

**PROPOSED AMENDMENTS TO
SENATE BILL 270**

1 On page 1 of the printed bill, line 3, after “provisions;” delete the rest
2 of the line and lines 4 through 17 and insert “amending ORS 21.007, 30.264,
3 30.864, 36.145, 36.150, 36.155, 184.631, 192.501, 238.005, 238.200, 238.215,
4 238A.005, 243.107, 243.800, 243.820, 243.850, 243.910, 244.050, 270.100, 270.110,
5 276.610, 276.612, 279A.025, 282.076, 283.143, 283.310, 287A.001, 291.055, 291.357,
6 291.375, 292.043, 292.044, 307.095, 307.110, 340.310, 341.440, 343.961, 344.259,
7 344.753, 348.010, 348.205, 348.282, 348.283, 348.470, 348.603, 348.890, 348.900,
8 351.011, 351.015, 351.020, 351.047, 351.052, 351.054, 351.062, 351.063, 351.065,
9 351.067, 351.070, 351.085, 351.088, 351.105, 351.110, 351.155, 351.160, 351.165,
10 351.170, 351.205, 351.300, 351.310, 351.340, 351.509, 351.511, 351.517, 351.518,
11 351.519, 351.521, 351.538, 351.539, 351.590, 351.626, 351.628, 351.638, 351.642,
12 351.643, 351.644, 351.646, 351.658, 351.692, 351.695, 351.697, 351.718, 351.735,
13 352.002, 352.006, 352.010, 352.012, 352.043, 352.046, 352.048, 352.049, 352.051,
14 352.063, 352.066, 352.068, 352.071, 352.074, 352.360, 353.440, 357.004, 408.095,
15 408.506, 430.651, 471.580, 659.850, 659.855, 659.860, 660.358, 820.100, 820.110,
16 820.120, 820.130 and 820.150 and section 3, chapter 797, Oregon Laws 2001,
17 sections 13, 14, 15 and 17, chapter 761, Oregon Laws 2007, sections 22 and
18 24, chapter 904, Oregon Laws 2009, and section 14, chapter 36, Oregon Laws
19 2012; repealing ORS 352.035; appropriating money; and declaring an emer-
20 gency.”.

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

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

2

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

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

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

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

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

14 **“(e) Are similar to the Oregon Health and Science University Board**
15 **of Directors in composition, constitution and transparency.**

16 **“(f) Have a dual fiduciary responsibility to the university and to the**
17 **State of Oregon as a whole.**

18 **“(g) Promote the academic success of students in support of the**
19 **mission of all education beyond high school as described in ORS**
20 **351.009.**

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

22 **“(a) There are economy-of-scale benefits to having a coordinated**
23 **university system.**

24 **“(b) Shared services may continue to be shared among universities.**

25 **“(c) Ownership of all university property, whether acquired before**
26 **or after the creation of a governing board, through state funding,**
27 **revenue bonds or philanthropy, resides with the people of Oregon.**

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

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

2 **“(a) ‘Governing board’ means a governing board established by a**
3 **university under section 3 of this 2013 Act that manages the affairs**
4 **of the university by exercising and carrying out all of the powers,**
5 **rights and duties that are expressly conferred upon the board by law,**
6 **or that are implied by law or are incident to such powers, rights and**
7 **duties; and**

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

11 **“(2) A university with a governing board is a governmental entity**
12 **performing governmental functions and exercising governmental**
13 **powers. The university is not considered a unit of local or municipal**
14 **government or a state agency, board, commission or institution for**
15 **purposes of state statutes or constitutional provisions.**

16 **“(3) A claim against a university with a governing board is not a**
17 **claim against the State of Oregon. A debt or obligation of the univer-**
18 **sity is not a debt or obligation of the State of Oregon. Claims against**
19 **the university and obligations of the university are not recoverable**
20 **from the assets or funds of the State of Oregon.**

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

23 **“(a) University of Oregon;**

24 **“(b) Portland State University; and**

25 **“(c) Oregon State University, provided that the president of Oregon**
26 **State University notifies the Governor that the university will become**
27 **a university with a governing board in the manner set forth in section**
28 **168 of this 2013 Act.**

29 **“(2)(a) The University of Oregon governing board shall be known**
30 **as the Board of Directors of the University of Oregon.**

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

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

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

14 **“(1) Evaluate and determine whether:**

15 **“(a) There is clear evidence of support for a governing board by the**
16 **university community;**

17 **“(b) The university has the capacity and capability to be governed**
18 **by a governing board; and**

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

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

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

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

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

5 **“(b) An assessment of the university’s progress toward achieving**
6 **the mission of all education beyond high school as described in ORS**
7 **351.009; and**

8 **“(c) An assessment as to how well the establishment of a governing**
9 **board at the university comports with the findings set forth in section**
10 **1 of this 2013 Act.**

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

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

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

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

21 **“(d) The president of the university shall be an ex officio nonvoting**
22 **member of the governing board.**

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

25 **“(b) The term of office of each student member of the governing**
26 **board is two years.**

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

30 **“(d) The Governor may remove any appointed member of the gov-**

1 **erning board at any time for cause, after notice and public hearing,**
2 **but may not remove more than three members within a period of four**
3 **years, unless it is for corrupt conduct in office.**

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

6 **“(4) Except for the president of the university and the student**
7 **member of the governing board, no member of the board may be an**
8 **employee of the university.**

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

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

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

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

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

29 **“(2) The governing board shall adopt a mission statement for the**
30 **university, which shall be forwarded to the Higher Education Coordi-**

1 nating Commission for approval.

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

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

9 “(b) Do not unnecessarily duplicate academic programs offered by
10 Oregon’s other public universities; and

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

13 “(4) On or before May 1 of each even-numbered year, a university
14 with a governing board shall submit a funding request to the Higher
15 Education Coordinating Commission applicable to the biennium be-
16 ginning on July 1 of the next odd-numbered year. The Governor’s
17 biennial budget submitted to the Legislative Assembly may include the
18 university’s funding request. Funding approved by the Legislative As-
19 ssembly must specify that the moneys be appropriated to the univer-
20 sity.

21 “(5) As part of a funding request submitted under subsection (4) of
22 this section, a university with a governing board is authorized to re-
23 quest, and appropriations may include, funding for education and
24 general operations, statewide public services, state-funded debt ser-
25 vice, capital improvements and other special initiatives and invest-
26 ments.

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

30 “(b) The governing board shall prescribe the president’s compen-

1 sation and terms and conditions of employment.

2 “(2) The president of the university is the president of the faculty.
3 The president is also the executive and governing officer of the uni-
4 versity, except as otherwise provided by statute or action of the gov-
5 erning board. Subject to the supervision of the governing board, the
6 president of the university has authority to direct the affairs of the
7 university.

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

12 “(4) The governing board is responsible for the reappointment or
13 removal of the president of the university.

14 “(5) A university with a governing board may appoint and employ
15 any instructional, administrative, professional, trade, occupational
16 and other personnel as are necessary or appropriate and establish their
17 compensation and terms and conditions of employment, subject to the
18 limitations set forth in section 14 (2) and (3) of this 2013 Act.

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

23 “(2) The governing board shall establish a process for determining
24 enrollment fees. The process must provide for participation of enrolled
25 students and the recognized student government of the university.

26 “(3) In determining tuition and mandatory enrollment fees for
27 undergraduate students who are enrolled in a degree program and
28 have established residency in Oregon:

29 “(a) The governing board may not increase the total of tuition and
30 mandatory fees by more than five percent per academic year unless

1 the board first receives approval from:

2 “(A) The Oregon Education Investment Board, with advice from the
3 Higher Education Coordinating Commission; or

4 “(B) The Legislative Assembly.

5 “(b) The governing board shall attempt to limit annual increases in
6 tuition and mandatory enrollment fees for undergraduate students
7 who are enrolled in a degree program and have established residency
8 in Oregon to a percentage that is no greater than the percentage in-
9 crease in the Consumer Price Index for All Urban Consumers of the
10 Portland, Oregon, Metropolitan Statistical Area, as compiled by the
11 United States Department of Labor, Bureau of Labor Statistics.

12 “(4) The authority to establish tuition and mandatory enrollment
13 fees for undergraduate students who are enrolled in a degree program
14 and have established residency in Oregon may not be delegated by the
15 governing board.

16 **“SECTION 11. (1) Subject to the limitations set forth in section 12
17 of this 2013 Act, a university with a governing board may:**

18 “(a) Acquire, receive, hold, keep, pledge, control, convey, manage,
19 use, lend, expend and invest all funds, appropriations, gifts, bequests,
20 stock and revenue from any source.

21 “(b) Borrow money for the needs of the university in such amounts
22 and for such time and upon such terms as may be determined by the
23 university or the governing board.

24 “(c) Make any and all contracts and agreements, enter into any
25 partnership, joint venture or other business arrangement and create
26 and participate fully in the operation of any business structure, in-
27 cluding but not limited to the development of business structures and
28 networks with any public or private government, nonprofit or for-
29 profit person or entity, that in the judgment of the university or the
30 governing board is necessary or appropriate.

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

3 “(e) Purchase, receive, subscribe for or otherwise acquire, own,
4 hold, vote, use, sell, mortgage, lend, pledge, invest in or otherwise
5 dispose of and deal in or with the shares, stock or other equity or in-
6 terests in or obligations of any other entity.

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

12 “(g) Establish employee benefit plans of any type.

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

15 “(i) Spend all available moneys without expenditure limitation ap-
16 proval from the Legislative Assembly, except for moneys appropriated
17 from the General Fund by the Legislative Assembly and the proceeds
18 of general obligation bonds.

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

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

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

29 “(m) Establish policies for the organization, administration and
30 development of the university which, to the extent set forth in those

1 policies, shall have the force of law and may be enforced through
2 university procedures and in any court of competent jurisdiction.

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

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

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

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

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

21 “(s) Make available and perform any and all services on such terms
22 as considered appropriate.

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

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

29 “(3) A governing board or university with a governing board may
30 perform any other acts that in the judgment of the board or university

1 are requisite, necessary or appropriate to accomplish the purposes
2 granted to the board or university by law.

3 **“SECTION 12. (1) A university with a governing board may pur-**
4 **chase real property it considers necessary for the present or future**
5 **development of the university. The governing board may enter into**
6 **contracts of purchase or agreements that the board considers neces-**
7 **sary in carrying out this authorization.**

8 **“(2) The governing board may apply any funds toward the purchase**
9 **of property authorized under this section. The governing board may**
10 **mortgage or pledge any property the board has purchased, or the**
11 **board’s contracts to purchase property, together with the income from**
12 **property the board has purchased, to secure the payment of the pur-**
13 **chase price.**

14 **“(3) The governing board may purchase real property or undertake**
15 **capital construction projects that do not require the use of moneys**
16 **appropriated from state funds or obtained through general obligation**
17 **bonds, for purposes consistent with the promotion and enhancement**
18 **of public higher education.**

19 **“(4) Legal title to all real property acquired by a governing board**
20 **or a university with a governing board shall be taken and held in the**
21 **name of the State of Oregon. Legal title to all real property conveyed**
22 **to a university with a governing board is deemed to be conveyed to**
23 **and vested in the State of Oregon. Authorized conveyances of all real**
24 **property, other than university lands, acquired by or vested in the**
25 **State of Oregon for the use or benefit of the university must be exe-**
26 **cuted in the name of the State of Oregon by the chairperson of the**
27 **governing board.**

28 **“(5) The governing board has custody and control of and shall care**
29 **for all real property used for university purposes. Management,**
30 **maintenance and preservation of all real property used for university**

1 purposes is the responsibility of the university.

2 **“SECTION 13. A governing board may, in its sole discretion:**

3 **“(1) Police, control and regulate traffic and parking of vehicles on**
4 **university property as set forth in ORS 352.360;**

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

14 **“(3) Commission special campus security officers who shall have**
15 **stop and frisk authority and all of the privileges and immunities set**
16 **forth in ORS 352.385.**

17 **“SECTION 14. (1) A university with a governing board may elect to**
18 **participate in any or all administrative services made available to**
19 **other public universities in this state upon such terms and conditions**
20 **as the university determines to be advantageous.**

21 **“(2) A university with a governing board shall engage in collective**
22 **bargaining with local bargaining organizations of the employees of the**
23 **university.**

24 **“(3) A university with a governing board shall participate in a col-**
25 **lective bargaining partnership with Oregon’s other public universities**
26 **for the purpose of engaging in collective bargaining with existing**
27 **statewide bargaining organizations of the employees of the public**
28 **university. The collective bargaining partnership shall be established**
29 **by written agreement.**

30 **“(4) The Secretary of State retains the constitutional duty and au-**

1 **thority to audit public accounts. However, a university with a gov-**
2 **erning board shall conduct an independent audit if the audit is**
3 **considered advisable. Subject to ORS 297.250, the audit is subject to the**
4 **exclusive discretion and control of the university. The audit is subject**
5 **to disclosure pursuant to ORS 192.410 to 192.505.**

6 **“SECTION 15. (1) All moneys collected or received by a university**
7 **with a governing board, placed to the credit of that board and re-**
8 **maining unexpended and unobligated on the date that the board is**
9 **established, and all moneys collected or received by a university with**
10 **a governing board after the date that the board is established, may be**
11 **deposited into an account established by the board in a depository in-**
12 **sured by the Federal Deposit Insurance Corporation or the National**
13 **Credit Union Share Insurance Fund. In a manner consistent with the**
14 **requirements of ORS 295.001 to 295.108, the chairperson of a governing**
15 **board shall ensure that sufficient collateral secures any amount of**
16 **funds on deposit that exceeds the limits of the coverage of the Federal**
17 **Deposit Insurance Corporation or the National Credit Union Share**
18 **Insurance Fund. All moneys in the account are continuously appro-**
19 **propriated to the governing board making the deposit for the purpose of**
20 **carrying out the functions of the board.**

21 **“(2) Upon request of a university with a governing board, the State**
22 **Treasurer shall enter into a written agreement with the university**
23 **that provides for the State Treasurer to receive, hold, keep, manage,**
24 **and invest any or all funds, appropriations, gifts, bequests, and reve-**
25 **nuue from any source in accordance with the policies and procedures**
26 **established by the State Treasurer, including the recoupment of costs**
27 **incurred in carrying out these tasks by the State Treasurer.**

28 **“(3) As used in this section, ‘depository’ has the meaning given that**
29 **term in ORS 295.001.**

30 **“SECTION 16. (1) The following entities are not subject to any**

1 provision of law enacted after January 1, 2013, that applies to a gov-
2 ernmental entity unless the following entities are expressly named:

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

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

8 “(2) Notwithstanding subsection (1) of this section, the provisions
9 of ORS 30.260 to 30.460, 200.005 to 200.025, 200.045 to 200.090, 236.605 to
10 236.640, 279.835, 279.840, 279.850, 297.040, 307.090 and 307.112 and ORS
11 chapters 35, 190, 192, 244 and 295 apply to a university with a governing
12 board under the same terms as they apply to public bodies other than
13 the state.

14 “(3) Except as otherwise provided by law, the provisions of ORS
15 35.550 to 35.575, 180.060, 180.210 to 180.235, 184.305 to 184.345, 190.480,
16 190.490, 200.035, 243.696, 357.805 to 357.895 and 656.017 (2) and ORS
17 chapters 182, 183, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291,
18 292, 293, 294 and 297 do not apply to a university with a governing
19 board.

20 “(4) Notwithstanding subsections (1) and (3) of this section, ORS
21 240.167, 279C.600 to 279C.625, 279C.800, 279C.810, 279C.825, 279C.830,
22 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865 and
23 279C.870 apply to a university with a governing board under the same
24 terms as they apply to public bodies other than the state.

25 “(5) Notwithstanding subsection (2) of this section, ORS 190.430 and
26 192.105 do not apply to a university with a governing board or any or-
27 ganization or other entity described in subsection (1) of this section.

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

1 “(7) ORS 351.065, 351.067, 351.642, 351.643, 351.644, 351.646, 351.656,
2 351.658, 352.012 and 352.375 apply to a university with a governing
3 board, except that the board or university shall exercise the responsi-
4 bilities and authorities of the State Board of Higher Education or the
5 Oregon University System.

6 “(8) A university with a governing board and its agents and em-
7 ployees remain subject to all statutes and administrative rules of this
8 state that create rights, benefits or protections in favor of military
9 veterans, service members and families of service members to the
10 same extent as an agency of this state would be subject to such stat-
11 utes and administrative rules.

12 “(9) ORS 351.692, 351.695 and 351.697 apply to a governing board, ex-
13 cept that the board has the responsibilities and authorities with re-
14 spect to the university it governs that the State Board of Higher
15 Education and the Oregon University System have with respect to the
16 public universities identified in ORS 351.011. A university with a gov-
17 erning board may not issue a tax credit certificate under ORS 351.692,
18 351.695 and 351.697 that will cause the university to owe the General
19 Fund more than \$2.4 million at any one time under ORS 351.692, 351.695
20 and 351.697.

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

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

1 **“SECTION 18. The president and professors constitute the faculty**
2 **and may govern a university with a governing board and discipline all**
3 **students, faculty and employees of the university, except as otherwise**
4 **provided by law or action of the governing board. The faculty may,**
5 **subject to the supervision of the governing board and section 8 of this**
6 **2013 Act, prescribe the course of study to be pursued in the university**
7 **and the textbooks to be used.**

8
9 **“BONDING AUTHORITY OF GOVERNING BOARDS**

10
11 **“SECTION 19. As used in sections 19 to 23 of this 2013 Act:**

12 **“(1) ‘Bond’:**

13 **“(a) Means a contractual undertaking or instrument of a university**
14 **with a governing board to repay borrowed moneys.**

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

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

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

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

21 **“(A) Redeeming bonds.**

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

24 **“(C) Paying the fees, administrative costs and expenses of a uni-**
25 **versity with a governing board, including the costs of consultants or**
26 **advisers retained by the university.**

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

28 **“(d) Capitalized interest for the bonds.**

29 **“(e) Rebates or penalties due to the United States in connection**
30 **with the bonds.**

1 “(f) Any other costs or expenses that a university with a governing
2 board determines are necessary or desirable in connection with issuing
3 and maintaining the bonds.

4 “(3) ‘For the benefit of a university with a governing board’ means:

5 “(a) In relation to bonds of the State of Oregon issued by the State
6 Treasurer before the effective date of this 2013 Act, that all or a por-
7 tion of the net proceeds of the bonds were used to finance property
8 or projects on behalf of the State Board of Higher Education and for
9 the benefit of a university with a governing board in pursuing the
10 purposes and missions of the university.

11 “(b) In relation to bonds issued on or after the effective date of this
12 2013 Act, bonds of the State of Oregon issued under the authority of
13 section 20 of this 2013 Act.

14 “(4) ‘Obligation’ means:

15 “(a) A bond;

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

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

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

22 “(6) ‘Pledge’ means:

23 “(a) To create a lien on property.

24 “(b) A lien created on property.

25 “(7) ‘Revenue’ means tuition, fees, charges, appropriations, rents,
26 revenues, receipts and other income of a university with a governing
27 board.

28 “SECTION 20. (1) A university with a governing board may elect to
29 remain eligible to receive net proceeds of bonds of the State of Oregon
30 issued by the State Treasurer by seeking review and obtaining ap-

1 **proval of the State Treasurer for all plans to issue bonds of the uni-**
2 **versity and to execute other obligations related to the bonds.**

3 **“(2) A university with a governing board that issues bonds of the**
4 **university, or executes other obligations related to the bonds, without**
5 **the approval of the State Treasurer is not eligible to receive net pro-**
6 **ceeds of bonds issued by the State Treasurer on or after the effective**
7 **date of this 2013 Act.**

8 **“(3) For the purposes of ORS chapter 286A, a university with a**
9 **governing board is a related agency:**

10 **“(a) With respect to bonds of the State of Oregon that were issued**
11 **before the effective date of this 2013 Act for the benefit of a university**
12 **with a governing board and that have not been retired or defeased; and**

13 **“(b) When the Legislative Assembly authorizes under ORS 286A.035**
14 **the issuance of bonds of the State of Oregon from which all or a por-**
15 **tion of the net proceeds are to be used to finance property or projects**
16 **to be used by a university with a governing board in pursuit of the**
17 **purposes and missions of the university.**

18 **“SECTION 21. (1) In addition to and not in lieu of bonds of the State**
19 **of Oregon authorized under ORS 286A.035, a university with a govern-**
20 **ing board may issue revenue bonds in accordance with ORS chapter**
21 **287A. However, ORS 287A.150 does not apply to revenue bonds issued**
22 **by the university.**

23 **“(2) A university with a governing board may issue under ORS**
24 **287A.360 to 287A.380 refunding bonds of the same character and tenor**
25 **as the revenue bonds replaced.**

26 **“(3) When a university with a governing board issues bonds under**
27 **this section, the university may determine maturity dates, principal**
28 **amounts, redemption provisions, interest rates or methods for deter-**
29 **mining variable or adjustable interest rates, denominations and other**
30 **terms and conditions of such obligations as are necessary.**

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

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

4 **“(b) Are not an indebtedness or obligation of the State of Oregon**
5 **and are not a charge upon revenue or property of the State of Oregon.**

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

9 **“(5) Pursuant to section 20 of this 2013 Act, a university with a**
10 **governing board that issues bonds under this section is not eligible to**
11 **receive net proceeds of bonds of the State of Oregon unless all bonds**
12 **issued under this section, and other obligations related to the bonds,**
13 **are reviewed and approved by the State Treasurer.**

14 **“SECTION 22. (1) As used in this section:**

15 **“(a) ‘Credit enhancement agreement’ means an agreement or con-**
16 **tractual relationship between a university with a governing board and**
17 **a bank, trust company, insurance company, surety bonding company,**
18 **pension fund or other financial institution or entity providing addi-**
19 **tional credit on or security for a financing agreement or a certificate**
20 **of participation authorized by this section.**

21 **“(b) ‘Financing agreement’ means a lease-purchase agreement, an**
22 **installment sale agreement, a loan agreement, a note agreement, a**
23 **short-term promissory note, commercial paper, a line of credit or any**
24 **other agreement:**

25 **“(A) To finance real or personal property that is or will be owned**
26 **by the State of Oregon and operated by a university with a governing**
27 **board; or**

28 **“(B) To refinance previously executed financing agreements.**

29 **“(c) ‘Personal property’ means tangible personal property, software**
30 **and fixtures.**

1 “(d) ‘Property rights’ means, with respect to personal property, the
2 rights of a secured party under ORS chapter 79, and, with respect to
3 real property, the rights of a trustee or lender under a lease authorized
4 by this section.

5 “(e) ‘Software’ means software and training and maintenance con-
6 tracts related to the operation of computing equipment.

7 “(2) A university with a governing board may enter into financing
8 agreements under this section on terms the university finds to be ad-
9 vantageous. The university may pay financing agreements only from:

10 “(a) Moneys not otherwise obligated under section 23 of this 2013
11 Act; and

12 “(b) Moneys specifically pledged, budgeted for or otherwise made
13 available by the university.

14 “(3) If the moneys described in subsection (2) of this section are not
15 sufficient to pay amounts due under a financing agreement, the lender
16 may:

17 “(a) Exercise property rights that the university with a governing
18 board has granted to the lender in the financing agreement against the
19 property that was purchased with the proceeds of the financing
20 agreement; and

21 “(b) Apply the amounts received to payments scheduled to be made
22 by the university with a governing board under the financing agree-
23 ment.

24 “(4) A university with a governing board may:

25 “(a) As security for lenders, enter into agreements with trustees to
26 hold financing agreement proceeds, payments or reserves and to issue
27 certificates of participation in the right to receive payments due from
28 the university under a financing agreement. Amounts held by a trus-
29 tee must be invested at the direction of the university. Interest earned
30 on investments held as security for a financing agreement may, at the

1 option of the university, be credited to the accounts held by the third
2 party and applied in payment of sums due under a financing agree-
3 ment.

4 “(b) Enter into credit enhancement agreements for financing
5 agreements or certificates of participation if the credit enhancement
6 agreements are payable solely from moneys specifically pledged,
7 budgeted for or otherwise made available by the university and
8 amounts received from the exercise of property rights granted under
9 the financing agreements.

10 “(c) Use the gross proceeds of financing agreements to finance:

11 “(A) The costs of acquiring or refinancing real or personal property;
12 and

13 “(B) The costs of reserves, credit enhancements and costs associ-
14 ated with obtaining the financing.

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

27 “(e) Grant security interests in personal property to trustees or
28 lenders.

29 “(f) Make pledges for the benefit of trustees and lenders.

30 “(g) Purchase fire and extended coverage or other casualty insur-

1 **ance for property that is acquired or refinanced with proceeds of a fi-**
2 **nancing agreement, assign the proceeds of a financing agreement to**
3 **a lender or trustee, to the extent of the interest of the lender or**
4 **trustee, and covenant to maintain the insurance while the financing**
5 **agreement is unpaid, as long as available funds are sufficient to pur-**
6 **chase the insurance.**

7 **“(5) Subsection (4) of this section does not authorize a university**
8 **with a governing board to use real or personal property as a security**
9 **interest, or to lease or grant rights in the property, under a financing**
10 **agreement when the acquisition, construction, improvement, repair,**
11 **equipping or furnishing of the real or personal property was financed,**
12 **in whole or in part, with bonds of the State of Oregon for the benefit**
13 **of a university with a governing board until the bonds have been re-**
14 **tired or defeased.**

15 **“(6) A lease or financing agreement under this section does not**
16 **cause property to be subject to ad valorem property taxation and is**
17 **disregarded in determining whether property is exempt from taxation**
18 **under ORS chapter 307.**

19 **“(7) Certificates of participation, financing agreements and other**
20 **obligations authorized by this section:**

21 **“(a) Are bonds or other obligations of a political subdivision of the**
22 **State of Oregon.**

23 **“(b) Are not an indebtedness of the State of Oregon and are not a**
24 **charge upon revenue or property of the State of Oregon.**

25 **“(c) Are not a charge upon revenue or property of a university with**
26 **a governing board that is not pledged to secure the revenue bonds or**
27 **other obligations.**

28 **“(8) Pursuant to section 20 of this 2013 Act, a university with a**
29 **governing board that executes certificates of participation, financing**
30 **agreements or other obligations under this section is not eligible to**

1 receive net proceeds of bonds of the State of Oregon unless all certifi-
2 cates of participation, financing agreements or other obligations exe-
3 cuted under this section are reviewed and approved by the State
4 Treasurer.

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

10 **“(2) The appropriate university with a governing board and the**
11 **Oregon University System shall take all actions necessary to ensure**
12 **full compliance with the operative documents executed with respect**
13 **to bonds issued before the effective date of this 2013 Act by the State**
14 **Treasurer for the benefit of a university with a governing board.**

15 **“(3) The appropriate university with a governing board, the State**
16 **Treasurer and, if requested by the university, the Oregon University**
17 **System shall enter into a written agreement that requires the univer-**
18 **sity:**

19 **“(a) To make payments to the State Treasurer, directly or through**
20 **the Oregon University System, of revenues sufficient to pay when due**
21 **the principal, interest and premium, if any, and other bond-related**
22 **costs for bonds issued before the effective date of this 2013 Act for the**
23 **benefit of the university; and**

24 **“(b) To provide at the request of the State Treasurer, periodic cash**
25 **flow projections and other information that allow the State Treasurer**
26 **to review and approve the sufficiency of the university’s cash flow to**
27 **pay bond-related costs for bonds issued before, on or after the effective**
28 **date of this 2013 Act for the benefit of the university.**

29 **“(4) Bonds of a university with a governing board and other obli-**
30 **gations related to the bonds may be secured only by a pledge of reve-**

1 nues that is junior to any pledge of the revenues used to secure bonds
2 of the State of Oregon, and other obligations related to the bonds, that
3 are issued for the benefit of a university with a governing board on,
4 before or after the effective date of this 2013 Act.

5 “(5) A university with a governing board shall pay from the sources
6 specified in the laws and operative documents authorizing the obli-
7 gation:

8 “(a) The principal of, interest on and premium, if any, on bonds
9 issued before, on or after the effective date of this 2013 Act for the
10 benefit of the university.

11 “(b) Other bond-related costs, unless the cost is a liability or ex-
12 pense that results from the negligence or willful misconduct of an-
13 other entity.

14 “(6) Moneys deposited with the State Treasurer, the Controller of
15 the Oregon University System or the Oregon Department of Adminis-
16 trative Services in a debt service reserve account or otherwise for the
17 debt service associated with obligations entered into before the effec-
18 tive date of this 2013 Act for the benefit of a university with a gov-
19 erning board must remain with the State Treasurer, the Controller of
20 the Oregon University System or the Oregon Department of Adminis-
21 trative Services until the obligations have been retired or defeased.
22 Earnings on moneys described in this subsection must be credited to
23 the university.

24
25 **“STATUTORY AMENDMENTS**

26
27 **“SECTION 24.** ORS 352.002 is amended to read:

28 “352.002. [*The Oregon University System established in ORS 351.011 con-*
29 *sists of the following public universities under the jurisdiction of the State*
30 *Board of Higher Education]* **The following are established as public uni-**

1 **versities in the State of Oregon:**

2 “(1) University of Oregon.

3 “(2) Oregon State University.

4 “(3) Portland State University.

5 “(4) Oregon Institute of Technology.

6 “(5) Western Oregon University.

7 “(6) Southern Oregon University.

8 “(7) Eastern Oregon University.

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

10 “351.011. (1) The Oregon University System is established as a public
11 university system, consisting of the office of the Chancellor of the Oregon
12 University System[, *the public universities listed in ORS 352.002 and any re-*
13 *lated offices, departments or activities.*] **and the following public universi-**
14 **ties, and any related offices, departments or activities:**

15 **“(a) Oregon State University.**

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

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

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

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

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

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

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

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

5 “351.011. (1) The Oregon University System is established as a public
6 university system, consisting of the office of the Chancellor of the Oregon
7 University System and the following public universities, and any related of-
8 fices, departments or activities:

9 “[*a*] *Oregon State University.*]

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

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

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

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

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

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

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

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

1 **168 of this 2013 Act.**

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

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

6 “287A.001. As used in this chapter:

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

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

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

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

17 “(3) ‘Bond’:

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

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

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

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

25 “(6) ‘Credit enhancement device’:

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

30 “(b) Does not mean a bond.

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

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

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

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

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

20 “(12) ‘Pledge’ means:

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

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

23 “(13) ‘Public body’ means:

24 “(a) A county of this state;

25 “(b) A city of this state;

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

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

28 “(e) Oregon Health and Science University;

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

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

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

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

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

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

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

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

17 “348.010. (1) An account in the Oregon University System Fund estab-
18 lished under ORS 351.506 is designated for the purpose of granting student
19 loans under the terms established by the National Defense Education Act
20 of 1958, as amended, under the terms of the Health Professions Educational
21 Assistance Act of 1963, as amended, and under the terms of the Nurses
22 Training Act of 1964, as amended.

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

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

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

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

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

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

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

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

14 “348.205. (1) The Oregon Opportunity Grant program is established within
15 the Oregon Student Access Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 assistance.

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

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

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

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

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

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

24 “348.282. As used in this section and ORS 348.283:

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

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

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

30 “(c) The Oregon National Guard and a National Guard of any other state

1 or territory.

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

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

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

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

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

8 “348.283. (1) There is established within the Oregon Student Access Com-
9 mission the Oregon Troops to Teachers program. Through the program, the
10 commission shall pay for all of the resident tuition charges of a veteran
11 imposed by a public post-secondary institution, provided the veteran:

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

13 “(b) Is a resident of Oregon; and

14 “(c) Agrees to teach:

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

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

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

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

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

29 “348.470. The Legislative Assembly finds and declares that:

30 “(1) It is the policy of this state to encourage cooperation between [*the*

1 *Oregon University System*] **public universities** and community colleges on
2 issues affecting students who transfer between the two segments; and

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

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

6 “348.603. (1) The Higher Education Coordinating Commission shall:

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

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

10 “(c) Validate claims of degree possession;

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

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

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

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

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

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

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

27 “(b) If the boards do not resolve the issue raised under paragraph (a) of
28 this subsection within 90 days of the date when the issue was recommended
29 to the boards for mediation, the commission shall have final authority for
30 approval or disapproval of the program or location. If the boards do not re-

1 solve the issue, the commission shall approve or disapprove the program or
2 location within 180 days of the date when the review began.

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

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

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

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

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

25 “348.890. (1) The Higher Education Coordinating Commission shall pro-
26 vide policy direction to implement regional partnership proposals and any
27 other joint program or activity approved by the State Board of Education,
28 [and] the State Board of Higher Education **and the governing board of a**
29 **public university.**

30 “(2) Notwithstanding ORS 351.063 (3), the Department of Community

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

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

8 “348.900. (1) The Employment Department, in consultation with health
9 care industry employers, shall perform a statewide and regional needs as-
10 sessment for health care occupations to identify emerging occupations and
11 occupations for which there is high demand or a shortage of workers. The
12 assessment shall be performed as necessary on a periodic basis, as determined
13 by the department, in consultation with industry employers. To perform the
14 needs assessment, the department may consider any reliable data sources
15 available to the department.

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

21 “(3) When approving health care education programs, the State Board of
22 Education, the State Board of Higher Education, **the governing board of**
23 **a public university** and the Oregon Health and Science University Board
24 of Directors shall use the statewide needs assessment to evaluate whether a
25 program fulfills statewide needs. If a board determines there is a statewide
26 need, the board shall facilitate the:

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

30 “(b) Alignment of health care education programs relating to statewide

1 access, student transferability between programs, course articulation and
2 common student learning outcomes for health care education programs.

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

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

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

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

22 “(2) One member of the faculty at Oregon State University[, *Portland*
23 *State University or University of Oregon*].

24 “(3) One member of the faculty at Eastern Oregon University, Oregon
25 Institute of Technology, Southern Oregon University or Western Oregon
26 University.

27 “(4) Eleven members of the general public who are not students or faculty
28 members at the time of appointment.

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

1 “351.015. The Oregon University System shall be conducted under the
2 control of a board of 15 directors, to be known as the State Board of Higher
3 Education. Except as otherwise provided by law, the board has sole authority
4 to govern, set policy and otherwise manage the affairs of the public univer-
5 sities listed in ORS 351.011. The board shall consist of:

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

8 “[2) *One member of the faculty at Oregon State University.*]

9 “[3) (2) One member of the faculty at Eastern Oregon University,
10 Oregon Institute of Technology, Southern Oregon University or Western
11 Oregon University.

12 “[4) (3) [*Eleven*] **Twelve** members of the general public who are not
13 students or faculty members at the time of appointment.

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

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

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

23 “351.020. (1) The directors of the State Board of Higher Education must
24 be residents of Oregon and are appointed by the Governor. The appointments
25 are subject to the confirmation of the Senate in the manner provided by ORS
26 171.562 and 171.565. No director who is not a student or faculty member at
27 the time of appointment may be an employee of any of the public universities
28 or offices, departments or activities under the control of the State Board of
29 Higher Education. The faculty members appointed under this section may
30 not participate in any discussions or action by the board or attend any

1 executive session of the board involving collective bargaining issues that
2 affect faculty at any public university listed in ORS [352.002] **351.011**.

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

10 “(3) To assist the Governor in making appointments of the faculty mem-
11 bers as provided in ORS 351.015, a duly organized and recognized association
12 of faculty members may submit a list of nominees to the Governor. The
13 Governor shall consider any submitted list in the selection of the faculty
14 members to be appointed to the State Board of Higher Education.

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

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

20 “351.047. The State Board of Higher Education shall:

21 “(1) Review all mission statements of the public universities listed in ORS
22 [352.002] **352.011**; and

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

25 “(a) Are consistent with the mission statement of the respective public
26 university;

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

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

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

3 “351.052. (1) For the purposes of this section, ‘performance compact’
4 means:

5 **“(a) An agreement between the State Board of Higher Education or the**
6 **Higher Education Coordinating Commission** and the State of Oregon to
7 achieve certain performance targets in order to enhance the success of
8 Oregon University System students in exchange for consideration of the ap-
9 propriations sought in a funding request submitted by the State Board of
10 Higher Education **or the Higher Education Coordinating Commission** to
11 the Oregon Department of Administrative Services.

12 **“(b) An agreement between a public university with a governing**
13 **board listed in section 3 of this 2013 Act and the State of Oregon to**
14 **achieve certain performance targets in order to enhance the success**
15 **of students in exchange for consideration of the appropriations sought**
16 **in a funding request submitted by the Higher Education Coordinating**
17 **Commission to the Oregon Department of Administrative Services.**

18 **“(2) Before a date set by the Higher Education Coordinating Com-**
19 **mission, a governing board shall submit to the Higher Education Co-**
20 **ordinating Commission a performance compact and funding request**
21 **for the biennium beginning on July 1 of the following year.**

22 **“(3) On or before September 1 of every even-numbered year, the**
23 **Higher Education Coordinating Commission shall submit the funding**
24 **request and performance compact to the Oregon Department of Ad-**
25 **ministrative Services for universities with governing boards listed in**
26 **section 3 of this 2013 Act.**

27 “[(2)] (4) On or before September 1 of each even-numbered year, the State
28 Board of Higher Education shall submit the funding request and performance
29 compact to the Oregon Department of Administrative Services for the Oregon
30 University System.

1 “[3] (5) The Governor’s biennial budget submitted to the Legislative
2 Assembly may include the **Higher Education Coordinating Commission’s**
3 **and** State Board of Higher Education’s funding request submitted to the
4 Oregon Department of Administrative Services for the Oregon University
5 System **and universities with governing boards listed in section 3 of this**
6 **2013 Act**. Any funding request approved by the Legislative Assembly must
7 specify that the moneys be appropriated to the Oregon Department of Ad-
8 ministrative Services for allocation to the Oregon University System **and**
9 **universities with governing boards listed in section 3 of this 2013 Act**.

10 “[4] (6) The funding request must include, in addition to the performance
11 compact, a report on performance from the previous biennium’s performance
12 compact.

13 “[5] (7) The State Board of Higher Education **and Higher Education**
14 **Coordinating Commission** shall, by rule, establish a framework for the
15 development of a performance compact that must accompany the funding re-
16 quest to the Oregon Department of Administrative Services. The framework
17 must address, among other issues, the issue of tuition affordability for stu-
18 dents.

19 **“SECTION 43.** ORS 351.054 is amended to read:
20 “351.054. The State Board of Higher Education **and Higher Education**
21 **Coordinating Commission** *[is]* **are** authorized to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 “(a) Consulting;

1 “(b) Appearances and speeches;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 “(f) Prescribe the qualifications for admission.

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

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

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

1 the faculty, teachers, students and employees therein.

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

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

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

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

9 “(A) Dependents of students.

10 “(B) Staff.

11 “(C) Faculty.

12 “(g) Shall prescribe and collect charges.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 “**SECTION 50.** ORS 351.088 is amended to read:

23 “351.088. Notwithstanding ORS chapter 183, the State Board of Higher
24 Education or [*any public university listed in ORS 352.002*] **the governing**
25 **board of a public university** may, by rule, establish adjudicative procedures
26 that are consistent with federal and state constitutional requirements and
27 other provisions of law. The adjudicative procedures shall be consistent with
28 ORS 183.413 to 183.497 and 183.502 whenever the type of hearing or procedure
29 required is substantially of the character that would necessitate the proce-
30 dures required by ORS 183.413 to 183.470.

1 **SECTION 51.** ORS 351.105 is amended to read:

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

8 **SECTION 52.** ORS 351.110 is amended to read:

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

16 **SECTION 53.** ORS 351.155 is amended to read:

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

30 **SECTION 54.** ORS 351.160 is amended to read:

1 “351.160. (1)(a) The State Board of Higher Education may undertake the
2 construction of any building or structure for higher education when the
3 board conservatively estimates that the Oregon University System will have
4 sufficient revenues to pay the operating costs and any indebtedness for the
5 building or structure.

6 “(b) **The governing board of a public university with a governing**
7 **board listed in section 3 of this 2013 Act may undertake the con-**
8 **struction of any building or structure for higher education when the**
9 **board conservatively estimates that the university will have sufficient**
10 **revenues to pay the operating costs and any indebtedness for the**
11 **building or structure.**

12 “(2) For purposes of this section, ‘revenues’ includes all funds available
13 to [*the*] **each** board except amounts appropriated by the Legislative Assembly
14 from the General Fund. [*The*] **A** board may enter into contracts for the ac-
15 quisition, erection, improvement, repair, equipping and furnishing of
16 buildings and structures for dormitories, housing, boarding, off-street motor
17 vehicle parking facilities and other purposes for higher education pursuant
18 to Article XI-F(1) of the Oregon Constitution, ORS 351.160 to 351.190, 351.350
19 to 351.460 and 351.505.

20 “[*(2)*] (3) [*The*] **A** board may also undertake the acquisition or con-
21 struction of those buildings and structures that the Legislative Assembly has
22 determined will benefit higher education institutions or activities, and may
23 enter into contracts with persons, firms or corporations for the acquisition,
24 erection, improvement, repair, equipping and furnishing of such buildings
25 and structures pursuant to Article XI-G of the Oregon Constitution and ORS
26 351.345.

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

28 “351.165. No later than March 1 of each odd-numbered year, the State
29 Board of Higher Education **and each university with a governing board**
30 **listed in section 3 of this 2013 Act** shall submit a report to the Legislative

1 Assembly concerning the status of all previously approved [*Oregon University*
2 *System*] capital construction projects that have not been completed or have
3 been completed within the preceding 24-month period. The report shall in-
4 clude the project title, funding sources, the amount of the original appro-
5 priation or expenditure limitation, the amount of unexpected funds, the
6 construction status and the anticipated completion date.

7 **“SECTION 56.** ORS 351.170 is amended to read:

8 “351.170. (1) The State Board of Higher Education **and a public univer-**
9 **sity with a governing board listed in section 3 of this 2013 Act** may es-
10 tablish rates, charges and fees for use of buildings, structures and projects
11 under [*its*] control **of the board or university**. The rates and charges shall
12 be sufficient, in the judgment of the board **and university** and with other
13 available revenues, as defined in ORS 351.160, to pay the operating costs and
14 any indebtedness for the buildings, structures and projects.

15 “(2) The board **or university with a governing board** shall charge and
16 collect from each regular student a building fee at a rate not to exceed \$45
17 for each regular term, for not less than three terms in each regular academic
18 year, and not to exceed \$67.50 if instruction is on a semester basis, or an
19 equivalent rate of charge when instruction is on a different basis. The board
20 **or university with a governing board** is authorized to maintain adequate
21 accounts for bonds outstanding. The fee shall be in addition to tuition and
22 other fees charged to students and shall be deposited in:

23 **“(a) For the Oregon University System,** the appropriate subaccount
24 of the account maintained in the Oregon University System Fund under ORS
25 351.460.

26 **“(b) An account maintained by a public university with a governing**
27 **board listed in section 3 of this 2013 Act.**

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

29 “351.205. The State Board of Higher Education may allow interchange of
30 members of the faculties of public universities listed in ORS [*352.002*] **351.011**

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

6 **SECTION 58.** ORS 351.300 is amended to read:

7 “351.300. The Legislative Assembly finds that in order to avoid unneces-
8 sary disruption at public universities listed in ORS 352.002 and in order to
9 provide assurance that the public universities share in the benefits of any
10 major reform in the Oregon tax system, it is necessary to stabilize funding
11 for the [*Oregon University System*] **universities** over a longer period than is
12 customary with biennial budgeting.

13 **SECTION 59.** ORS 351.310 is amended to read:

14 “351.310. (1) The State Board of Higher Education shall control the use,
15 distribution and disbursement of all funds, appropriations and taxes now or
16 hereafter in possession, levied and collected, received or appropriated for the
17 use, benefit, support and maintenance of the public universities listed in ORS
18 [*352.002*] **351.011** and offices, departments and activities under the control of
19 the board, including the authorization of individuals to sign vouchers for the
20 disbursement of funds for the various public universities, offices, departments
21 and activities.

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

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

1 “351.340. All sums of money provided by law for the support and mainte-
2 nance of the public universities listed in ORS [352.002] **351.011** and offices,
3 departments and activities under the control of the State Board of Higher
4 Education may be used for the payment of salaries of instructors and em-
5 ployees, current expenses, construction of additional buildings, purchase of
6 lands, purchase of equipment, purchase of library books and periodicals,
7 purchase of laboratory supplies and apparatus and making necessary repairs
8 and, in general, for the payment of all such expenses connected with the
9 management of the public universities and offices, departments and activ-
10 ities, as the board may from time to time determine. However, such moneys
11 in the instruction budget of the board shall not be used to support hobby or
12 recreation courses.

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

14 “351.509. (1) There is established in the General Fund an account to be
15 known as the Portland State University Center for Nanoscience and
16 Nanotechnology Account. Funds in the account shall be used for the acqui-
17 sition and expansion of microscopy and materials characterization facilities
18 at Portland State University related to a signature research center.

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

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

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

30 “351.511. (1) There is established in the General Fund an account to be

1 known as the Portland State University Northwest Engineering Science
2 Center Phase I Account. Funds in the account shall be used for acquisition
3 or construction of an engineering science center at Portland State Univer-
4 sity.

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

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

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

17 “351.517. (1) There is established in the General Fund an account to be
18 known as the University of Oregon Education Building and Complex Ac-
19 count. Funds in the account shall be used for the acquisition, construction,
20 remodeling, expansion and renovation of facilities for an education building
21 and complex at the University of Oregon.

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

29 “(3) Moneys in the account are continuously appropriated to the Oregon
30 University System **on behalf of the University of Oregon** and may be

1 transferred to the account designated by ORS 351.626 for the education
2 building and complex project described in subsection (1) of this section.

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

4 “351.518. (1) There is established in the General Fund an account to be
5 known as the University of Oregon Gilbert Hall Account. Funds in the ac-
6 count shall be used for the acquisition, construction, remodeling, expansion
7 and renovation of facilities for Gilbert Hall at the University of Oregon.

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

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

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

20 “351.519. (1) There is established in the General Fund an account to be
21 known as the University of Oregon Integrative Science Complex Account.
22 Funds in the account shall be used for the acquisition, construction, remod-
23 eling, expansion and renovation of facilities for an integrative science com-
24 plex at the University of Oregon that includes a multiscale materials and
25 devices laboratory and other facilities related to a signature research center.

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

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

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

7 “351.521. (1) There is established in the General Fund an account to be
8 known as the University of Oregon School of Music Account. Funds in the
9 account shall be used for additions and alterations to the School of Music
10 at the University of Oregon.

11 “(2) The account shall consist of federal and local government funds made
12 available to and funds donated to the Oregon University System **or the**
13 **University of Oregon** for the purpose of the University of Oregon School
14 of Music project described in subsection (1) of this section. Interest earned
15 on moneys in the account shall be credited to the account.

16 “(3) Moneys in the account are continuously appropriated to the Oregon
17 University System **on behalf of the University of Oregon** for that purpose.
18 The account may not be credited with more than \$7,600,000 in interest, do-
19 nations and federal and local government funds for purposes of this sub-
20 section.

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

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

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

1 “(3) Moneys in the account are continuously appropriated to the Oregon
2 University System **on behalf of the University of Oregon** for that purpose.
3 The account may not be credited with more than \$6,360,000 in interest, do-
4 nations and federal and local government funds for purposes of this sub-
5 section.

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

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

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

16 “(3) Moneys in the account are continuously appropriated to the Oregon
17 University System **on behalf of the University of Oregon** for that purpose.
18 The account may not be credited with more than \$1,166,000 in interest, do-
19 nations and federal and local government funds for purposes of this sub-
20 section.

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

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

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

1 athletes.

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

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

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

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

14 “351.628. (1) There is established in the General Fund an account to be
15 known as the Higher Education Academic Modernization Account. Funds in
16 the account shall be used at public universities listed in ORS [352.002]
17 **351.011** for academic modernization, capital repair, deferred maintenance and
18 making facilities compliant with building and safety codes.

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

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

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

2 “351.638. (1) An account in the Oregon University System Fund estab-
3 lished by ORS 351.506 is designated for the purpose of attracting new, out-
4 standing faculty members to the public universities listed in ORS [352.002]
5 **351.011.** This purpose includes payment of costs incurred in relocating new
6 faculty, retraining necessary teaching assistants for new faculty, acquisition
7 of equipment such as laboratory equipment and facilities to support research
8 by new faculty, payment of other costs incurred in recruiting new faculty
9 and payment of costs associated with committing salary supplements to
10 newly recruited faculty over a period of more than one year.

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

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

15 “351.642. (1) As used in this section:

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

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

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

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

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

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

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

1 “(C) The National Guard of the United States and the Oregon National
2 Guard.

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

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

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

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

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

29 “(4) The State Board of Higher Education **and the public university**
30 shall determine the number of such students that should be accepted and

1 shall make final decisions on admission of individual applicants.

2 “(5) Students attending the public universities under contracts with the
3 Armed Forces of the United States under this section shall pay fees and tu-
4 tion customarily charged Oregon students.

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

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

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

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

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

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

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

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

29 “(c) If the student elects to withdraw from the public university, the right
30 to be readmitted and reenrolled at the public university within one year after

1 release from active duty without a requirement of redetermination of admis-
2 sion eligibility; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 “351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b)
7 shall be based on:

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

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

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

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

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

20 “(B) As a monetary payment.

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

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

29 “(4) A personal representative of a student who elected to claim the credit
30 by the method described in subsection (1)(c)(A) of this section may claim a

1 monetary payment upon presenting evidence to the public university that the
2 student died while serving on active duty.

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

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

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

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

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

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

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

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

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

24 “(3) A public university may develop rules for implementation of this
25 section, including rules relating to registration, admission and fees.

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

27 “351.692. (1) The State Board of Higher Education shall adopt policies
28 that prescribe the requirements for a venture grant program and the re-
29 quirements that a grant applicant must meet in order to receive grant mon-
30 eys from a university venture development fund, including requirements:

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

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

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

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

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

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

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

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

30 “351.695. (1) A university within the Oregon University System may de-

1 posit moneys received for its university venture development fund in the
2 Higher Education Donation Fund established under ORS 351.130.

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

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

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

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

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

29 “351.697. (1) Each university [*in the Oregon University System*] **listed in**
30 **ORS 352.002** and Oregon Health and Science University may elect to estab-

1 lish a university venture development fund as provided in this section for the
2 purpose of facilitating the commercialization of university research and de-
3 velopment. A university shall direct that the university venture development
4 fund be administered, in whole or in part, by the university or by the
5 university's affiliated foundation.

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

7 “(a) Capital for university entrepreneurial programs;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 university venture development fund:

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

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

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

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

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

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

9 “351.718. (1) The members of the Higher Education Coordinating Com-
10 mission must be residents of this state who are well informed on the princi-
11 ples of higher education.

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

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

19 “351.735. (1) The Higher Education Coordinating Commission shall advise
20 the Oregon Education Investment Board on state goals and associated
21 achievement compacts for the state post-secondary education system, includ-
22 ing community colleges and public universities listed in ORS 352.002, and for
23 the Oregon Student Access Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

29 “(d) Each biennium, recommend to the Oregon Education Investment
30 Board a consolidated higher education budget request consistent with the

1 finance model, including appropriations for:

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

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

4 “(C) **Ongoing operations for all public universities listed in ORS**

5 **352.002;**

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

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

8 “[*E*] (F) Capital improvements.

9 “(e) Coordinate with the Oregon Student Access Commission to maximize

10 the effectiveness of student financial assistance programs, including the

11 Oregon Opportunity Grant program under ORS 348.260.

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

13 “(g) Authorize degrees to be offered in this state in accordance with ORS

14 348.594 to 348.615, and adopt any rules to implement that authority.

15 “(3) In addition to the duties described in subsections (1) and (2) of this

16 section, the Higher Education Coordinating Commission shall:

17 “(a) Develop and recommend policies to ensure or improve access to

18 higher education by underserved populations.

19 “(b) Recommend and encourage student success and completion initi-

20 atives.

21 “(c) Develop and recommend policies to improve the coordination of the

22 provision of educational services, including:

23 “(A) Transfers and other movements throughout the higher education

24 system;

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

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

27 “(D) Reciprocity agreements with other states.

28 “(d) Review research efforts among the public universities of this state

29 to improve economic development in this state.

30 “(e) Coordinate education initiatives with the State Workforce Investment

1 Board, the Department of Community Colleges and Workforce Development,
2 local workforce investment boards, the Oregon Health and Science Univer-
3 sity, **universities with governing boards that are listed in section 3 of**
4 **this 2013 Act** and independent institutions of post-secondary education.

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

7 “351.735. (1) The Higher Education Coordinating Commission shall advise
8 the Oregon Education Investment Board on state goals and associated
9 achievement compacts for the state post-secondary education system, includ-
10 ing community colleges and public universities listed in ORS 352.002, and for
11 the Oregon Student Access Commission.

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

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

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

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

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

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

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

1 goals and missions.

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

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

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

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

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

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

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

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

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

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

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

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

26 “[E] (F) Capital improvements.

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

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

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

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

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

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

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

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

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

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

15 “(D) Reciprocity agreements with other states.

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

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

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

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

26 “351.735. The Higher Education Coordinating Commission shall:

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

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

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

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

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

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

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

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

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

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

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

1 “(d) Recommended biennial appropriations for student financial aid; and
2 “(e) Recommended biennial appropriations for any future statewide higher
3 education initiatives.

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

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

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

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

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

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

13 “[*e*] (f) Capital improvements.

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

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

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

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

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

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

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

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

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

30 “(d) Reciprocity agreements with other states.

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

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

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

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

10 “352.006. [No] **A** political or sectarian test [*shall ever*] **may not** be al-
11 lowed or applied in the appointment of faculty and other employees of the
12 Oregon University System **or a public university listed in ORS 352.002.**

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

14 “352.010. (1) The president and professors constitute the faculty of each
15 of the public universities listed in ORS 352.002 and as such have the imme-
16 diate government and discipline of the public university and the students
17 therein, except as otherwise provided by statute or action of the State Board
18 of Higher Education **or the governing board of a public university with**
19 **a governing board listed in section 3 of this 2013 Act.**

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

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

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

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

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

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

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

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

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

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

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

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

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

28 “**SECTION 88.** ORS 352.035 is amended to read:

29 “352.035. The [*State Board of Higher Education*] **Board of Directors of**
30 **the University of Oregon** may open, establish, lay out and dedicate to the

1 public use such streets through the lands situated within the corporate limits
2 of the City of Eugene, owned by or belonging to the University of Oregon,
3 upon such terms and conditions as may be agreed upon by the [*State Board*
4 *of Higher Education*] **board** and the common council of the City of Eugene.
5 When such streets are so opened, laid out and established, they hereby are
6 declared to be dedicated to the public use and are further declared to be
7 public streets of the City of Eugene.

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

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

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

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

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

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

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

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

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

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

1 *System*].

2 **“SECTION 91.** ORS 352.048 is amended to read:

3 “352.048. (1) There is created [*within the Oregon University System*] the
4 Industrialized Housing Development Program[. *The program shall*] **to** be ad-
5 ministered in conjunction with the Center for Housing Innovation at the
6 University of Oregon.

7 “(2) The purpose of the program is to provide assistance to industrialized
8 housing manufacturers to help them achieve demonstrated best practice by
9 researching, evaluating and disseminating information on opportunities to
10 improve design technology, including but not limited to:

11 “(a) Methods to improve the affordability of housing;

12 “(b) Better utilization of new products in industrialized housing;

13 “(c) Improving the energy efficiency of industrialized housing; and

14 “(d) Specialized training for workers and management.

15 **“SECTION 92.** ORS 352.049 is amended to read:

16 “352.049. (1) In fulfilling the purpose described in ORS 352.048, the In-
17 dustrialized Housing Development Program shall:

18 “(a) Emphasize client-directed problem solving with the planning and de-
19 sign of appropriate design technologies;

20 “(b) Provide or arrange for the provision of management assistance, spe-
21 cialized training for workers and other consulting services;

22 “(c) Supplement the design skills and expertise of program staff by de-
23 veloping relations with experts who may work in a consulting role;

24 “(d) Research new and developing design technology in the United States
25 and overseas with the purpose of adapting proven technologies and manage-
26 ment practices to Oregon conditions; and

27 “(e) Disseminate research findings to all interested firms throughout the
28 industrialized housing industry.

29 “(2) The Industrialized Housing Development Program shall establish a
30 schedule of fees for the services it provides. The program may establish a

1 minimum level of service for which it does not charge fees.

2 “(3) The Industrialized Housing Development Program may hire individ-
3 uals on a contract basis, to provide either full-time or part-time staffing.
4 However, employees of the program shall not be considered tenured employ-
5 ees of the [*Oregon University System*] **University of Oregon**.

6 “**SECTION 93.** ORS 352.051 is amended to read:

7 “352.051. The [*State Board of Higher Education*] **Board of Directors of**
8 **the University of Oregon** shall adopt rules necessary to carry out the
9 provisions of ORS 352.048 to 352.053.

10 “**SECTION 94.** ORS 352.063 is amended to read:

11 “352.063. [*The Oregon University System*] **Portland State University** may
12 receive moneys from any public or private source to support the Mark O.
13 Hatfield School of Government, the Center for Lakes and Reservoirs, the
14 Graduate School of Social Work or the Institute of Portland Metropolitan
15 Studies created under ORS 352.066, 352.068, 352.071 and 352.074. Gifts and
16 grants received to support the Mark O. Hatfield School of Government, the
17 Center for Lakes and Reservoirs, the Graduate School of Social Work or the
18 Institute of Portland Metropolitan Studies shall be credited to the appropri-
19 ate fund at Portland State University [*by the Oregon University System*].

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

21 “352.066. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*
22 *University System*] the Mark O. Hatfield School of Government[. *The Mark*
23 *O. Hatfield School of Government shall*], **to** be administered by Portland State
24 University. The president of Portland State University shall appoint the di-
25 rector of the Mark O. Hatfield School of Government.

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

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

29 “(b) To perform the duties required of the school under ORS 36.179,
30 183.502 and 390.240; and

1 “(c) To assist the Criminal Justice Research and Policy Institute in carrying out the duties under subsection (3) of this section.

2
3 “(3) There is created within the Mark O. Hatfield School of Government the Criminal Justice Research and Policy Institute. The institute may assist the Legislative Assembly and state and local governments in developing policies to reduce crime and delinquency by:

4
5
6
7 “(a) Providing the Legislative Assembly with objective, nonpartisan analyses of existing or proposed state criminal justice policies, which analyses may not be inconsistent with state or federal law or the Oregon or United States Constitution;

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11 “(b) Evaluating programs, including but not limited to programs dealing with public safety professionalism, ethics in leadership and childhood development, funded directly or indirectly by the State of Oregon that are intended to reduce criminal and delinquent behavior or to improve professionalism in public safety careers;

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

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20 “(d) Initiating, sponsoring, conducting and publishing research on criminal and juvenile justice, public safety professionalism, ethics in leadership and early childhood development that is peer reviewed and directly useful to policymakers;

21
22
23
24 “(e) Organizing conferences on current state issues that bring together policymakers, public agencies and leading academicians; and

25
26 “(f) Seeking to strengthen the links among the Legislative Assembly, state and local governments, the Oregon Criminal Justice Commission, the Department of Public Safety Standards and Training and the academic community in the interest of more informed policymaking, the application of best practices and more relevant academic research.

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

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

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

14 “352.068. (1) Pursuant to ORS 351.870, there is created [*within the Oregon*
15 *University System*] the Center for Lakes and Reservoirs[. *The Center for*
16 *Lakes and Reservoirs shall*], **to** be administered by Portland State University.

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

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

22 “352.071. (1) Pursuant to ORS 351.870, [*there is created within the Oregon*
23 *University System*] the Graduate School of Social Work[. *The Graduate*
24 *School of Social Work shall*] **is created,** **to** be administered by Portland State
25 University.

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

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

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

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

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

10 “352.360. (1) The State Board of Higher Education may enact such regu-
11 lations as the board deems convenient or necessary to provide for the polic-
12 ing, control and regulation of traffic and parking of vehicles on the property
13 of any public university listed in ORS [352.002] **351.011**. The regulations may
14 provide for the registration of vehicles, the designation of parking areas and
15 the assessment and collection of reasonable fees and charges for parking. The
16 board may require that before a quarterly or yearly parking privilege for any
17 vehicle is granted to any full-time or part-time student to use board property,
18 the student must show that the vehicle is operated by a student holding a
19 valid driver license, that the vehicle is currently registered and that the
20 student driving the vehicle is insured under a motor vehicle liability insur-
21 ance policy that meets the requirements described under ORS 806.080 or that
22 the student or owner of the vehicle has provided the Department of Trans-
23 portation with other satisfactory proof of compliance with the financial re-
24 sponsibility requirements of this state.

25 “(2) The regulations enacted pursuant to subsection (1) of this section
26 shall be enforced administratively under procedures adopted by the board for
27 each public university. Administrative and disciplinary sanctions may be
28 imposed upon students, faculty and staff for violation of the regulations, in-
29 cluding but not limited to, a reasonable monetary penalty which may be de-
30 ducted from student deposits, and faculty or staff salaries or other funds in

1 the possession of the public university. The board shall provide opportunity
2 for hearing for the determination of controversies in connection with impo-
3 sition of fines or penalties. The board may prescribe procedures for such
4 hearings despite the provisions of ORS 183.413 to 183.470. Persons other than
5 students, faculty or staff may voluntarily submit to the hearing procedures
6 prescribed by the board, and shall be bound by the results of the hearing.
7 The powers granted to the board by this section are supplemental to the
8 existing powers of the board with respect to the government of activities of
9 students, faculty and staff and the control and management of property under
10 its jurisdiction.

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

15 “(4) All fees and charges for parking privileges and violations are depos-
16 ited in a designated account in the Oregon University System Fund estab-
17 lished by ORS 351.506 for the purpose of defraying the costs of constructing
18 bicycle racks and bicycle lanes and of traffic control, enforcement of traffic
19 and parking regulations and maintenance and operation of parking facilities
20 and for the purpose of acquiring and constructing additional parking facili-
21 ties for vehicles at the various public universities and offices, departments
22 and activities under the control of the board. Fees and charges may also be
23 credited to the account in the Oregon University System Fund designated
24 by ORS 351.460. Parking fees shall be established at levels no greater than
25 those required to finance the construction, operation and maintenance of
26 parking facilities on the same campus of the public university for which the
27 parking is provided. Notwithstanding ORS 351.072, parking fees or changes
28 in fees shall be adopted by rule of the board subject to the procedure for
29 rules adopted in ORS chapter 183.

30 “(5) Every peace officer may enforce the regulations made by the board

1 under subsection (1) of this section. The board, for the purpose of enforcing
2 its rules and regulations governing traffic control, may appoint peace officers
3 who have the same authority as other peace officers as defined in ORS
4 133.005.

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

10 “(7) In proceedings brought to enforce regulations enacted pursuant to
11 subsection (1) of this section, it shall be sufficient to charge the defendant
12 by an unsworn written notice in accordance with the provisions of ORS
13 221.333. In any case in which the defendant is not subject to and does not
14 voluntarily submit to the hearing procedures prescribed under subsection (2)
15 of this section, proceedings to enforce regulations enacted pursuant to sub-
16 section (1) of this section shall be brought in the name of the board in a
17 circuit court, a justice court or a city court for offenses committed within
18 the territorial jurisdiction of such court. Such courts shall have concurrent
19 jurisdiction over offenses committed within their respective jurisdictions. All
20 fines, penalties and court costs recovered shall be paid to the clerk of the
21 court involved and shall be disposed of as provided in ORS 153.640 to 153.680.

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

24 “21.007. It is the intent of the Legislative Assembly that funding be pro-
25 vided to the following entities by appropriations each biennium to fund pro-
26 grams, services and activities that were funded through court fees before the
27 2011-2013 biennium:

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

30 “(2) To the counties of this state for the purposes of funding the operation

1 of law libraries or of providing law library services.

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

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

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

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

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

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

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

20 “30.264. (1)(a) The State Board of Higher Education may authorize public
21 universities listed in ORS [352.002] **351.011** to provide liability insurance
22 coverage for students involved in off-campus experiential activities, includ-
23 ing, but not limited to, student teaching, internships, clinical experiences,
24 capstone projects and related activities.

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

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

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

6 “30.864. (1) Any person claiming to be aggrieved by the reckless disclosure
7 of personally identifiable information from a student’s education records as
8 prohibited by rules of the State Board of Education, [or] the State Board of
9 Higher Education **or the governing board of a public university with a**
10 **governing board listed in section 3 of this 2013 Act** may file a civil action
11 in circuit court for equitable relief or, subject to the terms and conditions
12 of ORS 30.265 to 30.300, for damages, or both. The court may order such other
13 relief as may be appropriate.

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

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

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

19 “36.145. The Dispute Resolution Account is established in the State
20 Treasury, separate and distinct from the General Fund. All moneys received
21 under ORS 36.150 shall be deposited to the credit of the account. Notwith-
22 standing the provisions of ORS 291.238, all moneys in the account are con-
23 tinuously appropriated to the [*Oregon University System*] **University of**
24 **Oregon or Portland State University** for the purposes for which the
25 moneys were made available and shall be expended in accordance with the
26 terms and conditions upon which the moneys were made available.

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

28 “36.150. [*The Oregon University System*] **Portland State University**, on
29 behalf of the Mark O. Hatfield School of Government and the **University**
30 **of Oregon, on behalf of the** University of Oregon School of Law, may ac-

1 cept and expend moneys from any public or private source, including the
2 federal government, made available for the purpose of encouraging, promot-
3 ing or establishing dispute resolution programs in Oregon or to facilitate and
4 assist the schools in carrying out the responsibilities of the schools under
5 ORS 36.100 to 36.238 and 183.502. All moneys received by the [*Oregon Uni-*
6 *versity System*] **University of Oregon and Portland State University** un-
7 der this section shall be deposited in the Dispute Resolution Account.

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

9 “36.155. The Dean of the University of Oregon School of Law shall award
10 grants for the purpose of providing dispute resolution services in counties.
11 Grants under this section shall be made from funds [*appropriated*] **allocated**
12 to the [*Oregon University System*] **University of Oregon** on behalf of the
13 University of Oregon School of Law for distribution under this section. The
14 [*State Board of Higher Education*] **Board of Directors of the University**
15 **of Oregon** may adopt rules for the operation of the grant program.

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

17 “184.631. (1) The Department of Transportation shall establish a public-
18 private partnership research and development program.

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

25 “(a) Individuals.

26 “(b) Businesses.

27 “(c) Nonprofit organizations.

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

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

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

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

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

10 **“SECTION 107.** ORS 192.501 is amended to read:

11 “192.501. The following public records are exempt from disclosure under
12 ORS 192.410 to 192.505 unless the public interest requires disclosure in the
13 particular instance:

14 “(1) Records of a public body pertaining to litigation to which the public
15 body is a party if the complaint has been filed, or if the complaint has not
16 been filed, if the public body shows that such litigation is reasonably likely
17 to occur. This exemption does not apply to litigation which has been con-
18 cluded, and nothing in this subsection shall limit any right or opportunity
19 granted by discovery or deposition statutes to a party to litigation or po-
20 tential litigation.

21 “(2) Trade secrets. ‘Trade secrets,’ as used in this section, may include,
22 but are not limited to, any formula, plan, pattern, process, tool, mechanism,
23 compound, procedure, production data, or compilation of information which
24 is not patented, which is known only to certain individuals within an or-
25 ganization and which is used in a business it conducts, having actual or
26 potential commercial value, and which gives its user an opportunity to ob-
27 tain a business advantage over competitors who do not know or use it.

28 “(3) Investigatory information compiled for criminal law purposes. The
29 record of an arrest or the report of a crime shall be disclosed unless and only
30 for so long as there is a clear need to delay disclosure in the course of a

1 specific investigation, including the need to protect the complaining party
2 or the victim. Nothing in this subsection shall limit any right constitu-
3 tionally guaranteed, or granted by statute, to disclosure or discovery in
4 criminal cases. For purposes of this subsection, the record of an arrest or the
5 report of a crime includes, but is not limited to:

6 “(a) The arrested person’s name, age, residence, employment, marital sta-
7 tus and similar biographical information;

8 “(b) The offense with which the arrested person is charged;

9 “(c) The conditions of release pursuant to ORS 135.230 to 135.290;

10 “(d) The identity of and biographical information concerning both com-
11 plaining party and victim;

12 “(e) The identity of the investigating and arresting agency and the length
13 of the investigation;

14 “(f) The circumstances of arrest, including time, place, resistance, pursuit
15 and weapons used; and

16 “(g) Such information as may be necessary to enlist public assistance in
17 apprehending fugitives from justice.

18 “(4) Test questions, scoring keys, and other data used to administer a li-
19 censing examination, employment, academic or other examination or testing
20 procedure before the examination is given and if the examination is to be
21 used again. Records establishing procedures for and instructing persons ad-
22 ministering, grading or evaluating an examination or testing procedure are
23 included in this exemption, to the extent that disclosure would create a risk
24 that the result might be affected.

25 “(5) Information consisting of production records, sale or purchase records
26 or catch records, or similar business records of a private concern or enter-
27 prise, required by law to be submitted to or inspected by a governmental
28 body to allow it to determine fees or assessments payable or to establish
29 production quotas, and the amounts of such fees or assessments payable or
30 paid, to the extent that such information is in a form which would permit

1 identification of the individual concern or enterprise. This exemption does
2 not include records submitted by long term care facilities as defined in ORS
3 442.015 to the state for purposes of reimbursement of expenses or determining
4 fees for patient care. Nothing in this subsection shall limit the use which
5 can be made of such information for regulatory purposes or its admissibility
6 in any enforcement proceeding.

7 “(6) Information relating to the appraisal of real estate prior to its ac-
8 quisition.

9 “(7) The names and signatures of employees who sign authorization cards
10 or petitions for the purpose of requesting representation or decertification
11 elections.

12 “(8) Investigatory information relating to any complaint filed under ORS
13 659A.820 or 659A.825, until such time as the complaint is resolved under ORS
14 659A.835, or a final order is issued under ORS 659A.850.

15 “(9) Investigatory information relating to any complaint or charge filed
16 under ORS 243.676 and 663.180.

17 “(10) Records, reports and other information received or compiled by the
18 Director of the Department of Consumer and Business Services under ORS
19 697.732.

20 “(11) Information concerning the location of archaeological sites or ob-
21 jects as those terms are defined in ORS 358.905, except if the governing body
22 of an Indian tribe requests the information and the need for the information
23 is related to that Indian tribe’s cultural or religious activities. This ex-
24 emption does not include information relating to a site that is all or part
25 of an existing, commonly known and publicized tourist facility or attraction.

26 “(12) A personnel discipline action, or materials or documents supporting
27 that action.

28 “(13) Information developed pursuant to ORS 496.004, 496.172 and 498.026
29 or ORS 496.192 and 564.100, regarding the habitat, location or population of
30 any threatened species or endangered species.

1 “(14) Writings prepared by or under the direction of faculty of public ed-
2 ucational institutions, in connection with research, until publicly released,
3 copyrighted or patented.

4 “(15) Computer programs developed or purchased by or for any public
5 body for its own use. As used in this subsection, ‘computer program’ means
6 a series of instructions or statements which permit the functioning of a
7 computer system in a manner designed to provide storage, retrieval and ma-
8 nipulation of data from such computer system, and any associated documen-
9 tation and source material that explain how to operate the computer
10 program. ‘Computer program’ does not include:

11 “(a) The original data, including but not limited to numbers, text, voice,
12 graphics and images;

13 “(b) Analyses, compilations and other manipulated forms of the original
14 data produced by use of the program; or

15 “(c) The mathematical and statistical formulas which would be used if the
16 manipulated forms of the original data were to be produced manually.

17 “(16) Data and information provided by participants to mediation under
18 ORS 36.256.

19 “(17) Investigatory information relating to any complaint or charge filed
20 under ORS chapter 654, until a final administrative determination is made
21 or, if a citation is issued, until an employer receives notice of any citation.

22 “(18) Specific operational plans in connection with an anticipated threat
23 to individual or public safety for deployment and use of personnel and
24 equipment, prepared or used by a public body, if public disclosure of the
25 plans would endanger an individual’s life or physical safety or jeopardize a
26 law enforcement activity.

27 “(19)(a) Audits or audit reports required of a telecommunications carrier.
28 As used in this paragraph, ‘audit or audit report’ means any external or
29 internal audit or audit report pertaining to a telecommunications carrier, as
30 defined in ORS 133.721, or pertaining to a corporation having an affiliated

1 interest, as defined in ORS 759.390, with a telecommunications carrier that
2 is intended to make the operations of the entity more efficient, accurate or
3 compliant with applicable rules, procedures or standards, that may include
4 self-criticism and that has been filed by the telecommunications carrier or
5 affiliate under compulsion of state law. ‘Audit or audit report’ does not mean
6 an audit of a cost study that would be discoverable in a contested case pro-
7 ceeding and that is not subject to a protective order; and

8 “(b) Financial statements. As used in this paragraph, ‘financial
9 statement’ means a financial statement of a nonregulated corporation having
10 an affiliated interest, as defined in ORS 759.390, with a telecommunications
11 carrier, as defined in ORS 133.721.

12 “(20) The residence address of an elector if authorized under ORS 247.965
13 and subject to ORS 247.967.

14 “(21) The following records, communications and information submitted
15 to a housing authority as defined in ORS 456.005, or to an urban renewal
16 agency as defined in ORS 457.010, by applicants for and recipients of loans,
17 grants and tax credits:

18 “(a) Personal and corporate financial statements and information, in-
19 cluding tax returns;

20 “(b) Credit reports;

21 “(c) Project appraisals;

22 “(d) Market studies and analyses;

23 “(e) Articles of incorporation, partnership agreements and operating
24 agreements;

25 “(f) Commitment letters;

26 “(g) Project pro forma statements;

27 “(h) Project cost certifications and cost data;

28 “(i) Audits;

29 “(j) Project tenant correspondence requested to be confidential;

30 “(k) Tenant files relating to certification; and

1 “(L) Housing assistance payment requests.

2 “(22) Records or information that, if disclosed, would allow a person to:

3 “(a) Gain unauthorized access to buildings or other property;

4 “(b) Identify those areas of structural or operational vulnerability that

5 would permit unlawful disruption to, or interference with, services; or

6 “(c) Disrupt, interfere with or gain unauthorized access to public funds

7 or to information processing, communication or telecommunication systems,

8 including the information contained in the systems, that are used or operated

9 by a public body.

10 “(23) Records or information that would reveal or otherwise identify se-

11 curity measures, or weaknesses or potential weaknesses in security measures,

12 taken or recommended to be taken to protect:

13 “(a) An individual;

14 “(b) Buildings or other property;

15 “(c) Information processing, communication or telecommunication sys-

16 tems, including the information contained in the systems; or

17 “(d) Those operations of the Oregon State Lottery the security of which

18 are subject to study and evaluation under ORS 461.180 (6).

19 “(24) Personal information held by or under the direction of officials of

20 the Oregon Health and Science University, **a public university listed in**

21 **ORS 352.002** or the Oregon University System about a person who has or

22 who is interested in donating money or property to the **Oregon Health and**

23 **Science** University, the system or a public university [*listed in ORS*

24 *352.002*], if the information is related to the family of the person, personal

25 assets of the person or is incidental information not related to the donation.

26 “(25) The home address, professional address and telephone number of a

27 person who has or who is interested in donating money or property to the

28 Oregon University System **or a public university listed in ORS 352.002.**

29 “(26) Records of the name and address of a person who files a report with

30 or pays an assessment to a commodity commission established under ORS

1 576.051 to 576.455, the Oregon Beef Council created under ORS 577.210 or the
2 Oregon Wheat Commission created under ORS 578.030.

3 “(27) Information provided to, obtained by or used by a public body to
4 authorize, originate, receive or authenticate a transfer of funds, including
5 but not limited to a credit card number, payment card expiration date,
6 password, financial institution account number and financial institution
7 routing number.

8 “(28) Social Security numbers as provided in ORS 107.840.

9 “(29) The electronic mail address of a student who attends a public uni-
10 versity listed in ORS 352.002 or Oregon Health and Science University.

11 “(30) The name, home address, professional address or location of a person
12 that is engaged in, or that provides goods or services for, medical research
13 at Oregon Health and Science University that is conducted using animals
14 other than rodents. This subsection does not apply to Oregon Health and
15 Science University press releases, websites or other publications circulated
16 to the general public.

17 “(31) If requested by a public safety officer, as defined in ORS 181.610:

18 “(a) The home address and home telephone number of the public safety
19 officer contained in the voter registration records for the public safety offi-
20 cer.

21 “(b) The home address and home telephone number of the public safety
22 officer contained in records of the Department of Public Safety Standards
23 and Training.

24 “(c) The name of the public safety officer contained in county real prop-
25 erty assessment or taxation records. This exemption:

26 “(A) Applies only to the name of the public safety officer and any other
27 owner of the property in connection with a specific property identified by the
28 officer in a request for exemption from disclosure;

29 “(B) Applies only to records that may be made immediately available to
30 the public upon request in person, by telephone or using the Internet;

1 “(C) Applies until the public safety officer requests termination of the
2 exemption;

3 “(D) Does not apply to disclosure of records among public bodies as de-
4 fined in ORS 174.109 for governmental purposes; and

5 “(E) May not result in liability for the county if the name of the public
6 safety officer is disclosed after a request for exemption from disclosure is
7 made under this subsection.

8 “(32) Unless the public records request is made by a financial institution,
9 as defined in ORS 706.008, consumer finance company licensed under ORS
10 chapter 725, mortgage banker or mortgage broker licensed under ORS
11 86A.095 to 86A.198, or title company for business purposes, records described
12 in paragraph (a) of this subsection, if the exemption from disclosure of the
13 records is sought by an individual described in paragraph (b) of this sub-
14 section using the procedure described in paragraph (c) of this subsection:

15 “(a) The home address, home or cellular telephone number or personal
16 electronic mail address contained in the records of any public body that has
17 received the request that is set forth in:

18 “(A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance,
19 release, satisfaction, substitution of trustee, easement, dog license, marriage
20 license or military discharge record that is in the possession of the county
21 clerk; or

22 “(B) Any public record of a public body other than the county clerk.

23 “(b) The individual claiming the exemption from disclosure must be a
24 district attorney, a deputy district attorney, the Attorney General or an as-
25 sistant attorney general, the United States Attorney for the District of
26 Oregon or an assistant United States attorney for the District of Oregon, a
27 city attorney who engages in the prosecution of criminal matters or a deputy
28 city attorney who engages in the prosecution of criminal matters.

29 “(c) The individual claiming the exemption from disclosure must do so by
30 filing the claim in writing with the public body for which the exemption from

1 disclosure is being claimed on a form prescribed by the public body. Unless
2 the claim is filed with the county clerk, the claim form shall list the public
3 records in the possession of the public body to which the exemption applies.
4 The exemption applies until the individual claiming the exemption requests
5 termination of the exemption or ceases to qualify for the exemption.

6 “(33) Land management plans required for voluntary stewardship agree-
7 ments entered into under ORS 541.423.

8 “(34) Sensitive business records or financial or commercial information
9 of the State Accident Insurance Fund Corporation that is not customarily
10 provided to business competitors. This exemption does not:

11 “(a) Apply to the formulas for determining dividends to be paid to em-
12 ployers insured by the State Accident Insurance Fund Corporation;

13 “(b) Apply to contracts for advertising, public relations or lobbying ser-
14 vices or to documents related to the formation of such contracts;

15 “(c) Apply to group insurance contracts or to documents relating to the
16 formation of such contracts, except that employer account records shall re-
17 main exempt from disclosure as provided in ORS 192.502 (35); or

18 “(d) Provide the basis for opposing the discovery of documents in liti-
19 gation pursuant to the applicable rules of civil procedure.

20 “(35) Records of the Department of Public Safety Standards and Training
21 relating to investigations conducted under ORS 181.662 or 181.878 (6), until
22 the department issues the report described in ORS 181.662 or 181.878.

23 “(36) A medical examiner’s report, autopsy report or laboratory test report
24 ordered by a medical examiner under ORS 146.117.

25 “(37) Any document or other information related to an audit of a public
26 body, as defined in ORS 174.109, that is in the custody of an auditor or audit
27 organization operating under nationally recognized government auditing
28 standards, until the auditor or audit organization issues a final audit report
29 in accordance with those standards or the audit is abandoned. This ex-
30 emption does not prohibit disclosure of a draft audit report that is provided

1 to the audited entity for the entity's response to the audit findings.

2 **SECTION 108.** ORS 192.501, as amended by section 3, chapter 455,
3 Oregon Laws 2005, section 7, chapter 608, Oregon Laws 2007, section 2,
4 chapter 687, Oregon Laws 2007, section 2, chapter 48, Oregon Laws 2008,
5 section 3, chapter 57, Oregon Laws 2009, section 2, chapter 135, Oregon Laws
6 2009, section 4, chapter 222, Oregon Laws 2009, section 2, chapter 769, Oregon
7 Laws 2009, section 15, chapter 9, Oregon Laws 2011, section 2, chapter 285,
8 Oregon Laws 2011, and section 69, chapter 637, Oregon Laws 2011, is
9 amended to read:

10 "192.501. The following public records are exempt from disclosure under
11 ORS 192.410 to 192.505 unless the public interest requires disclosure in the
12 particular instance:

13 "(1) Records of a public body pertaining to litigation to which the public
14 body is a party if the complaint has been filed, or if the complaint has not
15 been filed, if the public body shows that such litigation is reasonably likely
16 to occur. This exemption does not apply to litigation which has been con-
17 cluded, and nothing in this subsection shall limit any right or opportunity
18 granted by discovery or deposition statutes to a party to litigation or po-
19 tential litigation.

20 "(2) Trade secrets. 'Trade secrets,' as used in this section, may include,
21 but are not limited to, any formula, plan, pattern, process, tool, mechanism,
22 compound, procedure, production data, or compilation of information which
23 is not patented, which is known only to certain individuals within an or-
24 ganization and which is used in a business it conducts, having actual or
25 potential commercial value, and which gives its user an opportunity to ob-
26 tain a business advantage over competitors who do not know or use it.

27 "(3) Investigatory information compiled for criminal law purposes. The
28 record of an arrest or the report of a crime shall be disclosed unless and only
29 for so long as there is a clear need to delay disclosure in the course of a
30 specific investigation, including the need to protect the complaining party

1 or the victim. Nothing in this subsection shall limit any right constitu-
2 tionally guaranteed, or granted by statute, to disclosure or discovery in
3 criminal cases. For purposes of this subsection, the record of an arrest or the
4 report of a crime includes, but is not limited to:

5 “(a) The arrested person’s name, age, residence, employment, marital sta-
6 tus and similar biographical information;

7 “(b) The offense with which the arrested person is charged;

8 “(c) The conditions of release pursuant to ORS 135.230 to 135.290;

9 “(d) The identity of and biographical information concerning both com-
10 plaining party and victim;

11 “(e) The identity of the investigating and arresting agency and the length
12 of the investigation;

13 “(f) The circumstances of arrest, including time, place, resistance, pursuit
14 and weapons used; and

15 “(g) Such information as may be necessary to enlist public assistance in
16 apprehending fugitives from justice.

17 “(4) Test questions, scoring keys, and other data used to administer a li-
18 censing examination, employment, academic or other examination or testing
19 procedure before the examination is given and if the examination is to be
20 used again. Records establishing procedures for and instructing persons ad-
21 ministering, grading or evaluating an examination or testing procedure are
22 included in this exemption, to the extent that disclosure would create a risk
23 that the result might be affected.

24 “(5) Information consisting of production records, sale or purchase records
25 or catch records, or similar business records of a private concern or enter-
26 prise, required by law to be submitted to or inspected by a governmental
27 body to allow it to determine fees or assessments payable or to establish
28 production quotas, and the amounts of such fees or assessments payable or
29 paid, to the extent that such information is in a form which would permit
30 identification of the individual concern or enterprise. This exemption does

1 not include records submitted by long term care facilities as defined in ORS
2 442.015 to the state for purposes of reimbursement of expenses or determining
3 fees for patient care. Nothing in this subsection shall limit the use which
4 can be made of such information for regulatory purposes or its admissibility
5 in any enforcement proceeding.

6 “(6) Information relating to the appraisal of real estate prior to its ac-
7 quisition.

8 “(7) The names and signatures of employees who sign authorization cards
9 or petitions for the purpose of requesting representation or decertification
10 elections.

11 “(8) Investigatory information relating to any complaint filed under ORS
12 659A.820 or 659A.825, until such time as the complaint is resolved under ORS
13 659A.835, or a final order is issued under ORS 659A.850.

14 “(9) Investigatory information relating to any complaint or charge filed
15 under ORS 243.676 and 663.180.

16 “(10) Records, reports and other information received or compiled by the
17 Director of the Department of Consumer and Business Services under ORS
18 697.732.

19 “(11) Information concerning the location of archaeological sites or ob-
20 jects as those terms are defined in ORS 358.905, except if the governing body
21 of an Indian tribe requests the information and the need for the information
22 is related to that Indian tribe’s cultural or religious activities. This ex-
23 emption does not include information relating to a site that is all or part
24 of an existing, commonly known and publicized tourist facility or attraction.

25 “(12) A personnel discipline action, or materials or documents supporting
26 that action.

27 “(13) Information developed pursuant to ORS 496.004, 496.172 and 498.026
28 or ORS 496.192 and 564.100, regarding the habitat, location or population of
29 any threatened species or endangered species.

30 “(14) Writings prepared by or under the direction of faculty of public ed-

1 ucational institutions, in connection with research, until publicly released,
2 copyrighted or patented.

3 “(15) Computer programs developed or purchased by or for any public
4 body for its own use. As used in this subsection, ‘computer program’ means
5 a series of instructions or statements which permit the functioning of a
6 computer system in a manner designed to provide storage, retrieval and ma-
7 nipulation of data from such computer system, and any associated documen-
8 tation and source material that explain how to operate the computer
9 program. ‘Computer program’ does not include:

10 “(a) The original data, including but not limited to numbers, text, voice,
11 graphics and images;

12 “(b) Analyses, compilations and other manipulated forms of the original
13 data produced by use of the program; or

14 “(c) The mathematical and statistical formulas which would be used if the
15 manipulated forms of the original data were to be produced manually.

16 “(16) Data and information provided by participants to mediation under
17 ORS 36.256.

18 “(17) Investigatory information relating to any complaint or charge filed
19 under ORS chapter 654, until a final administrative determination is made
20 or, if a citation is issued, until an employer receives notice of any citation.

21 “(18) Specific operational plans in connection with an anticipated threat
22 to individual or public safety for deployment and use of personnel and
23 equipment, prepared or used by a public body, if public disclosure of the
24 plans would endanger an individual’s life or physical safety or jeopardize a
25 law enforcement activity.

26 “(19)(a) Audits or audit reports required of a telecommunications carrier.
27 As used in this paragraph, ‘audit or audit report’ means any external or
28 internal audit or audit report pertaining to a telecommunications carrier, as
29 defined in ORS 133.721, or pertaining to a corporation having an affiliated
30 interest, as defined in ORS 759.390, with a telecommunications carrier that

1 is intended to make the operations of the entity more efficient, accurate or
2 compliant with applicable rules, procedures or standards, that may include
3 self-criticism and that has been filed by the telecommunications carrier or
4 affiliate under compulsion of state law. ‘Audit or audit report’ does not mean
5 an audit of a cost study that would be discoverable in a contested case pro-
6 ceeding and that is not subject to a protective order; and

7 “(b) Financial statements. As used in this paragraph, ‘financial
8 statement’ means a financial statement of a nonregulated corporation having
9 an affiliated interest, as defined in ORS 759.390, with a telecommunications
10 carrier, as defined in ORS 133.721.

11 “(20) The residence address of an elector if authorized under ORS 247.965
12 and subject to ORS 247.967.

13 “(21) The following records, communications and information submitted
14 to a housing authority as defined in ORS 456.005, or to an urban renewal
15 agency as defined in ORS 457.010, by applicants for and recipients of loans,
16 grants and tax credits:

17 “(a) Personal and corporate financial statements and information, in-
18 cluding tax returns;

19 “(b) Credit reports;

20 “(c) Project appraisals;

21 “(d) Market studies and analyses;

22 “(e) Articles of incorporation, partnership agreements and operating
23 agreements;

24 “(f) Commitment letters;

25 “(g) Project pro forma statements;

26 “(h) Project cost certifications and cost data;

27 “(i) Audits;

28 “(j) Project tenant correspondence requested to be confidential;

29 “(k) Tenant files relating to certification; and

30 “(L) Housing assistance payment requests.

1 “(22) Records or information that, if disclosed, would allow a person to:

2 “(a) Gain unauthorized access to buildings or other property;

3 “(b) Identify those areas of structural or operational vulnerability that
4 would permit unlawful disruption to, or interference with, services; or

5 “(c) Disrupt, interfere with or gain unauthorized access to public funds
6 or to information processing, communication or telecommunication systems,
7 including the information contained in the systems, that are used or operated
8 by a public body.

9 “(23) Records or information that would reveal or otherwise identify se-
10 curity measures, or weaknesses or potential weaknesses in security measures,
11 taken or recommended to be taken to protect:

12 “(a) An individual;

13 “(b) Buildings or other property;

14 “(c) Information processing, communication or telecommunication sys-
15 tems, including the information contained in the systems; or

16 “(d) Those operations of the Oregon State Lottery the security of which
17 are subject to study and evaluation under ORS 461.180 (6).

18 “(24) Personal information held by or under the direction of officials of
19 the Oregon Health and Science University, **a public university listed in**
20 **ORS 352.002** or the Oregon University System about a person who has or
21 who is interested in donating money or property to the **Oregon Health and**
22 **Science** University, the system or a public university [*listed in ORS*
23 *352.002*], if the information is related to the family of the person, personal
24 assets of the person or is incidental information not related to the donation.

25 “(25) The home address, professional address and telephone number of a
26 person who has or who is interested in donating money or property to the
27 Oregon University System **or a public university listed in ORS 352.002.**

28 “(26) Records of the name and address of a person who files a report with
29 or pays an assessment to a commodity commission established under ORS
30 576.051 to 576.455, the Oregon Beef Council created under ORS 577.210 or the

1 Oregon Wheat Commission created under ORS 578.030.

2 “(27) Information provided to, obtained by or used by a public body to
3 authorize, originate, receive or authenticate a transfer of funds, including
4 but not limited to a credit card number, payment card expiration date,
5 password, financial institution account number and financial institution
6 routing number.

7 “(28) Social Security numbers as provided in ORS 107.840.

8 “(29) The electronic mail address of a student who attends a public uni-
9 versity listed in ORS 352.002 or Oregon Health and Science University.

10 “(30) If requested by a public safety officer, as defined in ORS 181.610:

11 “(a) The home address and home telephone number of the public safety
12 officer contained in the voter registration records for the public safety offi-
13 cer.

14 “(b) The home address and home telephone number of the public safety
15 officer contained in records of the Department of Public Safety Standards
16 and Training.

17 “(c) The name of the public safety officer contained in county real prop-
18 erty assessment or taxation records. This exemption:

19 “(A) Applies only to the name of the public safety officer and any other
20 owner of the property in connection with a specific property identified by the
21 officer in a request for exemption from disclosure;

22 “(B) Applies only to records that may be made immediately available to
23 the public upon request in person, by telephone or using the Internet;

24 “(C) Applies until the public safety officer requests termination of the
25 exemption;

26 “(D) Does not apply to disclosure of records among public bodies as de-
27 fined in ORS 174.109 for governmental purposes; and

28 “(E) May not result in liability for the county if the name of the public
29 safety officer is disclosed after a request for exemption from disclosure is
30 made under this subsection.

1 “(31) Unless the public records request is made by a financial institution,
2 as defined in ORS 706.008, consumer finance company licensed under ORS
3 chapter 725, mortgage banker or mortgage broker licensed under ORS
4 86A.095 to 86A.198, or title company for business purposes, records described
5 in paragraph (a) of this subsection, if the exemption from disclosure of the
6 records is sought by an individual described in paragraph (b) of this sub-
7 section using the procedure described in paragraph (c) of this subsection:

8 “(a) The home address, home or cellular telephone number or personal
9 electronic mail address contained in the records of any public body that has
10 received the request that is set forth in:

11 “(A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance,
12 release, satisfaction, substitution of trustee, easement, dog license, marriage
13 license or military discharge record that is in the possession of the county
14 clerk; or

15 “(B) Any public record of a public body other than the county clerk.

16 “(b) The individual claiming the exemption from disclosure must be a
17 district attorney, a deputy district attorney, the Attorney General or an as-
18 sistant attorney general, the United States Attorney for the District of
19 Oregon or an assistant United States attorney for the District of Oregon, a
20 city attorney who engages in the prosecution of criminal matters or a deputy
21 city attorney who engages in the prosecution of criminal matters.

22 “(c) The individual claiming the exemption from disclosure must do so by
23 filing the claim in writing with the public body for which the exemption from
24 disclosure is being claimed on a form prescribed by the public body. Unless
25 the claim is filed with the county clerk, the claim form shall list the public
26 records in the possession of the public body to which the exemption applies.
27 The exemption applies until the individual claiming the exemption requests
28 termination of the exemption or ceases to qualify for the exemption.

29 “(32) Land management plans required for voluntary stewardship agree-
30 ments entered into under ORS 541.423.

1 “(33) Sensitive business records or financial or commercial information
2 of the State Accident Insurance Fund Corporation that is not customarily
3 provided to business competitors. This exemption does not:

4 “(a) Apply to the formulas for determining dividends to be paid to em-
5 ployers insured by the State Accident Insurance Fund Corporation;

6 “(b) Apply to contracts for advertising, public relations or lobbying ser-
7 vices or to documents related to the formation of such contracts;

8 “(c) Apply to group insurance contracts or to documents relating to the
9 formation of such contracts, except that employer account records shall re-
10 main exempt from disclosure as provided in ORS 192.502 (35); or

11 “(d) Provide the basis for opposing the discovery of documents in liti-
12 gation pursuant to the applicable rules of civil procedure.

13 “(34) Records of the Department of Public Safety Standards and Training
14 relating to investigations conducted under ORS 181.662 or 181.878 (6), until
15 the department issues the report described in ORS 181.662 or 181.878.

16 “(35) A medical examiner’s report, autopsy report or laboratory test report
17 ordered by a medical examiner under ORS 146.117.

18 “(36) Any document or other information related to an audit of a public
19 body, as defined in ORS 174.109, that is in the custody of an auditor or audit
20 organization operating under nationally recognized government auditing
21 standards, until the auditor or audit organization issues a final audit report
22 in accordance with those standards or the audit is abandoned. This ex-
23 emption does not prohibit disclosure of a draft audit report that is provided
24 to the audited entity for the entity’s response to the audit findings.

25 **“SECTION 109.** ORS 238.005, as amended by section 30, chapter 54,
26 Oregon Laws 2012, is amended to read:

27 “238.005. For purposes of this chapter:

28 “(1) ‘Active member’ means a member who is presently employed by a
29 participating public employer in a qualifying position and who has completed
30 the six-month period of service required by ORS 238.015.

1 “(2) ‘Annuity’ means payments for life derived from contributions made
2 by a member as provided in this chapter.

3 “(3) ‘Board’ means the Public Employees Retirement Board.

4 “(4) ‘Calendar year’ means 12 calendar months commencing on January
5 1 and ending on December 31 following.

6 “(5) ‘Continuous service’ means service not interrupted for more than five
7 years, except that such continuous service shall be computed without regard
8 to interruptions in the case of:

9 “(a) An employee who had returned to the service of the employer as of
10 January 1, 1945, and who remained in that employment until having estab-
11 lished membership in the Public Employees Retirement System.

12 “(b) An employee who was in the armed services on January 1, 1945, and
13 returned to the service of the employer within one year of the date of being
14 otherwise than dishonorably discharged and remained in that employment
15 until having established membership in the Public Employees Retirement
16 System.

17 “(6) ‘Creditable service’ means any period of time during which an active
18 member is being paid a salary by a participating public employer and for
19 which benefits under this chapter are funded by employer contributions and
20 earnings on the fund. For purposes of computing years of ‘creditable
21 service,’ full months and major fractions of a month shall be considered to
22 be one-twelfth of a year and shall be added to all full years. ‘Creditable
23 service’ includes all retirement credit received by a member.

24 “(7) ‘Earliest service retirement age’ means the age attained by a member
25 when the member could first make application for retirement under the pro-
26 visions of ORS 238.280.

27 “(8) ‘Employee’ includes, in addition to employees, public officers, but
28 does not include:

29 “(a) Persons engaged as independent contractors.

30 “(b) Seasonal, emergency or casual workers whose periods of employment

1 with any public employer or public employers do not total 600 hours in any
2 calendar year.

3 “(c) Persons, other than workers in the Oregon Industries for the Blind
4 under ORS 346.190, provided sheltered employment or made-work by a public
5 employer in an employment or industries program maintained for the benefit
6 of such persons.

7 “(d) Persons employed and paid from federal funds received under a fed-
8 eral program intended primarily to alleviate unemployment. However, any
9 such person shall be considered an ‘employee’ if not otherwise excluded by
10 paragraphs (a) to (c) of this subsection and the public employer elects to
11 have the person so considered by an irrevocable written notice to the board.

12 “(e) Persons who are employees of a railroad, as defined in ORS 824.020,
13 and who, as such employees, are included in a retirement plan under federal
14 railroad retirement statutes. This paragraph shall be deemed to have been
15 in effect since the inception of the system.

16 “(9) ‘Final average salary’ means whichever of the following is greater:

17 “(a) The average salary per calendar year paid by one or more partic-
18 ipating public employers to an employee who is an active member of the
19 system in three of the calendar years of membership before the effective date
20 of retirement of the employee, in which three years the employee was paid
21 the highest salary. The three calendar years in which the employee was paid
22 the largest total salary may include calendar years in which the employee
23 was employed for less than a full calendar year. If the number of calendar
24 years of active membership before the effective date of retirement of the
25 employee is three or fewer, the final average salary for the employee is the
26 average salary per calendar year paid by one or more participating public
27 employers to the employee in all of those years, without regard to whether
28 the employee was employed for the full calendar year.

29 “(b) One-third of the total salary paid by a participating public employer
30 to an employee who is an active member of the system in the last 36 calendar

1 months of active membership before the effective date of retirement of the
2 employee.

3 “(10) ‘Firefighter’ does not include a volunteer firefighter, but does in-
4 clude:

5 “(a) The State Fire Marshal, the chief deputy fire marshal and deputy
6 state fire marshals; and

7 “(b) An employee of the State Forestry Department who is certified by the
8 State Forester as a professional wildland firefighter and whose primary du-
9 ties include the abatement of uncontrolled fires as described in ORS 477.064.

10 “(11) ‘Fiscal year’ means 12 calendar months commencing on July 1 and
11 ending on June 30 following.

12 “(12) ‘Fund’ means the Public Employees Retirement Fund.

13 “(13) ‘Inactive member’ means a member who is not employed in a quali-
14 fying position, whose membership has not been terminated in the manner
15 described by ORS 238.095 and who is not retired for service or disability.

16 “(14) ‘Institution of higher education’ means a public university listed in
17 ORS 352.002, the Oregon Health and Science University and a community
18 college, as defined in ORS 341.005.

19 “(15) ‘Member’ means a person who has established membership in the
20 system and whose membership has not been terminated as described in ORS
21 238.095. ‘Member’ includes active, inactive and retired members.

22 “(16) ‘Member account’ means the regular account and the variable ac-
23 count.

24 “(17) ‘Normal retirement age’ means:

25 “(a) For a person who establishes membership in the system before Jan-
26 uary 1, 1996, as described in ORS 238.430, 55 years of age if the employee
27 retires at that age as a police officer or firefighter or 58 years of age if the
28 employee retires at that age as other than a police officer or firefighter.

29 “(b) For a person who establishes membership in the system on or after
30 January 1, 1996, as described in ORS 238.430, 55 years of age if the employee

1 retires at that age as a police officer or firefighter or 60 years of age if the
2 employee retires at that age as other than a police officer or firefighter.

3 “(18) ‘Pension’ means annual payments for life derived from contributions
4 by one or more public employers.

5 “(19) ‘Police officer’ includes:

6 “(a) Employees of institutions defined in ORS 421.005 as Department of
7 Corrections institutions whose duties, as assigned by the Director of the
8 Department of Corrections, include the custody of persons committed to the
9 custody of or transferred to the Department of Corrections and employees
10 of the Department of Corrections who were classified as police officers on
11 or before July 27, 1989, whether or not such classification was authorized
12 by law.

13 “(b) Employees of the Department of State Police who are classified as
14 police officers by the Superintendent of State Police.

15 “(c) Employees of the Oregon Liquor Control Commission who are clas-
16 sified as liquor enforcement inspectors by the administrator of the commis-
17 sion.

18 “(d) Sheriffs and those deputy sheriffs or other employees of a sheriff
19 whose duties, as classified by the sheriff, are the regular duties of police
20 officers or corrections officers.

21 “(e) Police chiefs and police personnel of a city who are classified as po-
22 lice officers by the council or other governing body of the city.

23 “(f) Police officers who are commissioned by a university under ORS
24 352.383 and who are classified as police officers by the university.

25 “(g) Parole and probation officers employed by the Department of Cor-
26 rections, parole and probation officers who are transferred to county em-
27 ployment under ORS 423.549 and adult parole and probation officers, as
28 defined in ORS 181.610, who are classified as police officers for the purposes
29 of this chapter by the county governing body. If a county classifies adult
30 parole and probation officers as police officers for the purposes of this

1 chapter, and the employees so classified are represented by a labor organ-
2 ization, any proposal by the county to change that classification or to cease
3 to classify adult parole and probation officers as police officers for the pur-
4 poses of this chapter is a mandatory subject of bargaining.

5 “(h) Police officers appointed under ORS 276.021 or 276.023.

6 “(i) Employees of the Port of Portland who are classified as airport police
7 by the Board of Commissioners of the Port of Portland.

8 “(j) Employees of the State Department of Agriculture who are classified
9 as livestock police officers by the Director of Agriculture.

10 “(k) Employees of the Department of Public Safety Standards and Train-
11 ing who are classified by the department as other than secretarial or clerical
12 personnel.

13 “(L) Investigators of the Criminal Justice Division of the Department of
14 Justice.

15 “(m) Corrections officers as defined in ORS 181.610.

16 “(n) Employees of the Oregon State Lottery Commission who are classi-
17 fied by the Director of the Oregon State Lottery as enforcement agents pur-
18 suant to ORS 461.110.

19 “(o) The Director of the Department of Corrections.

20 “(p) An employee who for seven consecutive years has been classified as
21 a police officer as defined by this section, and who is employed or transferred
22 by the Department of Corrections to fill a position designated by the Direc-
23 tor of the Department of Corrections as being eligible for police officer sta-
24 tus.

25 “(q) An employee of the Department of Corrections classified as a police
26 officer on or prior to July 27, 1989, whether or not that classification was
27 authorized by law, as long as the employee remains in the position held on
28 July 27, 1989. The initial classification of an employee under a system im-
29 plemented pursuant to ORS 240.190 does not affect police officer status.

30 “(r) Employees of a school district who are appointed and duly sworn

1 members of a law enforcement agency of the district as provided in ORS
2 332.531 or otherwise employed full-time as police officers commissioned by
3 the district.

4 “(s) Employees at youth correction facilities and juvenile detention facil-
5 ities under ORS 419A.050, 419A.052 and 420.005 to 420.915 who are required
6 to hold valid Oregon teaching licenses and who have supervisory, control or
7 teaching responsibilities over juveniles committed to the custody of the De-
8 partment of Corrections or the Oregon Youth Authority.

9 “(t) Employees at youth correction facilities as defined in ORS 420.005
10 whose primary job description involves the custody, control, treatment, in-
11 vestigation or supervision of juveniles placed in such facilities.

12 “(u) Employees of the Oregon Youth Authority who are classified as ju-
13 venile parole and probation officers.

14 “(20) ‘Prior service credit’ means credit provided under ORS 238.442 or
15 under ORS 238.225 (2) to (6) (1999 Edition).

16 “(21) ‘Public employer’ means the state, one of its agencies, any city,
17 county, or municipal or public corporation, any political subdivision of the
18 state or any instrumentality thereof, or an agency created by one or more
19 such governmental organizations to provide governmental services. For pur-
20 poses of this chapter, such agency created by one or more governmental or-
21 ganizations is a governmental instrumentality and a legal entity with power
22 to enter into contracts, hold property and sue and be sued.

23 “(22) ‘Qualifying position’ means one or more jobs with one or more par-
24 ticipating public employers in which an employee performs 600 or more hours
25 of service in a calendar year, excluding any service in a job for which a
26 participating public employer does not provide benefits under this chapter
27 pursuant to an application made under ORS 238.035.

28 “(23) ‘Regular account’ means the account established for each active and
29 inactive member under ORS 238.250.

30 “(24) ‘Retired member’ means a member who is retired for service or dis-

1 ability.

2 “(25) ‘Retirement credit’ means a period of time that is treated as credit-
3 able service for the purposes of this chapter.

4 “(26)(a) ‘Salary’ means the remuneration paid an employee in cash out of
5 the funds of a public employer in return for services to the employer, plus
6 the monetary value, as determined by the Public Employees Retirement
7 Board, of whatever living quarters, board, lodging, fuel, laundry and other
8 advantages the employer furnishes the employee in return for services.

9 “(b) ‘Salary’ includes but is not limited to:

10 “(A) Payments of employee and employer money into a deferred compen-
11 sation plan, which are deemed salary paid in each month of deferral;

12 “(B) The amount of participation in a tax-sheltered or deferred annuity,
13 which is deemed salary paid in each month of participation;

14 “(C) Retroactive payments described in ORS 238.008; and

15 “(D) Wages of a deceased member paid to a surviving spouse or dependent
16 children under ORS 652.190.

17 “(c) ‘Salary’ or ‘other advantages’ does not include:

18 “(A) Travel or any other expenses incidental to employer’s business which
19 is reimbursed by the employer;

20 “(B) Payments for insurance coverage by an employer on behalf of em-
21 ployee or employee and dependents, for which the employee has no cash op-
22 tion;

23 “(C) Payments made on account of an employee’s death;

24 “(D) Any lump sum payment for accumulated unused sick leave;

25 “(E) Any accelerated payment of an employment contract for a future
26 period or an advance against future wages;

27 “(F) Any retirement incentive, retirement severance pay, retirement bonus
28 or retirement gratuitous payment;

29 “(G) Payments for periods of leave of absence after the date the employer
30 and employee have agreed that no future services qualifying pursuant to ORS

1 238.015 (3) will be performed, except for sick leave and vacation;

2 “(H) Payments for instructional services rendered to public universities
3 [*of the Oregon University System*] **listed in ORS 352.002** or the Oregon
4 Health and Science University when such services are in excess of full-time
5 employment subject to this chapter. A person employed under a contract for
6 less than 12 months is subject to this subparagraph only for the months to
7 which the contract pertains; or

8 “(I) Payments made by an employer for insurance coverage provided to a
9 domestic partner of an employee.

10 “(27) ‘School year’ means the period beginning July 1 and ending June 30
11 next following.

12 “(28) ‘System’ means the Public Employees Retirement System.

13 “(29) ‘Variable account’ means the account established for a member who
14 participates in the Variable Annuity Account under ORS 238.260.

15 “(30) ‘Vested’ means being an active member of the system in each of five
16 calendar years.

17 “(31) ‘Volunteer firefighter’ means a firefighter whose position normally
18 requires less than 600 hours of service per year.

19 **“SECTION 110.** ORS 238.200 is amended to read:

20 “238.200. (1)(a) An active member of the Public Employees Retirement
21 System shall contribute to the Public Employees Retirement Fund and there
22 shall be withheld from salary of the member six percent of that salary as an
23 employee contribution.

24 “(b) Notwithstanding paragraph (a) of this subsection, an employee who
25 is an active member of the system on August 21, 1981, shall contribute to the
26 fund and there shall be withheld from salary of the member, as long as the
27 employee continues to be an active member of the system, four percent of
28 that salary if the salary for a month is less than \$500, or five percent of that
29 salary if the salary for a month is \$500 or more and less than \$1,000. Not-
30 withstanding subsection (2) of this section, for the purpose of computing the

1 percentage of salary to be withheld under this paragraph from a member who
2 is an employee of a school district or [*of the State Board of Higher*
3 *Education*] **a public university listed in ORS 352.002** whose salary is based
4 on an annual agreement, the agreed annual salary of the member shall be
5 divided into 12 equal installments, and each installment shall be considered
6 as earned and paid in separate, consecutive months, commencing with the
7 first month that payment is actually made under the terms of the salary
8 agreement.

9 “(2) The contributions of each member as provided in subsection (1) of
10 this section shall be deducted by the employer from each payroll and trans-
11 mitted by the employer to the Public Employees Retirement Board, which
12 shall cause them to be credited to the member account of the member. Salary
13 shall be considered earned in the month in which it is paid. The date in-
14 scribed on the paycheck or warrant shall be considered as the pay date, re-
15 gardless of when the salary is actually delivered to the member.

16 “(3) An active member who is concurrently employed by more than one
17 participating public employer, and who is a member of or entitled to mem-
18 bership in the system, shall make contributions to the fund on the basis of
19 salary paid by each employer.

20 “(4) Notwithstanding subsections (1) to (3) of this section, a member of
21 the system, or a participating employer acting on behalf of the member pur-
22 suant to ORS 238.205, is not permitted or required to make employee contri-
23 butions to the fund for service performed on or after January 1, 2004. This
24 subsection does not affect any contribution for the purpose of unit purchases
25 under ORS 238.440 or amounts paid for acquisition of creditable service un-
26 der ORS 238.105 to 238.175.

27 **“SECTION 111.** ORS 238.215 is amended to read:

28 “238.215. Notwithstanding any other provision of this chapter:

29 “(1) An employee, as defined in ORS 243.910 (2), who is an active member
30 of the system and who has elected, and not canceled that election, to be as-

1 sisted **under ORS 243.920 (1)** by the State Board of Higher Education [*under*
2 *ORS 243.920 (1), shall*] **or governing board of a public university with a**
3 **governing board listed in section 3 of this 2013 Act, may** not contribute
4 to the fund on any part of the annual salary of the employee in excess of
5 \$4,800 at any time during which the [*State Board of Higher Education*] **board**
6 assists the employee under ORS 243.920 (1).

7 “(2) The current service pension, whether for service or disability retire-
8 ment, under this chapter provided by the contributions of the employers of
9 such employee shall be:

10 “(a) If the State Board of Higher Education **or governing board** is as-
11 sisting such employee under ORS 243.920 (1) at the time of retirement, a
12 pension equal to the annuity provided by the employee’s accumulated con-
13 tributions to the fund.

14 “(b) If the [*State Board of Higher Education*] **board** is not assisting such
15 employee under ORS 243.920 (1) at the time of retirement, but previously so
16 assisted the employee:

17 “(A) For service before the date the [*State Board of Higher Education*]
18 **board** last ceased to assist the employee, a pension equal to the annuity
19 provided by the employee’s accumulated contributions to the fund before that
20 date.

21 “(B) For service on and after the date the [*State Board of Higher Educa-*
22 *tion*] **board** last ceased to so assist the employee, a pension computed as
23 provided in ORS 238.300 (2), but if the employee retires before reaching the
24 normal retirement age, actuarially reduced and computed on the then at-
25 tained age. For the purpose of computing the pension under this subpara-
26 graph, only the number of years of membership of the employee after the day
27 before that date and only the salary of the employee on which the employee
28 contributes to the fund for those years shall be considered.

29 “(3) Subsection (2) of this section does not apply to an employee, as de-
30 fined in ORS 243.910 (2), who is an active member of the system, who elected

1 to be assisted by the State Board of Higher Education **or governing board**
2 under ORS 243.920 (1) before January 1, 1968, who canceled that election
3 within the first 60 days of the calendar year 1968 as provided in ORS 243.940
4 (5) and who does not thereafter elect to be assisted by the [*State Board of*
5 *Higher Education*] **board** under ORS 243.920 (1).

6 “(4) Subsection (2) of this section does not apply to an employee, as de-
7 fined in ORS 243.910 (2), who is an active member of the system and has been
8 an active member of the system continuously since any date before January
9 1, 1968; who elected to be assisted by the State Board of Higher Education
10 **or governing board** under ORS 243.920 (1) before January 1, 1968; and who
11 cancels that election in any calendar year after 1968, but before the calendar
12 year in which the employee retires, as provided in ORS 243.940 (5) and does
13 not thereafter elect to be assisted by the [*State Board of Higher Education*]
14 **board** under ORS 243.920 (1). In this case the benefit, whether for service
15 or disability retirement, shall be computed as under ORS 238.300; however,
16 for service during periods in which the employee was assisted by the [*State*
17 *Board of Higher Education*] **board** under ORS 243.920 (1), a year of member-
18 ship as used in ORS 238.300 (2) shall be a portion of a year which is re-
19 presented by a fraction the numerator of which is \$4,800 and the denominator
20 of which is the salary earned by the employee in that year. However, in no
21 case shall the fraction be greater than one.

22 “**SECTION 112.** ORS 238A.005, as amended by section 1, chapter 31,
23 Oregon Laws 2012, is amended to read:

24 “238A.005. For the purposes of this chapter:

25 “(1) ‘Active member’ means a member of the pension program or the in-
26 dividual account program of the Oregon Public Service Retirement Plan who
27 is actively employed in a qualifying position.

28 “(2) ‘Actuarial equivalent’ means a payment or series of payments having
29 the same value as the payment or series of payments replaced, computed on
30 the basis of interest rate and mortality assumptions adopted by the board.

1 “(3) ‘Board’ means the Public Employees Retirement Board.

2 “(4) ‘Eligible employee’ means a person who performs services for a par-

3 ticipating public employer, including elected officials other than judges. ‘El-

4 igible employee’ does not include:

5 “(a) Persons engaged as independent contractors;

6 “(b) Aliens working under a training or educational visa;

7 “(c) Persons, other than workers in the Industries for the Blind Program

8 under ORS 346.190, provided sheltered employment or make-work by a public

9 employer;

10 “(d) Persons categorized by a participating public employer as student

11 employees;

12 “(e) Any person who is an inmate of a state institution;

13 “(f) Employees of foreign trade offices of the Oregon Business Develop-

14 ment Department who live and perform services in foreign countries under

15 the provisions of ORS 285A.075 (1)(g);

16 “(g) An employee actively participating in an alternative retirement pro-

17 gram established under ORS 353.250 or an optional retirement plan estab-

18 lished under ORS 341.551;

19 “(h) Employees of the Oregon University System **or a public university**

20 **listed in ORS 352.002** who are actively participating in an optional retire-

21 ment plan offered under ORS 243.800;

22 “(i) Any employee who belongs to a class of employees that was not eli-

23 gible on August 28, 2003, for membership in the system under the provisions

24 of ORS chapter 238 or other law;

25 “(j) Any person who belongs to a class of employees who are not eligible

26 to become members of the Oregon Public Service Retirement Plan under the

27 provisions of ORS 238A.070 (2);

28 “(k) Any person who is retired under ORS 238A.100 to 238A.245 or ORS

29 chapter 238 and who continues to receive retirement benefits while employed;

30 and

1 “(L) Judges.

2 “(5) ‘Firefighter’ means:

3 “(a) A person employed by a local government, as defined in ORS 174.116,
4 whose primary job duties include the fighting of fires;

5 “(b) The State Fire Marshal, the chief deputy state fire marshal and
6 deputy state fire marshals; and

7 “(c) An employee of the State Forestry Department who is certified by the
8 State Forester as a professional wildland firefighter and whose primary du-
9 ties include the abatement of uncontrolled fires as described in ORS 477.064.

10 “(6) ‘Fund’ means the Public Employees Retirement Fund.

11 “(7)(a) ‘Hour of service’ means:

12 “(A) An hour for which an eligible employee is directly or indirectly paid
13 or entitled to payment by a participating public employer for performance
14 of duties in a qualifying position; and

15 “(B) An hour of vacation, holiday, illness, incapacity, jury duty, military
16 duty or authorized leave during which an employee does not perform duties
17 but for which the employee is directly or indirectly paid or entitled to pay-
18 ment by a participating public employer for services in a qualifying position,
19 as long as the hour is within the number of hours regularly scheduled for
20 the performance of duties during the period of vacation, holiday, illness, in-
21 capacity, jury duty, military duty or authorized leave.

22 “(b) ‘Hour of service’ does not include any hour for which payment is
23 made or due under a plan maintained solely for the purpose of complying
24 with applicable workers’ compensation laws or unemployment compensation
25 laws.

26 “(8) ‘Inactive member’ means a member of the pension program or the
27 individual account program of the Oregon Public Service Retirement Plan
28 whose membership has not been terminated, who is not a retired member and
29 who is not employed in a qualifying position.

30 “(9) ‘Individual account program’ means the defined contribution individ-

1 ual account program of the Oregon Public Service Retirement Plan estab-
2 lished under ORS 238A.025.

3 “(10) ‘Institution of higher education’ means a public university listed in
4 ORS 352.002, the Oregon Health and Science University or a community
5 college, as defined in ORS 341.005.

6 “(11) ‘Member’ means an eligible employee who has established member-
7 ship in the pension program or the individual account program of the Oregon
8 Public Service Retirement Plan and whose membership has not been termi-
9 nated under ORS 238A.110 or 238A.310.

10 “(12) ‘Participating public employer’ means a public employer as defined
11 in ORS 238.005 that provides retirement benefits for employees of the public
12 employer under the system.

13 “(13) ‘Pension program’ means the defined benefit pension program of the
14 Oregon Public Service Retirement Plan established under ORS 238A.025.

15 “(14) ‘Police officer’ means a police officer as described in ORS 238.005.

16 “(15) ‘Qualifying position’ means one or more jobs with one or more par-
17 ticipating public employers in which an eligible employee performs 600 or
18 more hours of service in a calendar year, excluding any service in a job for
19 which benefits are not provided under the Oregon Public Service Retirement
20 Plan pursuant to ORS 238A.070 (2).

21 “(16) ‘Retired member’ means a pension program member who is receiving
22 a pension as provided in ORS 238A.180 to 238A.195.

23 “(17)(a) ‘Salary’ means the remuneration paid to an active member in re-
24 turn for services to the participating public employer, including
25 remuneration in the form of living quarters, board or other items of value,
26 to the extent the remuneration is includable in the employee’s taxable in-
27 come under Oregon law. Salary includes the additional amounts specified
28 in paragraph (b) of this subsection, but does not include the amounts speci-
29 fied in paragraph (c) of this subsection, regardless of whether those amounts
30 are includable in taxable income.

1 “(b) ‘Salary’ includes the following amounts:

2 “(A) Payments of employee and employer money into a deferred compen-
3 sation plan that are made at the election of the employee.

4 “(B) Contributions to a tax-sheltered or deferred annuity that are made
5 at the election of the employee.

6 “(C) Any amount that is contributed to a cafeteria plan or qualified
7 transportation fringe benefit plan by the employer at the election of the
8 employee and that is not includable in the taxable income of the employee
9 by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2011.

10 “(D) Any amount that is contributed to a cash or deferred arrangement
11 by the employer at the election of the employee and that is not included in
12 the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in
13 effect on December 31, 2011.

14 “(E) Retroactive payments described in ORS 238.008.

15 “(F) The amount of an employee contribution to the individual account
16 program that is paid by the employer and deducted from the compensation
17 of the employee, as provided under ORS 238A.335 (1) and (2)(a).

18 “(G) The amount of an employee contribution to the individual account
19 program that is not paid by the employer under ORS 238A.335.

20 “(H) Wages of a deceased member paid to a surviving spouse or dependent
21 children under ORS 652.190.

22 “(c) ‘Salary’ does not include the following amounts:

23 “(A) Travel or any other expenses incidental to employer’s business which
24 is reimbursed by the employer.

25 “(B) Payments made on account of an employee’s death.

26 “(C) Any lump sum payment for accumulated unused sick leave, vacation
27 leave or other paid leave.

28 “(D) Any severance payment, accelerated payment of an employment
29 contract for a future period or advance against future wages.

30 “(E) Any retirement incentive, retirement bonus or retirement gratuitous

1 payment.

2 “(F) Payment for a leave of absence after the date the employer and em-
3 ployee have agreed that no future services in a qualifying position will be
4 performed.

5 “(G) Payments for instructional services rendered to public universities
6 [*of the Oregon University System*] **listed in ORS 352.002** or the Oregon
7 Health and Science University when those services are in excess of full-time
8 employment subject to this chapter. A person employed under a contract for
9 less than 12 months is subject to this subparagraph only for the months
10 covered by the contract.

11 “(H) The amount of an employee contribution to the individual account
12 program that is paid by the employer and is not deducted from the compen-
13 sation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

14 “(I) Any amount in excess of \$200,000 for a calendar year. If any period
15 over which salary is determined is less than 12 months, the \$200,000 limita-
16 tion for that period shall be multiplied by a fraction, the numerator of which
17 is the number of months in the determination period and the denominator
18 of which is 12. The board shall adopt rules adjusting this dollar limit to in-
19 corporate cost-of-living adjustments authorized by the Internal Revenue Ser-
20 vice.

21 “(18) ‘System’ means the Public Employees Retirement System.

22 “**SECTION 113.** ORS 243.107 is amended to read:

23 “243.107. A person employed by a public university listed in ORS 352.002
24 or the Oregon Health and Science University may be considered an eligible
25 employee for participation in one of the group benefit plans described in ORS
26 243.135 if the State Board of Higher Education **or the governing board of**
27 **the public university**, or the Oregon Health and Science University Board
28 of Directors for Oregon Health and Science University employees, determines
29 that funds are available therefor and if:

30 “(1) Notwithstanding ORS 243.105 (4)(b)(F), the person is a student en-

1 rolled in an institution of higher education and is employed as a graduate
2 teaching assistant, graduate research assistant or a fellow at the institution
3 and elects to participate; or

4 “(2) Notwithstanding ORS 243.105 (4)(b)(B) or (C), the person is employed
5 on a less than half-time basis in an unclassified instructional or research
6 support capacity and elects to participate.

7 **“SECTION 114.** ORS 243.800 is amended to read:

8 “243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A
9 or ORS 243.910 to 243.945, the State Board of Higher Education **and the**
10 **governing board of a public university** shall establish and administer an
11 Optional Retirement Plan for administrative and academic employees of the
12 Oregon University System **or public university** who are eligible for mem-
13 bership in the Public Employees Retirement System. The Optional Retire-
14 ment Plan must be a qualified plan under the Internal Revenue Code, capable
15 of accepting funds transferred under subsection (7) of this section without
16 the transfer being treated as a taxable event under the Internal Revenue
17 Code, and willing to accept those funds. Retirement and death benefits shall
18 be provided under the plan by the purchase of annuity contracts, fixed or
19 variable or a combination thereof, or by contracts for investments in mutual
20 funds.

21 “(2) [*The State Board of Higher Education*] **Each board** shall select at
22 least two life insurance companies providing fixed and variable annuities and
23 at least two investment companies providing mutual funds, but not more
24 than five companies in total, for the purpose of providing benefits under the
25 Optional Retirement Plan. [*The State Board of Higher Education*] **Each**
26 **board** shall establish selection criteria for the purpose of this subsection.

27 “(3) An administrative or academic employee may make an irrevocable
28 election to participate in the Optional Retirement Plan within six months
29 after being employed. An election under this subsection is effective on the
30 first day of the month following six full months of employment.

1 “(4) An administrative or academic employee who does not elect to par-
2 ticipate in the Optional Retirement Plan:

3 “(a) Remains or becomes a member of the Public Employees Retirement
4 System in accordance with ORS chapters 238 and 238A; or

5 “(b) Continues to be assisted by the State Board of Higher Education **or**
6 **governing board** under ORS 243.920 if the employee is being so assisted.

7 “(5) Except as provided in subsection (6) of this section, employees who
8 elect to participate in the Optional Retirement Plan are ineligible for active
9 membership in the Public Employees Retirement System or for any assistance
10 by the State Board of Higher Education **or governing board** under ORS
11 243.920 as long as those employees are employed in the Oregon University
12 System **or public university** and the plan is in effect.

13 “(6)(a) An administrative or academic employee who elects to participate
14 in the Optional Retirement Plan, who has creditable service under ORS
15 chapter 238 as defined by ORS 238.005 and who is not vested shall be con-
16 sidered by the Public Employees Retirement Board to be a terminated mem-
17 ber under the provisions of ORS 238.095 as of the effective date of the
18 election, and the amount credited to the member account of the member shall
19 be transferred directly to the Optional Retirement Plan by the Public Em-
20 ployees Retirement Board in the manner provided by subsection (7) of this
21 section.

22 “(b) An administrative or academic employee who elects to participate in
23 the Optional Retirement Plan, who has creditable service under ORS chapter
24 238 as defined by ORS 238.005 and who is vested shall be considered to be
25 an inactive member by the Public Employees Retirement Board and shall
26 retain all the rights, privileges and options under ORS chapter 238 unless the
27 employee makes a written request to the Public Employees Retirement Board
28 for a transfer of the amounts credited to the member account of the member
29 to the Optional Retirement Plan. A request for a transfer must be made at
30 the time the member elects to participate in the Optional Retirement Plan.

1 Upon receiving the request, the Public Employees Retirement Board shall
2 transfer all amounts credited to the member account of the member directly
3 to the Optional Retirement Plan, and shall terminate all rights, privileges
4 and options of the employee under ORS chapter 238.

5 “(c) An administrative or academic employee who elects to participate in
6 the Optional Retirement Plan, and who is not a vested member of the pension
7 program of the Oregon Public Service Retirement Plan as described in ORS
8 238A.115 on the date that the election becomes effective, shall be considered
9 to be a terminated member of the pension program by the Public Employees
10 Retirement Board as of the effective date of the election.

11 “(d) An administrative or academic employee who elects to participate in
12 the Optional Retirement Plan, and who is a vested member of the pension
13 program of the Oregon Public Service Retirement Plan as described in ORS
14 238A.115 on the date that the election becomes effective, shall be considered
15 an inactive member of the pension program by the Public Employees Re-
16 tirement Board as of the effective date of the election. An employee who is
17 subject to the provisions of this paragraph retains all the rights, privileges
18 and options of an inactive member of the pension program. If the actuarial
19 equivalent of the employee’s benefit under the pension program at the time
20 that the election becomes effective is \$5,000 or less, the employee may make
21 a written request to the Public Employees Retirement Board for a transfer
22 of the employee’s interest under the pension program to the Optional Re-
23 tirement Plan. The request must be made at the time the member elects to
24 participate in the Optional Retirement Plan. Upon receiving the request, the
25 Public Employees Retirement Board shall transfer the amount determined to
26 be the actuarial equivalent of the employee’s benefit under the pension pro-
27 gram directly to the Optional Retirement Plan, and shall terminate the
28 membership of the employee in the pension program.

29 “(e) An administrative or academic employee who elects to participate in
30 the Optional Retirement Plan, and who is a vested member of the individual

1 account program of the Oregon Public Service Retirement Plan as described
2 in ORS 238A.320 on the date that the election becomes effective, shall be
3 considered an inactive member of the individual account program by the
4 Public Employees Retirement Board as of the effective date of the election.
5 An employee who is subject to the provisions of this paragraph retains all
6 the rights, privileges and options of an inactive member of the individual
7 account program. An administrative or academic employee who elects to
8 participate in the Optional Retirement Plan, and who is a member of the
9 individual account program of the Oregon Public Service Retirement Plan,
10 may make a written request to the Public Employees Retirement Board that
11 all amounts in the member's employee account, rollover account and em-
12 ployer account, to the extent the member is vested in those accounts under
13 ORS 238A.320, be transferred to the Optional Retirement Plan. The request
14 must be made at the time the member elects to participate in the Optional
15 Retirement Plan. Upon receiving the request, the Public Employees Retire-
16 ment Board shall transfer the amounts directly to the Optional Retirement
17 Plan, and shall terminate the membership of the employee in the individual
18 account program upon making the transfer.

19 “(f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the
20 Public Employees Retirement Board may not treat any employee as an inac-
21 tive member under the provisions of this subsection for the purpose of re-
22 ceiving any benefit under ORS chapter 238 or 238A that requires that the
23 employee be separated from all service with participating public employers
24 and with employers who are treated as part of a participating public
25 employer's controlled group under the federal laws and rules governing the
26 status of the system and the Public Employees Retirement Fund as a quali-
27 fied governmental retirement plan and trust.

28 “(7) Any amounts transferred from the Public Employees Retirement Fund
29 under subsection (6) of this section shall be transferred directly to the Op-
30 tional Retirement Plan by the Public Employees Retirement Board and may

1 not be made available to the employee.

2 “(8) An employee participating in the Optional Retirement Plan shall
3 contribute monthly an amount equal to the percentage of the employee’s
4 salary that the employee would otherwise have contributed as an employee
5 contribution to the Public Employees Retirement System if the employee had
6 not elected to participate in the Optional Retirement Plan.

7 “(9) The State Board of Higher Education **or governing board** shall
8 contribute monthly to the Optional Retirement Plan the percentage of salary
9 of each employee participating in the plan equal to the percentage of salary
10 that would otherwise have been contributed as an employer contribution on
11 behalf of the employee to the Public Employees Retirement System, before
12 any offset under ORS 238.229 (2), if the employee had not elected to partic-
13 ipate in the Optional Retirement Plan.

14 “(10) Both employee and employer contributions to an Optional Retire-
15 ment Plan shall be remitted directly to the companies that have issued an-
16 nuity contracts to the participating employees or directly to the mutual
17 funds.

18 “(11) Benefits under the Optional Retirement Plan are payable to em-
19 ployees who elect to participate in the plan and their beneficiaries by the
20 selected annuity provider or mutual fund in accordance with the terms of the
21 annuity contracts or the terms of the contract with the mutual fund. Em-
22 ployees electing to participate in the plan agree that benefits payable under
23 the plan are not obligations of the State of Oregon or of the Public Em-
24 ployees Retirement System.

25 **“SECTION 115.** ORS 243.820 is amended to read:

26 “243.820. (1) In order to obtain the advantages of 26 U.S.C. 403(b), or any
27 equivalent provision of federal law, an employer may agree with an employee
28 who performs services for an educational institution that:

29 “(a) The employee’s salary will be reduced monthly by a stated amount,
30 or the employee will forgo monthly a salary increase of a stated amount; and

1 “(b) On behalf of the employee, the employer shall contribute monthly an
2 amount equal to the stated amount determined under paragraph (a) of this
3 subsection as premiums for an annuity contract or to a custodial account for
4 investment in the stock of regulated investment companies as defined in 26
5 U.S.C. 403(b)(7)(C). The amount contributed by the employer under this
6 subsection may not exceed the stated amount.

7 “(2) Notwithstanding any other provision of law, pursuant to an agree-
8 ment under subsection (1) of this section, the stated amounts shall be for-
9 warded by the employer as annuity premiums to the company or association
10 with which it has entered into an annuity contract or to the regulated in-
11 vestment company or its transfer agent for the benefit of the employee.

12 “(3) An employer may make nonelective employer contributions on behalf
13 of an employee who performs services for an educational institution as pre-
14 miums for an annuity contract, or to a custodial account for investment in
15 the stock of regulated investment companies as defined in 26 U.S.C.
16 403(b)(7)(C), for the purpose of obtaining the advantages of 26 U.S.C. 403(b)
17 or any equivalent provision of federal law. Employer contributions under this
18 subsection are in addition to any employee contributions under subsection
19 (1) of this section.

20 “(4) As used in this section:

21 “(a) ‘Educational institution’ means an educational institution that
22 normally maintains a regular faculty and curriculum and normally has a
23 regularly organized body of students in attendance at the place where its
24 educational activities are carried on or an education service district.

25 “(b) ‘Employer’ means the State Board of Higher Education, any other
26 state agency, a community college district, a school district, **a public uni-**
27 **versity listed in ORS 352.002**, the Oregon Health and Science University
28 or an education service district employing an individual who performs ser-
29 vices for an educational institution.

30 “**SECTION 116.** ORS 243.850 is amended to read:

1 “243.850. (1) An eligible football coach and the State Board of Higher
2 Education **or the governing board of a public university** may enter into
3 an agreement to provide that:

4 “(a) The coach’s salary will be reduced monthly by a stated amount that
5 is not less than \$25 a month, or the coach will forgo monthly a salary in-
6 crease of a stated amount that is not less than \$25 a month; and

7 “(b) The [*State Board of Higher Education*] **board** will contribute monthly
8 an amount equal to the stated amount determined under paragraph (a) of this
9 subsection for the month to a designated qualified football coaches plan. The
10 amount contributed by the employer shall not exceed the stated amount.

11 “(2) The amount by which an eligible football coach’s salary or wages is
12 reduced by reason of the salary reduction or forgoing of a salary increase
13 authorized by subsection (1) of this section shall continue to be included as
14 regular compensation for the purpose of computing the retirement, pension
15 and Social Security benefits earned by the coach, but that amount shall not
16 be considered current taxable income for the purpose of computing federal
17 and state income taxes withheld on behalf of that coach.

18 “(3) For the purposes of this section:

19 “(a) ‘Eligible football coach’ means a staff member of [*the Oregon Uni-*
20 *versity System*] **a public university listed in ORS 352.002** who primarily
21 coaches football as a full-time employee of a four-year university described
22 in 26 U.S.C. 170(b)(1)(A)(ii).

23 “(b) ‘Qualified football coaches plan’ has the meaning given that term in
24 29 U.S.C. 1002(37).

25 **“SECTION 117.** ORS 243.910 is amended to read:

26 “243.910. As used in ORS 243.910 to 243.945:

27 “(1) ‘Board’ means the State Board of Higher Education for [*all*] public
28 universities listed in ORS [*352.002*] **351.011, the governing board of a**
29 **public university with a governing board listed in section 3 of this 2013**
30 **Act** and for the Oregon Health and Science University, [*means*] the Oregon

1 Health and Science University Board of Directors.

2 “(2) ‘Employees’ means the persons appointed or employed by or under the
3 authority of the board who hold academic rank as determined by the board.

4 “(3) ‘System’ means the Public Employees Retirement System established
5 by ORS 238.600.

6 **“SECTION 118.** ORS 244.050, as amended by sections 9 and 29, chapter
7 90, Oregon Laws 2012, is amended to read:

8 “244.050. (1) On or before April 15 of each year the following persons shall
9 file with the Oregon Government Ethics Commission a verified statement of
10 economic interest as required under this chapter:

11 “(a) The Governor, Secretary of State, State Treasurer, Attorney General,
12 Commissioner of the Bureau of Labor and Industries, district attorneys and
13 members of the Legislative Assembly.

14 “(b) Any judicial officer, including justices of the peace and municipal
15 judges, except any pro tem judicial officer who does not otherwise serve as
16 a judicial officer.

17 “(c) Any candidate for a public office designated in paragraph (a) or (b)
18 of this subsection.

19 “(d) The Deputy Attorney General.

20 “(e) The Legislative Administrator, the Legislative Counsel, the Legisla-
21 tive Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the
22 House of Representatives.

23 “(f) The Chancellor and Vice Chancellors of the Oregon University Sys-
24 tem and the president and vice presidents, or their administrative equiv-
25 alents, in each public university listed in ORS 352.002.

26 “(g) The following state officers:

27 “(A) Adjutant General.

28 “(B) Director of Agriculture.

29 “(C) Manager of State Accident Insurance Fund Corporation.

30 “(D) Water Resources Director.

- 1 “(E) Director of Department of Environmental Quality.
- 2 “(F) Director of Oregon Department of Administrative Services.
- 3 “(G) State Fish and Wildlife Director.
- 4 “(H) State Forester.
- 5 “(I) State Geologist.
- 6 “(J) Director of Human Services.
- 7 “(K) Director of the Department of Consumer and Business Services.
- 8 “(L) Director of the Department of State Lands.
- 9 “(M) State Librarian.
- 10 “(N) Administrator of Oregon Liquor Control Commission.
- 11 “(O) Superintendent of State Police.
- 12 “(P) Director of the Public Employees Retirement System.
- 13 “(Q) Director of Department of Revenue.
- 14 “(R) Director of Transportation.
- 15 “(S) Public Utility Commissioner.
- 16 “(T) Director of Veterans’ Affairs.
- 17 “(U) Executive director of Oregon Government Ethics Commission.
- 18 “(V) Director of the State Department of Energy.
- 19 “(W) Director and each assistant director of the Oregon State Lottery.
- 20 “(X) Director of the Department of Corrections.
- 21 “(Y) Director of the Oregon Department of Aviation.
- 22 “(Z) Executive director of the Oregon Criminal Justice Commission.
- 23 “(AA) Director of the Oregon Business Development Department.
- 24 “(BB) Director of the Office of Emergency Management.
- 25 “(CC) Director of the Employment Department.
- 26 “(DD) Chief of staff for the Governor.
- 27 “(EE) Administrator of the Office for Oregon Health Policy and Research.
- 28 “(FF) Director of the Housing and Community Services Department.
- 29 “(GG) State Court Administrator.
- 30 “(HH) Director of the Department of Land Conservation and Develop-

1 ment.

2 “(II) Board chairperson of the Land Use Board of Appeals.

3 “(JJ) State Marine Director.

4 “(KK) Executive director of the Oregon Racing Commission.

5 “(LL) State Parks and Recreation Director.

6 “(MM) Public defense services executive director.

7 “(NN) Chairperson of the Public Employees’ Benefit Board.

8 “(OO) Director of the Department of Public Safety Standards and Train-
9 ing.

10 “(PP) Chairperson of the Oregon Student Access Commission.

11 “(QQ) Executive director of the Oregon Watershed Enhancement Board.

12 “(RR) Director of the Oregon Youth Authority.

13 “(SS) Director of the Oregon Health Authority.

14 “(TT) Deputy Superintendent of Public Instruction.

15 “(h) Any assistant in the Governor’s office other than personal secretaries
16 and clerical personnel.

17 “(i) Every elected city or county official.

18 “(j) Every member of a city or county planning, zoning or development
19 commission.

20 “(k) The chief executive officer of a city or county who performs the du-
21 ties of manager or principal administrator of the city or county.

22 “(L) Members of local government boundary commissions formed under
23 ORS 199.410 to 199.519.

24 “(m) Every member of a governing body of a metropolitan service district
25 and the executive officer thereof.

26 “(n) Each member of the board of directors of the State Accident Insur-
27 ance Fund Corporation.

28 “(o) The chief administrative officer and the financial officer of each
29 common and union high school district, education service district and com-
30 munity college district.

- 1 “(p) Every member of the following state boards and commissions:
2 “(A) Board of Geologic and Mineral Industries.
3 “(B) Oregon Business Development Commission.
4 “(C) State Board of Education.
5 “(D) Environmental Quality Commission.
6 “(E) Fish and Wildlife Commission of the State of Oregon.
7 “(F) State Board of Forestry.
8 “(G) Oregon Government Ethics Commission.
9 “(H) Oregon Health Policy Board.
10 “(I) State Board of Higher Education.
11 “(J) Oregon Investment Council.
12 “(K) Land Conservation and Development Commission.
13 “(L) Oregon Liquor Control Commission.
14 “(M) Oregon Short Term Fund Board.
15 “(N) State Marine Board.
16 “(O) Mass transit district boards.
17 “(P) Energy Facility Siting Council.
18 “(Q) Board of Commissioners of the Port of Portland.
19 “(R) Employment Relations Board.
20 “(S) Public Employees Retirement Board.
21 “(T) Oregon Racing Commission.
22 “(U) Oregon Transportation Commission.
23 “(V) Wage and Hour Commission.
24 “(W) Water Resources Commission.
25 “(X) Workers’ Compensation Board.
26 “(Y) Oregon Facilities Authority.
27 “(Z) Oregon State Lottery Commission.
28 “(AA) Pacific Northwest Electric Power and Conservation Planning
29 Council.
30 “(BB) Columbia River Gorge Commission.

1 “(CC) Oregon Health and Science University Board of Directors.
2 “(DD) Capitol Planning Commission.
3 “(EE) Higher Education Coordinating Commission.
4 “(q) The following officers of the State Treasurer:
5 “(A) Deputy State Treasurer.
6 “(B) Chief of staff for the office of the State Treasurer.
7 “(C) Director of the Investment Division.
8 “(r) Every member of the board of commissioners of a port governed by
9 ORS 777.005 to 777.725 or 777.915 to 777.953.
10 “(s) Every member of the board of directors of an authority created under
11 ORS 441.525 to 441.595.
12 “(t) **Governing board of a public university with a governing board**
13 **listed in section 3 of this 2013 Act.**
14 “(2) By April 15 next after the date an appointment takes effect, every
15 appointed public official on a board or commission listed in subsection (1)
16 of this section shall file with the Oregon Government Ethics Commission a
17 statement of economic interest as required under ORS 244.060, 244.070 and
18 244.090.
19 “(3) By April 15 next after the filing deadline for the primary election,
20 each candidate described in subsection (1) of this section shall file with the
21 commission a statement of economic interest as required under ORS 244.060,
22 244.070 and 244.090.
23 “(4) Within 30 days after the filing deadline for the general election, each
24 candidate described in subsection (1) of this section who was not a candidate
25 in the preceding primary election, or who was nominated for public office
26 described in subsection (1) of this section at the preceding primary election
27 by write-in votes, shall file with the commission a statement of economic
28 interest as required under ORS 244.060, 244.070 and 244.090.
29 “(5) Subsections (1) to (4) of this section apply only to persons who are
30 incumbent, elected or appointed public officials as of April 15 and to persons

1 who are candidates on April 15. Subsections (1) to (4) of this section also
2 apply to persons who do not become candidates until 30 days after the filing
3 deadline for the statewide general election.

4 “(6) If a statement required to be filed under this section has not been
5 received by the commission within five days after the date the statement is
6 due, the commission shall notify the public official or candidate and give the
7 public official or candidate not less than 15 days to comply with the re-
8 quirements of this section. If the public official or candidate fails to comply
9 by the date set by the commission, the commission may impose a civil pen-
10 alty as provided in ORS 244.350.

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

12 “270.100. (1)(a) Before offering for sale any real property or equitable in-
13 terest therein owned by the state, the state agency acting for the state in
14 such transaction shall report its intent of sale or transfer to the Oregon
15 Department of Administrative Services. The department, or the agency spe-
16 cifically designated by the department, shall notify other state agencies au-
17 thorized to own real property of the intended sale or transfer to determine
18 whether acquisition of the real property or interest therein would be advan-
19 tageous to another state agency.

20 “(b) The department shall give political subdivisions, as defined in ORS
21 271.005, the first opportunity after other state agencies to acquire, purchase,
22 exchange or lease real property to be sold or disposed of by the State of
23 Oregon. The state agency responsible for selling or transferring the property
24 may require at the time of the sale or transfer that any state real property
25 sold or transferred to a political subdivision, as defined in ORS 271.005, shall
26 be for use for a public purpose or benefit, and not be for resale to a private
27 purchaser.

28 “(c) If property is not disposed of under paragraph (a) or (b) of this sub-
29 section, in accordance with rules adopted by the department, the state
30 agency desiring to sell or transfer the property shall cause it to be appraised

1 by one or more competent and experienced appraisers. Except as provided in
2 ORS 273.825, if such property has an appraised value exceeding \$5,000 it shall
3 not be sold to any private person except after notice calling for such pro-
4 posals as set forth in ORS 270.130.

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

7 “(2) Before acquisition of any real property or interest therein by any
8 state agency, except for highway right of way acquired by the Department
9 of Transportation and park properties acquired by the State Parks and Re-
10 creation Department and property within the approved projected campus
11 boundaries for public universities [*of the Oregon University System*] **listed**
12 **in ORS 352.002**, the state agency shall report its intent of acquisition to the
13 Oregon Department of Administrative Services. The department shall notify
14 other state agencies owning land of the intended acquisition to determine
15 whether another state agency desires to sell or transfer property which
16 would meet the needs of the purchasing agency. In accordance with rules
17 adopted by the Oregon Department of Administrative Services, if no other
18 state agency desires to sell or transfer property which would meet the needs
19 of the agency, the agency may acquire the real property or interest therein,
20 consistent with applicable provisions of law.

21 “(3) Before any terminal disposition of real property or an interest in real
22 property, the state agency acting for the state in the transaction must secure
23 approval of the transaction from the Oregon Department of Administrative
24 Services.

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

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

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

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

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

1 “(e) Property controlled by the Oregon University System **or a public**
2 **university listed in ORS 352.002;**

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

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

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

10 “(6) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190,
11 273.416, 273.426 to 273.436, 273.551 and 308A.709 (1) to (4) do not apply to a
12 home or farm acquired, sold, or both, by the Department of Veterans’ Affairs
13 under ORS 88.720, 406.050, 407.135, 407.145, 407.375 and 407.377.

14 **“SECTION 120.** ORS 270.110 is amended to read:

15 “270.110. (1) Except as provided in subsection (2) of this section, whenever
16 the state or any agency thereof possesses or controls real property not
17 needed for public use, or whenever the public interest may be furthered, the
18 state or its agency may sell, exchange, convey or lease for any period not
19 exceeding 99 years all or any part of its interest in the property to or with
20 the state or any political subdivision of the state or the United States or any
21 agency thereof or private individual or corporation. Except where the state
22 is exchanging real property, the consideration for the transfer or lease may
23 be cash or real property, or both.

24 “(2) If the ownership, right or title of the state to any real property set
25 apart by deed, will or otherwise for a burial ground or cemetery, or for the
26 purpose of interring the remains of deceased persons, is limited or qualified
27 or the use of such real property is restricted, whether by dedication or oth-
28 erwise, the state or its agency may, after first declaring by resolution that
29 such real property is not needed for public use, or that the sale, exchange,
30 conveyance or lease thereof will further the public interest, file a complaint

1 in the circuit court for the county in which such real property is located
2 against all persons claiming any right, title or interest in such real property,
3 whether the interest be contingent, conditional or otherwise, for authority
4 to sell, exchange, convey or lease all or any part of such real property. The
5 resolution is prima facie evidence that such real property is not needed for
6 public use, or that the sale, exchange, conveyance or lease will further the
7 public interest. The action shall be commenced and prosecuted to final de-
8 termination in the same manner as an action not triable by right to a jury.
9 The complaint shall contain a description of such real property, a statement
10 of the nature of the restrictions, qualifications or limitations, and a state-
11 ment that the defendants claim some interest therein. The court shall make
12 such judgment as it shall deem proper, taking into consideration the limita-
13 tions, qualifications or restrictions, the resolution and all other matters
14 pertinent thereto. Neither costs nor disbursements may be recovered against
15 any defendant.

16 “(3) The authority to lease property granted by this section includes au-
17 thority to lease property not owned or controlled by the state at the time
18 of entering into the lease. Such lease shall be conditioned upon the subse-
19 quent acquisition of the interest covered by the lease.

20 “(4) Any lease of state real property exceeding five years must be ap-
21 proved in advance by the Oregon Department of Administrative Services,
22 except for leases:

23 “(a) Negotiated by the Oregon Department of Aviation;

24 “(b) Of state forestlands;

25 “(c) Of property controlled by the Department of State Lands, Department
26 of Transportation, [or] Oregon University System **or a public university**
27 **listed in ORS 352.002**; or

28 “(d) Of property controlled by the legislative or judicial branches of state
29 government.

30 **“SECTION 121.** ORS 276.610 is amended to read:

1 “276.610. There is established a fund in the State Treasury to be known
2 as the State Building Fund which shall be used for the construction, alter-
3 ation and repair of buildings required for use of institutions and activities
4 under the jurisdiction of the Department of Corrections, the Department of
5 Human Services, the Oregon Health Authority, **the governing boards of**
6 **public universities with governing boards listed in section 3 of this 2013**
7 **Act** or the State Board of Education and the State Board of Higher Educa-
8 tion and for the furnishing and equipping of buildings so constructed, altered
9 or repaired.

10 “**SECTION 122.** ORS 276.612 is amended to read:

11 “276.612. The Department of Corrections, the Department of Human Ser-
12 vices, the Oregon Health Authority and the State Board of Education each
13 shall determine the buildings to be constructed, altered, repaired, furnished
14 and equipped for the use of institutions and activities under their respective
15 jurisdictions. The State Board of Higher Education **or governing board**
16 shall determine the buildings to be constructed, altered, repaired, furnished
17 and equipped for the use of public universities or offices, departments or
18 activities under its jurisdiction.

19 “**SECTION 123.** ORS 279A.025 is amended to read:

20 “279A.025. (1) Except as provided in subsections (2) to (4) of this section,
21 the Public Contracting Code applies to all public contracting.

22 “(2) The Public Contracting Code does not apply to:

23 “(a) Contracts between a contracting agency and:

24 “(A) Another contracting agency;

25 “(B) The Oregon Health and Science University;

26 “(C) The Oregon State Bar;

27 “(D) A governmental body of another state;

28 “(E) The federal government;

29 “(F) An American Indian tribe or an agency of an American Indian tribe;

30 “(G) A nation, or a governmental body in a nation, other than the United

1 States; or

2 “(H) An intergovernmental entity formed between or among:

3 “(i) Governmental bodies of this or another state;

4 “(ii) The federal government;

5 “(iii) An American Indian tribe or an agency of an American Indian tribe;

6 “(iv) A nation other than the United States; or

7 “(v) A governmental body in a nation other than the United States;

8 “(b) Agreements authorized by ORS chapter 190 or by a statute, charter

9 provision, ordinance or other authority for establishing agreements between

10 or among governmental bodies or agencies or tribal governing bodies or

11 agencies;

12 “(c) Insurance and service contracts as provided for under ORS 414.115,

13 414.125, 414.135 and 414.145 for purposes of source selection;

14 “(d) Grants;

15 “(e) Contracts for professional or expert witnesses or consultants to pro-

16 vide services or testimony relating to existing or potential litigation or legal

17 matters in which a public body is or may become interested;

18 “(f) Acquisitions or disposals of real property or interest in real property;

19 “(g) Sole-source expenditures when rates are set by law or ordinance for

20 purposes of source selection;

21 “(h) Contracts for the procurement or distribution of textbooks;

22 “(i) Procurements by a contracting agency from an Oregon Corrections

23 Enterprises program;

24 “(j) The procurement, transportation or distribution of distilled liquor, as

25 defined in ORS 471.001, or the appointment of agents under ORS 471.750 by

26 the Oregon Liquor Control Commission;

27 “(k) Contracts entered into under ORS chapter 180 between the Attorney

28 General and private counsel or special legal assistants;

29 “(L) Contracts for the sale of timber from lands owned or managed by the

30 State Board of Forestry and the State Forestry Department;

1 “(m) Contracts for forest protection or forest related activities, as de-
2 scribed in ORS 477.406, by the State Forester or the State Board of Forestry;

3 “(n) Sponsorship agreements entered into by the State Parks and Recre-
4 ation Director in accordance with ORS 565.080 (4);

5 “(o) Contracts entered into by the Housing and Community Services De-
6 partment in exercising the department’s duties prescribed in ORS chapters
7 456 and 458, except that the department’s public contracting for goods and
8 services is subject to ORS chapter 279B;

9 “(p) Contracts entered into by the State Treasurer in exercising the
10 powers of that office prescribed in ORS chapters 178, 286A, 287A, 289, 293,
11 294 and 295, including but not limited to investment contracts and agree-
12 ments, banking services, clearing house services and collateralization agree-
13 ments, bond documents, certificates of participation and other debt
14 repayment agreements, and any associated contracts, agreements and docu-
15 ments, regardless of whether the obligations that the contracts, agreements
16 or documents establish are general, special or limited, except that the State
17 Treasurer’s public contracting for goods and services is subject to ORS
18 chapter 279B;

19 “(q) Contracts, agreements or other documents entered into, issued or es-
20 tablished in connection with:

21 “(A) The issuance of obligations, as defined in ORS 286A.100 and
22 287A.310, of a public body;

23 “(B) The making of program loans and similar extensions or advances of
24 funds, aid or assistance by a public body to a public or private body for the
25 purpose of carrying out, promoting or sustaining activities or programs au-
26 thorized by law; or

27 “(C) The investment of funds by a public body as authorized by law, and
28 other financial transactions of a public body that by their character cannot
29 practically be established under the competitive contractor selection proce-
30 dures of ORS 279B.050 to 279B.085;

1 “(r) Contracts for employee benefit plans as provided in ORS 243.105 (1),
2 243.125 (4), 243.221, 243.275, 243.291, 243.303 and 243.565;

3 “(s) Contracts for employee benefit plans as provided in ORS 243.860 to
4 243.886; or

5 “(t) Any other public contracting of a public body specifically exempted
6 from the code by another provision of law.

7 “(3) The Public Contracting Code does not apply to the contracting ac-
8 tivities of:

9 “(a) The Oregon State Lottery Commission;

10 “(b) [*The Oregon University System and member*] Public universities **listed**
11 **in ORS 352.002**, except as provided in ORS 351.086;

12 “(c) The legislative department;

13 “(d) The judicial department;

14 “(e) Semi-independent state agencies listed in ORS 182.454, except as
15 provided in ORS 279.835 to 279.855 and 279A.250 to 279A.290;

16 “(f) Oregon Corrections Enterprises;

17 “(g) The Oregon Film and Video Office, except as provided in ORS
18 279A.100 and 279A.250 to 279A.290;

19 “(h) The Travel Information Council, except as provided in ORS 279A.250
20 to 279A.290;

21 “(i) The Oregon 529 College Savings Network and the Oregon 529 College
22 Savings Board;

23 “(j) The Oregon Innovation Council;

24 “(k) The Oregon Utility Notification Center; or

25 “(L) Any other public body specifically exempted from the code by another
26 provision of law.

27 “(4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to
28 contracts made with qualified nonprofit agencies providing employment op-
29 portunities for individuals with disabilities under ORS 279.835 to 279.855.

30 “**SECTION 124.** ORS 282.076 is amended to read:

1 “282.076. (1) An athletic department of [*any university under the jurisdic-*
2 *tion of the State Board of Higher Education shall not be*] **a public university**
3 **listed in ORS 352.002 is not** required to use state printing services con-
4 trolled by the Director of the Oregon Department of Administrative Services
5 or the designee of the director as required by ORS 282.020 (1).

6 “(2) A state agency that gives to the director prior written notice of its
7 intent to use other printing services shall not be required to use state
8 printing services controlled by the director or the director’s designee as re-
9 quired by ORS 282.020 (1), if the agency can demonstrate that these other
10 printing services provide better value in the form of lower prices or better
11 responsiveness than those services already provided by the Oregon Depart-
12 ment of Administrative Services.

13 **“SECTION 125.** ORS 283.143 is amended to read:

14 “283.143. (1) To encourage utilization of statewide integrated
15 videoconferencing and statewide online access services, the Oregon Depart-
16 ment of Administrative Services shall, in addition to any other charge or
17 assessment for providing telecommunications services to state agencies, im-
18 pose upon each agency and public corporation a surcharge, in an amount
19 established by the department. All surcharge moneys collected shall be de-
20 posited in the Oregon Department of Administrative Services Operating
21 Fund, and may be expended only for state agency and public corporation
22 telecommunication and videoconferencing activities, under such terms and
23 conditions as the department may prescribe.

24 “(2) Notwithstanding subsection (1) of this section, the Oregon Depart-
25 ment of Administrative Services [*shall*] **may** not impose the surcharge es-
26 tablished by this section on the Oregon University System, **a public**
27 **university listed in ORS 352.002** or the Oregon Health and Science Uni-
28 versity. The Oregon Department of Administrative Services shall enter into
29 an agreement with the Oregon University System, **the governing board of**
30 **a public university** and the Oregon Health and Science University on the

1 amounts to be paid [*by the Oregon University System and the Oregon Health*
2 *and Science University*] to the Oregon Department of Administrative Services
3 in lieu of the surcharge provided for in this section.

4 **“SECTION 126.** ORS 283.310 is amended to read:

5 “283.310. (1) The Oregon Department of Administrative Services shall
6 control and regulate the acquisition, operation, use, maintenance and dis-
7 posal of and access to motor vehicles used for:

8 “(a) State business by state agencies of this state; or

9 “(b) Official public business by a unit of local government or a state
10 agency of another state, by an agency created by an interstate compact be-
11 tween this state and another state or states, by a United States governmental
12 agency, or by an American Indian tribe or an agency of an American Indian
13 tribe, pursuant to an intergovernmental agreement between the agency or
14 agencies and the department, entered into in accordance with ORS chapter
15 190, for the provision of motor pool vehicles, supplies and services, or any
16 of them.

17 “(2) The state agency on whose behalf a motor vehicle is used must state
18 in writing in advance of such use that the particular activity for which the
19 vehicle is to be used advances the lawful policies of the agency.

20 “(3) The State Board of Higher Education may not authorize or allow the
21 use of any motor vehicle to transport students to an event or activity not
22 directly related to an officially sanctioned program, as established under
23 ORS 351.277, of a public university [*listed in ORS 352.002*] **in the Oregon**
24 **University System.**

25 “(4) The State Board of Higher Education, in conjunction with the Oregon
26 Department of Administrative Services, shall establish by rule vehicle oper-
27 ation standards and training to promote safe vehicular travel practices in the
28 conduct of all travel by employees, students and official volunteers at all
29 public universities in the Oregon University System.

30 **“SECTION 127.** ORS 291.055 is amended to read:

1 “291.055. (1) Notwithstanding any other law that grants to a state agency
2 the authority to establish fees, all new state agency fees or fee increases
3 adopted during the period beginning on the date of adjournment sine die of
4 a regular session of the Legislative Assembly and ending on the date of
5 adjournment sine die of the next regular session of the Legislative Assembly:

6 “(a) Are not effective for agencies in the executive department of gov-
7 ernment unless approved in writing by the Director of the Oregon Depart-
8 ment of Administrative Services;

9 “(b) Are not effective for agencies in the judicial department of govern-
10 ment unless approved in writing by the Chief Justice of the Supreme Court;

11 “(c) Are not effective for agencies in the legislative department of gov-
12 ernment unless approved in writing by the President of the Senate and the
13 Speaker of the House of Representatives;

14 “(d) Shall be reported by the state agency to the Oregon Department of
15 Administrative Services within 10 days of their adoption; and

16 “(e) Are rescinded on adjournment sine die of the next regular session of
17 the Legislative Assembly as described in this subsection, unless otherwise
18 authorized by enabling legislation setting forth the approved fees.

19 “(2) This section does not apply to:

20 “(a) Any tuition or fees charged by [*the State Board of Higher Education*
21 *and the public universities*] **a public university** listed in ORS 352.002.

22 “(b) Taxes or other payments made or collected from employers for un-
23 employment insurance required by ORS chapter 657 or premium assessments
24 required by ORS 656.612 and 656.614 or contributions and assessments cal-
25 culated by cents per hour for workers’ compensation coverage required by
26 ORS 656.506.

27 “(c) Fees or payments required for:

28 “(A) Health care services provided by the Oregon Health and Science
29 University, by the Oregon Veterans’ Homes and by other state agencies and
30 institutions pursuant to ORS 179.610 to 179.770.

1 “(B) Assessments and premiums paid to the Oregon Medical Insurance
2 Pool established by ORS 735.614 and 735.625.

3 “(C) Copayments and premiums paid to the Oregon medical assistance
4 program.

5 “(D) Assessments paid to the Department of Consumer and Business Ser-
6 vices under ORS 743.951 and 743.961.

7 “(d) Fees created or authorized by statute that have no established rate
8 or amount but are calculated for each separate instance for each fee payer
9 and are based on actual cost of services provided.

10 “(e) State agency charges on employees for benefits and services.

11 “(f) Any intergovernmental charges.

12 “(g) Forest protection district assessment rates established by ORS 477.210
13 to 477.265 and the Oregon Forest Land Protection Fund fees established by
14 ORS 477.760.

15 “(h) State Department of Energy assessments required by ORS 469.421 (8)
16 and 469.681.

17 “(i) Any charges established by the State Parks and Recreation Director
18 in accordance with ORS 565.080 (3).

19 “(j) Assessments on premiums charged by the Department of Consumer
20 and Business Services pursuant to ORS 731.804 or fees charged by the Divi-
21 sion of Finance and Corporate Securities of the Department of Consumer and
22 Business Services to banks, trusts and credit unions pursuant to ORS 706.530
23 and 723.114.

24 “(k) Public Utility Commission operating assessments required by ORS
25 756.310 or charges paid to the Residential Service Protection Fund required
26 by chapter 290, Oregon Laws 1987.

27 “(L) Fees charged by the Housing and Community Services Department
28 for intellectual property pursuant to ORS 456.562.

29 “(m) New or increased fees that are anticipated in the legislative budg-
30 eting process for an agency, revenues from which are included, explicitly or

1 implicitly, in the legislatively adopted budget or the legislatively approved
2 budget for the agency.

3 “(n) Tolls approved by the Oregon Transportation Commission pursuant
4 to ORS 383.004.

5 “(o) Convenience fees as defined in ORS 182.126 and established by the
6 Oregon Department of Administrative Services under ORS 182.132 (3) and
7 recommended by the Electronic Government Portal Advisory Board.

8 “(3)(a) Fees temporarily decreased for competitive or promotional reasons
9 or because of unexpected and temporary revenue surpluses may be increased
10 to not more than their prior level without compliance with subsection (1)
11 of this section if, at the time the fee is decreased, the state agency specifies
12 the following:

13 “(A) The reason for the fee decrease; and

14 “(B) The conditions under which the fee will be increased to not more
15 than its prior level.

16 “(b) Fees that are decreased for reasons other than those described in
17 paragraph (a) of this subsection may not be subsequently increased except
18 as allowed by ORS 291.050 to 291.060 and 294.160.

19 **“SECTION 128.** ORS 291.357 is amended to read:

20 “291.357. (1) As used in this section, ‘general governmental purposes’
21 means:

22 “(a) Those activities defined as governmental activities under the ac-
23 counting standards promulgated by the Governmental Accounting Standards
24 Board of the Financial Accounting Foundation that are in effect on August
25 10, 2001; and

26 “(b) Post-secondary educational activities that are partially funded by
27 student tuition and fees.

28 “(2) Each biennium, state governmental appropriations for general gov-
29 ernmental purposes shall be no greater than eight percent of projected per-
30 sonal income in Oregon for the same biennium. Projected personal income

1 shall be based on the United States Department of Commerce projections
2 used by the Oregon Department of Administrative Services in the last fore-
3 cast given to the Legislative Assembly before adjournment sine die of the
4 odd-numbered year regular session on which the printed, adopted budget is
5 based.

6 “(3) For purposes of this section, the following are considered to be ap-
7 propriations:

8 “(a) An authorization, given by law, to expend moneys in a biennium;

9 “(b) A limitation, imposed by law, on the expenditure in a biennium of
10 moneys that are continuously appropriated; and

11 “(c) An estimate of amounts of moneys that are continuously appropriated
12 that will be spent in a biennium without limitation.

13 “(4) The following appropriations are not subject to the limitation on
14 appropriations contained in this section:

15 “(a) Appropriations for the construction or acquisition of assets that are
16 financed by state bonds, certificates of participation or other forms of bor-
17 rowing.

18 “(b) Appropriations of moneys received directly or indirectly from the
19 federal government.

20 “(c) Appropriations for fee remission programs of [*the Oregon University*
21 *System*] **public universities listed in ORS 352.002.**

22 “(d) Appropriations of moneys voluntarily donated to a state agency.

23 “(e) Appropriations of moneys from revenue increases or new revenue
24 sources if the increases or sources result from approval of a measure by the
25 people at an election held on or after August 10, 2001.

26 “(f) Appropriations to fund new programs or to increase funding for ex-
27 isting programs if the need for new or increased funding results from ap-
28 proval of a measure by the people at an election held on or after August 10,
29 2001.

30 “(5) The limitation on appropriations established by this section may be

1 exceeded for a biennium if the Governor declares an emergency and three-
2 fifths of the members serving in each house of the Legislative Assembly
3 affirmatively vote to exceed the limitation for the biennium.

4 **“SECTION 129.** ORS 291.375, as amended by section 10, chapter 107,
5 Oregon Laws 2012, is amended to read:

6 “291.375. (1) Prior to the submission of any application for financial as-
7 sistance or grants from the United States or any agency of the United States
8 by or on behalf of any agency of this state, the application must be submitted
9 for legislative review in the following manner:

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

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

17 “(2) If the legislative agency authorized under subsection (1) of this sec-
18 tion to review applications described therein approves the application, it may
19 be submitted to the appropriate federal agency. If the legislative agency
20 disapproves of the application, it may not be submitted to any federal agency
21 unless it is or can be modified to meet the objections of the legislative
22 agency.

23 “(3) Notwithstanding subsection (1) of this section, the Joint Committee
24 on Ways and Means, the Emergency Board or the Joint Interim Committee
25 on Ways and Means may exempt any state agency from the requirements of
26 this section. Project grants for departmental research, organized activities
27 related to instruction, sponsored research or other sponsored programs car-
28 ried on within [*the Oregon University System*] **a public university listed in**
29 **ORS 352.002**, for which no biennial expenditure limitations have been es-
30 tablished, are exempt from the requirements of this section.

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

3 **“SECTION 130.** ORS 292.043 is amended to read:

4 “292.043. (1) As used in this section:

5 “(a) ‘Foundation’ means:

6 “(A) A tax exempt organization designated by a rule adopted by a state
7 agency; or

8 “(B) A tax exempt organization designated by the State Board of Higher
9 Education **or the governing board of a public university** to solicit con-
10 tributions for the support of a public university listed in ORS 352.002.

11 “(b) ‘Salary and wages’ has the meaning given that term in ORS 292.014.

12 “(2) Any state official authorized to disburse funds in payment of salaries
13 or wages of the officers and employees of a state agency, or of the officers,
14 teachers, instructors and other employees of [*the Oregon University System*]
15 **a public university listed in ORS 352.002**, is authorized, upon written re-
16 quest of the individual, to deduct each month from the salary or wages of
17 the individual the amount of money designated by the individual for payment
18 to a foundation.

19 “(3) The individual may withdraw the authorization at any time if the
20 individual so notifies such officer in writing.

21 “(4) The moneys so deducted shall be paid over promptly to the foundation
22 designated by the individual. Subject to any rules prescribed by a state
23 agency, [*or*] the State Board of Higher Education **or the governing board**
24 **of the public university**, the state official authorized to disburse the funds
25 in payment of salaries and wages may prescribe any procedures necessary to
26 carry out this section.

27 **“SECTION 131.** ORS 292.044 is amended to read:

28 “292.044. (1) As used in this section:

29 “(a) ‘Employee’ means officers, faculty, teachers, instructors and other
30 employees of [*the Oregon University System as described*] **a public university**

1 **listed** in ORS 352.002.

2 “(b) ‘Nonprofit organization’ means an organization described in section
3 501(c)(3) of the Internal Revenue Code that is exempt from income tax under
4 section 501(a) of the Internal Revenue Code.

5 “(2)(a) The Chancellor of the Oregon University System or a designee of
6 the chancellor may approve a written request made by a public university
7 or office, department or activity under the jurisdiction of the State Board
8 of Higher Education, in which an employee of the public university or office,
9 department or activity may designate an amount from the salary or wages
10 of the employee for payment to a qualifying nonprofit organization. A re-
11 quest made to the chancellor under this section must identify the nonprofit
12 organization to whom payments would be made.

13 “(b) **The governing board of a public university with a governing**
14 **board listed in section 3 of this 2013 Act may approve a written request**
15 **made by the university or office, department or activity under the**
16 **board’s jurisdiction, in which an employee of the university or office,**
17 **department or activity may designate an amount from the salary or**
18 **wages of the employee for payment to a qualifying nonprofit organ-**
19 **ization. A request made under this section must identify the nonprofit**
20 **organization to whom payments would be made.**

21 “(3) Upon written approval [*of the chancellor or of a designee of the*
22 *chancellor*] and a written request of an employee of the public university or
23 office, department or activity to which the approval applies, the state official
24 within the Oregon University System **or public university with a govern-**
25 **ing board listed in section 3 of this 2013 Act** authorized to disburse funds
26 in payment of salaries or wages shall deduct from the salary or wages of the
27 employee the amount of money designated by the employee for payment to
28 the nonprofit organization.

29 “(4) The moneys deducted from the salaries or wages under subsection (3)
30 of this section shall be paid over promptly to the nonprofit organization.

1 “(5) The [*Chancellor of the*] Oregon University System [*or a designee of*
2 *the chancellor*] **and the governing board of a public university** shall pre-
3 scribe procedures for determining whether an organization qualifies as a
4 nonprofit organization under this section.

5 **“SECTION 132.** ORS 307.095 is amended to read:

6 “307.095. (1) Any portion of state property that is used during the tax year
7 for parking on a rental or fee basis to private individuals is subject to ad
8 valorem taxation.

9 “(2) The real market value of such portion shall be computed by deter-
10 mining that percentage which the total of receipts from private use bears to
11 the total of receipts from all use of the property. The assessed value of such
12 portion shall be computed as provided in ORS 308.146. However, receipts
13 from any use by a state officer or employee in the performance of the official
14 duties of the state officer or employee shall not be considered as receipts
15 from private use in computing the portion subject to ad valorem taxation.

16 “(3) This section and ORS 276.592 do not apply to state property that is
17 used by [*the Oregon University System*] **a public university listed in ORS**
18 **352.002** or the Oregon Health and Science University solely to provide
19 parking for employees, students or visitors.

20 **“SECTION 133.** ORS 307.110 is amended to read:

21 “307.110. (1) Except as provided in ORS 307.120, all real and personal
22 property of this state or any institution or department thereof or of any
23 county or city, town or other municipal corporation or political subdivision
24 of this state, held under a lease or other interest or estate less than a fee
25 simple, by any person whose real property, if any, is taxable, except em-
26 ployees of the state, municipality or political subdivision as an incident to
27 such employment, shall be subject to assessment and taxation for the as-
28 sessed or specially assessed value thereof uniformly with real property of
29 nonexempt ownerships.

30 “(2) Each leased or rented premises not exempt under ORS 307.120 and

1 subject to assessment and taxation under this section which is located on
2 property used as an airport and owned by and serving a municipality or port
3 shall be separately assessed and taxed.

4 “(3) Nothing contained in this section shall be construed as subjecting to
5 assessment and taxation any publicly owned property described in subsection
6 (1) of this section that is:

7 “(a) Leased for student housing by a school or college to students at-
8 tending such a school or college.

9 “(b) Leased to or rented by persons, other than sublessees or subrenters,
10 for agricultural or grazing purposes and for other than a cash rental or a
11 percentage of the crop.

12 “(c) Utilized by persons under a land use permit issued by the Department
13 of Transportation for which the department’s use restrictions are such that
14 only an administrative processing fee is able to be charged.

15 “(d) County fairgrounds and the buildings thereon, in a county holding
16 annual county fairs, managed by the county fair board under ORS 565.230,
17 if utilized, in addition to county fair use, for any of the purposes described
18 in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or
19 farm machinery or equipment.

20 “(e) The properties and grounds managed and operated by the State Parks
21 and Recreation Director under ORS 565.080, if utilized, in addition to the
22 purpose of holding the Oregon State Fair, for horse stalls or for storage for
23 recreational vehicles or farm machinery or equipment.

24 “(f) State property that is used by [*the Oregon University System*] **a public**
25 **university listed in ORS 352.002** or the Oregon Health and Science Uni-
26 versity to provide parking for employees, students or visitors.

27 “(g) Property of a housing authority created under ORS chapter 456 which
28 is leased or rented to persons of lower income for housing pursuant to the
29 public and governmental purposes of the housing authority. For purposes of
30 this paragraph, ‘persons of lower income’ has the meaning given the phrase

1 under ORS 456.055.

2 “(h) Property of a health district if:

3 “(A) The property is leased or rented for the purpose of providing facili-
4 ties for health care practitioners practicing within the county; and

5 “(B) The county is a frontier rural practice county under rules adopted
6 by the Office of Rural Health.

7 “(4) Property determined to be an eligible project for tax exemption under
8 ORS 285C.600 to 285C.626 and 307.123 that was acquired with revenue bonds
9 issued under ORS 285B.320 to 285B.371 and that is leased by this state, any
10 institution or department thereof or any county, city, town or other municipi-
11 pal corporation or political subdivision of this state to an eligible applicant
12 shall be assessed and taxed in accordance with ORS 307.123. The property’s
13 continued eligibility for taxation and assessment under ORS 307.123 is not
14 affected:

15 “(a) If the eligible applicant retires the bonds prior to the original dates
16 of maturity; or

17 “(b) If any applicable lease or financial agreement is terminated prior to
18 the original date of expiration.

19 “(5) The provisions of law for liens and the payment and collection of
20 taxes levied against real property of nonexempt ownerships shall apply to
21 all real property subject to the provisions of this section. Taxes remaining
22 unpaid upon the termination of a lease or other interest or estate less than
23 a fee simple, shall remain a lien against the real or personal property.

24 “(6) If the state enters into a lease of property with, or grants an interest
25 or other estate less than a fee simple in property to, a person whose real
26 property, if any, is taxable, then within 30 days after the date of the lease,
27 or within 30 days after the date the interest or estate less than a fee simple
28 is created, the state shall file a copy of the lease or other instrument creat-
29 ing or evidencing the interest or estate with the county assessor. This sec-
30 tion applies notwithstanding that the property may otherwise be entitled to

1 an exemption under this section, ORS 307.120 or as otherwise provided by
2 law.

3 **“SECTION 134.** ORS 340.310, as amended by section 10, chapter 104,
4 Oregon Laws 2012, is amended to read:

5 “340.310. (1) The Higher Education Coordinating Commission shall de-
6 velop statewide standards for dual credit programs to be implemented by
7 public high schools, community colleges and [*state institutions of higher ed-*
8 *ucation within the Oregon University System*] **public universities listed in**
9 **ORS 352.002.** The standards must establish the manner by which:

10 “(a) A student may, upon completion of a course, earn course credit both
11 for high school and for a community college or [*state institution of higher*
12 *education within the Oregon University System*] **public university**; and

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

16 “(2) Each public high school, community college and [*state institution of*
17 *higher education within the Oregon University System*] **public university**
18 that provides a dual credit program must implement the statewide standards
19 developed under subsection (1) of this section.

20 “(3) Each school district, community college and [*state institution of*
21 *higher education within the Oregon University System*] **public university**
22 that provides a dual credit program shall submit an annual report to the
23 Higher Education Coordinating Commission on the academic performance
24 of students enrolled in a dual credit program. The Higher Education Coor-
25 dinating Commission shall establish the required contents of the report,
26 which must provide sufficient information to allow the commission to deter-
27 mine the quality of the dual credit program.

28 **“SECTION 135.** ORS 341.440 is amended to read:

29 “341.440. (1) A community college district may contract with another
30 community college district, common or union high school district, education

1 service district, [*the Oregon University System*] **public university listed in**
2 **ORS 352.002**, the Oregon Health and Science University, with a private ed-
3 ucational institution accredited by the Northwest Association of Schools and
4 Colleges or its successor or a career school as defined in ORS 345.010 to
5 obtain educational services for students enrolled in the community college
6 of the district. However, the educational services so obtained must meet the
7 standards for educational services provided by the college and the contract
8 price to the college for such services must not exceed the costs which would
9 otherwise be incurred by the college to provide its students the same or
10 similar services.

11 “(2) Educational services for which a district operating a community
12 college may contract include services offered by correspondence and services
13 offered electronically or through telecommunications if such services are
14 accredited by a nationally recognized accrediting association.

15 “(3) For purposes of ORS 341.626, costs incurred under subsection (1) of
16 this section shall be considered operating expenses of the district if the
17 contract is approved by the Commissioner for Community College Services.

18 **“SECTION 136.** ORS 343.961 is amended to read:

19 “343.961. (1) As used in this section:

20 “(a) ‘Day treatment program’ means a public or private program that
21 provides treatment of children with a mental illness, an emotional disturb-
22 ance or another mental health issue.

23 “(b) ‘Eligible day treatment program’ means a day treatment program
24 with which the Oregon Health Authority contracts for long term care or
25 treatment. ‘Eligible day treatment program’ does not include residential
26 treatment programs or programs that provide care or treatment to juveniles
27 who are in detention facilities.

28 “(c) ‘Eligible residential treatment program’ means a residential treat-
29 ment program with which the Oregon Health Authority, the Department of
30 Human Services or the Oregon Youth Authority contracts for long term care

1 or treatment. ‘Eligible residential treatment program’ does not include psy-
2 chiatric day treatment programs or programs that provide care or treatment
3 to juveniles who are in detention facilities.

4 “(d) ‘Residential treatment program’ means a public or private residential
5 program that provides treatment of children with a mental illness, an emo-
6 tional disturbance or another mental health issue.

7 “(e) ‘Student’ means a child who is placed in an eligible day treatment
8 program or eligible residential treatment program by a public or private en-
9 tity or by the child’s parent.

10 “(2) The Department of Education shall be responsible for payment of the
11 costs of education of students in eligible day treatment programs and eligible
12 residential treatment programs by contracting with the school district in
13 which the eligible day treatment program or eligible residential treatment
14 program is located. The costs of education do not include transportation,
15 care, treatment or medical expenses.

16 “(3)(a) The school district in which an eligible day treatment program or
17 eligible residential treatment program is located is responsible for providing
18 the education of a student, including the identification, location and evalu-
19 ation of the student for the purpose of determining the student’s eligibility
20 to receive special education and related services.

21 “(b) A school district that is responsible for providing an education under
22 this subsection may provide the education:

23 “(A) Directly or through another school district or an education service
24 district; and

25 “(B) In the facilities of an eligible day treatment program or eligible
26 residential treatment program, the facilities of a school district or the facil-
27 ities of an education service district.

28 “(c) When a student is no longer in an eligible day treatment program
29 or eligible residential treatment program, the responsibilities imposed by this
30 subsection terminate and become the responsibilities of the school district

1 where the student is a resident, as determined under ORS 339.133 and 339.134.

2 “(4) A school district may request the Department of Education to com-
3 bine several eligible day treatment programs or eligible residential treatment
4 programs into one contract with another school district or an education
5 service district.

6 “(5) The Oregon Health Authority, the Department of Human Services or
7 the Oregon Youth Authority shall give the school district providing the ed-
8 ucation at an eligible day treatment program or an eligible residential
9 treatment program 14 days’ notice, to the extent practicable, before a student
10 is dismissed from the program.

11 “(6) The Department of Education may make advances to school districts
12 responsible for providing an education to students under this section from
13 funds appropriated for that purpose based on the estimated agreed cost of
14 educating the students per school year. Advances equal to 25 percent of the
15 estimated cost may be made on September 1, December 1 and March 1 of the
16 current year. The balance may be paid whenever the full determination of
17 cost is made.

18 “(7) School districts that provide the education described in this section
19 on a year-round plan may apply for 25 percent of the funds appropriated for
20 that purpose on July 1, October 1, January 1, and 15 percent on April 1. The
21 balance may be paid whenever the full determination of cost is made.

22 “(8) In addition to the payment methods described in this section, the
23 Department of Education may:

24 “(a) Negotiate interagency agreements to pay for the cost of education in
25 day treatment programs and residential treatment programs operated under
26 the auspices of the State Board of Higher Education **or the governing**
27 **board of a public university with a governing board listed in section 3**
28 **of this 2013 Act;** and

29 “(b) Negotiate intergovernmental agreements to pay for the cost of edu-
30 cation in day treatment programs and residential treatment programs oper-

1 ated under the auspices of the Oregon Health and Science University Board
2 of Directors.

3 **“SECTION 137.** ORS 344.259 is amended to read:

4 “344.259. (1) The State Board of Education shall coordinate continuing
5 education in lower division, developmental, adult self-improvement, profes-
6 sional and technical education for agencies under its regulatory authority.
7 The State Board of Higher Education shall coordinate continuing education
8 in upper division and graduate education for public universities under its
9 jurisdiction.

10 “(2) When significantly adverse impact is alleged by one or more of the
11 agencies listed in this subsection, the affected parties jointly shall provide
12 for written agreements. These agreements shall allocate responsibility for
13 planning and providing continuing education or off-campus instruction in
14 specific areas or by specific types. The agencies are:

15 “(a) The State Board of Education.

16 “(b) The State Board of Higher Education.

17 “(c) Community college districts.

18 “(d) Independent colleges.

19 “(e) Proprietary schools.

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

22 “(3) In the event the affected parties fail to reach a written agreement
23 within 120 days following receipt of written notice of the allegation, either
24 party may request the Education and Workforce Policy Advisor to review
25 and to recommend resolution.

26 “(4) Nothing in this section prohibits the offering of upper division or
27 graduate programs within 30 miles of the campus of [*the Oregon University
28 System university*] **a public university listed in ORS 352.002** offering the
29 program, or the offering of lower division programs within 30 miles of the
30 campus offering the program in areas outside a community college district.

1 Such programs are entitled to the same college credit and financial support
2 as programs offered on the campus of the university.

3 **“SECTION 138.** ORS 344.753 is amended to read:

4 “344.753. (1) Employers who enter into written agreements with educa-
5 tional institutions and who are providing training to participants in youth
6 apprenticeship and training or work based learning programs are eligible for
7 reimbursement of expenses incurred in the training process. These expenses
8 may include wages paid to the student, training costs for mentors and
9 supervisors, equipment costs to set up youth training capacity, curriculum
10 development costs, costs of establishing interfirm training centers or other
11 costs necessitated by the training agreement.

12 “(2) The amount of reimbursement shall be 50 percent of the actual cost
13 of the investment, such reimbursement not to exceed \$2,500 per student who
14 completes the agreed upon course of study. In the event that a student drops
15 out of the program through no fault of the employer, the Department of Ed-
16 ucation may reimburse the employer for costs incurred to that point.

17 “(3) Eligible employers may elect to receive education service credits in
18 lieu of the reimbursement provided in this section. The amount of the edu-
19 cation service credit shall equal the value of the potential reimbursement
20 on a dollar-for-dollar basis. Education service credits may be used to pur-
21 chase educational services provided to the employer by school districts, ed-
22 ucation service districts, community colleges, [*the Oregon University*
23 *System*] **public universities listed in ORS 352.002** or private providers ap-
24 proved by the Department of Education.

25 “(4) Employers who terminate students without the concurrence of the
26 school forfeit all claim to reimbursements or education service credits earned
27 under this section.

28 “(5) The total amount of employer reimbursement allowable under this
29 section to all employers shall not exceed the amount allocated therefor
30 biennially from the Administrative Services Economic Development Fund.

1 “(6) Reimbursements allowed under this section must first be certified
2 with regard to eligibility and availability of funds pursuant to a method es-
3 tablished by the Department of Education in consultation with the Bureau
4 of Labor and Industries.

5 **“SECTION 139.** ORS 353.440 is amended to read:

6 “353.440. The Legislative Assembly finds that:

7 “(1) Public universities [*in the Oregon University System*] **listed in ORS**
8 **352.002** and other educational sectors have academic programs that are re-
9 lated to or integrated with the programs of Oregon Health and Science
10 University.

11 “(2) It is in the best interest of the state that a coordinated approach be
12 taken to these related and integrated academic programs.

13 “(3) In order to best ensure the continued harmony of such academic
14 programs, the Oregon Health and Science University and [*the Oregon Uni-*
15 *versity System*] **public universities** shall coordinate such programs and shall
16 advise each other of the following proposed changes to such academic pro-
17 grams:

18 “(a) Creation or significant revision, such as a merger or closure, of de-
19 gree programs;

20 “(b) Creation or significant revision, such as a merger or closure, of
21 schools; and

22 “(c) Creation or significant revision of major academic policies.

23 “(4) The Oregon Health and Science University and the Higher Education
24 Coordinating Commission shall coordinate and advise each other of the fol-
25 lowing types of proposed changes to their related or integrated academic
26 programs:

27 “(a) Coordination of strategic plans for achieving higher education goals;

28 “(b) Seeking advice and input from each other on modifications to statu-
29 tory educational missions;

30 “(c) Working to develop a statewide educational data system;

1 “(d) Collaborating as necessary on the creation of any new degree pro-
2 grams; and

3 “(e) Notifying each other and commenting on tuition rate changes.

4 “(5) In order to further the coordination described by this section, Oregon
5 Health and Science University officers shall maintain a role in the appro-
6 priate committees of the State Board of Higher Education, the Higher Edu-
7 cation Coordinating Commission and the Oregon University System.

8 **“SECTION 140.** ORS 357.004 is amended to read:

9 “357.004. As used in ORS 357.001 to 357.200, unless the context requires
10 otherwise:

11 “(1) ‘Depository library’ means a library that is designated as such under
12 ORS 357.095.

13 “(2)(a) ‘Issuing agency’ means state government, as that term is defined
14 in ORS 174.111.

15 “(b) ‘Issuing agency’ does not include the State Board of Higher Educa-
16 tion, or any public university or office, department or activity under the
17 control of the board, **or the governing board of a public university with**
18 **a governing board listed in section 3 of this 2013 Act.**

19 “(3)(a) ‘Public document’ means informational matter produced for public
20 distribution or access regardless of format, medium, source or copyright,
21 originating in or produced with the imprint of, by the authority of or at the
22 total or partial expense of any state agency. ‘Public document’ includes in-
23 formational matter produced on computer diskettes, CD-ROMs, computer
24 tapes, the Internet or in other electronic formats.

25 “(b) ‘Public document’ does not include:

26 “(A) Correspondence, forms, interoffice or intraoffice memoranda;

27 “(B) Legislative bills;

28 “(C) Oregon Revised Statutes or any edition thereof; or

29 “(D) Reports and publications of the Oregon Supreme Court, the Oregon
30 Court of Appeals and the Oregon Tax Court.

1 **“SECTION 141.** ORS 408.095 is amended to read:

2 “408.095. (1) As used in this section, ‘community college’ has the meaning
3 given that term in ORS 341.005.

4 “(2) There is created in the Department of Veterans’ Affairs the Campus
5 Veterans’ Service Officers Program.

6 “(3) The purpose of the program is to provide educational outreach to
7 veterans to help ensure that they obtain maximum state and federal benefits.

8 “(4) The department shall appoint a sufficient number of campus veterans’
9 service officers to ensure that each Oregon community college and each
10 public university [*in the Oregon University System, as described*] **listed** in
11 ORS 352.002[,] is provided veterans’ services.

12 “(5) Each community college and public university [*in the Oregon Uni-*
13 *versity System*] shall provide office space that may be used for the provision
14 of veterans’ services.

15 “(6) The department may adopt rules to implement the Campus Veterans’
16 Service Officers Program.

17 **“SECTION 142.** ORS 408.506 is amended to read:

18 “408.506. The Department of Human Services, the Department of Trans-
19 portation, the Housing and Community Services Department, the Employ-
20 ment Department, the Department of Justice, the Judicial Department, the
21 Oregon University System, **the governing boards of public universities**
22 **with governing boards listed in section 3 of this 2013 Act**, the Bureau
23 of Labor and Industries, the Department of Community Colleges and
24 Workforce Development and the Department of Veterans’ Affairs shall part-
25 ner with the Oregon Military Department to provide reintegration services
26 for veterans throughout this state through regional strategies.

27 **“SECTION 143.** ORS 430.651 is amended to read:

28 “430.651. (1) If the Oregon Health Authority uses a formula for allocating
29 to counties moneys, and if the formula includes population as a factor in
30 determining the amount of each allocation, the authority shall calculate the

1 formula annually using the most current population data that is available.

2 “(2) The authority shall use as the source of the population data required
3 by subsection (1) of this section the primary population research center that
4 is part of [*the Oregon University System*] **Portland State University**.

5 **“SECTION 144.** ORS 471.580 is amended to read:

6 “471.580. (1) As used in this section:

7 “(a) ‘Alcohol equivalence’ means the amount of ethanol that would be
8 expected to be present in a beverage based on the standard drink measure-
9 ment used by the Centers for Disease Control and Prevention.

10 “(b) ‘Education provider’ means:

11 “(A) A community college, as defined in ORS 341.005, offering a food or
12 beverage career program approved by the State Board of Education;

13 “(B) A career school, as defined in ORS 345.010, offering a food or
14 beverage career program approved by the Oregon Student Assistance Com-
15 mission or the State Board of Education;

16 “(C) An institution of higher education listed in ORS 352.002 offering a
17 food or beverage career program approved by the State Board of Higher Ed-
18 ucation **or governing board**; or

19 “(D) A private and independent institution of higher education, as defined
20 in ORS 352.720, offering a food or beverage career program that qualifies for
21 payment under ORS 352.740.

22 “(c) ‘Food or beverage career program’ means a course of study designed
23 to qualify a person for a career in the food service industry or alcoholic
24 beverage industry, including but not limited to a course of study in culinary
25 arts, viticulture, winemaking, enology, brewing or restaurant management.

26 “(2) The charging or payment of tuition or a special fee for enrollment
27 in a class that is part of a food or beverage career program or in a workshop
28 or seminar concerning matters related to food or beverage industry
29 workforce training, offered by an education provider, that includes the con-
30 sumption of alcoholic beverages for educational purposes, is not a sale or

1 purchase of, or other exchange of consideration for, alcoholic beverages.

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

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

10 “(b) The alcoholic beverages are served to, and possessed and consumed
11 by, the person for educational purposes as part of the class curriculum or a
12 workshop or seminar concerning food or beverage workforce training;

13 “(c) The service, possession and consumption of the alcoholic beverages
14 are supervised by a faculty or staff member of the education provider who
15 is 21 years of age or older;

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

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

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

23 “(a) The person served is enrolled as a student in a required or elective
24 class that is part of a food or beverage career program offered by the edu-
25 cation provider;

26 “(b) The alcoholic beverages are served to, and consumed by, the person
27 for educational purposes as part of the class curriculum or, with the ap-
28 proval of the education provider, as part of a workshop or seminar concern-
29 ing food or beverage workforce training;

30 “(c) The service and consumption of the alcoholic beverages are super-

1 vised by a faculty or staff member of the education provider who is 21 years
2 of age or older;

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

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

6 “(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS
7 471.430, a person who is 18, 19 or 20 years of age may possess and consume
8 alcoholic beverages on a licensed or unlicensed premises that an education
9 provider uses for educational purposes if:

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

13 “(b) The person possesses and consumes the alcoholic beverages for edu-
14 cational purposes as part of the class curriculum or, with the approval of the
15 education provider, as part of a workshop or seminar concerning food or
16 beverage workforce training;

17 “(c) The person possesses and consumes the alcoholic beverages under the
18 supervision of a faculty or staff member of the education provider who is 21
19 years of age or older;

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

21 “(e) The amount consumed by the person during any two-hour class,
22 workshop or seminar period does not exceed two ounces of alcohol equiv-
23 alence.

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

29 “(7) Subsections (3) to (5) of this section do not affect the ability of an
30 education provider, a licensee or a permittee to make alcoholic beverages

1 available to a person 21 years of age or older in accordance with this chapter
2 or the ability of a person 21 years of age or older to possess or consume al-
3 coholic beverages in accordance with this chapter.

4 **“SECTION 145.** ORS 471.580, as amended by section 44, chapter 104,
5 Oregon Laws 2012, is amended to read:

6 “471.580. (1) As used in this section:

7 “(a) ‘Alcohol equivalence’ means the amount of ethanol that would be
8 expected to be present in a beverage based on the standard drink measure-
9 ment used by the Centers for Disease Control and Prevention.

10 “(b) ‘Education provider’ means:

11 “(A) A community college, as defined in ORS 341.005, offering a food or
12 beverage career program approved by the State Board of Education;

13 “(B) A career school, as defined in ORS 345.010, offering a food or
14 beverage career program approved by the Oregon Student Assistance Com-
15 mission or the Higher Education Coordinating Commission;

16 “(C) An institution of higher education listed in ORS 352.002 offering a
17 food or beverage career program approved by the State Board of Higher Ed-
18 ucation **or governing board**; or

19 “(D) A private and independent institution of higher education, as defined
20 in ORS 352.720, offering a food or beverage career program that qualifies for
21 payment under ORS 352.740.

22 “(c) ‘Food or beverage career program’ means a course of study designed
23 to qualify a person for a career in the food service industry or alcoholic
24 beverage industry, including but not limited to a course of study in culinary
25 arts, viticulture, winemaking, enology, brewing or restaurant management.

26 “(2) The charging or payment of tuition or a special fee for enrollment
27 in a class that is part of a food or beverage career program or in a workshop
28 or seminar concerning matters related to food or beverage industry
29 workforce training, offered by an education provider, that includes the con-
30 sumption of alcoholic beverages for educational purposes, is not a sale or

1 purchase of, or other exchange of consideration for, alcoholic beverages.

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

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

10 “(b) The alcoholic beverages are served to, and possessed and consumed
11 by, the person for educational purposes as part of the class curriculum or a
12 workshop or seminar concerning food or beverage workforce training;

13 “(c) The service, possession and consumption of the alcoholic beverages
14 are supervised by a faculty or staff member of the education provider who
15 is 21 years of age or older;

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

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

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

23 “(a) The person served is enrolled as a student in a required or elective
24 class that is part of a food or beverage career program offered by the edu-
25 cation provider;

26 “(b) The alcoholic beverages are served to, and consumed by, the person
27 for educational purposes as part of the class curriculum or, with the ap-
28 proval of the education provider, as part of a workshop or seminar concern-
29 ing food or beverage workforce training;

30 “(c) The service and consumption of the alcoholic beverages are super-

1 vided by a faculty or staff member of the education provider who is 21 years
2 of age or older;

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

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

6 “(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS
7 471.430, a person who is 18, 19 or 20 years of age may possess and consume
8 alcoholic beverages on a licensed or unlicensed premises that an education
9 provider uses for educational purposes if:

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

13 “(b) The person possesses and consumes the alcoholic beverages for edu-
14 cational purposes as part of the class curriculum or, with the approval of the
15 education provider, as part of a workshop or seminar concerning food or
16 beverage workforce training;

17 “(c) The person possesses and consumes the alcoholic beverages under the
18 supervision of a faculty or staff member of the education provider who is 21
19 years of age or older;

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

21 “(e) The amount consumed by the person during any two-hour class,
22 workshop or seminar period does not exceed two ounces of alcohol equiv-
23 alence.

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

29 “(7) Subsections (3) to (5) of this section do not affect the ability of an
30 education provider, a licensee or a permittee to make alcoholic beverages

1 available to a person 21 years of age or older in accordance with this chapter
2 or the ability of a person 21 years of age or older to possess or consume al-
3 coholic beverages in accordance with this chapter.

4 **“SECTION 146.** ORS 659.850 is amended to read:

5 “659.850. (1) As used in this section, ‘discrimination’ means any act that
6 unreasonably differentiates treatment, intended or unintended, or any act
7 that is fair in form but discriminatory in operation, either of which is based
8 on race, color, religion, sex, sexual orientation, national origin, marital sta-
9 tus, age or disability. ‘Discrimination’ does not include enforcement of an
10 otherwise valid dress code or policy, as long as the code or policy provides,
11 on a case-by-case basis, for reasonable accommodation of an individual based
12 on the health and safety needs of the individual.

13 “(2) A person may not be subjected to discrimination in any public ele-
14 mentary, secondary or community college education program or service,
15 school or interschool activity or in any higher education program or service,
16 school or interschool activity where the program, service, school or activity
17 is financed in whole or in part by moneys appropriated by the Legislative
18 Assembly.

19 “(3) The State Board of Education, **the governing board of a public**
20 **university with a governing board listed in section 3 of this 2013 Act**
21 and the State Board of Higher Education shall establish rules necessary to
22 ensure compliance with subsection (2) of this section in the manner required
23 by ORS chapter 183.

24 **“SECTION 147.** ORS 659.855 is amended to read:

25 “659.855. (1) Any public elementary or secondary school determined by the
26 Superintendent of Public Instruction or any community college determined
27 by the Commissioner for Community College Services to be in noncompliance
28 with provisions of ORS 659.850 and this section shall be subject to appro-
29 priate sanctions, which may include withholding of all or part of state
30 funding, as established by rule of the State Board of Education.

1 “(2) Any public university listed in ORS [352.002] **351.011** determined by
2 the Chancellor of the Oregon University System to be in noncompliance with
3 provisions of ORS 659.850 and this section shall be subject to appropriate
4 sanctions, which may include withholding of all or part of state funding, as
5 established by rule of the State Board of Higher Education.

6 “(3) **Any public university with a governing board listed in section**
7 **3 of this 2013 Act determined by the Higher Education Coordinating**
8 **Commission to be in noncompliance with the provisions of ORS 659.850**
9 **and this section shall be subject to appropriate sanctions, which may**
10 **include withholding of all or part of state funding, as established by**
11 **rule of the commission.**

12 “[3] (4) Any public charter school determined by the sponsor of the
13 school or the superintendent to be in noncompliance with the provisions of
14 ORS 659.850 and this section shall be subject to appropriate sanctions, which
15 may include the withholding of all or part of state funding by the sponsor
16 or superintendent, as established by rule of the State Board of Education.

17 “**SECTION 148.** ORS 659.860 is amended to read:

18 “659.860. (1) Any person claiming to be aggrieved by unlawful discrimi-
19 nation as prohibited by ORS 659.850 may file a civil action in circuit court
20 for equitable relief or, subject to the terms and conditions of ORS 30.265 to
21 30.300, damages, or both. The court may order such other relief as may be
22 appropriate. Damages shall be \$200 or actual damages, whichever is greater.

23 “(2) The action authorized by this section shall be filed within one year
24 of the filing of a grievance.

25 “(3) [No action shall] **An action may not** be filed unless, within 180 days
26 of the alleged discrimination, a grievance has been filed with the school
27 district board, public charter school governing body, community college
28 board of education, **governing board of a public university** or State Board
29 of Higher Education.

30 “(4) [No action may] **An action may not** be filed until 90 days after filing

1 a grievance unless only injunctive relief is sought pursuant to ORCP 79. The
2 right to temporary or preliminary injunctive relief shall be independent of
3 the right to pursue any administrative remedy available to complainants
4 pursuant to ORS 659.850.

5 “(5) [No action may] **An action may not** be filed if the school district
6 board, public charter school governing body, community college board of
7 education, **governing board of a public university** or State Board of
8 Higher Education has obtained a conciliation agreement with the person
9 filing the grievance or if a final determination of a grievance has been made
10 except as provided in ORS 183.480.

11 “(6) Notwithstanding the filing of a grievance, pursuant to subsection (3)
12 of this section, any person seeking to maintain an action under this section
13 shall also file a notice of claim within 180 days of the alleged discrimination
14 as required by ORS 30.275.

15 “(7) The court shall award reasonable attorney fees to a prevailing
16 plaintiff in any action under this section. The court may award reasonable
17 attorney fees and expert witness fees incurred by a defendant who prevails
18 in the action if the court determines that the plaintiff had no objectively
19 reasonable basis for asserting a claim or no objectively reasonable basis for
20 appealing an adverse decision of a trial court.

21 “(8) Nothing in this section is intended to reduce the obligations of the
22 education agencies under this section and ORS 659.850 and 659.855.

23 **“SECTION 149.** ORS 660.358 is amended to read:

24 “660.358. (1) The State Workforce Investment Board, in consultation with
25 the Governor, the Education and Workforce Policy Advisor and other parties
26 deemed appropriate by the board and after consideration of the clean energy
27 and energy efficiency policies of this state, shall develop a plan for a green
28 jobs growth initiative to promote the development of emerging technologies
29 and innovations that lead to, create or sustain family wage green jobs.

30 “(2) The plan for the initiative developed by the board shall:

1 “(a) Identify industries that are high demand green industries based on
2 current and projected creation of family wage green jobs and the potential
3 for career pathways created for such jobs.

4 “(b) Use the needs of identified high demand green industries as the basis
5 for the planning of workforce development activities that promote the de-
6 velopment of emerging green technologies and innovations. These activities
7 include, but are not limited to, such efforts undertaken by community col-
8 leges, [*the*] public universities [*of the Oregon University System*] **listed in**
9 **ORS 352.002**, designated signature research centers, registered apprentice-
10 ship programs and other private sector training programs.

11 “(c) Leverage and align existing public workforce development programs
12 and other public and private resources to the goal of recruiting, supporting,
13 educating and training of targeted populations of workers.

14 “(d) Require the board to work collaboratively with stakeholders from
15 business, labor and low income advocacy groups in the regional economy to
16 develop and implement the initiative.

17 “(e) Link adult basic and remedial education programs with job training
18 for skills necessary for green jobs.

19 “(f) Require the board to collaborate with employers and labor organiza-
20 tions to identify skills and competencies necessary for green job career
21 pathways.

22 “(g) Ensure that support services are integrated with education and
23 training for green jobs and that such services are provided by organizations
24 with direct access to and experience with targeted populations.

25 “(h) Include an analysis of occupations in the forest products industry to:

26 “(A) Determine key growth factors and employment projections for green
27 jobs in the forest products industry; and

28 “(B) Define the educational and skill standards required for current and
29 emerging green occupations in the forest products industry.

30 “(3) Based on the analysis conducted under subsection (2)(h) of this sec-

1 tion, the State Workforce Investment Board, in consultation with the Edu-
2 cation and Workforce Policy Advisor, shall identify those forest products
3 industries to be classified as high-demand green industries, taking into con-
4 sideration current and future job creation and the strategic importance of
5 the development of high-demand green forest products industry jobs to the
6 development and growth of the state's green economy.

7 “(4) As used in this section, ‘forest products industry’ includes, but is not
8 limited to, businesses that grow, manage, harvest, transport or process forest,
9 wood and paper products.

10 **“SECTION 150.** ORS 820.100 is amended to read:

11 “820.100. (1) The State Board of Education shall adopt and enforce such
12 reasonable standards relating to school bus and school activity vehicle con-
13 struction and school bus and school activity vehicle equipment as the board
14 deems necessary for safe and economical operation, except that the board
15 may not authorize the use of school buses manufactured before April 1, 1977.

16 “(2) The State Board of Higher Education **and the governing board of**
17 **a public university with a governing board listed in section 3 of this**
18 **2013 Act** may adopt and enforce separate rules of the type described under
19 this section for school buses and school activity vehicles that are under the
20 board's jurisdiction, except that the board may not authorize the use of
21 school buses manufactured before April 1, 1977.

22 “(3) The State Board of Education shall adopt and enforce standards for
23 school bus stop arms authorized by ORS 820.105.

24 “(4) Rules adopted under this section:

25 “(a) Must be consistent with requirements established by statute or by
26 rule adopted under statutory authority that relate to the same subject.

27 “(b) Shall be consistent with minimum uniform national standards, if such
28 standards exist.

29 “(c) May include different requirements for different classes or types of
30 school buses or school activity vehicles.

1 “(d) May include any exemptions determined appropriate under ORS
2 820.150.

3 **“SECTION 151.** ORS 820.110 is amended to read:

4 “820.110. (1) The State Board of Education shall adopt and enforce rules
5 to establish requirements of operation, qualifications or special training of
6 drivers and special accident reports for school buses and school activity ve-
7 hicles.

8 “(2) The State Board of Higher Education **and the governing board of**
9 **a public university** may adopt and enforce separate rules of the type de-
10 scribed under this section for school buses and school activity vehicles that
11 are under its jurisdiction.

12 “(3) The rules adopted under this section:

13 “(a) Are subject to ORS 820.190 and 820.200 and to any other statute or
14 regulation relating to the operation of vehicles, qualifications of drivers and
15 accident reports.

16 “(b) Must be consistent with requirements established by statute or by
17 rule adopted under statutory authority that relate to the same subject.

18 “(c) May include different requirements for different classes or types of
19 school buses or school activity vehicles.

20 “(d) May include any exemptions determined appropriate under ORS
21 820.150.

22 “(4) If the Department of Transportation suspends, cancels or revokes any
23 driving privileges of a person who holds a school bus endorsement under
24 ORS 807.035 (5), the Department of Transportation shall notify the Depart-
25 ment of Education of the suspension, cancellation or revocation.

26 **“SECTION 152.** ORS 820.120 is amended to read:

27 “820.120. (1) The State Board of Education shall adopt and enforce rules
28 to provide for the inspection of school buses and school activity vehicles to
29 assure that the vehicles are in compliance with requirements under rules
30 established under ORS 820.100 and 820.110, as applicable, and that the vehi-

1 cles are safe for operation. The rules may include intervals of inspections.

2 “(2) The State Board of Higher Education **and the governing board of**
3 **a public university** may adopt and enforce separate rules of the type de-
4 scribed under this section for school buses and school activity vehicles that
5 are under its jurisdiction.

6 “(3) The rules adopted under this section:

7 “(a) Are subject to any other statute or regulation relating to the safety
8 of vehicles for operation and the inspection of vehicles.

9 “(b) May include different requirements for different classes or types of
10 school buses or school activity vehicles.

11 “(c) May include any exemptions determined appropriate under ORS
12 820.150.

13 **“SECTION 153.** ORS 820.130 is amended to read:

14 “820.130. The Department of Transportation shall issue registration for a
15 school bus when notified that the vehicle conforms to applicable rules under
16 ORS 820.100 to 820.120 and that the vehicle is safe for operation on the
17 highways. Notification required by this section shall be from:

18 “(1) The State Board of Education or its authorized representative re-
19 garding vehicles under its regulatory authority.

20 “(2) The State Board of Higher Education or its authorized representative
21 regarding vehicles under its jurisdiction.

22 **“(3) The governing board of a public university with a governing**
23 **board listed in section 3 of this 2013 Act or the authorized represen-**
24 **tative of the board regarding vehicles under the board’s jurisdiction.**

25 **“SECTION 154.** ORS 820.150 is amended to read:

26 “820.150. (1) The State Board of Education, by rule, may establish classes
27 or types of vehicles that are not considered school buses or school activity
28 vehicles for purposes of the Oregon Vehicle Code or classes of school buses
29 or school activity vehicles that are not subject to regulation under the
30 Oregon Vehicle Code either partially or completely.

1 “(2) The State Board of Higher Education **and the governing board of**
2 **a public university** may adopt separate rules of the type described under
3 this section for vehicles that are under its jurisdiction.

4 “(3) Rules adopted under this section are subject to the following:

5 “(a) Any exemption, either partial or total, established under this section
6 may be based upon passenger capacity, on limited use or on any other basis
7 the State Board of Education, **the governing board** or the State Board of
8 Higher Education considers appropriate.

9 “(b) [No] **An** exemption, either partial or total, [shall] **may not** be es-
10 tablished under this section for any vehicle that is marked with or displays
11 the words ‘school bus.’

12 “(c) Any vehicle determined not to be a school bus under this section is
13 not a school bus within the definition established under ORS 801.460. Partial
14 exemptions established for vehicles under this section may include removal
15 of the vehicle from any provisions relating to school buses under the vehicle
16 code.

17 “(d) Any vehicle determined not to be a school activity vehicle under this
18 section is not a school activity vehicle within the definition established un-
19 der ORS 801.455. Partial exemptions established for vehicles under this sec-
20 tion may include removal of the vehicle from any provisions relating to
21 school activity vehicles under the vehicle code.

22 “(e) In considering any rules under this section, the boards shall consider
23 the need to assure student safety.

24 “**SECTION 155.** Section 14, chapter 36, Oregon Laws 2012, is amended to
25 read:

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

27 “(a) ‘Achievement compact’ means an agreement entered into between the
28 Oregon Education Investment Board and the governing body of an education
29 entity as described in this section.

30 “(b) ‘Education entity’ means:

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

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

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

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

6 “(E) A public university [*of the Oregon University System, as*] listed in
7 ORS 352.002; and

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

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

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

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

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

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

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

20 “(F) **For a public university with a governing board listed in section**
21 **3 of this 2013 Act, the governing board of the university.**

22 “[*F*] (G) For the Oregon Health and Science University, the Oregon
23 Health and Science University Board of Directors.

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

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

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

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

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

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

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

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

16 “(i) Completion rates for:

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

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

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

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

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

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

30 “(c) Notwithstanding the terms described in paragraph (b) of this sub-

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

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

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

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

24 “(6) The board shall specify the format of the achievement compacts and
25 provide model achievement compacts to the governing body of each education
26 entity.

27 “(7) The board may adopt a timeline and method for governing bodies of
28 education entities to provide the board with a report at the end of a fiscal
29 year that describes the achievements made by the education entities during
30 the fiscal year. The report:

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

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

6 “**SECTION 156.** Section 13, chapter 761, Oregon Laws 2007, as amended
7 by section 5, chapter 2, Oregon Laws 2009, section 93, chapter 762, Oregon
8 Laws 2009, and section 32, chapter 2, Oregon Laws 2011, is amended to read:

9 “**Sec. 13.** (1) There is established in the General Fund an account to be
10 known as the Portland State University Science Research and Teaching
11 Center and Hazardous Waste Facility Account. Funds in the account shall
12 be used for the acquisition, construction, remodeling, expansion and reno-
13 vation of facilities for a Science Research and Teaching Center and Hazard-
14 ous Waste Facility Phase I at Portland State University.

15 “(2) The account shall consist of proceeds from certificates of partic-
16 ipation, grant funds, gift funds, proceeds of legal settlements, federal and
17 local government funds made available to and funds donated to [*the Oregon*
18 *University System*] **Portland State University** for the purpose of the center
19 and facility project described in subsection (1) of this section. Interest earned
20 on moneys in the account shall be credited to the account. The account may
21 not be credited with more than \$7,000,000 for purposes of this subsection.

22 “(3) Moneys in the account are continuously appropriated to [*the Oregon*
23 *University System*] **Portland State University** and may be transferred to the
24 account designated by [*ORS 351.626*] **the university** for the center and fa-
25 cility project described in subsection (1) of this section.

26 “**SECTION 157.** Section 14, chapter 761, Oregon Laws 2007, as amended
27 by section 94, chapter 762, Oregon Laws 2009, and section 33, chapter 2,
28 Oregon Laws 2011, is amended to read:

29 “**Sec. 14.** (1) There is established in the General Fund an account to be
30 known as the University of Oregon Integrative Science Complex, Phase 2

1 Account. Funds in the account shall be used for the acquisition, con-
2 struction, remodeling, expansion and renovation of facilities for an Interac-
3 tive Science Complex, Phase 2 at the University of Oregon.

4 “(2) The account shall consist of grant funds, gift funds, federal and local
5 government funds made available to and funds donated to the [*Oregon Uni-*
6 *versity System*] **University of Oregon** for the purpose of the Interactive
7 Science Complex, Phase 2 project described in subsection (1) of this section.
8 Interest earned on moneys in the account shall be credited to the account.
9 The account may not be credited with more than \$30,000,000 for purposes of
10 this subsection.

11 “(3) Moneys in the account are continuously appropriated to the [*Oregon*
12 *University System*] **University of Oregon** and may be transferred to the ac-
13 count designated by [*ORS 351.626*] **the university** for the Interactive Science
14 Complex, Phase 2 project described in subsection (1) of this section.

15 “**SECTION 158.** Section 15, chapter 761, Oregon Laws 2007, as amended
16 by section 95, chapter 762, Oregon Laws 2009, and section 34, chapter 2,
17 Oregon Laws 2011, is amended to read:

18 “**Sec. 15.** (1) There is established in the General Fund an account to be
19 known as the University of Oregon Hayward Field Account. Funds in the
20 account shall be used for the purposes described in Article XI-G of the
21 Oregon Constitution at Hayward Field at the University of Oregon.

22 “(2) The account shall consist of funds received from not-for-profit or-
23 ganizations, grant funds, gift funds, federal and local government funds made
24 available to and funds donated to the [*Oregon University System*] **University**
25 **of Oregon** for the purpose of the Hayward Field project described in sub-
26 section (1) of this section. Interest earned on moneys in the account shall
27 be credited to the account. The account may not be credited with more than
28 \$2,500,000 for purposes of this subsection.

29 “(3) Moneys in the account are continuously appropriated to the [*Oregon*
30 *University System*] **University of Oregon** and may be transferred to the ac-

1 count designated by [ORS 351.626] **the university** for the purposes described
2 in subsection (1) of this section.

3 **“SECTION 159.** Section 17, chapter 761, Oregon Laws 2007, as amended
4 by section 97, chapter 762, Oregon Laws 2009, and section 36, chapter 2,
5 Oregon Laws 2011, is amended to read:

6 **“Sec. 17.** (1) There is established in the General Fund an account to be
7 known as the Portland State University Science PCAT Redevelopment Ac-
8 count. Funds in the account shall be used for the acquisition, construction,
9 remodeling, expansion and renovation of facilities on the current site of the
10 Portland Center for Advanced Technology at Portland State University.

11 **“(2)** The account shall consist of grant funds, gift funds, proceeds of legal
12 settlements, federal and local government funds made available to and funds
13 donated to [*the Oregon University System*] **Portland State University** for
14 the purpose of the project described in subsection (1) of this section. Interest
15 earned on moneys in the account shall be credited to the account. The ac-
16 count may not be credited with more than \$10,000,000 for purposes of this
17 subsection.

18 **“(3)** Moneys in the account are continuously appropriated to [*the Oregon*
19 *University System*] **Portland State University** and may be transferred to the
20 account designated by [ORS 351.626] **the university** for the project described
21 in subsection (1) of this section.

22 **“SECTION 160.** Section 22, chapter 904, Oregon Laws 2009, as amended
23 by section 50, chapter 2, Oregon Laws 2011, and section 46, chapter 9, Oregon
24 Laws 2011, is amended to read:

25 **“Sec. 22.** (1) There is established in the General Fund an account to be
26 known as the Portland State University Science Research and Teaching
27 Center/Hazardous Waste Facility Phase 2 Project Account. Funds in the ac-
28 count shall be used for the acquisition, construction, remodeling, expansion
29 and renovation of facilities for a facility project at [*Oregon*] **Portland State**
30 **University.**

1 “(2) The account shall consist of proceeds from grant funds, gift funds and
2 federal and local government funds made available to [*the Oregon University*
3 *System*] **Portland State University** for the purpose of the facility project
4 described in subsection (1) of this section. Interest earned on moneys in the
5 account shall be credited to the account. The account may not be credited
6 with more than \$2,500,000 for purposes of this subsection.

7 “(3) Moneys in the account are continuously appropriated to [*the Oregon*
8 *University System*] **Portland State University** and may be transferred to the
9 account designated by [*ORS 351.626*] **the university** for the facility project
10 described in subsection (1) of this section.

11 “**SECTION 161.** Section 24, chapter 904, Oregon Laws 2009, as amended
12 by section 52, chapter 2, Oregon Laws 2011, and section 48, chapter 9, Oregon
13 Laws 2011, is amended to read:

14 “**Sec. 24.** (1) There is established in the General Fund an account to be
15 known as the University of Oregon Allen Hall Expansion and Remodel
16 Project Account. Funds in the account shall be used for the acquisition,
17 construction, remodeling, expansion and renovation of facilities for a facility
18 project at the University of Oregon.

19 “(2) The account shall consist of proceeds from grant funds and gift funds
20 made available to and funds donated to the [*Oregon University System*]
21 **University of Oregon** for the purpose of the facility project described in
22 subsection (1) of this section. Interest earned on moneys in the account shall
23 be credited to the account. The account may not be credited with more than
24 \$7,500,000 for purposes of this subsection.

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

29 “**SECTION 162.** Section 3, chapter 797, Oregon Laws 2001, is amended to
30 read:

1 **“Sec. 3.** Subject to available funding, if a building evaluated under sec-
2 tion 2 (4), **chapter 797, Oregon Laws 2001**, [*of this 2001 Act*] is found by a
3 board to pose an undue risk to life safety during a seismic event, the State
4 Board of Higher Education, **governing board of a public university**, local
5 school district board, community college board or education service district
6 board, as appropriate, shall develop a plan for seismic rehabilitation of the
7 building or for other actions to reduce the risk. For a board that is subject
8 to ORS 291.224, the board’s plan to rehabilitate or take other action to re-
9 duce the seismic risk of a building must be included in the capital con-
10 struction program of the board. A board that is subject to ORS 291.224 shall
11 rank the relative benefit of projects to reduce seismic risk in comparison
12 with other life safety and code requirement projects. Subject to availability
13 of funding, all seismic rehabilitations or other actions to reduce seismic risk
14 must be completed before January 1, 2032. If the building is listed on a na-
15 tional or state register of historic places or properties or is designated as a
16 landmark by local ordinance, the plan for seismic rehabilitation or other
17 action shall be developed in a manner that gives consideration to preserving
18 the character of the building.

19 **“SECTION 163. ORS 352.035 is repealed.**

20 **“SECTION 164. Notwithstanding ORS 62.720, 351.506, 351.507, 351.508,**
21 **351.532, 352.560 and 759.445 and section 1, chapter 39, Oregon Laws 2012,**
22 **and section 6, chapter 79, Oregon Laws 2012, if the president of Oregon**
23 **State University notifies the Governor that the university will become**
24 **a university with a governing board in the manner set forth in section**
25 **168 of this 2013 Act, any moneys provided or transferred by law to the**
26 **Oregon University System or State Board of Higher Education for the**
27 **benefit of or use by Oregon State University shall be provided directly**
28 **to Oregon State University.**

29 **“SECTION 165. Notwithstanding ORS 196.438, 351.350, 352.230,**
30 **352.239, 352.610, 542.710, 567.005, 567.210, 567.260, 567.455, 567.505, 567.510**

1 and 567.580, if the president of Oregon State University notifies the
2 Governor that the university will become a university with a govern-
3 ing board in the manner set forth in section 168 of this 2013 Act, the
4 university shall act independently, rather than under the direction,
5 control or management of the State Board of Higher Education.

6
7 **“ESTABLISHMENT OF SPECIAL COMMITTEE**

8
9 **“SECTION 166. (1) The Special Committee on University Adminis-**
10 **tration, Financial Sustainability and Shared Services is established,**
11 **consisting of 10 members appointed as follows:**

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

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

16 **“(c) The Governor shall appoint two members who are members of**
17 **the Oregon Education Investment Board.**

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

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

21 **“(b) Coordination of operations, academic programs, shared services**
22 **and other elements of that system.**

23 **“(3) The special committee may recommend legislation establishing**
24 **requirements and options for a shared services enterprise for post-**
25 **secondary institutions in Oregon. Any plan for implementing a shared**
26 **services enterprise or changing the relationships between institutions**
27 **shall:**

28 **“(a) Consider whether local governance is appropriate at the Oregon**
29 **Institute of Technology, Western Oregon University, Southern Oregon**
30 **University and Eastern Oregon University.**

1 **“(b) Consider the unique missions associated with each of Oregon’s**
2 **seven public universities and determine how these missions can best**
3 **be accomplished and sustained over the next 10 years.**

4 **“(c) Define the operating arrangements between the institutions in**
5 **order to ensure:**

6 **“(A) That post-secondary institutions listed in ORS 352.002 and**
7 **Oregon’s 17 community colleges are enabled to achieve the policy goals**
8 **listed in ORS 351.009;**

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 dollars spent; and**

13 **“(C) That the public missions of Oregon’s public universities, in-**
14 **cluding access and affordability for residents of this state, are main-**
15 **tained and enhanced.**

16 **“(4) The shared services subject to review by the special committee**
17 **include recruiting, admissions, risk management, cash flow manage-**
18 **ment, asset management, financial aid, legal services and any other**
19 **administrative and programmatic elements that may benefit from**
20 **joint or concurrent implementation.**

21 **“(5) A majority of the members of the special committee constitutes**
22 **a quorum for the transaction of business.**

23 **“(6) Official action by the special committee requires the approval**
24 **of a majority of the members of the committee.**

25 **“(7) The special committee shall elect two of its members to serve**
26 **as cochairpersons, one from the Senate and one from the House of**
27 **Representatives.**

28 **“(8) If there is a vacancy for any cause, the appointing authority**
29 **shall make an appointment to become immediately effective.**

30 **“(9) The special committee shall meet at times and places specified**

1 by the call of the cochairpersons or of a majority of the members of
2 the committee.

3 “(10) The special committee may adopt rules necessary for the op-
4 eration of the committee.

5 “(11)(a) The special committee shall convene and begin work no
6 later than September 15, 2013.

7 “(b) The special committee shall complete a first draft of its rec-
8 ommendations and report to an interim committee of the Legislative
9 Assembly related to education no later than December 15, 2013.

10 “(c) The special committee shall finalize and submit recommen-
11 dations to the Governor and Legislative Assembly no later than Feb-
12 ruary 1, 2014, for consideration during the 2014 regular Legislative
13 Session.

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

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

18 “(14) All agencies of state government, as defined in ORS 174.111,
19 are directed to assist the special committee in the performance of its
20 duties and, to the extent permitted by laws relating to confidentiality,
21 to furnish such information and advice as the members of the com-
22 mittee consider necessary to perform their duties.

23 “(15) The special committee may accept contributions of funds and
24 assistance from any source, public or private, for the purposes of the
25 consultation with national experts required by subsections (2) and (3)
26 of this section.

27 “SECTION 167. Section 166 of this 2013 Act is repealed on the date
28 of the convening of the 2014 regular session of the Legislative Assem-
29 bly as specified in ORS 171.010.

30

1 **“OPERATIVE DATE AND TRANSITIONAL PROVISIONS**

2
3 **“SECTION 168. Not later than January 1, 2014, the president of**
4 **Oregon State University may notify the Governor that the university**
5 **will become a university with a governing board. If a timely notifica-**
6 **tion is made to the Governor by the president of Oregon State Uni-**
7 **versity:**

8 **“(1) Within two weeks after receiving the notification, the Governor**
9 **shall inform the President of the Senate, the Speaker of the House of**
10 **Representatives and the Legislative Counsel of the notification;**

11 **“(2) The Oregon State University governing board shall be estab-**
12 **lished on January 1, 2014;**

13 **“(3) Not later than January 10, 2014, Oregon State University shall**
14 **forward recommendations for candidates for the governing board to**
15 **the Governor for consideration; and**

16 **“(4) Not later than February 1, 2014, the Governor shall appoint the**
17 **members of the governing board in the manner set forth in section 6**
18 **of this 2013 Act.**

19 **“SECTION 169. (1) The State Board of Higher Education shall con-**
20 **tinue to have jurisdiction over the operations of a university with a**
21 **governing board as defined in section 2 of this 2013 Act for the 2013-2014**
22 **academic year. However, the governing board shall propose funding**
23 **requests pursuant to ORS 351.052, as amended by section 42 of this 2013**
24 **Act, and shall prepare budgets, in cooperation with the Higher Edu-**
25 **cation Coordinating Commission, for the biennium beginning July 1,**
26 **2015.**

27 **“(2) The president of a university with a governing board shall take**
28 **over administrative responsibilities for the university from the State**
29 **Board of Higher Education on a date of the president’s choosing that**
30 **is no earlier than January 1, 2014, and no later than July 1, 2014.**

1 **“SECTION 170. (1) Except as otherwise expressly provided in this**
2 **section, all persons employed by a university with a governing board,**
3 **as defined in section 2 of this 2013 Act, on the effective date of this 2013**
4 **Act shall continue their employment with the university and shall re-**
5 **tain any seniority, contractual rights or tenure granted prior to the**
6 **effective date of this 2013 Act. Nothing in this section shall affect any**
7 **term or condition of any collective bargaining agreement in effect on**
8 **the effective date of this 2013 Act.**

9 **“(2) All of the duties, functions, powers and lawfully incurred rights**
10 **and obligations of the State Board of Higher Education that pertain**
11 **to a university with a governing board are transferred to and vested**
12 **in the governing board. The transfer shall include but not be limited**
13 **to all applicable contractual rights and obligations and title to all ap-**
14 **licable records, property, supplies and materials, including equip-**
15 **ment, books and papers. For the purpose of succession to these rights**
16 **and obligations, the governing board is considered to be a continuation**
17 **of the State Board of Higher Education and not a new authority, and**
18 **the governing board must exercise such rights and fulfill such obli-**
19 **gations as if they had not been assigned or transferred, except as**
20 **otherwise provided by law.**

21 **“(3) All unexpended moneys, including but not limited to General**
22 **Fund appropriations, gifts, bequests, other funds, assessments, liabil-**
23 **ity and worker’s compensation reserves and premiums that are ap-**
24 **propriated to, held, managed or invested by or on behalf of or**
25 **otherwise available to a university with a governing board, are appro-**
26 **priated and transferred to the university.**

27 **“(4) A university with a governing board shall conduct and complete**
28 **any proceeding, action, prosecution or other matter that the univer-**
29 **sity commenced before the effective date of this 2013 Act and that is**
30 **pending on the effective date of this 2013 Act.**

1 “(5) The transfer of duties, functions and powers to a governing
2 board or university with a governing board does not affect any action,
3 suit or proceeding relating to the university, except that the university
4 shall be substituted for the State Board of Higher Education and the
5 State of Oregon in any such action, suit or proceeding.

6 “(6) Any action, proceeding or other matter that was commenced
7 by a state agency, a state officer, the State Board of Higher Education
8 or an officer or employee of the State Board of Higher Education be-
9 fore the effective date of this 2013 Act and relates to the governing
10 board or university with a governing board and is still pending on the
11 effective date of this 2013 Act shall be conducted and completed by the
12 governing board or university.

13 “(7) Nothing in this 2013 Act relieves any person, public entity or
14 private entity of any obligation with respect to a tax, fee, fine or other
15 charge, interest, penalty, forfeiture, rule, policy, document, record or
16 proceeding.

17 “(8) Notwithstanding any other provision of this section, the law-
18 fully adopted rules and policies of the State Board of Higher Education
19 pertaining to a university with a governing board that are in effect
20 on the effective date of this 2013 Act continue in effect until lawfully
21 superseded or repealed by the rules or policies of the governing board
22 or the university. References in rules or policies of the State Board
23 of Higher Education to the state board or an officer or employee of the
24 state board are considered to be references to the governing board or
25 an officer or employee of a university with a governing board.

26 “SECTION 171. Sections 1 to 23, 164, 165, 169 and 170 of this 2013 Act,
27 the amendments to statutes by sections 24, 25, 28 to 37 and 40 to 162
28 of this 2013 Act and the repeal of ORS 352.035 by section 163 of this 2013
29 Act become operative on January 1, 2014.

30 “SECTION 172. (1) The State Board of Higher Education and a uni-

1 university with a governing board as defined in section 2 of this 2013 Act
2 may take any action before the operative date specified in section 171
3 of this 2013 Act that is necessary for the State Board of Higher Edu-
4 cation and the university to exercise, on and after the operative date
5 specified in section 171 of this 2013 Act, all of the duties, functions and
6 powers conferred on the State Board of Higher Education and univer-
7 sity by this 2013 Act.

8 “(2) Before the operative date specified in section 171 of this 2013
9 Act, the president of Oregon State University may inform the Gover-
10 nor of the university’s decision to establish a governing board in the
11 manner set forth in section 168 of this 2013 Act.

12 “(3) If Oregon State University notifies the Governor of the
13 university’s decision to establish a governing board before January 1,
14 2014, the Governor may appoint members to the governing board be-
15 fore the operative date specified in section 171 of this 2013 Act.

16

17 “CAPTIONS

18

19 “SECTION 173. The unit captions used in this 2013 Act are provided
20 only for the convenience of the reader and do not become part of the
21 statutory law of this state or express any legislative intent in the
22 enactment of this 2013 Act.

23

24 “EMERGENCY CLAUSE

25

26 “SECTION 174. This 2013 Act being necessary for the immediate
27 preservation of the public peace, health and safety, an emergency is
28 declared to exist, and this 2013 Act takes effect on its passage.”.

29
