

---

# MEMORANDUM

Legislative Fiscal Office  
900 Court St. NE, Room H-178  
Salem, Oregon 97301  
Phone 503-986-1828  
FAX 503-373-7807

---

**To:** *Education Subcommittee*

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

**Date:** June 26, 2013

**Subject:** *HB 3120 A*  
*Work Session*

---

HB 3120 Directs the Higher Education Coordinating Commission (HECC) to provide integrated leadership, regulation and support for community colleges, universities, private career schools and financial aid programs. Declares emergency, effective on passage

The measure had a public hearing in this Subcommittee on May 29, 2013.

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

changes the distribution of state appropriations by HECC so that HECC does not do the distribution but rather, in cooperation with community colleges and public universities, adopts rules governing the distribution of appropriations. It is assumed that the Chancellor's Office would once again be in charge of the actual distribution of state funding to the universities. In addition, the -A13 amendment requires that each community college district and president of each public university form an achievement compact advisory committee. The committee shall include administrators, faculty, educational personnel and students of the public university. If the public university already has a standing committee including the proper members, the standing committee may be designated as the achievement compact advisory committee. Requirements of this section first apply to achievement compacts entered into for fiscal years beginning with the 2013-2014 fiscal year. The amendment also resolves conflicts between HB 3120 and SB 270.

## **Motion #1: Move the –A13 amendment to HB 3120.**

## Measure as Modified

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

**Motion #2: Move HB 3120 to the full committee with a “do pass” recommendation, as modified.**

**Chair to assign carriers:**

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

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

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

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 3120 – A13**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

Prepared by: Tim Walker  
Reviewed by: Paul Siebert, Doug Wilson  
Date: 06/25/2013

**Measure Description:**

Directs State Board of Education and State Board of Higher Education to work with Governor and conduct study on improving education governance.

**Government Unit(s) Affected:**

Department of Education, Higher Education Coordinating Commission, Oregon University System (OUS), Department of Community Colleges and Workforce Development, Oregon Educational Investment Board

**Summary of Expenditure Impact:**

General Fund	-\$13,479	\$22,776
Lottery Funds		
Other Funds - NL	-213,900	-302,312
Federal Funds		
<b>Total Funds</b>	<b>-\$227,379</b>	<b>-\$279,536</b>
Positions	0	-2
FTE	-0.31	2.00

**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 modifies the duties and responsibilities of the Higher Education Coordinating Commission including the following:

- Advising and assisting the Oregon Education Investment Board (OEIB) on scholarship, loan, and grant programs administered by the Oregon Student Access Commission and coordination of poste-secondary elements of data collection and structure for a statewide longitudinal database.
- Adopting a strategic plan for achieving state post-secondary education goals and tracking progress on achieving those goals.
- Distributing legislative appropriations to community colleges, public universities, and scholarship, loan, and grant programs under allocation formulas developed with the cooperation of colleges and universities.
- Approving significant changes to academic programs of community colleges and universities.
- Approve changes to university mission statements.
- Advise the Governor and Legislature on university governance.
- HECC, in cooperation with community colleges and public universities, will adopt rules governing the distribution of appropriations.
- Coordinating with the State Board of Higher Education to enhance use and quality of dual credit, career and technical pathways and efforts to encourage a college-going culture.
- Coordinating with State Workforce Investment Board and other stakeholders to insure that programs in high-demand occupations are offered by the state's colleges and universities.

- Improve the economies of scale among institutions through sharing administrative resources.
- Establish a subcommittee on funding quality post-secondary education to state residents.
- Transfers duties and responsibilities of the Oregon Student Access Commission to the HECC.
- Transfers the authority of the State Board of Higher Education, with respect to, oversight, rulemaking and direction of the Department of Community Colleges and Workforce Development to HECC.

The Executive Branch submitted a combined fiscal impact to HECC for this bill and SB 270 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.

The 6 positions include a manager level position (PEM F), two Ops/Policy Analyst 4, two Education Program Specialist 2 and one Procurement and Contract Specialist 3. The manager position is budgeted to start in October of 2013 with the remaining positions starting in April 2014. These six positions for SB 270 and HB 3120 are in addition to the nine positions included in the HECC budget based on current law. The budget reconciliation bill at the end of the session will address the fiscal impact of these bills

The Oregon University System (OUS) anticipates that the realignment of duties with HECC would result in a savings of \$856,000 General Fund and \$214,000 Non Limited Other Funds in 2013-15 and \$1.2 million General Fund and \$302,000 Non Limited Other Funds in 2015-17. The savings would result in staff reductions in Budget Operations, Capital and Facilities Planning, and Academic Strategies and total 4 positions (3.00 FTE) in 2013-15 and 4 positions (4.00 FTE) in 2015-17.

This bill transfers the duties and responsibilities of the Oregon Student Access Commission (OSAC) for the oversight of the Commission's programs to HECC and establishes an Office of Oregon Student Access and Completion (OSAC). The new OSAC would remain a separate agency with their own budget, but HECC would appoint the executive director and direct and control OSAC. Additionally, the bill transfers the duty and responsibilities of the State Board of Education, with respect to the Department of Community Colleges and Workforce Development (CCWD), to the HECC. CCWD remains an independent agency with a separate budget, but would be subject to the oversight, rulemaking and direction of HECC. No significant fiscal impact is anticipated from these transfers affecting OSAC and CCWD.

The -A13 amendment changes the distribution of state appropriations by HECC so that HECC does not do the distribution but rather, in cooperation with community colleges and public universities, adopts rules governing the distribution of appropriations. It is assumed that the Chancellor's Office would once again be in charge of the actual distribution of state funding to the universities.

The -A13 amendment also requires that each community college district and president of each public university form an achievement compact advisory committee. The committee shall include administrators, faculty, educational personnel and students of the public university. If the public university already has a standing committee including the proper members, the standing committee may be designated as the achievement compact advisory committee. Requirements of this section first apply to achievement compacts entered into for fiscal years beginning with the 2013-2014 fiscal year.

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]

---

**WHAT THE MEASURE DOES:** Directs the Higher Education Coordinating Commission (HECC) to provide integrated leadership, regulation and support for community colleges, universities, private career schools and financial aid programs. Declares emergency, effective on passage

**ISSUES DISCUSSED:**

- 

**EFFECT OF COMMITTEE AMENDMENT:** -A13 amendment changes the distribution of state appropriations by HECC so that HECC does not do the distribution but rather, in cooperation with community colleges and public universities, adopts rules governing the distribution of appropriations. It is assumed that the Chancellor's Office would once again be in charge of the actual distribution of state funding to the universities.

The -A13 amendment also requires that each community college district and president of each public university form an achievement compact advisory committee. The committee shall include administrators, faculty, educational personnel and students of the public university. If the public university already has a standing committee including the proper members, the standing committee may be designated as the achievement compact advisory committee. Requirements of this section first apply to achievement compacts entered into for fiscal years beginning with the 2013-2014 fiscal year.

**BACKGROUND:** Senate Bill 242(2011) created the Higher Education Coordinating Commission and provided the Oregon University System with considerable latitude for managing the affairs of its institutions. Senate Bill 909 (2011) created the Oregon Education Investment Board and charged it with creating a P-20 education continuum and recommending investment strategies to achieve Oregon's 40-40-20 educational attainment goals. Currently, governance for post-secondary education is provided by four state boards, two state agencies and a public university system. House Bill 3120-A is intended to streamline state-level policymaking and oversight of post-secondary education.

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 3120**

1 On page 1 of the printed A-engrossed bill, line 2, after “ORS” delete the  
2 rest of the line and delete lines 3 through 20 and insert “244.050, 284.540,  
3 284.706, 285B.168, 326.011, 326.051, 326.310, 326.370, 326.375, 326.550, 327.495,  
4 336.585, 336.590, 339.030, 341.005, 341.009, 341.015, 341.019, 341.021, 341.024,  
5 341.025, 341.039, 341.045, 341.055, 341.065, 341.076, 341.085, 341.095, 341.105,  
6 341.115, 341.125, 341.290, 341.315, 341.317, 341.405, 341.420, 341.465, 341.527,  
7 341.531, 341.547, 341.565, 341.569, 341.573, 341.577, 341.579, 341.626, 341.721,  
8 341.933, 341.937, 344.070, 344.080, 344.090, 348.040, 348.050, 348.070, 348.095,  
9 348.180, 348.186, 348.205, 348.210, 348.230, 348.250, 348.260, 348.265, 348.270,  
10 348.280, 348.282, 348.283, 348.285, 348.290, 348.310, 348.320, 348.330, 348.340,  
11 348.350, 348.360, 348.370, 348.390, 348.427, 348.429, 348.436, 348.444, 348.448,  
12 348.500, 348.505, 348.520, 348.530, 348.560, 348.563, 348.570, 348.580, 348.590,  
13 348.592, 348.604, 348.608, 348.611, 348.616, 348.618, 348.621, 348.625, 348.630,  
14 348.635, 348.640, 348.655, 348.660, 348.665, 348.670, 348.675, 348.685, 348.690,  
15 348.696, 348.900, 351.052, 351.070, 351.077, 351.203, 351.293, 351.643, 351.715,  
16 351.718, 351.735, 352.730, 352.740, 352.750, 353.200, 399.255, 399.265, 399.275,  
17 411.894, 418.657, 418.658, 433.283, 442.540, 442.545, 471.580, 656.046, 657.665,  
18 659.850, 659.855, 660.157, 660.312, 660.318, 660.340, 660.343, 680.515, 684.040,  
19 685.060 and 687.011 and sections 5, 25 and 26, chapter 904, Oregon Laws 2009,  
20 sections 2 and 10, chapter 519, Oregon Laws 2011, section 2, chapter 637,  
21 Oregon Laws 2011, section 14, chapter 36, Oregon Laws 2012, section 3,  
22 chapter 94, Oregon Laws 2012, and section 1, chapter 96, Oregon Laws 2012;

1 repealing ORS 326.075, 329.757, 329.765, 329.775, 329.780, 341.425, 348.510,  
2 348.540, 348.550.”.

3 On page 4, delete lines 24 through 27 and insert:

4 “(d) Adopt rules governing the distribution of appropriations from the  
5 Legislative Assembly to community colleges, public universities listed in  
6 ORS 352.002 and student access programs. These rules must be based on al-  
7 location formulas developed in consultation with the state’s community col-  
8 leges and public universities, as appropriate.”.

9 Delete lines 44 and 45.

10 On page 5, delete line 1 and insert:

11 “(A) Approve the mission statement adopted by a governing board of a  
12 public university or by the State Board of Higher Education.”.

13 On page 8, delete lines 17 through 20 and insert:

14 “(d) Adopt rules governing the distribution of appropriations from the  
15 Legislative Assembly to community colleges, public universities listed in  
16 ORS 352.002 and student access programs. These rules must be based on al-  
17 location formulas developed in consultation with the state’s community col-  
18 leges and public universities, as appropriate.”.

19 Delete lines 37 through 39 and insert:

20 “(A) Approve the mission statement adopted by a governing board of a  
21 public university or by the State Board of Higher Education.”.

22 On page 12, delete lines 4 through 7 and insert:

23 “(f) Adopt rules governing the distribution of appropriations from the  
24 Legislative Assembly to community colleges, public universities listed in  
25 ORS 352.002 and student access programs. These rules must be based on al-  
26 location formulas developed in consultation with the state’s community col-  
27 leges and public universities, as appropriate.”.

28 Delete lines 24 through 26 and insert:

29 “(A) Approve the mission statement adopted by a governing board of a  
30 public university or by the State Board of Higher Education.”.

1 On page 13, delete lines 23 through 45.

2 On page 14, delete lines 1 through 19 and insert:

3 **“SECTION 4.** ORS 351.715 is amended to read:

4 “351.715. (1) There is established a Higher Education Coordinating Com-  
5 mission, consisting of [15] **nine voting** members appointed by the Governor.

6 “(2) The Governor shall appoint:

7 **“(a) One member from each of the five congressional districts in**  
8 **this state; and**

9 **“(b) Four members of the general public.**

10 **“(3) The Governor shall also appoint five nonvoting members to the**  
11 **commission. The Governor shall elicit recommendations for appoint-**  
12 **ments made under this subsection from official student, faculty and**  
13 **nonfaculty staff organizations at community colleges and public uni-**  
14 **versities listed in ORS 352.002. The five nonvoting members of the**  
15 **commission shall consist of:**

16 “(a) One student at a public university listed in ORS 352.002;

17 **“(b) One faculty member at a public university listed in ORS 352.002;**

18 “[~~(b)~~] (c) One student at a community college in this state;

19 **“(d) One faculty member at a community college in this state; and**

20 **“(e) One nonfaculty member of the staff from either a public uni-**  
21 **versity listed in ORS 352.002 or a community college.**

22 “[~~(c)~~] *At least one member from each congressional district in this state;*]

23 “[~~(d)~~] *At least four members who represent employers in Oregon, at least two*  
24 *of whom represent small employers and at least two of whom represent large*  
25 *employers; and]*

26 “[~~(e)~~] *At least one member who serves on a district school board as defined*  
27 *in ORS 332.002.]*

28 “[~~(3)~~] *The Governor shall solicit recommendations from the Speaker of the*  
29 *House of Representatives for at least three members and from the President*  
30 *of the Senate for at least three members.]*



1        “[~~(4)~~ *The Governor may appoint members who satisfy more than one of the*  
2 *qualifications for membership listed in subsection (2) of this section.*]

3        “[~~(5)~~] **(4)** The term of office of each **voting** member is four years[,] **and**  
4 **the term of office for each nonvoting member is two years.** [*except that*  
5 *the term of office for the two student members is two years.*] A member serves  
6 at the pleasure of the Governor. Before the expiration of the term of a  
7 member, the Governor shall appoint a successor whose term begins on July  
8 1 next following. A member is eligible for reappointment. If there is a va-  
9 cancy for any cause, the Governor shall make an appointment to become  
10 immediately effective for the unexpired term.

11        **“(5) The Governor may at any time, for cause, remove any member**  
12 **of the board that the Governor has appointed, after notice and public**  
13 **hearing, but not more than three members shall be removed within a**  
14 **period of four years, unless it is for corrupt conduct in office.**

15        “(6) The appointment of **voting members of** the commission is subject  
16 to confirmation by the Senate in the manner prescribed in ORS 171.562 and  
17 171.565.

18        “(7) A member of the commission is entitled to compensation and expenses  
19 as provided in ORS 292.495.

20        **“SECTION 5.** Section 2, chapter 637, Oregon Laws 2011, is amended to  
21 read:

22        **“Sec. 2.** Notwithstanding the term of office specified by [*section 1 of this*  
23 *2011 Act*] **ORS 351.715**, of the members first appointed to the Higher Educa-  
24 tion Coordinating Commission:

25        “(1) Five, including the two student members, [*shall serve*] **appointed** for  
26 a term **originally** ending June 30, 2014, **shall serve for a term ending on**  
27 **the date on which succeeding members are appointed pursuant to**  
28 **section 6 (1) of this 2013 Act.**

29        “(2) Five [*shall serve*] **appointed** for a term **originally** ending June 30,  
30 2015, **shall serve for a term ending on the date on which succeeding**

1 **members are appointed pursuant to section 6 (2) of this 2013 Act.**

2 “(3) Five [*shall serve*] **appointed** for a term **originally** ending June 30,  
3 2016, **shall serve for a term ending on the date on which succeeding**  
4 **members are appointed pursuant to section 6 (3) of this 2013 Act.**

5 **“SECTION 6. Notwithstanding the term of office specified by ORS**  
6 **351.715, of the voting members first appointed by the Governor after**  
7 **the effective date of this 2013 Act to the Higher Education Coordinat-**  
8 **ing Commission:**

9 **“(1) Three shall serve for a term ending June 30, 2015.**

10 **“(2) Three shall serve for a term ending June 30, 2016.**

11 **“(3) Three shall serve for a term ending June 30, 2017.”.**

12 In line 21, delete “201” and insert “204”.

13 In line 25, delete “201” and insert “204”.

14 In line 27, delete “201” and insert “204”.

15 In line 30, delete “201” and insert “204”.

16 On page 15, line 23, delete “201” and insert “204”.

17 In line 26, delete “201” and insert “204”.

18 In line 28, delete “201” and insert “204”.

19 On page 17, line 4, delete “201” and insert “204”.

20 In line 5, delete “201” and insert “204”.

21 On page 18, line 22, delete “201” and insert “204”.

22 In line 24, delete “201” and insert “204”.

23 On page 19, delete lines 5 through 45 and delete page 20.

24 On page 21, delete lines 1 through 28 and insert:

25 **“SECTION 27. Any amounts deposited with the State Treasurer, the**  
26 **Controller of the Oregon University System, the Oregon Department**  
27 **of Administrative Services or their designated agents in any debt ser-**  
28 **vice in reserve accounts for the debt service associated with any**  
29 **bonds, certificates of participation, financing agreements or other**  
30 **agreements for the borrowing of money issued prior to the operative**

1 date specified in section 204 of this 2013 Act by the State of Oregon on  
2 behalf of the State Board of Higher Education shall remain with the  
3 State Treasurer, the Controller of the Oregon University System, the  
4 Oregon Department of Administrative Services or their designated  
5 agents until the time that the bonds, certificates of participation, fi-  
6 nancing agreements or other agreements for the borrowing of money  
7 for which the reserve accounts have been established have been retired  
8 or defeased. The public university associated with the debt service in  
9 a reserve account shall be credited with the investment earnings on  
10 the reserve account.

11 **“SECTION 28. Nothing in sections 19 to 21 of this 2013 Act shall be**  
12 **construed in any way to impair the obligations or agreements of the**  
13 **State of Oregon or the State Board of Education with respect to bonds,**  
14 **certificates of participation, financing agreements or other agreements**  
15 **for the borrowing of money issued prior to the operative date specified**  
16 **in section 204 of this 2013 Act by the State of Oregon on behalf of**  
17 **community colleges.**

18

19 **“AUTHORITY OF OREGON EDUCATION INVESTMENT**  
20 **BOARD; INCIDENTAL FEES; ACHIEVEMENT COMPACTS;**  
21 **CONFORMING AMENDMENTS”.**

22

23 On page 22, delete lines 13 through 45 and delete page 23.

24 On page 24, delete lines 1 and 2 and insert:

25 **“NOTE:** Section 30 was deleted by amendment. Subsequent sections were  
26 not renumbered.”.

27 On page 26, delete line 21.

28 On page 29, delete line 22.

29 On page 32, delete lines 29 through 45.

30 On page 33, delete lines 1 through 4 and insert:

1       “**NOTE:** Section 36 was deleted by amendment. Subsequent sections were  
2 not renumbered.”.

3       On page 46, delete lines 29 through 44 and insert:

4       “**NOTE:** Section 62 was deleted by amendment. Subsequent sections were  
5 not renumbered.”.

6       On page 54, delete lines 42 through 45.

7       On page 55, delete lines 1 through 16 and insert:

8       “**NOTE:** Section 80 was deleted by amendment. Subsequent sections were  
9 not renumbered.”.

10       On page 81, delete lines 13 through 37 and insert:

11       “**NOTE:** Section 139 was deleted by amendment. Subsequent sections were  
12 not renumbered.”.

13       On page 82, delete lines 23 through 45 and insert:

14       “**NOTE:** Sections 141 to 143 were deleted by amendment. Subsequent  
15 sections were not renumbered.”.

16       On page 83, delete lines 10 through 25 and insert:

17       “**SECTION 145.** ORS 351.203 is amended to read:

18       “351.203. (1) The State Board of Higher Education shall cooperate with  
19 the [*Education and Workforce Policy Advisor*] **Chief Education Officer of**  
20 **the Oregon Education Investment Board** in the development of a state  
21 comprehensive education plan including post-secondary education and in re-  
22 view of the board’s programs and budget. The board shall submit in timely  
23 fashion to the [*advisor such*] **Chief Education Officer** the data as is ap-  
24 propriate in a form prescribed by the [*advisor*] **officer**.

25       “(2) The board shall cooperate with the mediation process administered  
26 by the Higher Education Coordinating Commission pursuant to ORS 348.603  
27 and, if a negotiated resolution cannot be reached by mediation, comply with  
28 the decisions of the commission regarding proposed new post-secondary pro-  
29 grams and proposed new post-secondary locations, including those proposed  
30 by Oregon Health and Science University in cooperation with the State

1 Board of Higher Education under ORS 353.440.”.

2 On page 84, delete lines 24 through 40 and insert:

3 “**NOTE:** Section 147 was deleted by amendment. Subsequent sections were  
4 not renumbered.”.

5 On page 86, delete lines 30 through 45.

6 On page 87, delete lines 1 through 5 and insert:

7 “**NOTE:** Sections 153 and 154 were deleted by amendment. Subsequent  
8 sections were not renumbered.”.

9 On page 91, delete lines 36 through 45.

10 On page 92, delete lines 1 through 25 and insert:

11 “**NOTE:** Sections 164 and 165 were deleted by amendment. Subsequent  
12 sections were not renumbered.”.

13 On page 101, line 10, delete “Higher Education Coordinating”.

14 In line 34, delete the boldfaced material.

15 On page 105, lines 5 and 6, restore the bracketed material and delete the  
16 boldfaced material.

17 On page 116, delete lines 17 through 24 and insert:

18 “**NOTE:** Section 193 was deleted by amendment. Subsequent sections were  
19 not renumbered.”.

20 On page 119, after line 22, insert:

21 “**SECTION 200.** ORS 351.070 is amended to read:

22 “351.070. (1) The State Board of Higher Education shall, by rule, imple-  
23 ment a personnel system for the Oregon University System and may engage  
24 in collective bargaining with the employees. All collective bargaining with  
25 any certified or recognized exclusive employee representative shall be under  
26 the direction and supervision of the Chancellor of the Oregon University  
27 System. The board and the Oregon University System shall have payroll au-  
28 thority.

29 “(2)(a) The board shall establish competitive procedures for the purchas-  
30 ing, procurement and contracting of goods, services and information tech-

1 nology, for the benefit of the Oregon University System and all the public  
2 universities and offices, departments and activities under the control of the  
3 board. The board may also establish exemptions from the competitive proce-  
4 dures when appropriate.

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

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

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

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

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

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

1 *be advantageous to the cultural or physical development of students by the*  
2 *president upon the recommendation of the recognized student government.]*

3 “[*d*] *Upon recommendation of the recognized student government, collect*  
4 *optional fees for student activities not included in paragraph (c) of this sub-*  
5 *section or ORS 351.063 as authorized by the president. The payment of such*  
6 *optional fees is at the option and selection of the student and is not a prereq-*  
7 *uisite of enrollment.]*

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

12 “[*f*] **(d)** Prescribe the qualifications for admission.

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

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

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

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

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

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

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

28 “(A) Dependents of students.

29 “(B) Staff.

30 “(C) Faculty.

1       “(g) Shall prescribe and collect charges.

2       “(h) Shall adopt rules relating to the creation, use, custody and disclo-  
3       sure, including access, of student education records that are consistent with  
4       the requirements of applicable state and federal law. Whenever a student has  
5       attained 18 years of age or is attending a public university listed in ORS  
6       352.002, the permission or consent required of and the rights accorded to a  
7       parent of the student regarding education records shall thereafter be re-  
8       quired of and accorded to only the student.

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

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

19      “**SECTION 201.** ORS 351.293 is amended to read:

20      “351.293. (1) Notwithstanding ORS 341.290[ *351.070 (3)*] or 353.050 **or**  
21      **section 202 of this 2013 Act**, a current foster child or former foster child  
22      under 25 years of age who enrolls in an institution of higher education as  
23      an undergraduate student not later than three years after the date the stu-  
24      dent was removed from the care of the Department of Human Services, the  
25      date the student graduated from high school or the date the student received  
26      the equivalent of a high school diploma, whichever date is earliest, shall  
27      have the amount of tuition and all fees levied against the student waived if  
28      attending an institution of higher education listed in ORS 352.002, a com-  
29      munity college operated under ORS chapter 341 or Oregon Health and Sci-  
30      ence University for purposes of pursuing an initial undergraduate degree.



1 “(2) A student who is a current foster child or former foster child is en-  
2 titled to waiver of tuition and all fees under subsection (1) of this section  
3 until the student has received the equivalent of four years of undergraduate  
4 education.

5 “(3) As a condition of receiving a tuition waiver for an academic year, a  
6 current foster child or former foster child must:

7 “(a) Complete and submit the Free Application for Federal Student Aid  
8 for that academic year; and

9 “(b) For years after the first academic year at an institution of higher  
10 education, have completed a minimum of 30 volunteer service hours in the  
11 previous academic year performing community service activities such as  
12 mentoring foster youth or assisting in the provision of peer support service  
13 activities, according to policies developed by the institution of higher edu-  
14 cation at which the current foster child or former foster child is enrolled.

15 “(4) A waiver of tuition and all fees under subsection (1) of this section  
16 may be reduced by the amount of any federal aid scholarships or grants, an  
17 award from the Oregon Opportunity Grant program established under ORS  
18 348.205 and any other aid received from the institution of higher education.  
19 For the purposes of this subsection, ‘federal aid scholarships or grants’ does  
20 not include Chafee Education and Training Grant vouchers (P.L. 107-133).

21 “(5) As used in this section, ‘former foster child’ means an individual who,  
22 for a total of 12 or more months while between 16 and 21 years of age, was  
23 a ward of the court pursuant to ORS 419B.100 (1)(b) to (e) and in the legal  
24 custody of the Department of Human Services for out-of-home placement.

25 **“SECTION 202. (1) The board for each public university listed in**  
26 **ORS 352.002 shall collect mandatory incidental fees upon the request**  
27 **of the recognized student government under a process established by**  
28 **the recognized student government of a university in consultation**  
29 **with the board. The process may include a student body referendum**  
30 **conducted under procedures established by the recognized student**

1 **government. Mandatory incidental fees collected under this section**  
2 **shall be allocated by the recognized student government.**

3 **“(2)(a) The mandatory incidental fee, use of the fee or decision to**  
4 **modify an existing fee may be refused by the board or the president**  
5 **of a university under the board’s control if the board or president de-**  
6 **termines that:**

7 **“(A) The recognized student government assessed or allocated the**  
8 **mandatory incidental fees in violation of applicable local, state or**  
9 **federal law;**

10 **“(B) The allocation conflicts with a preexisting contractual finan-**  
11 **cial commitment;**

12 **“(C) The total mandatory incidental fees budget is an increase of**  
13 **more than five percent over the level of the previous year; or**

14 **“(D) The fee request is not advantageous to the cultural or physical**  
15 **development of students.**

16 **“(b) The mandatory incidental fee, use of the fee or decision to**  
17 **modify an existing fee may not be refused by the board or the presi-**  
18 **dent of a university based on considerations about the point of view**  
19 **that the funding seeks to advance.**

20 **“(3) The recognized student government and the board shall seek**  
21 **to reach agreement on any dispute involving mandatory incidental**  
22 **fees, if necessary with the aid of mediation, prior to a decision by the**  
23 **board.**

24 **“(4) If an agreement is not reached, the decision of the board may**  
25 **be appealed to the Higher Education Coordinating Commission by the**  
26 **recognized student government within seven days of the board’s deci-**  
27 **sion. The board shall submit its response within seven days of the**  
28 **appeal. The commission shall render its decision within seven days of**  
29 **its receipt of the board’s response.**

30 **“SECTION 202a. If Senate Bill 270 becomes law, section 202 of this 2013**

1 Act is amended to read:

2 “**Sec. 202.** (1) The board for each public university listed in ORS 352.002  
3 shall collect mandatory incidental fees upon the request of the recognized  
4 student government under a process established by the recognized student  
5 government of a university in consultation with the board. The process may  
6 include a student body referendum conducted under procedures established  
7 by the recognized student government. Mandatory incidental fees collected  
8 under this section shall be allocated by the recognized student government.

9 “(2)(a) The mandatory incidental fee, use of the fee or decision to modify  
10 an existing fee may be refused by the board or the president of a university  
11 under the board’s control if the board or president determines that:

12 “(A) The recognized student government assessed or allocated the man-  
13 datory incidental fees in violation of applicable local, state or federal law;

14 “(B) The allocation conflicts with a preexisting contractual financial  
15 commitment;

16 “(C) The total mandatory incidental fees budget is an increase of more  
17 than five percent over the level of the previous year; or

18 “(D) The fee request is not advantageous to the cultural or physical de-  
19 velopment of students.

20 “(b) The mandatory incidental fee, use of the fee or decision to modify  
21 an existing fee may not be refused by the board or the president of a uni-  
22 versity based on considerations about the point of view that the funding  
23 seeks to advance.

24 “(3) The recognized student government and the board shall seek to reach  
25 agreement on any dispute involving mandatory incidental fees, if necessary  
26 with the aid of mediation, prior to a decision by the board.

27 “(4) If an agreement is not reached, the decision of the board may be ap-  
28 pealed to the Higher Education Coordinating Commission by the recognized  
29 student government within seven days of the board’s decision. The board  
30 shall submit its response within seven days of the appeal. The commission

1 shall render its decision within seven days of its receipt of the board's re-  
2 sponse.

3 **“(5) Mandatory incidental fees are not subject to section 10, chapter**  
4 **\_\_\_\_\_, Oregon Laws 2013 (Enrolled Senate Bill 270).**

5 **“SECTION 202b. (1) The board of education of each community**  
6 **college district and the president of each public university listed in**  
7 **ORS 352.002 shall form an achievement compact advisory committee.**

8 **“(2) Each achievement compact advisory committee shall be re-**  
9 **sponsible for developing an achievement compact.**

10 **“(3)(a) The board of education of a community college district or**  
11 **the president of a public university shall appoint the members of an**  
12 **achievement compact advisory committee. The members shall include**  
13 **administrators, faculty, education personnel and students of the com-**  
14 **munity college or public university.**

15 **“(b) For the purpose of selecting members of the achievement**  
16 **compact advisory committee, the president of the community college**  
17 **or the president of the public university shall:**

18 **“(A) Collaborate with any applicable employee associations of the**  
19 **community college or public university to recommend persons who are**  
20 **full-time faculty and persons who are part-time faculty; and**

21 **“(B) Collaborate with the student body government of the commu-**  
22 **nity college or public university to recommend persons who are stu-**  
23 **dents of the community college or public university.**

24 **“(4) Notwithstanding subsection (3) of this section, if a community**  
25 **college or a public university has a standing committee that includes**  
26 **representatives identified in subsection (3) of this section, the board**  
27 **of education of the community college district or the president of the**  
28 **public university may designate the standing committee as the**  
29 **achievement compact advisory committee.**

30 **“(5) An achievement compact advisory committee shall:**

1       “(a) Develop plans for achieving the outcomes, measures of  
2 progress, goals and targets expressed in an achievement compact, in-  
3 cluding methods of assessing and reporting progress toward the  
4 achievement of goals and targets; and

5       “(b) Recommend outcomes, measures of progress, goals and targets  
6 to be contained in the achievement compact for the next fiscal year.

7       “(6)(a) Each achievement compact advisory committee shall present  
8 the recommendations of the committee in a report to:

9       “(A) The board of education of the community college district no  
10 later than February 1 of each year; or

11       “(B) The president of the public university no later than a date  
12 identified by the president to comply with the timeline for submission  
13 of the achievement compact specified by the Oregon Education In-  
14 vestment Board.

15       “(b) An achievement compact advisory committee’s report and  
16 recommendations shall be considered by the board of education of the  
17 community college district or the president of the public university  
18 when entering into an achievement compact for the next fiscal year.

19       “(c) The board of education of the community college district or the  
20 president of the public university shall file the achievement compact  
21 advisory committee’s report with each achievement compact that the  
22 board or president adopts and forwards to the Oregon Education In-  
23 vestment Board.

24       “SECTION 202c. The requirements of section 202b of this 2013 Act  
25 first apply to achievement compacts entered into for fiscal years be-  
26 ginning with the 2013-2014 fiscal year.

27       “SECTION 202d. Section 14, chapter 36, Oregon Laws 2012, is amended  
28 to read:

29       “**Sec. 14.** (1) For the purposes of this section:

30       “(a) ‘Achievement compact’ means an agreement entered into between the

1 Oregon Education Investment Board and the governing body of an education  
2 entity as described in this section.

3 “(b) ‘Education entity’ means:

4 “(A) A school district, as defined in ORS 332.002;

5 “(B) An education service district operated under ORS chapter 334;

6 “(C) A community college district or community college service district  
7 operated under ORS chapter 341;

8 “(D) The Oregon University System established by ORS 351.011;

9 “(E) A public university of the Oregon University System, as listed in  
10 ORS 352.002; and

11 “(F) The health professions and graduate science programs of the Oregon  
12 Health and Science University operated under ORS chapter 353.

13 “(c) ‘Governing body of an education entity’ means:

14 “(A) For a school district, the school district board.

15 “(B) For an education service district, the board of directors of the edu-  
16 cation service district.

17 “(C) For a community college district or a community college service  
18 district, the board of education of the community college district.

19 “(D) For the Oregon University System, the State Board of Higher Edu-  
20 cation.

21 “(E) For a public university of the Oregon University System, the presi-  
22 dent of the university.

23 “(F) For the Oregon Health and Science University, the Oregon Health  
24 and Science University Board of Directors.

25 “(2)(a) Prior to the beginning of each fiscal year, the governing body of  
26 each education entity must enter into an achievement compact with the  
27 Oregon Education Investment Board for the fiscal year.

28 “(b) Governing bodies of education entities identified in subsection  
29 (1)(b)(A) to (C) of this section shall enter into achievement compacts as part  
30 of the budgeting process under ORS 294.305 to 294.565 and shall submit

1 achievement compacts to the board prior to July 1 of each year.

2 “(c) The board shall specify a process for adoption and a timeline for  
3 submission of achievement compacts for education entities identified in sub-  
4 section (1)(b)(D) to (F) of this section.

5 “(d) The board shall provide to each school district a number quantifying  
6 the district’s estimated level of funding for the next fiscal year compared to  
7 the determination of funding needed to ensure that the state’s system of  
8 kindergarten through grade 12 public education meets the quality goals  
9 specified under ORS 327.506.

10 “(3)(a) The board shall establish the terms for achievement compacts.

11 “(b) The terms of an achievement compact may include:

12 “(A) A description of goals for outcomes that are consistent with the ed-  
13 ucational goals identified in ORS 329.015, the findings described in ORS  
14 351.003 and the mission of education provided in ORS 351.009.

15 “(B) A description of the outcomes and measures of progress that will  
16 allow each education entity to quantify:

17 “(i) Completion rates for:

18 “(I) Critical stages of learning and programs of study;

19 “(II) The attainment of diplomas, certificates and degrees; and

20 “(III) Achieving the high school and post-secondary education goals es-  
21 tablished in ORS 351.009 and a projection of the progress needed to achieve  
22 those goals by 2025;

23 “(ii) Validations of the quality of knowledge and skills acquired by stu-  
24 dents of the education entity; and

25 “(iii) The relevance of the knowledge and skills acquired by the students  
26 of the education entity and the means by which those skills and knowledge  
27 will contribute to the workforce, the economy and society as described in  
28 state policy.

29 “(C) Other information suggested by the governing body of an education  
30 entity and approved by the board.

1       “(c) Notwithstanding the terms described in paragraph (b) of this sub-  
2 section, for an achievement compact entered into by an education entity  
3 identified in subsection (1)(b)(F) of this section, the terms of the achievement  
4 compact shall be limited to the enrollment of, and attainment of degrees by,  
5 Oregon residents in programs for which the state provides funding.

6       “(4)(a) The governing body of each education entity shall identify a target  
7 number and percentage of students for achievement of the outcomes, meas-  
8 ures of progress and goals specified in the achievement compact for the fiscal  
9 year.

10       “(b) The governing body of each education entity shall provide a target  
11 number and percentage of students for the aggregate of all disadvantaged  
12 subgroups, as defined by federal law or specified by rules adopted by the  
13 board. The target number and percentage of students must reflect the edu-  
14 cation entity’s goals of improving education outcomes for disadvantaged  
15 student groups and closing any student achievement gaps between disadvan-  
16 tagged student groups and other student groups.

17       “(5) As part of the process of entering into an achievement compact, the  
18 governing body of an education entity shall ensure that open communi-  
19 cations are provided to parents, students, teachers or faculty, employees,  
20 exclusive bargaining representatives and community representatives [*for the*  
21 *purposes of explaining and discussing*], **as appropriate for the type of ed-**  
22 **ucation entity represented by the governing body of the education**  
23 **entity. The purposes of the open communications are to explain and**  
24 **discuss** the outcomes, measures of progress, goals and targets specified in  
25 the achievement compact for the fiscal year. The open communications must  
26 be provided during each education entity’s public budget process.

27       “(6) The board shall specify the format of the achievement compacts and  
28 provide model achievement compacts to the governing body of each education  
29 entity.

30       “(7) The board may adopt a timeline and method for governing bodies of



1 education entities to provide the board with a report at the end of a fiscal  
2 year that describes the achievements made by the education entities during  
3 the fiscal year. The report:

4 “(a) Must include disaggregated data for each disadvantaged student  
5 group specified by the board; and

6 “(b) May state achievements in numbers and percentages and in relation  
7 to the outcomes, measures of progress, goals and targets specified in the  
8 achievement compact for the fiscal year.” .

9 In line 26, delete “200” and insert “203”.

10 In line 31, delete “201” and insert “204” and delete “and 19 to 23” and  
11 insert “, 19 to 23 and 202”.

12 In line 32, delete “199” and insert “201”.

13 In line 33, delete “200” and insert “203”.

14 In line 37, delete “202” and insert “205”.

15 In line 43, delete “203” and insert “206”.

16

---