
27       **control of a board of 15 directors, to be known as the State Board of Higher**  
28       **Education. Except as otherwise provided by law, the board has sole authority**  
29       **to govern, set policy and otherwise manage the affairs of the public univer-**  
30       **sities listed in ORS [352.002] 351.011. The board shall consist of:**



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

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

5 “[3)] (2) [*One member*] **Two members** of the faculty at [*Eastern Oregon*  
6 *University, Oregon Institute of Technology, Southern Oregon University or*  
7 *Western Oregon University*] **a public university listed in ORS 351.011**.

8 “[4)] (3) Eleven members of the general public who are not students or  
9 faculty members at the time of appointment.

10 “**NOTE:** Sections 38 and 39 were deleted by amendment. Subsequent  
11 sections were not renumbered.”.

12 On page 23, line 5, after “all” insert “significant changes to”.

13 In line 6, delete “academic programs” and insert “changes”.

14 Delete lines 22 through 28 and insert:

15 “(2)(a) On or before April 1 of each even-numbered year, each public  
16 university listed in ORS 352.002 must submit to an office designated by the  
17 Higher Education Coordinating Commission as being responsible for univer-  
18 sity coordination a funding request applicable to the biennium beginning on  
19 July 1 of the following year; and

20 “(b) On or before May 1 of each even-numbered year, the office designated  
21 under paragraph (a) of this subsection shall consolidate the funding requests  
22 from public universities listed in ORS 352.002 and submit the consolidated  
23 funding requests to the Higher Education Coordinating Commission.”.

24 In line 36, after the period delete the rest of the line and delete lines 37  
25 through 39.

26 On page 29, line 11, delete “to the board”.

27 In line 12, delete “board” and insert “Higher Education Coordinating  
28 Commission” and delete “(2)(b)”.

29 On page 38, line 40, after “owed” insert “by the public universities listed  
30 in ORS 352.002”.

1 In line 41, delete “by the Oregon University System”.

2 On page 39, line 6, after “owed” insert “by the public universities listed  
3 in ORS 352.002” and delete “uni-”.

4 In line 7, delete “versity” and delete “\$2.4 million” and insert “\$6  
5 million”.

6 On page 51, after line 43, insert:

7 **“SECTION 106a.** ORS 190.510 is amended to read:

8 “190.510. As used in ORS 190.510 to 190.610, unless the context requires  
9 otherwise,[:]

10 “[*(1) ‘Board’ means the State Board of Higher Education established under*  
11 *ORS 351.015.*]

12 “[*(2)*] ‘city’ means any incorporated city or town.

13 **“SECTION 106b.** ORS 190.520 is amended to read:

14 “190.520. (1) [*The State Board of Higher Education*] **Portland State Uni-**  
15 **versity** shall:

16 “(a) Annually estimate the population as of July 1 of each city and county  
17 within the state and no later than December 15 of each year prepare a cer-  
18 tificate of population showing the [*board’s*] **university’s** estimate of the  
19 population of each city and county within the state as of July 1. The  
20 [*board’s*] **university’s** estimate may be based upon statistical or other per-  
21 tinent data or upon an actual count. The certificate shall also indicate the  
22 results of any enumeration of cities or annexed areas made after July 1.

23 “(b) Annually estimate the number of persons between the ages of 4 and  
24 20 who resided in each county as of October 25. The [*board*] **university** shall  
25 certify such estimate to the Superintendent of Public Instruction and to the  
26 executive officer of the administrative office of each county, as defined in  
27 ORS 328.001, by January 1 of each year.

28 “(c) Upon an official request from a city, county, political subdivision,  
29 public corporation or state agency, cause to be conducted at the expense of  
30 the requesting party an actual count of the population of the area specified

1 in the request and prepare a certificate of population based upon such count.

2 “(d) Upon the incorporation of a city, cause to be conducted at the ex-  
3 pense of the city an actual count of the population of the city. The [*board*]  
4 **university** shall prepare a certificate of population based upon such count.  
5 If the election of officers of the newly incorporated city is held 40 days or  
6 more before the end of the calendar quarter, the certificate shall be prepared  
7 before the end of the calendar quarter. If the election is held less than 40  
8 days before the end of the calendar quarter, the certificate shall be prepared  
9 before the end of the calendar quarter next following the election.

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

12 “**SECTION 106c.** ORS 190.530 is amended to read:

13 “190.530. Upon petition from a city, county, political subdivision, public  
14 corporation or state agency for reconsideration, or upon its own motion, [*the*  
15 *State Board of Higher Education*] **Portland State University** may revise its  
16 determination of the population of a city, county or other area. Payment  
17 of funds to a city, county or other area under ORS 323.455, 366.785 to 366.820  
18 or 471.810 shall be affected by a subsequent filing of a corrected certificate  
19 under this section in the manner provided by ORS 190.620.

20 “**SECTION 106d.** ORS 190.540 is amended to read:

21 “190.540. (1) The population shown in the certificate of population [*of the*  
22 *State Board of Higher Education*] filed pursuant to ORS 190.520 or 190.530  
23 shall be the official population of the city, county or other area covered by  
24 the certificate until a later certificate covering such city, county or other  
25 area is filed by [*the board*] **Portland State University**.

26 “(2) After a certificate of population is filed pursuant to ORS 190.520 or  
27 190.530, the population of a city, county or other area as shown in the cer-  
28 tificate shall be the official and exclusive basis for determining per capita  
29 allocation and payment of funds to such city, county or other area under  
30 ORS 366.785 to 366.820 and 471.810 until the filing by the [*board*] **university**

1 of a later certificate for such city, county or other area.

2 **“SECTION 106e.** ORS 190.580 is amended to read:

3 “190.580. [*The State Board of Higher Education*] **Portland State Uni-**  
4 **versity** may adopt such [*rules and regulations*] **standards** as it considers  
5 desirable and expedient in the conduct of its duties under ORS 190.510 to  
6 190.610.

7 **“SECTION 106f.** ORS 190.590 is amended to read:

8 “190.590. Any state agency, or officer thereof, and any city, or department,  
9 officer or employee thereof, shall, upon request of [*the State Board of Higher*  
10 *Education*] **Portland State University**, furnish such available information  
11 as may be required by the [*board*] **university** in securing accurate data and  
12 information upon which to base its estimates. The [*board*] **university** may  
13 prescribe the form for reporting such information.

14 **“SECTION 106g.** ORS 190.610 is amended to read:

15 “190.610. [*The State Board of Higher Education*] **Portland State Uni-**  
16 **versity** shall establish a program, [*at one or more of the public universities*  
17 *under its control,*] designed to perform the duties imposed upon it by ORS  
18 190.510 to 190.610.

19 **“SECTION 106h.** ORS 294.311 is amended to read:

20 “294.311. As used in ORS 294.305 to 294.565, unless the context requires  
21 otherwise:

22 “(1) ‘Accrual basis’ means the recording of the financial effects on a mu-  
23 nicipal corporation of transactions and other events and circumstances that  
24 have cash consequences for the municipal corporation in the periods in  
25 which those transactions, events and circumstances occur, rather than only  
26 in the periods in which cash is received or paid by the municipal corpo-  
27 ration.

28 “(2) ‘Activity’ means a specific and distinguishable service performed by  
29 one or more organizational components of a municipal corporation to ac-  
30 complish a function for which the municipal corporation is responsible.

1 “(3) ‘Appropriation’ means an authorization granted by the governing  
2 body to make expenditures and to incur obligations for specific purposes.  
3 An appropriation is limited to a single fiscal year for municipal corporations  
4 preparing annual budgets, or to the budget period for municipal corporations  
5 preparing biennial budgets.

6 “(4) ‘Basis of accounting’ means the cash basis, the modified accrual basis  
7 or the accrual basis.

8 “(5) ‘Budget’ means a plan of financial operation embodying an estimate  
9 of expenditures for a given period or purpose and the proposed means of fi-  
10 nancing the estimated expenditures.

11 “(6) ‘Budget document’ means the estimates of expenditures and budget  
12 resources as set forth on the estimate sheets, tax levy and the financial  
13 summary.

14 “(7) ‘Budget period’ means, for municipal corporations with the power to  
15 levy a tax upon property, the two-year period commencing on July 1 and  
16 closing on June 30 of the second calendar year next following, and for all  
17 other municipal corporations, an accounting period of 24 months ending on  
18 the last day of any month.

19 “(8) ‘Budget resources’ means resources to which recourse can be had to  
20 meet obligations and expenditures during the fiscal year or budget period  
21 covered by the budget.

22 “(9) ‘Cash basis’ means a basis of accounting under which transactions  
23 are recognized only in the period during which cash is received or disbursed.

24 “(10) ‘Current budget period’ means the budget period in progress.

25 “(11) ‘Current year’ means the fiscal year in progress.

26 “(12) ‘Encumbrance accounting’ means the method of accounting under  
27 which outstanding encumbrances are recognized as reductions of appropri-  
28 ations and the related commitments are carried in a reserve for  
29 encumbrances until liquidated, either by replacement with an actual liability  
30 or by cancellation. This method of accounting may be used as a modification

1 to the accrual basis of accounting in accordance with generally accepted  
2 accounting principles.

3 “(13) ‘Encumbrances’ means obligations in the form of purchase orders,  
4 contracts or salary commitments which are chargeable to an appropriation  
5 and for which a part of the appropriation is reserved. Obligations cease to  
6 be encumbrances when paid or when the actual liability is set up.

7 “(14) ‘Ensuing budget period’ means the budget period following the cur-  
8 rent budget period.

9 “(15) ‘Ensuing year’ means the fiscal year following the current year.

10 “(16) ‘Expenditure’ means, if the accounts are kept on the accrual basis  
11 or the modified accrual basis, decreases in net financial resources and may  
12 include encumbrances. If the accounts are kept on the cash basis, the term  
13 covers only actual disbursement, the drawing of the check or warrant for  
14 these purposes and not encumbrances, except that deferred employee com-  
15 pensation shall be included as a personnel service expenditure where an ap-  
16 proved deferred employee compensation plan is in effect for a municipal  
17 corporation.

18 “(17) ‘Fiscal year’ means for municipal corporations with the power to  
19 impose ad valorem property taxes, the fiscal year commencing on July 1 and  
20 closing on June 30, and for all other municipal corporations, an accounting  
21 period of 12 months ending on the last day of any month.

22 “(18) ‘Fund balance’ means the excess of the assets of a fund over its li-  
23 abilities and reserves except in the case of funds subject to budgetary ac-  
24 counting where, prior to the end of a fiscal period, it represents the excess  
25 of the fund’s assets and estimated revenues for the period over its liabilities,  
26 reserves and appropriations for the period.

27 “(19) ‘General county resources’ means resources from property taxes,  
28 state and federal shared revenue, beginning balances available for expendi-  
29 ture and interest not required to be allocated to specific programs or activ-  
30 ities.

1 “(20) ‘Governing body’ means the city council, board of commissioners,  
2 board of directors, county court or other managing board of a municipal  
3 corporation including a board managing a municipally owned public utility  
4 or a dock commission.

5 “(21) ‘Grant’ means a donation or contribution of cash to a governmental  
6 unit by a third party.

7 “(22) ‘Intergovernmental entity’ means an entity created under ORS  
8 190.010 (5). The term includes any council of governments created prior to  
9 the enactment of ORS 190.010 (5).

10 “(23) ‘Internal service fund’ means a fund properly authorized to finance,  
11 on a cost reimbursement basis, goods or services provided by one organiza-  
12 tional unit of a municipal corporation to other organizational units of the  
13 municipal corporation.

14 “(24) ‘Liabilities’ means probable future sacrifices of economic benefits,  
15 arising from present obligations of a municipal corporation to transfer assets  
16 or provide services to other entities in the future as a result of past trans-  
17 actions or events. The term does not include encumbrances.

18 “(25)(a) ‘Modified accrual basis’ means the accrual basis of accounting  
19 adapted to the governmental fund-type measurement focus. Under this basis  
20 of accounting, revenues and other financial resource increments, such as  
21 bond proceeds, are recognized when they become susceptible to accrual, that  
22 is, when they become both measurable and available to finance expenditures  
23 in the current period.

24 “(b) As used in this subsection, ‘available’ means collectible in the cur-  
25 rent period or soon enough thereafter to be used to pay liabilities of the  
26 current period. Under this basis of accounting, expenditures are recognized  
27 when the fund liability is incurred except for:

28 “(A) Inventories of material and supplies that may be considered expend-  
29 itures either when purchased or when used; and

30 “(B) Prepaid insurance and similar items that may be considered expend-

1 itures either when paid for or when consumed.

2 “(26) ‘Municipal corporation’ means any county, city, port, school district,  
3 union high school district, community college district and all other public  
4 or quasi-public corporations including a municipal utility or dock commis-  
5 sion operated by a separate board or commission. ‘Municipal corporation’  
6 includes an intergovernmental entity or council of governments that pro-  
7 poses to impose or imposes ad valorem property taxes.

8 “(27) ‘Net working capital’ means the sum of the cash, cash equivalents,  
9 investments, accounts receivable expected to be converted to cash during the  
10 ensuing year or ensuing budget period, inventories, supplies and prepaid ex-  
11 penses less current liabilities and, if encumbrance accounting is adopted,  
12 reserve for encumbrances. The term is not applicable to the cash basis of  
13 accounting.

14 “(28) ‘Object’ means, as used in expenditure classification, articles pur-  
15 chased including, but not limited to, land, buildings, equipment and vehicles,  
16 or services obtained including, but not limited to, administrative services,  
17 clerical services, professional services, property services and travel, as dis-  
18 tinguished from the results obtained from expenditures.

19 “(29) ‘Object classification’ means a grouping of expenditures on the basis  
20 of goods or services purchased, including, but not limited to, personnel ser-  
21 vices, materials, supplies and equipment.

22 “(30) ‘Operating taxes’ has the meaning given that term in ORS 310.055.

23 “(31) ‘Organizational unit’ means any administrative subdivision of a  
24 municipal corporation, especially one charged with carrying on one or more  
25 functions or activities.

26 “(32) ‘Population’ means the number of inhabitants of a municipal corpo-  
27 ration according to certified estimates of population made by [*the State*  
28 *Board of Higher Education*] **Portland State University**.

29 “(33) ‘Program’ means a group of related activities aimed at accomplish-  
30 ing a major service or function for which the municipality is responsible.



1 “(34) ‘Public utility’ means those public utility operations authorized by  
2 ORS chapter 225.

3 “(35) ‘Publish’ or ‘publication’ means any one or more of the following  
4 methods of giving notice or making information or documents available to  
5 members of the general public:

6 “(a) Publication in one or more newspapers of general circulation within  
7 the jurisdictional boundaries of the municipal corporation.

8 “(b) Posting through the United States Postal Service by first class mail,  
9 postage prepaid, to each street address within the jurisdictional boundaries  
10 of the municipal corporation and to each post office box and rural route  
11 number belonging to a resident within the jurisdictional boundaries of the  
12 municipal corporation.

13 “(c) Hand delivery to each street address within the jurisdictional  
14 boundaries of the municipal corporation.

15 “(36) ‘Receipts’ means cash received unless otherwise qualified.

16 “(37) ‘Reserve for encumbrances’ means a reserve representing the segre-  
17 gation of a portion of a fund balance to provide for unliquidated  
18 encumbrances.

19 “(38) ‘Revenue’ means the gross receipts and receivables of a govern-  
20 mental unit derived from taxes, licenses, fees and from all other sources, but  
21 excluding appropriations, allotments and return of principal from investment  
22 of surplus funds.

23 “(39) ‘Special revenue fund’ means a fund properly authorized and used  
24 to finance particular activities from the receipts of specific taxes or other  
25 revenues.

26 **“SECTION 106i.** ORS 366.785 is amended to read:

27 “366.785. As used in ORS 366.785 to 366.820, unless the context requires  
28 otherwise:

29 “(1) ‘Year’ means a calendar year.

30 “(2) ‘City’ means only cities of this state which are regularly operating

1 as such through elected governmental officers.

2 “(3) ‘Population’ means population as given in the latest determination  
3 of [*the State Board of Higher Education*] **Portland State University**, except  
4 that for a city of more than 100,000 population according to the latest such  
5 determination, the term means 74 percent of the number of population given  
6 for the city in the determination for computation of its share for 1964, 78  
7 percent for computation of its share for 1965, 82 percent for 1966, 86 percent  
8 for 1967, 90 percent for 1968, 94 percent for 1969, 98 percent for 1970; and for  
9 1971 and subsequent years computation shall be made on the basis of full  
10 number of population.

11 **“SECTION 106j.** ORS 471.810 is amended to read:

12 “471.810. (1) At the end of each month, the Oregon Liquor Control Com-  
13 mission shall certify the amount of moneys available for distribution in the  
14 Oregon Liquor Control Commission Account and, after withholding such  
15 moneys as it may deem necessary to pay its outstanding obligations, shall  
16 within 35 days of the month for which a distribution is made direct the State  
17 Treasurer to pay the amounts due, upon warrants drawn by the Oregon De-  
18 partment of Administrative Services, as follows:

19 “(a) Fifty-six percent, or the amount remaining after the distribution un-  
20 der subsection (4) of this section, credited to the General Fund available for  
21 general governmental purposes wherein it shall be considered as revenue  
22 during the quarter immediately preceding receipt;

23 “(b) Twenty percent to the cities of the state in such shares as the pop-  
24 ulation of each city bears to the population of the cities of the state, as de-  
25 termined by [*the State Board of Higher Education*] **Portland State**  
26 **University** last preceding such apportionment, under ORS 190.510 to 190.610;

27 “(c) Ten percent to counties in such shares as their respective populations  
28 bear to the total population of the state, as estimated from time to time by  
29 [*the State Board of Higher Education*] **Portland State University**; and

30 “(d) Fourteen percent to the cities of the state to be distributed as pro-

1 vided in ORS 221.770 and this section.

2 “(2) The commission shall direct the Oregon Department of Administra-  
3 tive Services to transfer 50 percent of the revenues from the taxes imposed  
4 by ORS 473.030 and 473.035 to the Mental Health Alcoholism and Drug Ser-  
5 vices Account in the General Fund to be paid monthly as provided in ORS  
6 430.380.

7 “(3) If the amount of revenues received from the taxes imposed by ORS  
8 473.030 for the preceding month was reduced as a result of credits claimed  
9 under ORS 473.047, the commission shall compute the difference between the  
10 amounts paid or transferred as described in subsections (1)(b), (c) and (d) and  
11 (2) of this section and the amounts that would have been paid or transferred  
12 under subsections (1)(b), (c) and (d) and (2) of this section if no credits had  
13 been claimed. The commission shall direct the Oregon Department of Ad-  
14 ministrative Services to pay or transfer amounts equal to the differences  
15 computed for subsections (1)(b), (c) and (d) and (2) of this section from the  
16 General Fund to the recipients or accounts described in subsections (1)(b),  
17 (c) and (d) and (2) of this section.

18 “(4) Notwithstanding subsection (1) of this section, no city or county shall  
19 receive for any fiscal year an amount less than the amount distributed to the  
20 city or county in accordance with ORS 471.350 (1965 Replacement Part),  
21 471.810, 473.190 and 473.210 (1965 Replacement Part) during the 1966-1967  
22 fiscal year unless the city or county had a decline in population as shown  
23 by its census. If the population declined, the per capita distribution to the  
24 city or county shall be not less than the total per capita distribution during  
25 the 1966-1967 fiscal year. Any additional funds required to maintain the level  
26 of distribution under this subsection shall be paid from funds credited under  
27 subsection (1)(a) of this section.”.

28 On page 77, delete line 9 and insert:

29 **“SECTION 119.** ORS 270.100 is amended to read:

30 “270.100. (1)(a) Before offering for sale any real property or equitable in-

1 terest therein owned by the state, the state agency acting for the state in  
2 such transaction shall report its intent of sale or transfer to the Oregon  
3 Department of Administrative Services. The department, or the agency spe-  
4 cifically designated by the department, shall notify other state agencies au-  
5 thorized to own real property of the intended sale or transfer to determine  
6 whether acquisition of the real property or interest therein would be advan-  
7 tageous to another state agency.

8 “(b) The department shall give political subdivisions, as defined in ORS  
9 271.005, the first opportunity after other state agencies to acquire, purchase,  
10 exchange or lease real property to be sold or disposed of by the State of  
11 Oregon. The state agency responsible for selling or transferring the property  
12 may require at the time of the sale or transfer that any state real property  
13 sold or transferred to a political subdivision, as defined in ORS 271.005, shall  
14 be for use for a public purpose or benefit, and not be for resale to a private  
15 purchaser.

16 “(c) If property is not disposed of under paragraph (a) or (b) of this sub-  
17 section, in accordance with rules adopted by the department, the state  
18 agency desiring to sell or transfer the property shall cause it to be appraised  
19 by one or more competent and experienced appraisers. Except as provided in  
20 ORS 273.825, if such property has an appraised value exceeding \$5,000 it shall  
21 not be sold to any private person except after notice calling for such pro-  
22 posals as set forth in ORS 270.130.

23 “(d) The department shall adopt rules to carry out the provisions of this  
24 section.

25 “(2) Before acquisition of any real property or interest therein by any  
26 state agency, except for highway right of way acquired by the Department  
27 of Transportation and park properties acquired by the State Parks and Re-  
28 creation Department and property within the approved projected campus  
29 boundaries for public universities of the Oregon University System **or public**  
30 **universities with governing boards listed in section 3 of this 2013 Act,**

1 the state agency shall report its intent of acquisition to the Oregon Depart-  
2 ment of Administrative Services. The department shall notify other state  
3 agencies owning land of the intended acquisition to determine whether an-  
4 other state agency desires to sell or transfer property which would meet the  
5 needs of the purchasing agency. In accordance with rules adopted by the  
6 Oregon Department of Administrative Services, if no other state agency de-  
7 sires to sell or transfer property which would meet the needs of the agency,  
8 the agency may acquire the real property or interest therein, consistent with  
9 applicable provisions of law.

10 “(3) Before any terminal disposition of real property or an interest in real  
11 property, the state agency acting for the state in the transaction must secure  
12 approval of the transaction from the Oregon Department of Administrative  
13 Services.

14 “(4) Subsection (3) of this section does not apply to terminal disposition  
15 of the following real property:

16 “(a) Property controlled by the State Department of Fish and Wildlife;

17 “(b) State forestlands controlled by the State Forestry Department;

18 “(c) Property controlled by the Department of Transportation;

19 “(d) Property controlled by the Department of State Lands;

20 “(e) Property controlled by the Oregon University System **or controlled**  
21 **by public universities with governing boards listed in section 3 of this**  
22 **2013 Act;**

23 “(f) Property controlled by the legislative or judicial branches of state  
24 government; and

25 “(g) Property controlled by the State Parks and Recreation Department.

26 “(5) Notwithstanding the provisions of subsection (4) of this section, prior  
27 approval by the Oregon Department of Administrative Services is required  
28 for the terminal disposition of public land for less than the fair market value  
29 of that land.

30 “(6) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190,

1 273.416, 273.426 to 273.436, 273.551 and 308A.709 (1) to (4) do not apply to a  
2 home or farm acquired, sold, or both, by the Department of Veterans' Affairs  
3 under ORS 88.720, 406.050, 407.135, 407.145, 407.375 and 407.377.”.

4 After line 44, insert:

5 **“SECTION 120a.** ORS 273.155 is amended to read:

6 “273.155. The Department of State Lands, in carrying out its duties, may  
7 call upon all related state and county agencies, including the Oregon Uni-  
8 versity System, **public universities with governing boards listed in sec-**  
9 **tion 3 of this 2013 Act** and any state or county officers or Oregon  
10 University System **or public university** employees through whom necessary  
11 information and aid may be received. Such agencies, officers and employees  
12 shall cooperate with the department without additional compensation.”.

13 On page 80, after line 11, insert:

14 **“SECTION 123a.** ORS 282.076 is amended to read:

15 “282.076. (1) An athletic department of any university under the jurisdic-  
16 tion of the State Board of Higher Education **or an athletic department of**  
17 **a public university with a governing board listed in section 3 of this**  
18 **2013 Act** [*shall not be*] **is not** required to use state printing services con-  
19 trolled by the Director of the Oregon Department of Administrative Services  
20 or the designee of the director as required by ORS 282.020 (1).

21 “(2) A state agency that gives to the director prior written notice of its  
22 intent to use other printing services [*shall not be*] **is not** required to use  
23 state printing services controlled by the director or the director’s designee  
24 as required by ORS 282.020 (1), if the agency can demonstrate that these  
25 other printing services provide better value in the form of lower prices or  
26 better responsiveness than those services already provided by the Oregon  
27 Department of Administrative Services.

28 **“SECTION 123b.** ORS 284.540 is amended to read:

29 “284.540. (1) There is established the Governor’s Council on Oregon’s  
30 Economy.

1 “(2) The members of the council are:

2 “(a) The presiding officer of the Oregon Business Development Commis-  
3 sion;

4 “(b) The chairperson of the Oregon Transportation Commission;

5 “(c) The chairperson of the State Board of Agriculture;

6 “(d) The [*president of the State Board of Higher Education*] **chairperson**  
7 **of the Higher Education Coordinating Commission**; and

8 “(e) Other persons designated by the Governor.

9 “(3) The council shall meet quarterly to:

10 “(a) Discuss and coordinate the activities of each entity described in  
11 subsection (2) of this section that relate to economic development and im-  
12 proving the economy in Oregon; and

13 “(b) Discuss and recommend to the Legislative Assembly methods for  
14 creating certainty for the development process.

15 **“SECTION 123c.** ORS 284.706, as amended by sections 21 and 31, chapter  
16 90, Oregon Laws 2012, is amended to read:

17 “284.706. (1) There is created the Oregon Innovation Council consisting  
18 of the following voting members:

19 “(a) The Governor or the Governor’s designated representative, who shall  
20 be chairperson of the council.

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

23 “(c) One member appointed by the Governor who is a representative of  
24 an Oregon-based, generally accredited, not-for-profit private institution of  
25 higher education.

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

28 “(e) A member of the Engineering and Technology Industry Council, ap-  
29 pointed by the Engineering and Technology Industry Council.

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

1 “(g) The [*Chancellor of the Oregon University System*] **executive director**  
2 **of the Higher Education Coordinating Commission.**

3 “[*h*] *The Commissioner for Community College Services.*]

4 “[*i*] **(h)** The State Treasurer.

5 “(2)(a) The Speaker of the House of Representatives shall appoint two  
6 members to the council who are members of the House of Representatives.

7 “(b) The President of the Senate shall appoint two members to the council  
8 who are members of the Senate.

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

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

13 “(a) The presiding officer of the Oregon Business Development Commis-  
14 sion.

15 “(b) The [*president of the State Board of Higher Education*] **chairperson**  
16 **of the Higher Education Coordinating Commission.**

17 “(c) The chairperson of the State Board of Education.

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

21 “(4) The term of office of each appointed voting member of the council is  
22 three years, but an appointed member serves at the pleasure of the appoint-  
23 ing authority. Before the expiration of the term of an appointed voting  
24 member, the appointing authority shall appoint a successor whose term be-  
25 gins on July 1 next following. An appointed member is eligible for reap-  
26 pointment. If there is a vacancy for any cause, the appointing authority shall  
27 make an appointment to become immediately effective for the remainder of  
28 the unexpired term.

29 “(5) A majority of the voting members of the council constitutes a quorum  
30 for the transaction of business.



1 “(6) Official action by the council requires the approval of a majority of  
2 the voting members of the council.

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

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

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

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

13 “(11) Members of the council who are members of the Legislative Assem-  
14 bly are entitled to compensation and expense reimbursement as provided in  
15 ORS 171.072.

16 “(12) Members of the council who are not members of the Legislative  
17 Assembly are entitled to compensation and expenses incurred by them in the  
18 performance of their official duties in the manner and amounts provided for  
19 in ORS 292.495. Claims for compensation and expenses of members of the  
20 council who are public officers shall be paid out of funds appropriated to the  
21 public agency that employs the member. Claims for compensation and ex-  
22 penses of members of the council who are not public officers shall be paid  
23 out of funds appropriated to the Oregon Business Development Department  
24 for that purpose.

25 “(13) All agencies of state government, as defined in ORS 174.111, are di-  
26 rected to assist the council in the performance of its duties and, to the extent  
27 permitted by laws relating to confidentiality, to furnish such information and  
28 advice as the members of the council consider necessary to perform their  
29 duties.

30 **“SECTION 123d.** ORS 286A.700 is amended to read:

1 “286A.700. (1) As used in this section:

2 “(a) ‘Oregon Baccalaureate Bonds’ means bonds of the State of Oregon  
3 issued by the State Treasurer at the request of the Oregon University System  
4 that are designated as baccalaureate bonds.

5 “(b) ‘Post-secondary education’ means training and instruction provided  
6 by fully accredited public universities or private institutions of higher  
7 learning, community colleges and post-high-school career schools.

8 “(2) The Legislative Assembly encourages citizens of the State of Oregon  
9 to avail themselves of post-secondary education opportunities.

10 “(3) The Legislative Assembly finds:

11 “(a) For the benefit of its citizens, the state supports a system of common  
12 schools, public universities and community colleges.

13 “(b) A post-secondary education advances a citizen’s ability to pursue life,  
14 liberty and happiness through a wide range of employment opportunities.

15 “(c) A well-educated citizenry contributes to the economic well-being of  
16 the state and nation.

17 “(d) A well-trained and skilled citizenry enhances economic development  
18 of the state.

19 “(e) While students have just begun their education upon completion of  
20 a formal education, a lifetime pursuit of learning contributes to a well-  
21 informed citizenry and to Oregon’s cherished quality of life.

22 “(f) Citizens educated in Oregon are more likely to pursue careers in  
23 Oregon.

24 “(g) It is in the interest of this state to encourage its citizens to plan and  
25 save for a post-secondary education.

26 “(h) An Oregon Baccalaureate Bond program that provides citizens an  
27 opportunity to save for a post-secondary education for their children, them-  
28 selves or any citizen is in the social and economic interest of the State of  
29 Oregon.

30 “(i) A systematic way to save for post-secondary education can assist all

1 of Oregon’s higher education, community college and career schools to better  
2 project enrollments, thereby permitting the prudent allocation of scarce re-  
3 sources.

4 “(4) At the request of the [*Oregon University System*] **Higher Education**  
5 **Coordinating Commission**, the State Treasurer may:

6 “(a) Issue bonds as Oregon Baccalaureate Bonds, to encourage investors  
7 to save for post-secondary education opportunities.

8 “(b) Investigate and implement the means and procedures to facilitate the  
9 participation by the broadest practical range of investors in the Oregon  
10 Baccalaureate Bond program. The means and procedures may include, but  
11 are not limited to, adjustments in the denominations in which the bonds are  
12 issued and the frequency with which the bonds are issued.

13 “(5) The purchase of an Oregon Baccalaureate Bond does not guarantee  
14 the purchaser, owner or beneficiary of the bond admittance to a public uni-  
15 versity or private post-secondary institution.

16 “**SECTION 123e.** ORS 291.375, as amended by section 10, chapter 107,  
17 Oregon Laws 2012, is amended to read:

18 “291.375. (1) Prior to the submission of any application for financial as-  
19 sistance or grants from the United States or any agency of the United States  
20 by or on behalf of any agency of this state, the application must be submitted  
21 for legislative review in the following manner:

22 “(a) If the application is to be submitted to the federal government when  
23 the Legislative Assembly is in session, the application shall be submitted to  
24 the Joint Committee on Ways and Means for review.

25 “(b) If the application is to be submitted to the federal government when  
26 the Legislative Assembly is not in session, the application shall be submitted  
27 to the Emergency Board or to the Joint Interim Committee on Ways and  
28 Means for review.

29 “(2) If the legislative agency authorized under subsection (1) of this sec-  
30 tion to review applications described therein approves the application, it may

1 be submitted to the appropriate federal agency. If the legislative agency  
2 disapproves of the application, it may not be submitted to any federal agency  
3 unless it is or can be modified to meet the objections of the legislative  
4 agency.

5 “(3) Notwithstanding subsection (1) of this section, the Joint Committee  
6 on Ways and Means, the Emergency Board or the Joint Interim Committee  
7 on Ways and Means may exempt any state agency from the requirements of  
8 this section. Project grants for departmental research, organized activities  
9 related to instruction, sponsored research or other sponsored programs car-  
10 ried on within the Oregon University System **or the public universities**  
11 **with governing boards listed in section 3 of this 2013 Act**, for which no  
12 biennial expenditure limitations have been established, are exempt from the  
13 requirements of this section.

14 “(4) The review required by this section is in addition to and not in lieu  
15 of the requirements of ORS 293.550.”.

16 On page 87, after line 13, insert:

17 **“SECTION 133a.** ORS 320.100 is amended to read:

18 “320.100. (1) All moneys received from the taxes imposed under ORS  
19 320.011 and 320.012, including penalties, shall be paid by the Department of  
20 Revenue in the following manner:

21 “(a) Seventy-five percent (75%) of the moneys shall be credited, appropri-  
22 ated or remitted as follows:

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

26 “(B) Nine and seven-tenths percent (9.7%) is continuously appropriated  
27 to pay the expenses of state and local programs of the Oregon Youth Con-  
28 servation Corps established under ORS 418.650 to 418.663.

29 “(C) Forty-seven and one-tenth percent (47.1%) thereof shall be remitted  
30 to the county treasurers of the several counties of the state. Each county

1 shall receive such share of the moneys as its population, determined by [*the*  
2 *State Board of Higher Education*] **Portland State University**, bears to the  
3 total population of the counties of the state, as determined by the census last  
4 preceding such apportionment.

5 “(b) Twenty-five percent (25%) of the moneys shall be continuously ap-  
6 propriated to pay the expenses of the state and local programs of the Oregon  
7 Youth Conservation Corps established under ORS 418.650 to 418.663.

8 “(2) All revenues received under this section by the treasurers of the se-  
9 veral counties shall be placed in the general fund of each county to be ex-  
10 pended by the county courts or the board of county commissioners of the  
11 several counties for general governmental expenses.

12 “**SECTION 133b.** ORS 329.810 is amended to read:

13 “329.810. (1) After consulting with representatives of teachers, adminis-  
14 trators, school boards, schools of education, the Oregon University System,  
15 **the public universities with governing boards listed in section 3 of this**  
16 **2013 Act** and such others as it considers appropriate, the Department of  
17 Education shall approve training for mentors and beginning teachers and  
18 administrators in programs qualifying for grants-in-aid under ORS 329.788 to  
19 329.820.

20 “(2) The training curriculum for mentors shall be based on research and  
21 knowledge of the needs of beginning teachers and administrators.

22 “(3) Mentors shall be trained to build relationships of trust and mutual  
23 collaboration with beginning teachers and administrators.

24 “(4) Mentors shall receive professional development before the school year  
25 begins and throughout the school year.

26 “**SECTION 133c.** ORS 337.521 is amended to read:

27 “337.521. (1) The [*State Board of Higher Education*] **Higher Education**  
28 **Coordinating Commission** may work with publishers, recognized national  
29 organizations of publishers, representatives of post-secondary education in-  
30 stitutions, the system described in ORS 192.517 and other interested parties

1 to:

2 “(a) Develop unified, statewide guidelines consistent with ORS 337.511 to  
3 337.524;

4 “(b) Administer ORS 337.511 to 337.524; and

5 “(c) Review guidelines annually and revise the guidelines as necessary  
6 due to changes in technology or other changes.

7 “(2) The guidelines may address the following:

8 “(a) The procedures and standards relating to the distribution of files and  
9 materials pursuant to ORS 337.511 to 337.524;

10 “(b) Available electronic formats;

11 “(c) Procedures for granting exceptions when it is determined that a  
12 publisher is not able to comply with the requirements of ORS 337.511 to  
13 337.524 due to technical, economic or other practical impediments; and

14 “(d) Other matters deemed necessary or appropriate to carry out the  
15 purposes of ORS 337.511 to 337.524.

16 “(3) The [*State Board of Higher Education*] **Higher Education Coordi-**  
17 **nating Commission** shall review the recommendations, published on or af-  
18 ter July 1, 2007, of the Association of American Publishers’ Alternative  
19 Formats Solutions Initiative, and determine whether the recommendations  
20 should be incorporated into ORS 337.511 to 337.524.”.

21 On page 88, after line 5, insert:

22 “**SECTION 135a.** ORS 342.443 is amended to read:

23 “342.443. (1) The Education and Workforce Policy Advisor shall report  
24 biennially to the Legislative Assembly longitudinal data on the number and  
25 percentage of:

26 “(a) Minority students enrolled in community colleges;

27 “(b) Minority students applying for admission to public universities listed  
28 in ORS 352.002;

29 “(c) Minority students accepted in public universities;

30 “(d) Minority students graduated from public universities;

1 “(e) Minority candidates seeking to enter public teacher education pro-  
2 grams in this state;

3 “(f) Minority candidates admitted to public teacher education programs;

4 “(g) Minority candidates who have completed approved public teacher  
5 education programs;

6 “(h) Minority candidates receiving Oregon teaching licenses based on  
7 preparation in this state and preparation in other states;

8 “(i) Minority teachers who are newly employed in the public schools in  
9 this state; and

10 “(j) Minority teachers already employed in the public schools.

11 “(2) The advisor also shall report comparisons of minorities’ and  
12 nonminorities’ scores on basic skills, pedagogy and subject matter tests.

13 “(3) The Oregon University System, **the public universities with gov-**  
14 **erning boards listed in section 3 of this 2013 Act**, the Department of Ed-  
15 ucation, the Teacher Standards and Practices Commission, community  
16 colleges and school districts shall cooperate with the advisor in collecting  
17 data and preparing the report.

18 “**SECTION 135b.** ORS 343.465 is amended to read:

19 “343.465. (1) It is the policy of this state to respect the unique nature of  
20 each child, family and community with particular attention to cultural and  
21 linguistic diversity, and to support a system of services for preschool chil-  
22 dren with disabilities and their families that:

23 “(a) Recognizes the importance of the child’s family, supports and builds  
24 on each family’s strengths and respects family decision-making and input  
25 regarding service options and public policy.

26 “(b) Identifies, evaluates and refers services for preschool children with  
27 disabilities at the earliest possible time.

28 “(c) Uses specialized services and all other community services and pro-  
29 grams for children, including community preschools, Head Start programs,  
30 community health clinics, family support programs and other child-oriented

1 agencies.

2 “(d) Uses a variety of funding sources for preschool children with disa-  
3 bilities and their families, including public and private funding, insurance  
4 and family resources.

5 “(e) Assists families in utilizing necessary services in the most cost-  
6 effective and efficient manner possible by using a coordinated planning and  
7 implementation process.

8 “(f) Insures that all children and their families, regardless of disability,  
9 risk factors or cultural or linguistic differences, are able to utilize services  
10 for which they would otherwise be qualified.

11 “(g) Encourages services and supports for preschool children with disa-  
12 bilities and their families in their home communities and in settings with  
13 children without disabilities.

14 “(h) Recognizes the importance of developing and supporting well-trained  
15 and competent personnel to provide services to preschool children with dis-  
16 abilities, and their families.

17 “(i) Evaluates the system’s impact on the child and family, including child  
18 progress, service quality, family satisfaction, transition into public schooling,  
19 longitudinal and cumulative reporting over several biennia and interagency  
20 coordination at both the state and local level.

21 “(j) Reports information described in paragraph (i) of this subsection to  
22 the State Interagency Coordinating Council, the Governor, the State Board  
23 of Education, **the public universities with governing boards listed in**  
24 **section 3 of this 2013 Act** and the Legislative Assembly each biennium.

25 “(2) In carrying out the provisions of subsection (1) of this section, the  
26 Department of Education, the Department of Human Services, **the public**  
27 **universities with governing boards listed in section 3 of this 2013 Act**  
28 and the Oregon University System shall coordinate services to preschool  
29 children with disabilities, or who are at risk of developing disabling condi-  
30 tions, and their families. All program planning, standards for service, poli-



1 cies regarding services delivery and budget development for services for  
2 preschool children with disabilities, and their families shall reflect the policy  
3 outlined in subsection (1) of this section and elaborated through rules and  
4 agreements.”.

5 On page 90, after line 25, insert:

6 **“SECTION 138a.** ORS 351.049 is amended to read:

7 “351.049. The State Board of Higher Education shall forward all mission  
8 statements of the public universities listed in ORS [352.002] **351.011** to the  
9 Higher Education Coordinating Commission for approval.

10 **“SECTION 138b.** ORS 351.203 is amended to read:

11 “351.203. (1) The State Board of Higher Education **and the public uni-**  
12 **versities with governing boards listed in section 3 of this 2013 Act** shall  
13 cooperate with the [*Education and Workforce Policy Advisor*] **Chief Educa-**  
14 **tion Officer of the Oregon Education Investment Board** in the develop-  
15 ment of a state comprehensive education plan including post-secondary  
16 education and in review of the board’s programs and budget. The board **and**  
17 **the public universities with governing boards listed in section 3 of this**  
18 **2013 Act** shall submit in timely fashion to the [*advisor such*] **Chief Educa-**  
19 **tion Officer the** data as is appropriate in a form prescribed by the  
20 [*advisor*] **officer.**

21 “(2) The board **and the public universities with governing boards**  
22 **listed in section 3 of this 2013 Act** shall cooperate with the mediation  
23 process administered by the Higher Education Coordinating Commission  
24 pursuant to ORS 348.603 and, if a negotiated resolution cannot be reached  
25 by mediation, comply with the decisions of the commission regarding pro-  
26 posed new post-secondary programs and proposed new post-secondary lo-  
27 cations, including those proposed by Oregon Health and Science University  
28 in cooperation with the State Board of Higher Education under ORS  
29 353.440.”.

30 On page 91, after line 23, insert:

1        **“SECTION 140a.** ORS 358.575 is amended to read:

2        “358.575. (1) The voting members of the Oregon Heritage Commission  
3 shall be representatives of:

4        “(a) Heritage interests, including Indian tribes with federal recognition,  
5 that reflect the cultural and geographic diversity of this state; and

6        “(b) Heritage interests reflected in community institutions, libraries, mu-  
7 seums, architecture, archaeology and historic preservation.

8        “(2) The advisory members of the commission shall be:

9        “(a) One member designated by the Director of the Department of Land  
10 Conservation and Development;

11       “(b) One member designated by the Trustees of the State Library;

12       “(c) One member designated by the [*State Board of Higher Education*]

13 **Higher Education Coordinating Commission;**

14       “(d) One member designated by the Oregon Tourism Commission;

15       “(e) One member designated by the Superintendent of Public Instruction;

16       “(f) The Executive Director of the Oregon Historical Society or a designee  
17 of the executive director;

18       “(g) The State Archivist or a designee of the archivist;

19       “(h) The Coordinator of the State Historical Records Advisory Board or  
20 a designee of the coordinator; and

21       “(i) The State Historic Preservation Officer or a designee of the officer.

22       **“SECTION 140b.** ORS 401.922 is amended to read:

23       “401.922. The Office of Emergency Management shall provide technical,  
24 clerical and other necessary support services to the Seismic Safety Policy  
25 Advisory Commission. The Department of Consumer and Business Services,  
26 the State Department of Geology and Mineral Industries, the Department of  
27 Land Conservation and Development, the Department of Transportation, the  
28 Oregon Health Authority, the Water Resources Department, **the public**  
29 **universities with governing boards listed in section 3 of this 2013 Act**  
30 and the Oregon University System shall provide assistance, as required, to

1 the commission to enable it to meet its objectives.”.

2 On page 92, after line 8, insert:

3 **“SECTION 143a.** ORS 442.830 is amended to read:

4 “442.830. (1) There is established the Oregon Patient Safety Commission  
5 Board of Directors consisting of 17 members, including the Public Health  
6 Officer and 16 directors who shall be appointed by the Governor and who  
7 shall be confirmed by the Senate in the manner prescribed in ORS 171.562  
8 and 171.565.

9 “(2) Membership on the board shall reflect the diversity of facilities,  
10 providers, insurers, purchasers and consumers that are involved in patient  
11 safety. Directors shall demonstrate interest, knowledge or experience in the  
12 area of patient safety.

13 “(3) The membership of the board shall be as follows:

14 “(a) The Public Health Officer or the officer’s designee;

15 “(b) One faculty member, who is not involved in the direct delivery of  
16 health care, of the Oregon University System, **a public university with a**  
17 **governing board listed in section 3 of this 2013 Act** or a private Oregon  
18 university;

19 “(c) Two representatives of group purchasers of health care, one of whom  
20 shall be employed by a state or other governmental entity and neither of  
21 whom may provide direct health care services or have an immediate family  
22 member who is involved in the delivery of health care;

23 “(d) Two representatives of health care consumers, neither of whom may  
24 provide direct health care services or have an immediate family member who  
25 is involved in the delivery of health care;

26 “(e) Two representatives of health insurers, including a representative of  
27 a domestic not-for-profit health care service contractor, a representative of  
28 a domestic insurance company licensed to transact health insurance or a  
29 representative of a health maintenance organization;

30 “(f) One representative of a statewide or national labor organization;

1 “(g) Two physicians licensed under ORS chapter 677 who are in active  
2 practice;

3 “(h) Two hospital administrators or their designees;

4 “(i) One pharmacist licensed under ORS chapter 689;

5 “(j) One representative of an ambulatory surgical center or an outpatient  
6 renal dialysis facility;

7 “(k) One nurse licensed under ORS chapter 678 who is in active clinical  
8 practice; and

9 “(L) One nursing home administrator licensed under ORS chapter 678 or  
10 one nursing home director of nursing services.

11 “(4) The term of office of each director appointed by the Governor is four  
12 years. Before the expiration of the term of a director, the Governor shall  
13 appoint a successor whose term begins on July 2 next following. A director  
14 is eligible for reappointment for an additional term. If there is a vacancy for  
15 any cause, the Governor shall make an appointment to become effective im-  
16 mediately for the unexpired term. The board shall nominate a slate of can-  
17 didates whenever a vacancy occurs or is announced and shall forward the  
18 recommended candidates to the Governor for consideration.

19 “(5) The board shall select one of its members as chairperson and another  
20 as vice chairperson for the terms and with the duties and powers as the  
21 board considers necessary for performance of the functions of those offices.  
22 The board shall adopt bylaws as necessary for the efficient and effective  
23 operation of the commission.

24 “(6) The Governor may remove any member of the board at any time at  
25 the pleasure of the Governor, but not more than eight directors shall be re-  
26 moved within a period of four years, unless it is for corrupt conduct in office.  
27 The board may remove a director as specified in the commission bylaws.

28 “(7) The board may appoint subcommittees and advisory groups as needed  
29 to assist the board, including but not limited to one or more consumer ad-  
30 visory groups and technical advisory groups. The technical advisory groups

1 shall include physicians, nurses and other licensed or certified professionals  
2 with specialty knowledge and experience as necessary to assist the board.

3 “(8) No voting member of the board may be an employee of the commis-  
4 sion.

5 **“SECTION 143b.** ORS 461.543 is amended to read:

6 “461.543. (1) Except as otherwise specified in subsection (5) of this section,  
7 the Sports Lottery Account is continuously appropriated to and shall be used  
8 by the [*State Board of Higher Education*] **Higher Education Coordinating**  
9 **Commission** to fund sports programs at public universities listed in ORS  
10 352.002. Seventy percent of the revenues in the fund shall be used to fund  
11 nonrevenue producing sports and 30 percent shall be used for revenue  
12 producing sports. Of the total amount available in the fund, at least 50 per-  
13 cent shall be made available for women’s athletics.

14 “(2) The board shall allocate moneys in the Sports Lottery Account among  
15 the public universities, giving due consideration to:

16 “(a) The athletic conference to which the public university belongs and  
17 the relative costs of competing in that conference.

18 “(b) The level of effort being made by the public university to generate  
19 funds and support from private sources.

20 “(3) As used in subsections (1) to (3) of this section, ‘revenue producing  
21 sport’ is a sport that produces net revenue over expenditures during a cal-  
22 endar year or if its season extends into two calendar years, produces net  
23 revenue over expenditures during the season.

24 “(4) An amount equal to one percent of the moneys transferred to the  
25 Administrative Services Economic Development Fund from the State Lottery  
26 Fund shall be allocated from the Administrative Services Economic Devel-  
27 opment Fund to the Sports Lottery Account.

28 “(5) The amounts received by the Sports Lottery Account shall be allo-  
29 cated as follows:

30 “(a) Eighty-eight percent for the purposes specified in subsections (1) to

1 (3) of this section, but not to exceed \$8 million annually, adjusted annually  
2 pursuant to the Consumer Price Index, as defined in ORS 327.006.

3 “(b) Twelve percent for the purpose of scholarships, to be distributed  
4 equally between scholarships based on academic merit and scholarships  
5 based on need, as determined by rule of the board, but not to exceed  
6 \$1,090,909 annually.

7 “(c) All additional money to the Oregon Student Access Commission for  
8 the Oregon Opportunity Grant program under ORS 348.260.

9 **“SECTION 143c.** ORS 468A.245 is amended to read:

10 “468A.245. The Oregon Global Warming Commission shall develop an  
11 outreach strategy to educate Oregonians about the scientific aspects and  
12 economic impacts of global warming and to inform Oregonians of ways to  
13 reduce greenhouse gas emissions and ways to prepare for the effects of global  
14 warming. The commission, at a minimum, shall work with state and local  
15 governments, the State Department of Energy, the Department of Education,  
16 the [*State Board of Higher Education*] **Higher Education Coordinating**  
17 **Commission** and businesses to implement the outreach strategy.”.

18 On page 95, after line 19, insert:

19 **“SECTION 145a.** ORS 526.215 is amended to read:

20 “526.215. To aid in the economic development of the State of Oregon, the  
21 State Board of Higher Education, **or if Oregon State University estab-**  
22 **lishes a governing board, Oregon State University**, shall institute and  
23 carry on research and experimentation to develop the maximum yield from  
24 the forestlands of Oregon, to obtain the fullest utilization of the forest re-  
25 source, and to study air and water pollution as it relates to the forest pro-  
26 ducts industries.

27 **“SECTION 145b.** ORS 576.768 is amended to read:

28 “576.768. (1) The report submitted by the Oregon Wine Board under ORS  
29 182.472 must include a description of the long term strategic plan created by  
30 the board and a description of the progress made in implementing the state-

1 wide strategic objectives of the board during the most recent biennium.

2 “(2) Notwithstanding ORS 182.462:

3 “(a) The board shall prepare and submit annual plans and a budget re-  
4 commended by the board for promotion and for research during the next  
5 fiscal year.

6 “(b) The board shall adopt rules specifying the procedures, criteria and  
7 timelines for the preparation and approval of the annual plans and budget  
8 for promotion and for research.

9 “(c) The Director of the Oregon Business Development Department shall  
10 review the budget and plans submitted under this section. In reviewing the  
11 annual plans and budget, the director shall consider whether the information  
12 supplied by the board is factual and consistent with ORS 576.750 to 576.775  
13 and the positive development of the Oregon wine grape growing and wine  
14 making industries. The director shall either approve the budget and plans  
15 prior to the commencement of the next fiscal year or disapprove and return  
16 the budget and plans to the board with conditions necessary for approval  
17 prior to the commencement of the next fiscal year. In reviewing the budget  
18 and plans, the director may consult with and receive coordinated support  
19 from:

20 “(A) The State Department of Agriculture;

21 “(B) The Oregon Tourism Commission;

22 “(C) The Oregon University System, **or if Oregon State University es-**  
23 **tablishes a governing board, Oregon State University;**

24 “(D) The Department of Community Colleges and Workforce Development;  
25 and

26 “(E) The Oregon Liquor Control Commission.”.

27 On page 96, after line 33, insert:

28 “**SECTION 148a.** ORS 660.312 is amended to read:

29 “660.312. (1) The Governor shall be responsible for a coordinated and  
30 comprehensive response to education and workforce issues. The Governor

1 shall appoint an Education and Workforce Policy Advisor, who serves at the  
2 pleasure of the Governor. The advisor shall, with the advice of such advisory  
3 committees as may be appointed or assigned, advise the Governor on policy,  
4 planning and coordination for education and workforce development in  
5 Oregon.

6 “(2) The duties of the advisor shall include:

7 “(a) Guiding the development of state-level policy related to education  
8 and workforce issues;

9 “(b) Providing general direction and serving as a liaison between state  
10 and local efforts in education, training and workforce development;

11 “(c) Ensuring, through collaboration with the leadership of local  
12 workforce investment boards and regional workforce committees, the align-  
13 ment of statewide, local and regional strategic plans, and the periodic re-  
14 porting of performance in the implementation of such plans; and

15 “(d) Consulting with local workforce investment boards and regional  
16 workforce committees on the development and implementation of a workforce  
17 performance measurement system.

18 “(3) In the performance of duties, the advisor shall collectively involve  
19 state agencies, including but not limited to:

20 “(a) The Department of Education;

21 “(b) The Oregon University System;

22 “(c) The Oregon Business Development Department;

23 “(d) The Department of Community Colleges and Workforce Development;

24 “(e) The Employment Department;

25 “(f) The Department of Human Services;

26 “(g) The Bureau of Labor and Industries;

27 “(h) The Department of Corrections;

28 “(i) The Oregon Student Access Commission; [*and*]

29 “(j) The Teacher Standards and Practices Commission[.]; **and**

30 “**(k) The public universities with governing boards listed in section**



1 **3 of this 2013 Act.**

2 “(4) The advisor shall seek input from key interested parties to help guide  
3 policy development, including but not limited to representatives of:

4 “(a) Businesses and industry organizations;

5 “(b) Labor and labor organizations;

6 “(c) Local education providers;

7 “(d) Local government;

8 “(e) Student, teacher, parent and faculty organizations;

9 “(f) Community-based organizations;

10 “(g) Public-private partnership organizations;

11 “(h) Independent nonprofit and proprietary post-secondary colleges and  
12 schools; and

13 “(i) Regional workforce committees, local workforce investment boards  
14 and regional investment boards.

15 “(5) The advisor shall meet, on a regularly scheduled basis, with the local  
16 workforce investment boards, regional workforce committees and such others  
17 as necessary to ensure that local interests are represented. The advisor shall  
18 seek input, advice and feedback on policy issues affecting state, regional and  
19 local education and workforce development from interested parties and other  
20 committees formed under ORS 660.306, 660.312 and 660.315.

21 “(6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary  
22 to carry out the duties of the advisor.”.

23 On page 100, after line 11, insert:

24 “**SECTION 154c.** Section 5, chapter 904, Oregon Laws 2009, is amended  
25 to read:

26 “**Sec. 5.** The [*State Board of Higher Education*] **Higher Education Co-**  
27 **ordinating Commission** shall determine **by rule how** [*the capital renewal,*  
28 *code compliance and safety projects to be undertaken with*] moneys made  
29 available under section 6 (1)(a), **chapter 904, Oregon Laws 2009, shall be**  
30 **allocated to universities listed in ORS 352.002** [*of this 2009 Act on the*

1 *basis of the board's determination of the most critical capital renewal, code*  
2 *compliance and safety needs. In determining the capital renewal, code compli-*  
3 *ance and safety needs, the board shall give priority to projects that protect the*  
4 *health and safety of occupants and maintain the structural integrity of facili-*  
5 *ties].*

6 **“SECTION 154d.** Section 9, chapter 904, Oregon Laws 2009, as amended  
7 by section 6, chapter 99, Oregon Laws 2010, and section 2, chapter 15, Oregon  
8 Laws 2011, is amended to read:

9 **“Sec. 9.** (1) Except as provided in subsection (3) of this section, the  
10 project approvals and expenditure limitations in chapter 904, Oregon Laws  
11 2009, and the expenditure limitations established by the Emergency Board  
12 during the biennium beginning July 1, 2009, for capital construction or ac-  
13 quisition projects of the Oregon University System, **of the public univer-**  
14 **sities with governing boards listed in section 3 of this 2013 Act** and of  
15 the Department of Community Colleges and Workforce Development for  
16 community colleges, expire on June 30, 2015, unless otherwise noted or unless  
17 changed by the Legislative Assembly.

18 “(2) The project approvals and expenditure limitations established by  
19 section 2 (5)(b), (e) and (i), chapter 725, Oregon Laws 2003, and section 2  
20 (3)(h), chapter 845, Oregon Laws 2001, for capital construction or acquisition  
21 projects of the Oregon University System expire on June 30, 2011, unless  
22 otherwise changed by the Legislative Assembly.

23 “(3) The project approvals and expenditure limitations in section 6 (4)(c),  
24 (k) and (L), (5)(c) and (e) and (7)(k), chapter 904, Oregon Laws 2009, and the  
25 expenditure limitations established by the Emergency Board during the  
26 biennium beginning July 1, 2009, for capital construction or acquisition  
27 projects of the Oregon University System described in section 6 (4)(c), (k)  
28 and (L), (5)(c) and (e) and (7)(k), chapter 904, Oregon Laws 2009, expire on  
29 June 30, 2015, unless otherwise noted or unless changed by the Legislative  
30 Assembly.

1 “(4) The project approvals and expenditure limitations in section 6 (1)(a),  
2 (2)(b), (4)(b), (6)(a) and (7)(b) and (c), chapter 904, Oregon Laws 2009, expire  
3 on June 30, 2015, unless provided otherwise.

4 “**SECTION 154e.** Section 8, chapter 615, Oregon Laws 2011, is amended  
5 to read:

6 “**Sec. 8.** The [*State Board of Higher Education* ] **Higher Education Co-**  
7 **ordinating Commission** shall determine **by rule how** [*the capital renewal,*  
8 *code compliance and safety projects to be undertaken with*] moneys made  
9 available under section 9 (1)(a), **chapter 615, Oregon Laws 2011, shall be**  
10 **allocated to universities listed in ORS 352.002** [*of this 2011 Act on the*  
11 *basis of the board’s determination of the most critical capital renewal, code*  
12 *compliance and safety needs. In determining the capital renewal, code compli-*  
13 *ance and safety needs, the board shall give priority to projects that protect the*  
14 *health and safety of occupants and maintain the structural integrity of facili-*  
15 *ties. Capital renewal, code compliance and safety projects do not include ac-*  
16 *quisition of buildings, structures or land*].

17 “**SECTION 154f.** Section 11, chapter 615, Oregon Laws 2011, is amended  
18 to read:

19 “**Sec. 11.** (1) The project approvals and expenditure limitations estab-  
20 lished in section 9 [*of this 2011 Act*], **chapter 615, Oregon Laws 2011,** and  
21 the expenditure limitations established by the Emergency Board during the  
22 biennium beginning July 1, 2011, for capital construction or acquisition  
23 projects of the Oregon University System **and public universities with**  
24 **governing boards listed in section 3 of this 2013 Act** expire on June 30,  
25 2017, unless otherwise noted or unless changed by the Legislative Assembly.

26 “(2) The project approvals and expenditure limitations established by  
27 section 2 (6)(h), chapter 787, Oregon Laws 2005, and increased by the Emer-  
28 gency Board at its April 2006 meeting, for capital construction or acquisition  
29 projects of the Oregon University System expire on June 30, 2013, unless  
30 otherwise changed by the Legislative Assembly.

1 “(3) The project approvals and expenditure limitations established by  
2 section 2 (4)(g), (5)(g), 5(j), (6)(k) and (6)(p), chapter 787, Oregon Laws 2005,  
3 for capital construction or acquisition projects of the Oregon University  
4 System expire on June 30, 2013, unless otherwise changed by the Legislative  
5 Assembly.

6 “(4) The project approvals and expenditure limitations established by  
7 section 2 (6)(e), chapter 761, Oregon Laws 2007, and increased by the Emer-  
8 gency Board at its September 2010 meeting, for capital construction or ac-  
9 quisition projects of the Oregon University System expire on June 30, 2013,  
10 unless otherwise changed by the Legislative Assembly.

11 “(5) The project approvals and expenditure limitations established by the  
12 Emergency Board at its September 2010 meeting for construction of student  
13 family housing at Western Oregon University expire on June 30, 2017, unless  
14 otherwise changed by the Legislative Assembly.

15 “(6) The project approvals and expenditure limitations established by  
16 section 3 (1), (6) and (7), chapter 787, Oregon Laws 2005, for capital con-  
17 struction or acquisition projects at Columbia Gorge Community College,  
18 Klamath Community College and Southwestern Oregon Community College  
19 expire on June 30, 2012, unless otherwise changed by the Legislative Assem-  
20 bly.

21 “(7) The project approval and expenditure limitation established by sec-  
22 tion 16 [*of this 2011 Act*], **chapter 615, Oregon Laws 2011**, for Strand Ag-  
23 riculture Hall deferred maintenance at Oregon State University expires on  
24 June 30, 2015, unless otherwise changed by the Legislative Assembly.”.

25 On page 104, after line 15, insert:

26 “**SECTION 162a.** ORS 354.090 is amended to read:

27 “354.090. The [*State Board of Higher Education*] **Oregon Institute of**  
28 **Technology** is declared the managing agency of the FM radio station KTEC,  
29 licensed to the Oregon Institute of Technology, and as such shall prescribe  
30 rules and regulations in conformity with the regulations and laws of the

1 United States Government relating to educational FM radio stations. By  
2 such rules and regulations the [*State Board of Higher Education*] **Oregon**  
3 **Institute of Technology** shall make the facilities of the radio station  
4 available in the training programs of the [*Oregon Institute of Technology*]  
5 **university**.

6 **“SECTION 162b. (1) The amendments to ORS 354.090 by section 162a**  
7 **of this 2013 Act become operative only if the Oregon Institute of**  
8 **Technology becomes a university with a governing board in the man-**  
9 **ner set forth in section 168a of this 2013 Act.**

10 **“(2) If the condition specified in subsection (1) of this section is met,**  
11 **the amendments to ORS 354.090 by section 162a of this 2013 Act become**  
12 **operative on the date the Governor appoints the members of the gov-**  
13 **erning board under section 168a of this 2013 Act.**

14 **“SECTION 162c.** ORS 351.516 is amended to read:

15 **“351.516. (1) There is established in the General Fund an account to be**  
16 **known as the Eastern Oregon University Regional Agricultural, Health and**  
17 **Life Sciences Building Account. Funds in the account shall be used to ac-**  
18 **quire or construct a new building for agriculture, health and life sciences**  
19 **studies at Eastern Oregon University.**

20 **“(2) The account shall consist of proceeds from lottery bonds and federal**  
21 **and local government funds made available to and funds donated to [*the***  
22 ***Oregon University System*] **Eastern Oregon University** for the purpose of**  
23 **the Eastern Oregon University Regional Agricultural, Health and Life Sci-**  
24 **ences Building project described in subsection (1) of this section. Interest**  
25 **earned on moneys in the account shall be credited to the account.**

26 **“(3) Moneys in the account are continuously appropriated to [*the Oregon***  
27 ***University System*] **Eastern Oregon University** for the purposes described**  
28 **in subsection (1) of this section. The account may not be credited with more**  
29 **than \$14,470,500 in interest, proceeds from lottery bonds, donations and fed-**  
30 **eral and local government funds for purposes of this subsection.**

1       **“SECTION 162d. (1) The amendments to ORS 351.516 by section 162c**  
2 **of this 2013 Act become operative only if Eastern Oregon University**  
3 **becomes a university with a governing board in the manner set forth**  
4 **in section 168a of this 2013 Act.**

5       **“(2) If the condition specified in subsection (1) of this section is met,**  
6 **the amendments to ORS 351.516 by section 162c of this 2013 Act become**  
7 **operative on the date the Governor appoints the members of the gov-**  
8 **erning board under section 168a of this 2013 Act.”.**

9       In line 17, after “62.720,” insert “321.185,”.

10       In line 21, delete “168b” and insert “168a”.

11       In line 28, delete “168b” and insert “168a”.

12       After line 29, insert:

13       **“SECTION 165a. Notwithstanding ORS 352.221 and 352.223 and sec-**  
14 **tion 16, chapter 761, Oregon Laws 2007, section 7, chapter 2, Oregon**  
15 **Laws 2009, and section 18, chapter 904, Oregon Laws 2009, if the Oregon**  
16 **Institute of Technology becomes a university with a governing board**  
17 **in the manner set forth in section 168a of this 2013 Act, any moneys**  
18 **provided or transferred by law to the Oregon University System or**  
19 **State Board of Higher Education for the benefit of or use by the**  
20 **Oregon Institute of Technology shall be provided directly to the**  
21 **Oregon Institute of Technology.”.**

22       Delete lines 34 through 45 and delete pages 105 and 106.

23       On page 107, delete lines 1 through 15 and insert:

24       **“SECTION 166. (1) The Special Committee on University**  
25 **Governance and Operations is established, consisting of 10 members**  
26 **appointed as follows:**

27       **“(a) The President of the Senate shall appoint four members from**  
28 **among members of the Senate.**

29       **“(b) The Speaker of the House of Representatives shall appoint four**  
30 **members from among members of the House of Representatives.**

1       “(c) The Governor shall appoint two members who are members of  
2 the Oregon Education Investment Board.

3       “(2) The special committee shall review, discuss and analyze:

4       “(a) Issues of administration within the state post-secondary edu-  
5 cation system with an emphasis on four-year public universities; and

6       “(b) Coordination of operations, academic programs, shared services  
7 and other elements of that system, after considering the recommen-  
8 dations of the Work Group on University Shared Services established  
9 under section 166a of this 2013 Act.

10       “(3) The special committee may recommend legislation on the fu-  
11 ture relationship between Oregon’s institutions of post-secondary ed-  
12 ucation.

13       “(4) The special committee shall evaluate options related to insti-  
14 tutional governance as Oregon’s public universities transition to new  
15 governing boards, with a focus on how best to coordinate academic  
16 services among the universities in order to increase student access,  
17 affordability and success in pursuit of the mission described in ORS  
18 351.009. Options may include the role of a chancellor or an academic  
19 leader, the composition of the interim State Board of Higher Educa-  
20 tion between July 1, 2014, and June 30, 2015, or the composition and  
21 authorities of a consortium board for universities that do not request  
22 institutional governing boards.

23       “(5) With respect to university governance, any legislation recom-  
24 mended by the special committee shall:

25       “(a) Take into consideration the unique mission associated with  
26 each of Oregon’s seven public universities and identify how these  
27 missions can best be accomplished and sustained over the next 10  
28 years; and

29       “(b) Ensure that the public missions of Oregon’s public universities,  
30 including access and affordability for residents of this state, are

1 maintained and enhanced.

2 “(6) With respect to university operations, any legislation recom-  
3 mended by the special committee shall define the operating arrange-  
4 ments between the institutions in order to ensure:

5 “(a) That all post-secondary institutions, including public universi-  
6 ties listed in ORS 352.002 and Oregon’s 17 community colleges, are able  
7 to achieve the goals and mission described in ORS 351.006 and 351.009;  
8 and

9 “(b) The achievement of cost efficiencies, economies of scale, cost  
10 effectiveness, accountability, administrative streamlining and the  
11 ability to provide the best quality education possible for the amount  
12 of state moneys spent.

13 “(7)(a) Any shared services legislation recommended by the special  
14 committee must further consider the recommended shared services  
15 model provided by the Work Group on University Shared Services un-  
16 der section 166a (11) of this 2013 Act.

17 “(b) The shared services subject to review by the special committee  
18 shall include, but are not limited to, risk management, cash manage-  
19 ment, asset management, treasury services, payroll, employee bene-  
20 fits, accounting, auditing, purchasing and contracting, information  
21 technology and any other administrative function that might benefit  
22 from the sharing or pooling of public university resources.

23 “(8) A majority of the members of the special committee constitutes  
24 a quorum for the transaction of business.

25 “(9) Official action by the special committee requires the approval  
26 of a majority of the members of the committee.

27 “(10) The special committee shall elect two of its members to serve  
28 as cochairpersons, one of whom is from the Senate and one of whom  
29 is from the House of Representatives.

30 “(11) If there is a vacancy for any cause, the appointing authority



1 shall make an appointment to become immediately effective.

2 “(12) The special committee shall meet at times and places specified  
3 by the call of the cochairpersons or of a majority of the members of  
4 the committee.

5 “(13) The special committee may adopt rules necessary for the op-  
6 eration of the committee.

7 “(14)(a) The special committee shall convene and begin work no  
8 later than September 15, 2013.

9 “(b) The special committee shall submit interim recommendations  
10 to the Governor and Legislative Assembly no later than January 15,  
11 2014, for consideration during the 2014 regular legislative session.

12 “(c) The special committee shall continue to meet and submit final  
13 recommendations to the Governor and Legislative Assembly, if neces-  
14 sary, no later than November 15, 2014, for consideration during the  
15 2015 regular legislative session.

16 “(15) The Legislative Administration Committee shall provide staff  
17 support to the special committee.

18 “(16) Members of the special committee who are not members of the  
19 Legislative Assembly are not entitled to compensation.

20 “(17) All agencies of state government, as defined in ORS 174.111,  
21 and public universities listed in ORS 352.002 are directed to assist the  
22 special committee in the performance of its duties and, to the extent  
23 permitted by laws relating to confidentiality, to furnish such infor-  
24 mation and advice as the members of the committee consider neces-  
25 sary to perform their duties.

26 “(18) The special committee may accept contributions of funds and  
27 assistance from any source, public or private, for the purposes of the  
28 consultation with national experts required for the activities described  
29 in subsections (2) to (7) of this section.

30 **SECTION 166a.** (1) The Work Group on University Shared Services

1 is established, consisting of the presidents of the seven public univer-  
2 sities listed in ORS 352.002 or the presidents' designees.

3 “(2) The work group shall develop a shared services model that de-  
4 livers efficient and effective administrative operations to participating  
5 post-secondary institutions in a manner that focuses on quality, re-  
6 sponsiveness and customer service and that seeks to achieve cost  
7 savings, economies of scale, accountability, transparency and stream-  
8 lining.

9 “(3) In developing a shared services model under subsection (2) of  
10 this section, the services that the work group must consider include,  
11 but are not limited to, risk management, cash management, asset  
12 management, treasury services, payroll, employee benefits, account-  
13 ing, auditing, purchasing and contracting, information technology and  
14 any other administrative function that might benefit from the sharing  
15 or pooling of public university resources.

16 “(4) In recommending how to achieve a shared services enterprise  
17 for the public universities listed in ORS 352.002, the work group shall:

18 “(a) Recommend an appropriate entity to facilitate the sharing of  
19 services among the public universities listed in ORS 352.002 after uni-  
20 versities with governing boards are established;

21 “(b) Recommend how the shared services coordinating entity de-  
22 scribed in paragraph (a) of this subsection will be managed;

23 “(c) Determine the financial impact that will be caused, both cu-  
24 mulatively and individually, for each university that establishes a  
25 governing board and leaves the Oregon University System;

26 “(d) Recommend a mechanism to mitigate or eliminate the negative  
27 financial impact caused by universities establishing governing boards  
28 and leaving the Oregon University System, or require universities es-  
29 tablishing governing boards and leaving the Oregon University System  
30 to remain in each shared service. In determining this mechanism, the

1 work group must consider the appropriateness of assessments or re-  
2 ductions of appropriations; and

3 “(e) Identify services that should remain shared among public uni-  
4 versities listed in ORS 352.002 after the establishment of universities  
5 with governing boards. In determining whether a service should re-  
6 main shared, the work group must consider the economies of scale  
7 achieved by sharing the service, the benefit to the public in sharing  
8 the service and the positive and negative financial impact on each  
9 public university if one or more universities with governing boards  
10 either stops or continues to participate in the service.

11 “(5) The State Board of Higher Education and the office of the  
12 Chancellor of the Oregon University System shall assist the work  
13 group in developing the work group’s recommendations. The work  
14 group may seek and accept consulting or other technical assistance  
15 from any source in preparing its recommendations.

16 “(6) A majority of the members of the work group constitutes a  
17 quorum for the transaction of business.

18 “(7) Official action by the work group requires the approval of a  
19 majority of the members of the work group.

20 “(8) The work group shall elect one of its members to serve as  
21 chairperson.

22 “(9) The work group shall meet at times and places specified by the  
23 call of the chairperson or of a majority of the members of the work  
24 group.

25 “(10) The work group may adopt rules necessary for the operation  
26 of the work group.

27 “(11)(a) The work group shall submit a first draft of its recom-  
28 mended shared services model to the Special Committee on University  
29 Governance and Operations established in section 166 of this 2013 Act  
30 no later than December 15, 2013.

1       **“(b) The work group shall finalize and submit its recommended**  
2 **shared services model to the special committee no later than Septem-**  
3 **ber 15, 2014.**

4       **“(12) The Oregon University System shall provide staff support to**  
5 **the work group.**

6       **“(13) Members of the work group are not entitled to compensation.**

7       **“(14) All agencies of state government, as defined in ORS 174.111,**  
8 **are directed to assist the work group in the performance of its duties**  
9 **and, to the extent permitted by laws relating to confidentiality, to**  
10 **furnish such information and advice as the members of the work**  
11 **group consider necessary to perform their duties.**

12       **“SECTION 167. Sections 166 and 166a of this 2013 Act are repealed**  
13 **on the date of the convening of the 2016 regular session of the Legis-**  
14 **lative Assembly as specified in ORS 171.010.”.**

15       In line 35, delete “168b” and insert “168a”.

16       Delete lines 36 through 45.

17       On page 108, delete lines 1 through 19 and insert:

18       **“SECTION 168a. (1) If the president of Oregon State University no-**  
19 **tifies the Governor between August 2, 2013, and January 1, 2014, that**  
20 **the university will become a university with a governing board:**

21       **“(a) Within two weeks after receiving the notification, the Governor**  
22 **shall inform the President of the Senate, the Speaker of the House of**  
23 **Representatives and the Legislative Counsel of the notification; and**

24       **“(b) Not later than February 1, 2014, the Governor shall appoint all**  
25 **of the members of the governing board in the manner set forth in**  
26 **section 6 of this 2013 Act.**

27       **“(2)(a) If the president of Eastern Oregon University, Oregon Insti-**  
28 **tute of Technology, Southern Oregon University or Western Oregon**  
29 **University determines that the university should become a university**  
30 **with a governing board, the president shall notify the Governor and**

1 the State Board of Higher Education of the university's intent. No-  
2 tification under this subsection must occur during the period begin-  
3 ning March 1, 2014, and ending June 1, 2015.

4 “(b) Within 45 days of receiving notification under this subsection  
5 from a university president, the State Board of Higher Education shall  
6 decide whether or not to endorse the university's decision. If the board  
7 endorses the request, the board shall immediately communicate any  
8 endorsement to the Governor.

9 “(b) Upon receiving notification that the State Board of Higher  
10 Education has endorsed a university's decision to become a university  
11 with a governing board, the Governor shall:

12 “(A) Inform the President of the Senate, the Speaker of the House  
13 of Representatives and the Legislative Counsel of that the university  
14 will become a university with a governing board; and

15 “(B) Not later than six months after receiving the notification, ap-  
16 point all of the members of the governing board in the manner set  
17 forth in section 6 of this 2013 Act.

18 “(3) Notwithstanding section 169 of this 2013 Act, if Eastern Oregon  
19 University, Oregon Institute of Technology, Southern Oregon Univer-  
20 sity or Western Oregon University become a university with a gov-  
21 erning board under subsection (2) of this section, the president of that  
22 university shall take over administrative responsibilities for the uni-  
23 versity from the State Board of Higher Education on either July 1, 2015  
24 or when the Governor appoints the members of the governing board,  
25 whichever date comes later.”.

26 In line 20, delete “(1)”.

27 In line 22, delete “for the 2013-2014 academic year” and insert “through  
28 June 30, 2014”.

29 In line 23, after “to” insert “section 8 of this 2013 Act and”.

30 Delete lines 26 and 27.

1 On page 109, after line 34, insert:

2 **SECTION 172a. This 2013 Act is intended to preserve the autonomy**  
3 **of the universities listed in ORS 352.002 whether they are governed by**  
4 **a university governing board or a university consortium board.”.**

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