

**Enrolled**  
**House Bill 3120**

Sponsored by COMMITTEE ON HIGHER EDUCATION AND WORKFORCE DEVELOPMENT

CHAPTER .....

AN ACT

Relating to education governance; creating new provisions; amending ORS 244.050, 284.540, 284.706, 285B.168, 326.011, 326.051, 326.310, 326.370, 326.375, 326.550, 327.495, 336.585, 336.590, 339.030, 341.005, 341.009, 341.015, 341.019, 341.021, 341.024, 341.025, 341.039, 341.045, 341.055, 341.065, 341.076, 341.085, 341.095, 341.105, 341.115, 341.125, 341.290, 341.315, 341.317, 341.405, 341.420, 341.465, 341.527, 341.531, 341.547, 341.565, 341.569, 341.573, 341.577, 341.579, 341.626, 341.721, 341.933, 341.937, 344.070, 344.080, 344.090, 348.040, 348.050, 348.070, 348.095, 348.180, 348.186, 348.205, 348.210, 348.230, 348.250, 348.260, 348.265, 348.270, 348.280, 348.282, 348.283, 348.285, 348.290, 348.310, 348.320, 348.330, 348.340, 348.350, 348.360, 348.370, 348.390, 348.427, 348.429, 348.436, 348.444, 348.448, 348.500, 348.505, 348.520, 348.530, 348.560, 348.563, 348.570, 348.580, 348.590, 348.592, 348.604, 348.608, 348.616, 348.618, 348.621, 348.625, 348.630, 348.635, 348.640, 348.655, 348.660, 348.665, 348.670, 348.675, 348.685, 348.690, 348.696, 348.900, 351.052, 351.070, 351.077, 351.203, 351.293, 351.643, 351.715, 351.718, 351.735, 352.730, 352.740, 352.750, 353.200, 399.255, 399.265, 399.275, 411.894, 418.657, 418.658, 433.283, 442.540, 442.545, 471.580, 656.046, 657.665, 659.850, 659.855, 660.157, 660.312, 660.318, 660.340, 660.343, 680.515, 684.040, 685.060 and 687.011 and sections 5, 25 and 26, chapter 904, Oregon Laws 2009, sections 2 and 10, chapter 519, Oregon Laws 2011, section 2, chapter 637, Oregon Laws 2011, section 14, chapter 36, Oregon Laws 2012, section 3, chapter 94, Oregon Laws 2012, and section 1, chapter 96, Oregon Laws 2012; repealing ORS 326.075, 329.757, 329.765, 329.775, 329.780, 341.425, 348.510, 348.540, 348.550, 351.728 and 351.738 and section 6, chapter 104, Oregon Laws 2012; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

**HIGHER EDUCATION COORDINATING COMMISSION**

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

351.735. [(1) *The Higher Education Coordinating Commission shall advise the Oregon Education Investment Board on state goals and associated achievement compacts for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for the Oregon Student Access Commission.*]

[(2) *Under the direction and control of the Oregon Education Investment Board, the Higher Education Coordinating Commission shall:*]

[(a) *Develop a strategic plan for achieving state higher education goals, identifying priority areas for attention and taking into consideration the contributions of this state's independent institutions and*

*other organizations dedicated to helping Oregonians reach state goals. Goals should include, but need not be limited to:]*

*[(A) Increasing the educational attainment of the population;]*

*[(B) Increasing this state's global economic competitiveness and the quality of life of its citizens;]*

*[(C) Ensuring affordable access for qualified Oregon students at each college or public university; and]*

*[(D) Ensuring that public higher education in this state is provided in a cost-effective manner.]*

*[(b) Evaluate and recommend changes to statutory goals and missions described for community colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiving recommendations from the appropriate governing board. The appropriate governing board shall have decision-making authority over program offerings to implement established goals and missions.]*

*[(c) Develop a finance model for higher education aligned with the goals in the system strategic plan, including:]*

*[(A) Recommended biennial appropriations to institutions, including a component specifically tied to institutional contributions to state educational priorities;]*

*[(B) Recommended limits regarding the setting of tuition rates at public universities listed in ORS 352.002 in accordance with criteria set by the State Board of Higher Education, with the goal of encouraging tuition affordability for students;]*

*[(C) Tuition rates set by each community college governing board for community colleges in this state;]*

*[(D) Recommended biennial appropriations for student financial aid; and]*

*[(E) Recommended biennial appropriations for any future statewide higher education initiatives.]*

*[(d) Each biennium, recommend to the Oregon Education Investment Board a consolidated higher education budget request consistent with the finance model, including appropriations for:]*

*[(A) Ongoing operations of the Oregon Student Access Commission;]*

*[(B) Ongoing operations for the Oregon University System;]*

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

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

*[(E) Capital improvements.]*

*[(e) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of student financial assistance programs, including the Oregon Opportunity Grant program under ORS 348.260.]*

*[(f) Approve and authorize degrees for the Oregon University System.]*

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

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

*[(a) Develop and recommend policies to ensure or improve access to higher education by underserved populations.]*

*[(b) Recommend and encourage student success and completion initiatives.]*

*[(c) Develop and recommend policies to improve the coordination of the provision of educational services, including:]*

*[(A) Transfers and other movements throughout the higher education system;]*

*[(B) Accelerated college credit programs for high school students;]*

*[(C) Applied baccalaureate and other transfer degrees; and]*

*[(D) Reciprocity agreements with other states.]*

*[(d) Review research efforts among the public universities of this state to improve economic development in this state.]*

*[(e) Coordinate education initiatives with the State Workforce Investment Board, the Department of Community Colleges and Workforce Development, local workforce investment boards, the Oregon Health and Science University and independent institutions of post-secondary education.]*

(1) As used in this section, “student access programs” means scholarship, loan, grant and access programs described in ORS chapter 348.

(2) The Higher Education Coordinating Commission shall be guided by the legislative findings in ORS 341.009, 351.001 and 351.003 and the goals and mission of post-secondary education set forth in ORS 351.006 and 351.009.

(3) The Higher Education Coordinating Commission shall:

(a) Advise and assist the Oregon Education Investment Board on:

(A) State goals and associated achievement compacts for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for student access programs;

(B) Strategic investments in the state’s community colleges, public universities and student access programs necessary to achieve state post-secondary education goals; and

(C) Coordination of the post-secondary elements of data collection and structure, with the advice and recommendation of the state’s community colleges and public universities, as appropriate, in order to assist the Oregon Education Investment Board in the construction of a state longitudinal data system, as authorized by law.

(b) Adopt a strategic plan for achieving state post-secondary education goals, taking into consideration the contributions of this state’s independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals. State post-secondary education goals as described in this section should include, but need not be limited to:

(A) Increasing the educational attainment of the population;

(B) Increasing this state’s global economic competitiveness and the quality of life of its residents;

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

(D) Removing barriers to on-time completion; and

(E) Tracking progress toward meeting the state’s post-secondary education goals established in the strategic plan described in this paragraph.

(c)(A) Each biennium, after receiving funding requests from the state’s community colleges and public universities as authorized by law, recommend to the Governor and the Oregon Education Investment Board a consolidated higher education budget request aligned with the strategic plan described in subsection (3)(b) of this section, including appropriations for:

(i) Student access programs;

(ii) Public universities listed in ORS 352.002, including but not limited to education and general operations, statewide public services and state-funded debt service;

(iii) Community colleges, including but not limited to education and general operations and state-funded debt service;

(iv) New facilities or programs;

(v) Capital improvements and deferred maintenance; and

(vi) Special initiatives and investments.

(B) In the development of the consolidated higher education budget request:

(i) Determine the costs necessary to provide quality post-secondary education;

(ii) Solicit input from educators, education policy experts, appropriate legislative committees, students and other persons interested in the development of the funding model; and

(iii) Solicit public input regarding educational priorities.

(d) Adopt rules governing the distribution of appropriations from the Legislative Assembly to community colleges, public universities listed in ORS 352.002 and student access programs. These rules must be based on allocation formulas developed in consultation with the state’s community colleges and public universities, as appropriate.

(e) Approve or disapprove any significant change to the academic program of a community college or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the commission shall consider the recommendation from the community college or public university seeking to make the change to an academic program that is issued pursuant to the obligation of the governing board of a community college or public university to review and approve academic programs. The commission shall ensure that approved programs:

(A) Are consistent with the mission statement of the community college or public university;

(B) Do not unnecessarily duplicate academic programs offered by Oregon's other community colleges or public universities;

(C) Are not located in a geographic area that will cause undue hardship to Oregon's other community colleges or public universities; and

(D) Are allocated among Oregon's community colleges and public universities to maximize the achievement of statewide needs and requirements.

(f) For public universities listed in ORS 352.002:

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

(B) Review and determine whether a proposed annual increase of resident undergraduate enrollment fees, as described in ORS 351.063, of greater than five percent is appropriate.

(C) Advise the Governor and the Legislative Assembly on issues of university governance.

(D) Approve and authorize degrees.

(g) Authorize degrees to be offered by independent post-secondary institutions in this state under ORS 348.594 to 348.615.

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

(4) In addition to the duties described in subsections (2) and (3) of this section, the Higher Education Coordinating Commission shall advise the Legislative Assembly, the Governor, community colleges, public universities and other state boards and commissions on policies in order to:

(a) Ensure or improve access to higher education by diverse and underserved populations.

(b) Encourage student success and completion initiatives.

(c) Improve the coordination of the provision of educational services, including:

(A) Transfers and coenrollment throughout the higher education system;

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

(C) Applied baccalaureate and other transfer degrees;

(D) Programs and grants that span multiple institutions; and

(E) Reciprocity agreements with other states.

(d) In coordination with the State Board of Education, enhance the use and quality of dual credit, career and technical pathways and efforts to create a culture of college attendance in this state.

(e) In coordination with the State Workforce Investment Board, local workforce investment boards, the Oregon Health and Science University and independent institutions, ensure that the state's colleges and universities offer programs in high-demand occupations that meet Oregon's workforce needs.

(f) Improve economies of scale by encouraging and facilitating the use of the shared services among post-secondary institutions in this state.

(5) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter 183, may adopt administrative rules.

(6) With the exception of the rulemaking authority granted in subsection (5) of this section, the Higher Education Coordinating Commission may delegate any of its powers, duties

or functions to a committee of the commission or to the executive director of the commission.

**(7) The Higher Education Coordinating Commission may establish technical or advisory committees to assist the commission in exercising its powers, duties and functions.**

**(8) The Higher Education Coordinating Commission may exercise only powers, duties and functions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by law, all other authorities reside at the institutional level with the respective boards of the post-secondary institutions.**

**SECTION 2.** ORS 351.735, as amended by sections 1 and 3, chapter 104, Oregon Laws 2012, is amended to read:

351.735. [(1) *The Higher Education Coordinating Commission shall advise the Oregon Education Investment Board on state goals and associated achievement compacts for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for the Oregon Student Access Commission.*]

[(2) *Under the direction and control of the Oregon Education Investment Board, the Higher Education Coordinating Commission shall:*]

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

[(A) *Increasing the educational attainment of the population;*]

[(B) *Increasing this state's global economic competitiveness and the quality of life of its citizens;*]

[(C) *Ensuring affordable access for qualified Oregon students at each college or public university;* and]

[(D) *Ensuring that public higher education in this state is provided in a cost-effective manner.*]

[(b) *Evaluate and recommend changes to statutory goals and missions described for community colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiving recommendations from the appropriate governing board. The appropriate governing board shall have decision-making authority over program offerings to implement established goals and missions.*]

[(c) *Develop a finance model for higher education aligned with the goals in the system strategic plan, including:*]

[(A) *Recommended biennial appropriations to institutions, including a component specifically tied to institutional contributions to state educational priorities;*]

[(B) *Recommended limits regarding the setting of tuition rates at public universities listed in ORS 352.002 in accordance with criteria set by the State Board of Higher Education, with the goal of encouraging tuition affordability for students;*]

[(C) *Tuition rates set by each community college governing board for community colleges in this state;*]

[(D) *Recommended biennial appropriations for student financial aid; and*]

[(E) *Recommended biennial appropriations for any future statewide higher education initiatives.*]

[(d) *Each biennium, recommend to the Oregon Education Investment Board a consolidated higher education budget request consistent with the finance model, including appropriations for:*]

[(A) *Ongoing operations of the Oregon Student Access Commission;*]

[(B) *Ongoing operations for the Oregon University System;*]

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

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

[(E) *Capital improvements.*]

[(e) *Coordinate with the Oregon Student Access Commission to maximize the effectiveness of student financial assistance programs, including the Oregon Opportunity Grant program under ORS 348.260.*]

[(f) *Approve and authorize degrees for the Oregon University System.*]

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

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

*[(a) Develop and recommend policies to ensure or improve access to higher education by underserved populations.]*

*[(b) Recommend and encourage student success and completion initiatives.]*

*[(c) Develop and recommend policies to improve the coordination of the provision of educational services, including:]*

*[(A) Transfers and other movements throughout the higher education system;]*

*[(B) Accelerated college credit programs for high school students;]*

*[(C) Applied baccalaureate and other transfer degrees; and]*

*[(D) Reciprocity agreements with other states.]*

*[(d) Review research efforts among the public universities of this state to improve economic development in this state.]*

*[(e) Coordinate education initiatives with the State Workforce Investment Board, the Department of Community Colleges and Workforce Development, local workforce investment boards, the Oregon Health and Science University and independent institutions of post-secondary education.]*

*[(f) Oversee the licensing of career schools under ORS 345.010 to 345.450.]*

**(1) As used in this section, “student access programs” means scholarship, loan, grant and access programs described in ORS chapter 348.**

**(2) The Higher Education Coordinating Commission shall be guided by the legislative findings in ORS 341.009, 351.001 and 351.003 and the goals and mission of post-secondary education set forth in ORS 351.006 and 351.009.**

**(3) The Higher Education Coordinating Commission shall:**

**(a) Advise and assist the Oregon Education Investment Board on:**

**(A) State goals and associated achievement compacts for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for student access programs;**

**(B) Strategic investments in the state’s community colleges, public universities and student access programs necessary to achieve state post-secondary education goals; and**

**(C) Coordination of the post-secondary elements of data collection and structure, with the advice and recommendation of the state’s community colleges and public universities, as appropriate, in order to assist the Oregon Education Investment Board in the construction of a state longitudinal data system, as authorized by law.**

**(b) Adopt a strategic plan for achieving state post-secondary education goals, taking into consideration the contributions of this state’s independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals. State post-secondary education goals as described in this section should include, but need not be limited to:**

**(A) Increasing the educational attainment of the population;**

**(B) Increasing this state’s global economic competitiveness and the quality of life of its residents;**

**(C) Ensuring affordable access for qualified Oregon students at each college or public university;**

**(D) Removing barriers to on-time completion; and**

**(E) Tracking progress toward meeting the state’s post-secondary education goals established in the strategic plan described in this paragraph.**

**(c)(A) Each biennium, after receiving funding requests from the state’s community colleges and public universities as authorized by law, recommend to the Governor and the Oregon Education Investment Board a consolidated higher education budget request aligned**

with the strategic plan described in subsection (3)(b) of this section, including appropriations for:

- (i) Student access programs;
- (ii) Public universities listed in ORS 352.002, including but not limited to education and general operations, statewide public services and state-funded debt service;
- (iii) Community colleges, including but not limited to education and general operations and state-funded debt service;
- (iv) New facilities or programs;
- (v) Capital improvements and deferred maintenance; and
- (vi) Special initiatives and investments.

(B) In the development of the consolidated higher education budget request:

- (i) Determine the costs necessary to provide quality post-secondary education;
- (ii) Solicit input from educators, education policy experts, appropriate legislative committees, students and other persons interested in the development of the funding model; and
- (iii) Solicit public input regarding educational priorities.

(d) Adopt rules governing the distribution of appropriations from the Legislative Assembly to community colleges, public universities listed in ORS 352.002 and student access programs. These rules must be based on allocation formulas developed in consultation with the state's community colleges and public universities, as appropriate.

(e) Approve or disapprove any significant change to the academic program of a community college or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the commission shall consider the recommendation from the community college or public university seeking to make the change to an academic program that is issued pursuant to the obligation of the governing board of a community college or public university to review and approve academic programs. The commission shall ensure that approved programs:

(A) Are consistent with the mission statement of the community college or public university;

(B) Do not unnecessarily duplicate academic programs offered by Oregon's other community colleges or public universities;

(C) Are not located in a geographic area that will cause undue hardship to Oregon's other community colleges or public universities; and

(D) Are allocated among Oregon's community colleges and public universities to maximize the achievement of statewide needs and requirements.

(f) For public universities listed in ORS 352.002:

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

(B) Review and determine whether a proposed annual increase of resident undergraduate enrollment fees, as described in ORS 351.063, of greater than five percent is appropriate.

(C) Advise the Governor and the Legislative Assembly on issues of university governance.

(D) Approve and authorize degrees.

(g) Authorize degrees to be offered by independent post-secondary institutions in this state under ORS 348.594 to 348.615.

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

(4) In addition to the duties described in subsections (2) and (3) of this section, the Higher Education Coordinating Commission shall advise the Legislative Assembly, the Governor, community colleges, public universities and other state boards and commissions on policies in order to:

(a) Ensure or improve access to higher education by diverse and underserved populations.

(b) Encourage student success and completion initiatives.

(c) Improve the coordination of the provision of educational services, including:

- (A) Transfers and coenrollment throughout the higher education system;
- (B) Accelerated college credit programs for high school students;
- (C) Applied baccalaureate and other transfer degrees;
- (D) Programs and grants that span multiple institutions; and
- (E) Reciprocity agreements with other states.

(d) In coordination with the State Board of Education, enhance the use and quality of dual credit, career and technical pathways and efforts to create a culture of college attendance in this state.

(e) In coordination with the State Workforce Investment Board, local workforce investment boards, the Oregon Health and Science University and independent institutions, ensure that the state's colleges and universities offer programs in high-demand occupations that meet Oregon's workforce needs.

(f) Improve economies of scale by encouraging and facilitating the use of the shared services among post-secondary institutions in this state.

(5) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter 183, may adopt administrative rules.

(6) With the exception of the rulemaking authority granted in subsection (5) of this section, the Higher Education Coordinating Commission may delegate any of its powers, duties or functions to a committee of the commission or to the executive director of the commission.

(7) The Higher Education Coordinating Commission may establish technical or advisory committees to assist the commission in exercising its powers, duties and functions.

(8) The Higher Education Coordinating Commission may exercise only powers, duties and functions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by law, all other authorities reside at the institutional level with the respective boards of the post-secondary institutions.

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

351.735. [*The Higher Education Coordinating Commission shall:*]

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

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

[(a) *Increasing the educational attainment of the population;*]

[(b) *Increasing this state's global economic competitiveness and the quality of life of its citizens;*]

[(c) *Ensuring affordable access for qualified Oregon students at each college or public university;* and]

[(d) *Ensuring that public higher education in this state is provided in a cost-effective manner.*]

[(3) *Evaluate and recommend changes to statutory goals and missions described for community colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiving recommendations from the appropriate governing board. The appropriate governing board shall have decision-making authority over program offerings to implement established goals and missions.*]

[(4) *Develop a finance model for higher education aligned with the goals in the system strategic plan, including:*]

[(a) *Recommended biennial appropriations to institutions, including a component specifically tied to institutional contributions to state educational priorities;*]

[(b) *Recommended limits regarding the setting of tuition rates at public universities listed in ORS 352.002 in accordance with criteria set by the State Board of Higher Education, with the goal of encouraging tuition affordability for students;*]



*[(c) Tuition rates set by each community college governing board for community colleges in this state;]*

*[(d) Recommended biennial appropriations for student financial aid; and]*

*[(e) Recommended biennial appropriations for any future statewide higher education initiatives.]*

*[(5) Each biennium, recommend to the Governor and the Legislative Assembly a consolidated higher education budget request consistent with the finance model, including appropriations for:]*

*[(a) Ongoing operations of the Oregon Student Access Commission;]*

*[(b) Ongoing operations for the Oregon University System;]*

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

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

*[(e) Capital improvements.]*

*[(6) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of student financial assistance programs, including the Oregon Opportunity Grant program under ORS 348.260.]*

*[(7) Approve and authorize degrees for the Oregon University System.]*

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

*[(9) Develop and recommend policies to ensure or improve access to higher education by underserved populations.]*

*[(10) Recommend and encourage student success and completion initiatives.]*

*[(11) Develop and recommend policies to improve the coordination of the provision of educational services, including:]*

*[(a) Transfers and other movements throughout the higher education system;]*

*[(b) Accelerated college credit programs for high school students;]*

*[(c) Applied baccalaureate and other transfer degrees; and]*

*[(d) Reciprocity agreements with other states.]*

*[(12) Review research efforts among the public universities of this state to improve economic development in this state.]*

*[(13) Coordinate education initiatives with the State Workforce Investment Board, the Department of Community Colleges and Workforce Development, local workforce investment boards, the Oregon Health and Science University and independent institutions of post-secondary education.]*

*[(14) Oversee the licensing of career schools under ORS 345.010 to 345.450.]*

**(1) As used in this section, “student access programs” means scholarship, loan, grant and access programs described in ORS chapter 348.**

**(2) The Higher Education Coordinating Commission shall be guided by the legislative findings in ORS 341.009, 351.001 and 351.003 and the goals and mission of post-secondary education set forth in ORS 351.006 and 351.009.**

**(3) The Higher Education Coordinating Commission shall:**

**(a) Develop state goals and associated achievement compacts for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for student access programs;**

**(b) Determine strategic investments in the state’s community colleges, public universities and student access programs necessary to achieve state post-secondary education goals; and**

**(c) Coordinate the post-secondary elements of data collection and structure, with the advice and recommendation of the state’s community colleges and public universities, as appropriate, in order to construct a state longitudinal data system.**

**(d) Adopt a strategic plan for achieving state post-secondary education goals, taking into consideration the contributions of this state’s independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals. State post-secondary education goals as described in this section should include, but need not be limited to:**

(A) Increasing the educational attainment of the population;  
(B) Increasing this state's global economic competitiveness and the quality of life of its residents;

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

(D) Removing barriers to on-time completion; and

(E) Tracking progress toward meeting the state's post-secondary education goals established in the strategic plan described in this paragraph.

(e)(A) Each biennium, after receiving funding requests from the state's community colleges and public universities as authorized by law, recommend to the Governor a consolidated higher education budget request aligned with the strategic plan described in subsection (3)(d) of this section, including appropriations for:

(i) Student access programs;

(ii) Public universities listed in ORS 352.002, including but not limited to education and general operations, statewide public services and state-funded debt service;

(iii) Community colleges, including but not limited to education and general operations and state-funded debt service;

(iv) New facilities or programs;

(v) Capital improvements and deferred maintenance; and

(vi) Special initiatives and investments.

(B) In the development of the consolidated higher education budget request:

(i) Determine the costs necessary to provide quality post-secondary education;

(ii) Solicit input from educators, education policy experts, appropriate legislative committees, students and other persons interested in the development of the funding model; and

(iii) Solicit public input regarding educational priorities.

(f) Adopt rules governing the distribution of appropriations from the Legislative Assembly to community colleges, public universities listed in ORS 352.002 and student access programs. These rules must be based on allocation formulas developed in consultation with the state's community colleges and public universities, as appropriate.

(g) Approve or disapprove any significant change to the academic program of a community college or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the commission shall consider the recommendation from the community college or public university seeking to make the change to an academic program that is issued pursuant to the obligation of the governing board of a community college or public university to review and approve academic programs. The commission shall ensure that approved programs:

(A) Are consistent with the mission statement of the community college or public university;

(B) Do not unnecessarily duplicate academic programs offered by Oregon's other community colleges or public universities;

(C) Are not located in a geographic area that will cause undue hardship to Oregon's other community colleges or public universities; and

(D) Are allocated among Oregon's community colleges and public universities to maximize the achievement of statewide needs and requirements.

(h) For public universities listed in ORS 352.002:

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

(B) Review and determine whether a proposed annual increase of resident undergraduate enrollment fees, as described in ORS 351.063, of greater than five percent is appropriate.

(C) Advise the Governor and the Legislative Assembly on issues of university governance.

(D) Approve and authorize degrees.

(i) Authorize degrees to be offered by independent post-secondary institutions in this state under ORS 348.594 to 348.615.

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

(4) In addition to the duties described in subsections (2) and (3) of this section, the Higher Education Coordinating Commission shall advise the Legislative Assembly, the Governor, community colleges, public universities and other state boards and commissions on policies in order to:

(a) Ensure or improve access to higher education by diverse and underserved populations.

(b) Encourage student success and completion initiatives.

(c) Improve the coordination of the provision of educational services, including:

(A) Transfers and coenrollment throughout the higher education system;

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

(C) Applied baccalaureate and other transfer degrees;

(D) Programs and grants that span multiple institutions; and

(E) Reciprocity agreements with other states.

(d) In coordination with the State Board of Education, enhance the use and quality of dual credit, career and technical pathways and efforts to create a culture of college attendance in this state.

(e) In coordination with the State Workforce Investment Board, local workforce investment boards, the Oregon Health and Science University and independent institutions, ensure that the state's colleges and universities offer programs in high-demand occupations that meet Oregon's workforce needs.

(f) Improve economies of scale by encouraging and facilitating the use of the shared services among post-secondary institutions in this state.

(5) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter 183, may adopt administrative rules.

(6) With the exception of the rulemaking authority granted in subsection (5) of this section, the Higher Education Coordinating Commission may delegate any of its powers, duties or functions to a committee of the commission or to the executive director of the commission.

(7) The Higher Education Coordinating Commission may establish technical or advisory committees to assist the commission in exercising its powers, duties and functions.

(8) The Higher Education Coordinating Commission may exercise only powers, duties and functions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by law, all other authorities reside at the institutional level with the respective boards of the post-secondary institutions.

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

351.715. (1) There is established a Higher Education Coordinating Commission, consisting of [15] **nine voting** members appointed by the Governor.

(2) The Governor shall appoint:

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

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

(3) The Governor shall also appoint five nonvoting members to the commission. The Governor shall elicit recommendations for appointments made under this subsection from official student, faculty and nonfaculty staff organizations at community colleges and public universities listed in ORS 352.002. The five nonvoting members of the commission shall consist of:

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

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

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

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

(e) **One nonfaculty member of the staff from either a public university listed in ORS 352.002 or a community college.**

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

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

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

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

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

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

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

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

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

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

**Sec. 2.** Notwithstanding the term of office specified by *[section 1 of this 2011 Act]* **ORS 351.715**, of the members first appointed to the Higher Education Coordinating Commission:

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

(2) Five *[shall serve]* **appointed** for a term **originally** ending June 30, 2015, **shall serve for a term ending on the date on which succeeding members are appointed pursuant to section 6 (2) of this 2013 Act.**

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

**SECTION 6.** Notwithstanding the term of office specified by ORS 351.715, of the voting members first appointed by the Governor after the effective date of this 2013 Act to the Higher Education Coordinating Commission:

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

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

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

**SECTION 7.** (1) The Governor may appoint the members of the Higher Education Coordinating Commission before the operative date specified in section 204 of this 2013 Act. The Governor shall make initial appointments of members of the Higher Education Coordinating Commission by August 31, 2013.

(2) Notwithstanding ORS 351.725, the Governor may appoint an executive director of the Higher Education Coordinating Commission before the operative date specified in section 204 of this 2013 Act.

(3) Before the operative date specified in section 204 of this 2013 Act, the Governor and the Higher Education Coordinating Commission may take any action that is necessary for the Higher Education Coordinating Commission to exercise, on and after the operative date specified in section 204 of this 2013 Act, all of the duties, functions and powers conferred on

the Higher Education Coordinating Commission by the amendments to ORS 351.735 by sections 1, 2 and 3 of this 2013 Act.

**SECTION 8.** The Higher Education Coordinating Commission may:

(1) Consistent with the laws of this state, accept money or property not otherwise provided for under subsection (2) of this section that is donated for the use or benefit of community colleges and use such money or property for the purpose for which it was donated. Until it is used, the commission shall deposit any moneys received under this subsection in a special fund with the State Treasurer as provided in ORS 293.265 to 293.275.

(2) Apply for federal funds and accept and enter into any contracts or agreements on behalf of this state for the receipt of such funds from the federal government or its agencies for:

- (a) Educational purposes;
- (b) Career and technical education programs at community colleges;
- (c) Adult education programs;
- (d) Workforce training programs; and
- (e) Any grants available to this state or its political subdivisions for general federal aid for community colleges and their auxiliary services, improvement of teacher preparation, teacher salaries, construction of school buildings, administration of the commission and any other educational activities under the jurisdiction of the commission.

**NOTE:** Section 9 was deleted by amendment. Subsequent sections were not renumbered.

#### **ESTABLISHMENT OF OFFICE OF STUDENT ACCESS AND COMPLETION**

**SECTION 10.** (1) The Office of Student Access and Completion is established and shall operate under the direction and control of the Higher Education Coordinating Commission.

(2) The executive director of the Higher Education Coordinating Commission shall appoint the Executive Director of the Office of Student Access and Completion.

(3) The executive director shall be responsible for the performance of the duties, functions and powers of the Office of Student Access and Completion.

(4) The executive director shall be paid a salary as provided by law or, if not so provided, as prescribed by the commission.

(5) Subject to any applicable provisions of ORS chapter 240, the executive director shall appoint all subordinate officers and employees of the office, prescribe their duties and fix their compensation

**SECTION 11.** (1) The executive director of the Higher Education Coordinating Commission may appoint the Executive Director of the Office of Student Access and Completion before the operative date specified in section 204 of this 2013 Act.

(2) The commission, the Executive Director of the Office of Student Access and Completion and the Office of Student Access and Completion may take any action before the operative date specified in section 204 of this 2013 Act that is necessary for the commission, executive director and office to exercise, on and after the operative date specified in section 204 of this 2013 Act, all of the duties, functions and powers conferred on the commission, the executive director and the office by this section and section 10 of this 2013 Act.

#### **TRANSFER OF AUTHORITY OF OREGON STUDENT ACCESS COMMISSION**

**SECTION 12.** Section 13 of this 2013 Act is added to and made a part of ORS 348.505 to 348.530.

**SECTION 13.** (1) The Oregon Student Access Commission is abolished.

(2)(a) With respect to policy making and the adjudication of disputes, all the duties, functions and powers of the Oregon Student Access Commission are imposed upon, transferred to and vested in the Higher Education Coordinating Commission.

(b) With respect to administrative authority, all the duties, functions and powers of the Oregon Student Access Commission are imposed upon, transferred to and vested in the Office of Student Access and Completion.

(3) On the operative date of this section, the Oregon Student Access Commission shall:

(a) Deliver to the Office of Student Access and Completion all records and property within the jurisdiction of the commission that relate to the duties, functions and powers transferred to and assumed by the office under this section.

(b) Transfer to the office those employees engaged primarily in the exercise of the duties, functions and powers transferred to and assumed by the office under this section.

(4) The Executive Director of the Office of Student Access and Completion shall take possession of the records and property, and shall take charge of the employees and employ them in the exercise of the duties, functions and powers transferred under this section, without reduction of compensation but subject to change or termination of employment or compensation as provided by law.

(5) The Governor shall resolve any dispute between the Oregon Student Access Commission and the Office of Student Access and Completion relating to transfers of records, property and employees under this section, and the Governor's decision is final.

**SECTION 14.** (1) The unexpended balances of amounts authorized to be expended by the Oregon Student Access Commission for the biennium beginning July 1, 2013, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred by the provisions of section 13 of this 2013 Act are transferred to and are available for expenditure by the Office of Student Access and Completion for the biennium beginning July 1, 2013, for the purpose of administering and enforcing the duties, functions and powers transferred by section 13 of this 2013 Act.

(2) The expenditure classifications, if any, established by Acts authorizing or limiting expenditures by the Oregon Student Access Commission remain applicable to expenditures by the Office of Student Access and Completion under this section.

**SECTION 15.** The transfer of duties, functions and powers to the Higher Education Coordinating Commission and Office of Student Access and Completion by section 13 of this 2013 Act does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the Higher Education Coordinating Commission or Office of Student Access and Completion is substituted for the Oregon Student Access Commission in the action, proceeding or prosecution.

**SECTION 16.** (1) Nothing in sections 13 to 15 of this 2013 Act relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers transferred by section 13 of this 2013 Act. The Office of Student Access and Completion may undertake the collection or enforcement of any such liability, duty or obligation.

(2) The rights and obligations of the Oregon Student Access Commission legally incurred under contracts, leases and business transactions executed, entered into or begun before the operative date of section 13 of this 2013 Act accruing under or with respect to the duties, functions and powers transferred by section 13 of this 2013 Act are transferred to the Office of Student Access and Completion. For the purpose of succession to these rights and obligations, the office is a continuation of the commission and not a new authority.

**SECTION 17.** (1) Notwithstanding the transfer of duties, functions and powers by section 13 of this 2013 Act, the rules of the Oregon Student Access Commission in effect on the operative date of section 13 of this 2013 Act continue in effect until superseded or repealed by rules of the Higher Education Coordinating Commission.

(2) References in rules of the Oregon Student Access Commission to the commission or an officer or employee of the commission are considered to be references to the Office of Student Access and Completion or to an officer or employee of the office.

**SECTION 18.** The Oregon Student Access Commission, Higher Education Coordinating Commission and Office of Student Access and Completion may take any action before the operative date specified in section 204 of this 2013 Act that is necessary to enable the office to exercise, on and after the operative date specified in section 204 of this 2013 Act, all the duties, functions and powers conferred on the office and the Higher Education Coordinating Commission by section 13 of this 2013 Act.

#### **TRANSFER OF AUTHORITY OF STATE BOARD OF EDUCATION OVER COMMUNITY COLLEGES**

**SECTION 19.** (1) With respect to the oversight, rulemaking and policy making over community colleges, including but not limited to the direction and control of the Department of Community Colleges and Workforce Development and the Commissioner for Community College Services, all the duties, functions and powers of the State Board of Education are imposed upon, transferred to and vested in the Higher Education Coordinating Commission.

(2) On the operative date of this section, the State Board of Education shall:

(a) Deliver to the Higher Education Coordinating Commission all records and property within the jurisdiction of the commission that relate to the duties, functions and powers transferred to and assumed by the office under this section.

(b) Transfer to the commission those employees engaged primarily in the exercise of the duties, functions and powers transferred to and assumed by the commission under this section.

(3) The executive director of the Higher Education Coordinating Commission shall take possession of the records and property, and shall take charge of the employees and employ them in the exercise of the duties, functions and powers transferred under this section, without reduction of compensation but subject to change or termination of employment or compensation as provided by law.

(4) The Governor shall resolve any dispute between the State Board of Education and the Higher Education Coordinating Commission relating to transfers of records, property and employees under this section, and the Governor's decision is final.

**SECTION 20.** (1) The unexpended balances of amounts authorized to be expended by the State Board of Education for the biennium beginning July 1, 2013, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred by the provisions of section 19 of this 2013 Act are transferred to and are available for expenditure by the Higher Education Coordinating Commission for the biennium beginning July 1, 2013, for the purpose of administering and enforcing the duties, functions and powers transferred by section 19 of this 2013 Act.

(2) The expenditure classifications, if any, established by Acts authorizing or limiting expenditures by the State Board of Education remain applicable to expenditures by the Higher Education Coordinating Commission under this section.

**SECTION 21.** The transfer of duties, functions and powers to the Higher Education Coordinating Commission by section 19 of this 2013 Act does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the Higher Education Coordinating Commission is substituted for the State Board of Education in the action, proceeding or prosecution.

**SECTION 22.** (1) Nothing in sections 19 to 21 of this 2013 Act relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers

transferred by section 19 of this 2013 Act. The Higher Education Coordinating Commission may undertake the collection or enforcement of any such liability, duty or obligation.

(2) The rights and obligations of the State Board of Education legally incurred under contracts, leases and business transactions executed, entered into or begun before the operative date of section 19 of this 2013 Act accruing under or with respect to the duties, functions and powers transferred by section 19 of this 2013 Act are transferred to the Higher Education Coordinating Commission. For the purpose of succession to these rights and obligations, the commission is a continuation of the board and not a new authority.

**SECTION 23.** (1) Notwithstanding the transfer of duties, functions and powers by section 19 of this 2013 Act, the rules of the State Board of Education in effect on the operative date of section 19 of this 2013 Act continue in effect until superseded or repealed by rules of the Higher Education Coordinating Commission.

(2) References in rules of the State Board of Education to the board or an officer or employee of the board are considered to be references to the Higher Education Coordinating Commission or to an officer or employee of the commission.

**SECTION 24.** The State Board of Education and the Higher Education Coordinating Commission may take any action before the operative date specified in section 204 of this 2013 Act that is necessary to enable the commission to exercise, on and after the operative date specified in section 204 of this 2013 Act, all the duties, functions and powers conferred on the Higher Education Coordinating Commission by section 19 of this 2013 Act.

## CONSTITUTION AND BONDING PROVISIONS

**SECTION 25.** For purposes of Article XV, section 8, of the Oregon Constitution, a person employed by the State Board of Higher Education includes a person who:

(1) Was employed by the board on the date before the effective date of this 2013 Act and who, as a result of sections 6 to 24 of this 2013 Act and the amendments to ORS 351.715 and 351.735 and section 2, chapter 637, Oregon Laws 2011, by sections 1 to 5 of this 2013 Act, is employed by another agency or public corporation of this state in a capacity that was within the authority of the board on the date before the effective date of this 2013 Act.

(2) On or after the effective date of this 2013 Act, is employed by an agency or public corporation in a capacity that was within the authority of the board before the effective date of this 2013 Act.

**SECTION 26.** For purposes of Article XI-M, section 1, of the Oregon Constitution, a building owned by the State Board of Higher Education includes a building owned by:

(1) The State Board of Higher Education on the date before the effective date of this 2013 Act that, as a result of sections 6 to 24 of this 2013 Act and the amendments to ORS 351.715 and 351.735 and section 2, chapter 637, Oregon Laws 2011, by sections 1 to 5 of this 2013 Act, is on the effective date of this 2013 Act owned by another agency or public corporation of this state and used for purposes within the authority of the board on the date before the effective date of this 2013 Act.

(2) An agency or public corporation of this state on or after the effective date of this 2013 Act and used for purposes within the authority of the board before the effective date of this 2013 Act.

**SECTION 27.** Any amounts deposited with the State Treasurer, the Controller of the Oregon University System, the Oregon Department of Administrative Services or their designated agents in any debt service in reserve accounts for the debt service associated with any bonds, certificates of participation, financing agreements or other agreements for the borrowing of money issued prior to the operative date specified in section 204 of this 2013 Act by the State of Oregon on behalf of the State Board of Higher Education shall remain with the State Treasurer, the Controller of the Oregon University System, the Oregon Department of Administrative Services or their designated agents until the time that the



bonds, certificates of participation, financing agreements or other agreements for the borrowing of money for which the reserve accounts have been established have been retired or defeased. The public university associated with the debt service in a reserve account shall be credited with the investment earnings on the reserve account.

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

**AUTHORITY OF OREGON EDUCATION INVESTMENT  
BOARD; INCIDENTAL FEES; ACHIEVEMENT COMPACTS;  
CONFORMING AMENDMENTS**

**SECTION 29.** Section 2, chapter 519, Oregon Laws 2011, as amended by section 1, chapter 36, Oregon Laws 2012, is amended to read:

**Sec. 2.** (1) The Oregon Education Investment Board established by section 1, chapter 519, Oregon Laws 2011, shall appoint a Chief Education Officer who shall serve at the pleasure of the board.

(2) The Chief Education Officer shall be a person who, by training and experience, is well qualified to:

(a) Perform the duties of the office, as determined by the board; and

(b) Assist in carrying out the functions of the board, as described in section 1, chapter 519, Oregon Laws 2011.

(3)(a) For the purpose of furthering the mission of the Oregon Education Investment Board to oversee a unified public education system, the Chief Education Officer shall have direction and control over the positions identified in paragraph (b) of this subsection for matters related to the design and organization of the state's education system, including early childhood services provided by the state.

(b) The positions over which the Chief Education Officer shall have direction and control are:

[(A) *The Commissioner for Community College Services.*]

[(B) *The Chancellor of the Oregon University System.*]

[(C) *The executive director of the Oregon Student Access Commission.*]

[(D)] (A) The Early Childhood System Director.

[(E)] (B) The executive director of the Higher Education Coordinating Commission.

[(F)] (C) The Deputy Superintendent of Public Instruction.

(c) The authority of the Chief Education Officer granted under paragraph (a) of this subsection does not include the authority to appoint or remove a person from a position identified in paragraph (b) of this subsection.

(d) If a person in a position identified in paragraph (b) of this subsection is appointed by an entity other than the Governor, the Governor shall resolve any dispute between the Chief Education Officer and the appointing authority of the person. The Governor's decision is final.

**NOTE:** Section 30 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 31.** ORS 244.050, as amended by section 9, chapter 90, Oregon Laws 2012, is amended to read:

244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon Government Ethics Commission a verified statement of economic interest as required under this chapter:

(a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

(b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem judicial officer who does not otherwise serve as a judicial officer.

- (c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.
- (d) The Deputy Attorney General.
- (e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the House of Representatives.
- (f) The Chancellor and Vice Chancellors of the Oregon University System and the president and vice presidents, or their administrative equivalents, in each public university listed in ORS 352.002.
- (g) The following state officers:
  - (A) Adjutant General.
  - (B) Director of Agriculture.
  - (C) Manager of State Accident Insurance Fund Corporation.
  - (D) Water Resources Director.
  - (E) Director of Department of Environmental Quality.
  - (F) Director of Oregon Department of Administrative Services.
  - (G) State Fish and Wildlife Director.
  - (H) State Forester.
  - (I) State Geologist.
  - (J) Director of Human Services.
  - (K) Director of the Department of Consumer and Business Services.
  - (L) Director of the Department of State Lands.
  - (M) State Librarian.
  - (N) Administrator of Oregon Liquor Control Commission.
  - (O) Superintendent of State Police.
  - (P) Director of the Public Employees Retirement System.
  - (Q) Director of Department of Revenue.
  - (R) Director of Transportation.
  - (S) Public Utility Commissioner.
  - (T) Director of Veterans' Affairs.
  - (U) Executive director of Oregon Government Ethics Commission.
  - (V) Director of the State Department of Energy.
  - (W) Director and each assistant director of the Oregon State Lottery.
  - (X) Director of the Department of Corrections.
  - (Y) Director of the Oregon Department of Aviation.
  - (Z) Executive director of the Oregon Criminal Justice Commission.
  - (AA) Director of the Oregon Business Development Department.
  - (BB) Director of the Office of Emergency Management.
  - (CC) Director of the Employment Department.
  - (DD) Chief of staff for the Governor.
  - (EE) Administrator of the Office for Oregon Health Policy and Research.
  - (FF) Director of the Housing and Community Services Department.
  - (GG) State Court Administrator.
  - (HH) Director of the Department of Land Conservation and Development.
  - (II) Board chairperson of the Land Use Board of Appeals.
  - (JJ) State Marine Director.
  - (KK) Executive director of the Oregon Racing Commission.
  - (LL) State Parks and Recreation Director.
  - (MM) Public defense services executive director.
  - (NN) Chairperson of the Public Employees' Benefit Board.
  - (OO) Director of the Department of Public Safety Standards and Training.
  - (PP) [*Chairperson of the Oregon Student Access Commission*] **Executive director of the Higher Education Coordinating Commission.**
  - (QQ) Executive director of the Oregon Watershed Enhancement Board.
  - (RR) Director of the Oregon Youth Authority.

- (SS) Director of the Oregon Health Authority.
- (TT) Deputy Superintendent of Public Instruction.
- (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- (i) Every elected city or county official.
- (j) Every member of a city or county planning, zoning or development commission.
- (k) The chief executive officer of a city or county who performs the duties of manager or principal administrator of the city or county.
- (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- (m) Every member of a governing body of a metropolitan service district and the executive officer thereof.
- (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- (o) The chief administrative officer and the financial officer of each common and union high school district, education service district and community college district.
- (p) Every member of the following state boards and commissions:
  - (A) Board of Geologic and Mineral Industries.
  - (B) Oregon Business Development Commission.
  - (C) State Board of Education.
  - (D) Environmental Quality Commission.
  - (E) Fish and Wildlife Commission of the State of Oregon.
  - (F) State Board of Forestry.
  - (G) Oregon Government Ethics Commission.
  - (H) Oregon Health Policy Board.
  - (I) State Board of Higher Education.
  - (J) Oregon Investment Council.
  - (K) Land Conservation and Development Commission.
  - (L) Oregon Liquor Control Commission.
  - (M) Oregon Short Term Fund Board.
  - (N) State Marine Board.
  - (O) Mass transit district boards.
  - (P) Energy Facility Siting Council.
  - (Q) Board of Commissioners of the Port of Portland.
  - (R) Employment Relations Board.
  - (S) Public Employees Retirement Board.
  - (T) Oregon Racing Commission.
  - (U) Oregon Transportation Commission.
  - (V) Wage and Hour Commission.
  - (W) Water Resources Commission.
  - (X) Workers' Compensation Board.
  - (Y) Oregon Facilities Authority.
  - (Z) Oregon State Lottery Commission.
  - (AA) Pacific Northwest Electric Power and Conservation Planning Council.
  - (BB) Columbia River Gorge Commission.
  - (CC) Oregon Health and Science University Board of Directors.
  - (DD) Capitol Planning Commission.
  - (EE) Higher Education Coordinating Commission.
  - (FF) Oregon Growth Board.
  - (GG) Early Learning Council.**
- (q) The following officers of the State Treasurer:
  - (A) Deputy State Treasurer.
  - (B) Chief of staff for the office of the State Treasurer.
  - (C) Director of the Investment Division.

(r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725 or 777.915 to 777.953.

(s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.

(2) By April 15 next after the date an appointment takes effect, every appointed public official on a board or commission listed in subsection (1) of this section shall file with the Oregon Government Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(3) By April 15 next after the filing deadline for the primary election, each candidate described in subsection (1) of this section shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(4) Within 30 days after the filing deadline for the general election, each candidate described in subsection (1) of this section who was not a candidate in the preceding primary election, or who was nominated for public office described in subsection (1) of this section at the preceding primary election by write-in votes, shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the filing deadline for the statewide general election.

(6) If a statement required to be filed under this section has not been received by the commission within five days after the date the statement is due, the commission shall notify the public official or candidate and give the public official or candidate not less than 15 days to comply with the requirements of this section. If the public official or candidate fails to comply by the date set by the commission, the commission may impose a civil penalty as provided in ORS 244.350.

**SECTION 32.** ORS 244.050, as amended by sections 9 and 29, chapter 90, Oregon Laws 2012, is amended to read:

244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon Government Ethics Commission a verified statement of economic interest as required under this chapter:

(a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

(b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem judicial officer who does not otherwise serve as a judicial officer.

(c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

(d) The Deputy Attorney General.

(e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the House of Representatives.

(f) The Chancellor and Vice Chancellors of the Oregon University System and the president and vice presidents, or their administrative equivalents, in each public university listed in ORS 352.002.

(g) The following state officers:

(A) Adjutant General.

(B) Director of Agriculture.

(C) Manager of State Accident Insurance Fund Corporation.

(D) Water Resources Director.

(E) Director of Department of Environmental Quality.

(F) Director of Oregon Department of Administrative Services.

(G) State Fish and Wildlife Director.

(H) State Forester.

(I) State Geologist.

(J) Director of Human Services.

(K) Director of the Department of Consumer and Business Services.

(L) Director of the Department of State Lands.

- (M) State Librarian.
- (N) Administrator of Oregon Liquor Control Commission.
- (O) Superintendent of State Police.
- (P) Director of the Public Employees Retirement System.
- (Q) Director of Department of Revenue.
- (R) Director of Transportation.
- (S) Public Utility Commissioner.
- (T) Director of Veterans' Affairs.
- (U) Executive director of Oregon Government Ethics Commission.
- (V) Director of the State Department of Energy.
- (W) Director and each assistant director of the Oregon State Lottery.
- (X) Director of the Department of Corrections.
- (Y) Director of the Oregon Department of Aviation.
- (Z) Executive director of the Oregon Criminal Justice Commission.
- (AA) Director of the Oregon Business Development Department.
- (BB) Director of the Office of Emergency Management.
- (CC) Director of the Employment Department.
- (DD) Chief of staff for the Governor.
- (EE) Administrator of the Office for Oregon Health Policy and Research.
- (FF) Director of the Housing and Community Services Department.
- (GG) State Court Administrator.
- (HH) Director of the Department of Land Conservation and Development.
- (II) Board chairperson of the Land Use Board of Appeals.
- (JJ) State Marine Director.
- (KK) Executive director of the Oregon Racing Commission.
- (LL) State Parks and Recreation Director.
- (MM) Public defense services executive director.
- (NN) Chairperson of the Public Employees' Benefit Board.
- (OO) Director of the Department of Public Safety Standards and Training.
- (PP) [*Chairperson of the Oregon Student Access Commission*] **Executive director of the Higher Education Coordinating Commission.**
- (QQ) Executive director of the Oregon Watershed Enhancement Board.
- (RR) Director of the Oregon Youth Authority.
- (SS) Director of the Oregon Health Authority.
- (TT) Deputy Superintendent of Public Instruction.
- (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- (i) Every elected city or county official.
- (j) Every member of a city or county planning, zoning or development commission.
- (k) The chief executive officer of a city or county who performs the duties of manager or principal administrator of the city or county.
- (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- (m) Every member of a governing body of a metropolitan service district and the executive officer thereof.
- (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- (o) The chief administrative officer and the financial officer of each common and union high school district, education service district and community college district.
- (p) Every member of the following state boards and commissions:
  - (A) Board of Geologic and Mineral Industries.
  - (B) Oregon Business Development Commission.
  - (C) State Board of Education.
  - (D) Environmental Quality Commission.
  - (E) Fish and Wildlife Commission of the State of Oregon.

- (F) State Board of Forestry.
- (G) Oregon Government Ethics Commission.
- (H) Oregon Health Policy Board.
- (I) State Board of Higher Education.
- (J) Oregon Investment Council.
- (K) Land Conservation and Development Commission.
- (L) Oregon Liquor Control Commission.
- (M) Oregon Short Term Fund Board.
- (N) State Marine Board.
- (O) Mass transit district boards.
- (P) Energy Facility Siting Council.
- (Q) Board of Commissioners of the Port of Portland.
- (R) Employment Relations Board.
- (S) Public Employees Retirement Board.
- (T) Oregon Racing Commission.
- (U) Oregon Transportation Commission.
- (V) Wage and Hour Commission.
- (W) Water Resources Commission.
- (X) Workers' Compensation Board.
- (Y) Oregon Facilities Authority.
- (Z) Oregon State Lottery Commission.
- (AA) Pacific Northwest Electric Power and Conservation Planning Council.
- (BB) Columbia River Gorge Commission.
- (CC) Oregon Health and Science University Board of Directors.
- (DD) Capitol Planning Commission.
- (EE) Higher Education Coordinating Commission.
- (FF) Early Learning Council.**

(q) The following officers of the State Treasurer:

- (A) Deputy State Treasurer.
- (B) Chief of staff for the office of the State Treasurer.
- (C) Director of the Investment Division.

(r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725 or 777.915 to 777.953.

(s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.

(2) By April 15 next after the date an appointment takes effect, every appointed public official on a board or commission listed in subsection (1) of this section shall file with the Oregon Government Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(3) By April 15 next after the filing deadline for the primary election, each candidate described in subsection (1) of this section shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(4) Within 30 days after the filing deadline for the general election, each candidate described in subsection (1) of this section who was not a candidate in the preceding primary election, or who was nominated for public office described in subsection (1) of this section at the preceding primary election by write-in votes, shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the filing deadline for the statewide general election.

(6) If a statement required to be filed under this section has not been received by the commission within five days after the date the statement is due, the commission shall notify the public of-

ficial or candidate and give the public official or candidate not less than 15 days to comply with the requirements of this section. If the public official or candidate fails to comply by the date set by the commission, the commission may impose a civil penalty as provided in ORS 244.350.

**SECTION 33.** ORS 284.540 is amended to read:

284.540. (1) There is established the Governor's Council on Oregon's Economy.

(2) The members of the council are:

(a) The presiding officer of the Oregon Business Development Commission;

(b) The chairperson of the Oregon Transportation Commission;

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

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

(e) Other persons designated by the Governor.

(3) The council shall meet quarterly to:

(a) Discuss and coordinate the activities of each entity described in subsection (2) of this section that relate to economic development and improving the economy in Oregon; and

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

**SECTION 34.** ORS 284.706, as amended by sections 21 and 31, chapter 90, Oregon Laws 2012, is amended to read:

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

(a) The Governor or the Governor's designated representative, who shall be chairperson of the council.

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

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

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

(e) A member of the Engineering and Technology Industry Council, appointed by the Engineering and Technology Industry Council.

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

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

[(h) *The Commissioner for Community College Services.*]

[(i)] (h) The State Treasurer.

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

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

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

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

(a) The presiding officer of the Oregon Business Development Commission.

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

[(c) *The chairperson of the State Board of Education.*]

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

(4) The term of office of each appointed voting member of the council is three years, but an appointed member serves at the pleasure of the appointing authority. Before the expiration of the

term of an appointed voting member, the appointing authority shall appoint a successor whose term begins on July 1 next following. An appointed member is eligible for reappointment. If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the remainder of the unexpired term.

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

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

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

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

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

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

(11) Members of the council who are members of the Legislative Assembly are entitled to compensation and expense reimbursement as provided in ORS 171.072.

(12) Members of the council who are not members of the Legislative Assembly are entitled to compensation and expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members of the council who are public officers shall be paid out of funds appropriated to the public agency that employs the member. Claims for compensation and expenses of members of the council who are not public officers shall be paid out of funds appropriated to the Oregon Business Development Department for that purpose.

(13) All agencies of state government, as defined in ORS 174.111, are directed to assist the council in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the council consider necessary to perform their duties.

**SECTION 35.** ORS 285B.168 is amended to read:

285B.168. (1) The Oregon Business Development Department may make grants available to a community college district, a community college service district or, with the concurrence of the [*Commissioner for Community College Services and the Chancellor of the Oregon University System*] **executive director of the Higher Education Coordinating Commission**, a public university listed in ORS 352.002 to assist in the formation, improvement and operation of small business development centers. If a community college district, a community college service district or a public university is unable to adequately provide services in a specific geographic area, the department may make grants available to other service providers as determined by the department. The grant application shall include:

(a) Plans for providing small business owners and managers individual counseling, to the greatest extent practicable, in subject areas critical to small business success;

(b) A budget for the year for which a grant is requested, including cost apportionment among the department, small business clients, the community college, the public university or other service providers and other sources;

(c) A plan for evaluating the effect of the program on small business clients served; and

(d) A plan for providing collaboration with other state agencies, state-supported organizations and private sector entities that provide services to small businesses.

(2) The grants made under subsection (1) of this section are to be used by the grant recipient to provide:

(a) Small business development center staff and support staff;

(b) Expert resource persons from the business community;



(c) Other training and business resources as approved by the department in skill areas for which, or areas of the state where, the grant recipient can demonstrate it does not otherwise have the capacity or expertise to provide the resources; and

(d) Other costs related to providing training, counseling and business resources to small business clients.

(3) To be eligible for a grant under subsection (1) of this section, the recipient shall be required to provide funds, in-kind contributions or some combination of funds and contributions, in accordance with rules adopted by the department.

(4) Subject to the approval of the department, a grant recipient may subcontract funds received under this section to any other entity that is eligible to receive funding under this section.

(5) The grant recipient shall submit a final report to the department after the distribution of grant funds and the delivery of services to the proposed business clients. The report shall state whether the plan and related budget have met the applicable criteria as described in the recipient's application for the grant period.

**NOTE:** Section 36 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 37.** ORS 326.051 is amended to read:

326.051. Subject to ORS 417.300 and 417.305:

(1) In addition to such other duties as are prescribed by law and pursuant to the requirement of ORS chapter 183, the State Board of Education shall:

(a) Establish state standards for public kindergartens and public elementary and secondary schools consistent with the policies stated in ORS 326.011.

(b) Adopt rules for the general governance of public kindergartens and public elementary and secondary schools [*and public community colleges*].

(c) Prescribe required or minimum courses of study.

(d) Adopt rules regarding school and interscholastic activities.

(e) Adopt rules that provide that no public elementary or secondary school shall discriminate in determining participation in interscholastic activities. As used in this paragraph, "discrimination" has the meaning given that term in ORS 659.850.

(f) Adopt rules that will eliminate the use and purchase of elemental mercury, mercury compounds and mercury-added instructional materials by public elementary and secondary schools.

(2) The State Board of Education may:

(a) Consistent with the laws of this state, accept money or property not otherwise provided for under paragraph (b) of this subsection, which is donated for the use or benefit of the public kindergartens and public elementary and secondary schools and [*public community colleges and*] use such money or property for the purpose for which it was donated. Until it is used, the board shall deposit any money received under this paragraph in a special fund with the State Treasurer as provided in ORS 293.265 to 293.275.

(b) Apply for federal funds and accept and enter into any contracts or agreements on behalf of the state for the receipt of such funds from the federal government or its agencies for:

(A) Educational purposes, including but not limited to any funds available for the school lunch program;

(B) Career and technical education programs **in public elementary and secondary schools;**

[*(C) Adult education programs;*]

[*(D) Workforce training programs;*] and

[*(E)*] (C) Any grants available to the state or its political subdivisions for general federal aid for public kindergartens, public elementary schools[,] **and** public secondary schools [*and public community colleges*] and their auxiliary services, improvement of teacher preparation, teacher salaries, construction of school buildings, administration of the Department of Education and any other educational activities under the jurisdiction of the State Board of Education.

(c) Adopt rules to administer the United States Department of Agriculture's National School Lunch Program and School Breakfast Program for public and private prekindergarten through grade 12 schools and residential child care facilities.

[3] *The State Board of Education shall provide a separate, identifiable place on its agenda six times a year for community college issues. The state board may also consider matters affecting community colleges at any regular or special meeting.*]

**SECTION 38.** ORS 326.310 is amended to read:

326.310. Except as provided by ORS 326.041, 326.051, [326.375, 341.005,] 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933, the Superintendent of Public Instruction shall exercise, under the direction of the State Board of Education, a general superintendence of school officers and the public schools. In carrying out the duties of office, the Superintendent of Public Instruction shall:

(1) Act as administrative officer of the State Board of Education.

(2) Act as executive head of the Department of Education and direct and supervise all activities of the department.

(3) Assist all district school boards and education service district boards in answering questions concerning the proper administration of the school laws, the rules of the State Board of Education and the ministerial duties of school officers and teachers. The decision of the superintendent shall guide school officers and teachers in the performance of their duties relating to the matters decided. The superintendent may submit any question to the State Board of Education which shall then decide the question.

(4) Obtain and compile such statistical information relative to the condition and operation of the public schools as the superintendent or the state board may consider advisable for the advancement of education and for the information of the state board and the public.

(5) Appoint, subject to the State Personnel Relations Law and with the approval of the State Board of Education, such personnel as may be necessary for the performance of the duties of the office of the superintendent. The Superintendent of Public Instruction may designate one or more suitable persons to sign or countersign warrants, vouchers, certificates or other papers and documents requiring the signature of the superintendent.

(6) Administer and supervise adult education programs in the public elementary and secondary schools.

(7) Perform such other functions as may be necessary to the performance of the duties of the superintendent.

**SECTION 39.** ORS 326.370 is amended to read:

326.370. (1) The Department of Community Colleges and Workforce Development shall function under the direction and control of the [*State Board of Education*] **Higher Education Coordinating Commission** with the Commissioner for Community College Services serving as an administrative officer for community college matters.

(2) The Department of Community Colleges and Workforce Development, in consultation with the Education and Workforce Policy Advisor and pursuant to ORS chapter 183, may adopt any rules necessary for the administration of laws related to the federal Workforce Investment Act that the department is charged with administering.

**SECTION 40.** ORS 326.550 is amended to read:

326.550. (1) The Commissioner for Community College Services may issue General Educational Development (GED) certificates to persons who demonstrate satisfactory performance in tests prescribed under subsection (2) of this section or meet the requirements of any prescribed evaluative procedure.

(2) The [*State Board of Education*] **Higher Education Coordinating Commission** by rule may prescribe tests and other appropriate evaluation procedures for the purposes of subsection (1) of this section and may establish age, residence and other relevant qualifications for applicants.

(3) The Department of Community Colleges and Workforce Development may utilize its personnel and facilities for the administration of this section, and the [*State Board of Education*] **commission** may establish by rule a nonrefundable application fee. The fee may be waived by the [*State Board of Education*] **commission** in case of hardship.

(4) Subject to prior approval of the Oregon Department of Administrative Services and a report to the Emergency Board prior to adopting the fee, the fee established under subsection (3) of this

section shall not exceed the cost of administering the program, as authorized by the Legislative Assembly within the [board's] **commission's** budget, as the budget may be modified by the Emergency Board.

(5) All moneys received under this section shall be deposited in the State Treasury to the credit of the Department of Community Colleges and Workforce Development and shall be used exclusively for administration of this section. The Department of Community Colleges and Workforce Development shall keep a record of all moneys deposited in such account. The record shall indicate by separate cumulative accounts the source from which the moneys are derived and the individual activity against which each withdrawal is charged.

(6) The Commissioner for Community College Services shall consult with the Superintendent of Public Instruction on all matters related to evaluation procedures used to measure equivalent achievement under this section. The superintendent is authorized to make independent recommendations on evaluation procedures to the [State Board of Education] **commission** in those cases where the superintendent's judgment differs from that of the commissioner.

**SECTION 41.** ORS 336.585 is amended to read:

336.585. (1) As used in this section:

(a) "Juvenile Detention Education Program" means the program defined in ORS 326.695.

(b) "Resident district" means the school district in which the parents or legal guardian, if any, of a child resided at the time of the child's enrollment in the Juvenile Detention Education Program. If the child has no parents or legal guardian, or none can be located, the resident district is the school district in which the child is physically located.

(2) The Department of Education shall provide or cause to be provided appropriate education for children enrolled in an educational program under the Juvenile Detention Education Program. The Superintendent of Public Instruction may contract with a school district or education service district to provide or cause to be provided appropriate education to children enrolled in an educational program under the Juvenile Detention Education Program.

(3) The superintendent shall pay the costs of providing education to children enrolled in an educational program under the Juvenile Detention Education Program from the State School Fund grant allocated for that purpose under ORS 327.026.

(4) The State Board of Education shall adopt by rule standards to be applied to the operation of the Juvenile Detention Education Program, including standards that allow a school district or an education service district under contract with the superintendent to:

(a) Implement an assessment system as provided by ORS 329.485 (3).

(b) Administer a nationally normed assessment as provided by ORS 329.488.

[(c) Participate in the Oregon Teacher Corps program created by ORS 329.757 to 329.780.]

[(d)] (c) Participate in the beginning teacher and administrator mentorship program established by ORS 329.788 to 329.820.

[(e)] (d) Receive funds under ORS chapter 329 as provided by ORS 329.875.

(5) The superintendent shall ensure that the resident district of each child enrolled in an educational program under the Juvenile Detention Education Program is notified, if the resident district can be reasonably identified. The purposes of the notification include, but are not limited to:

(a) Removing the child from the resident district's census;

(b) Facilitating transfers of the child's educational records; and

(c) Facilitating planning for the child's possible return to the resident district.

**SECTION 42.** ORS 336.590 is amended to read:

336.590. (1) As used in this section, "Youth Corrections Education Program" means the program defined in ORS 326.695.

(2) The Department of Education shall provide or cause to be provided appropriate education for children enrolled in an educational program under the Youth Corrections Education Program. The Superintendent of Public Instruction may contract with a school district or education service district to provide or cause to be provided appropriate education to children enrolled in an educational program under the Youth Corrections Education Program.

(3) The superintendent shall pay the costs of providing education to children enrolled in an educational program under the Youth Corrections Education Program from the State School Fund grant allocated for that purpose under ORS 327.026.

(4) The State Board of Education shall adopt by rule standards to be applied to the operation of the Youth Corrections Education Program, including standards that allow a school district or an education service district under contract with the superintendent to:

(a) Award high school diplomas, modified diplomas, extended diplomas and alternative certificates as provided by ORS 329.451 and 339.877.

(b) Implement an assessment system as provided by ORS 329.485 (3).

(c) Administer a nationally normed assessment as provided by ORS 329.488.

*[(d) Participate in the Oregon Teacher Corps program created by ORS 329.757 to 329.780.]*

*[(e)]* (d) Participate in the beginning teacher and administrator mentorship program established by ORS 329.788 to 329.820.

*[(f)]* (e) Receive funds under ORS chapter 329 as provided by ORS 329.875.

**SECTION 43.** ORS 341.005 is amended to read:

341.005. As used in this chapter, unless the context otherwise requires:

(1) "Academic year" means the year beginning July 1 of each year and ending June 30 of the following year running concurrently with the fiscal year.

(2) "Board" means the board of education of a community college district.

(3) "Board member" means a member of the board of education of a community college district.

(4) "Commissioner" means the Commissioner for Community College Services appointed under ORS 326.375 **by the executive director of the Higher Education Coordinating Commission.**

(5) "Community college" means a public institution operated by a community college district for the purposes of providing courses of study limited to not more than two years' full-time attendance, with the exception of technical programs in which the curriculum may require more than two years of attendance but less than four years, and designed to meet the needs of a geographical area by providing educational services, including but not limited to career and technical education programs or lower division collegiate programs.

(6) "Community college district" or "district" means a district formed under this chapter to operate one or more community colleges or to secure educational services available at a community college. "Community college district" includes a community college service district.

(7) "Full-time equivalent student" means a student or combination of several students who carries or carry among them, within a single academic year, a minimum number of clock hours of instruction, in any program, to be specified by rule by the *[State Board of Education]* **Higher Education Coordinating Commission.**

*[(8) "Operating expenses" means the sum of the expenditures of a community college district for administration, instruction, necessary student services, operation and maintenance of plant and fixed charges, as determined in accordance with the rules of the State Board of Education.]*

*[(9)]* (8) "Paying agent and registrar" means the county treasurer or county fiscal officer of the county in which the chief administrative officer of the community college district maintains the administrative office.

*[(10)]* (9) "Petitioning territory" means a community college district petitioning to have an area outside the district included in the district or to have an area inside the district excluded from the district, or an area outside the district petitioning to be included within the district.

*[(11)]* (10) "Principal county" means the county in which the chief administrative officer of the community college district maintains the administrative office.

*[(12) "State board" means the State Board of Education.]*

**SECTION 44.** ORS 341.009 is amended to read:

341.009. The Legislative Assembly finds that:

(1) The community college is an educational institution that is intended to fill the institutional gap in education by offering broad, comprehensive programs in academic subjects and in career and technical education subjects. It is primarily designed to provide associate or certificate degree pro-

grams for some, serve a transitional purpose for others who will continue baccalaureate or other college work, provide the ability to enter the workforce immediately and serve to determine future educational needs for other students. It can provide means for continuation of academic education, career and technical education or the attainment of entirely new skills as demands for old skills and old occupations are supplanted by new technologies. It may also provide the means to coordinate courses and programs with high schools to accommodate successful transition to college degree programs.

(2) Each community college should be so located as to be within commuting time of a substantial majority of its students. As an economical method of providing education close to the student's home, the community college should remain a commuting institution.

(3) The community college should establish its organizational patterns to maintain a unique quality of flexibility and the ability to change to meet changing needs.

(4) The community college is a post-high-school institution [*under the general supervision of the State Board of Education*]. It should not be a "starter" institution intended to evolve into a four-year baccalaureate institution. It should be concerned with programs terminating before reaching the baccalaureate degree.

(5) The community college should continue to be prohibited by law from becoming a baccalaureate degree granting institution.

(6) Admission to the community college should be open to high school graduates or to persons who have not graduated from high school who can profit from the instruction offered.

(7) There should be close cooperation between those directing the community college program and those responsible for [*higher education*] **public universities listed in ORS 352.002**, so that lower-division college transfer programs of the community college will provide adequate preparation for entering baccalaureate degree granting programs, and so that students will be able to transfer with a minimum of difficulty.

(8) The community college should offer as comprehensive a program as the needs and resources of the area that it serves dictate. Cost to student and quality of instruction in established private institutions should be among the factors in determining necessary duplication of effort.

(9) It should be the policy of the community college to open its facilities and make available its resources to the high schools of its area on a sound contractual basis, for appropriate secondary or transitional courses, either academic or as part of career and technical education, when it is within its ability to provide facilities and it is determined that the high school cannot or does not offer them.

(10) Programs designed to meet the needs of the area served should be based on the actual educational and service needs of the district. Specific career and technical education courses should be related not only to the employment opportunities of the area but of the state and nation as well. Such determination should be made in consultation with representatives of labor, business, industry, agriculture and other interested groups.

*[(11) The State Board of Education should be responsible for coordinating the community college program of the state and should have general supervisory responsibilities for that program. With the advice of the Higher Education Coordinating Commission, the State Board of Education should prepare estimates and make the requests for legislative appropriations for a reasonable and consistent basis of support and establish standards for the distribution of that support.]*

*[(12)]* **(11)** The initiative for the establishment of new community colleges should come from the localities to be served, as a response to demonstrated educational needs of an area. However, these localities must not only be willing to assume the responsibility for the institutions but must be able to provide resources needed for an adequate educational and service program.

*[(13)]* **(12)** The governing board of the community college should be charged with the policy-making function. With respect to educational programming, the governing board **shall** [*should in cooperation with the State Board of Education*]:

- (a) Identify educational needs of the district; and
- (b) Bring together the resources necessary to meet the needs.

(14) The state should maintain a policy of substantial state participation in community college building costs and the maintenance of an adequate level of state support for operation. However, no state funds should be appropriated for buildings such as dormitories or athletic facilities for spectator sports. The district should provide a substantial portion of the funds for capital improvement as well as for operation of a community college.

(15) State appropriations for community colleges shall be made separately from those for other segments of education.

(16) The formula for the distribution of funds for operating costs should reflect the heavier operating costs and capital outlay for certain career and technical education courses. Federal funds received for career and technical education, adult basic education, workforce development or other federal initiatives should be used for those purposes only and be distributed separately from funds appropriated by the state and should be exempted from the computations of the present distribution formula for operating costs.

(17) The cost of education to the individual should be sufficiently low to permit students of low-income families to attend. This is particularly true of tuition costs. However, students should pay an amount sufficient to provide an incentive to profit from the instructional program offered.

(18) Any eligible Oregon resident should have the right to attend a community college even though not residing in a district operating one, subject to the right of the governing board to limit the size of classes and to give preference to students residing in the district. Local school districts and education service districts should have the authority to negotiate the terms and conditions with the governing boards for the enrollment of students residing in such areas.

**SECTION 45.** ORS 341.019 is amended to read:

341.019. (1) All areas within this state shall be served by a community college district. Such services may be provided either:

- (a) Directly by formation of a community college district; or
- (b) Indirectly by contract with an existing community college district.

(2) The Department of Community Colleges and Workforce Development shall fix responsibility for serving each area that is not within a community college district. Where feasible, each area shall be a whole county or a group of counties or that part of a county not already in a community college district.

(3) In order to obtain the services described in subsection (1)(b) of this section, residents of a nondistrict area must indicate their interest in receiving services by requesting formation of a local advisory committee and seeking the advice and counsel of the Department of Community Colleges and Workforce Development.

(4) The [*State Board of Education*] **Higher Education Coordinating Commission** by rule shall establish standards for determining when there is sufficient interest among the residents of a nondistrict area to warrant appointment of a local advisory committee.

(5) When the Department of Community Colleges and Workforce Development has made the determination under subsection (4) of this section, the department and the interested residents of the nondistrict area shall apply jointly to the governing body of the county for the appointment of a local advisory committee.

(6) Upon application, the governing body of the county shall appoint a local advisory committee and shall insure that the committee is broadly representative of the nondistrict area.

(7) If the nondistrict area involves two or more counties, the governing body of each county shall appoint members to the local advisory committee in proportion to the number of county residents within the nondistrict area.

(8) The governing body of a county making appointments under subsection (6) or (7) of this section shall not be obligated to fund any part of the budget described in ORS 341.021 (3).

(9) The duties of the local advisory committee shall include, but need not be limited to, advising the officials of the community college district serving the nondistrict area on the educational needs of the area.

(10) As used in ORS 341.019 to 341.022, “community college district” includes a community college service district.

**SECTION 46.** ORS 341.021 is amended to read:

341.021. (1) The Department of Community Colleges and Workforce Development shall invite existing community college districts to submit proposals for the provision of service to an area that has officially indicated its interest in receiving service.

(2) The responsibilities of the host community college district shall include:

(a) Preparing a written agreement for services to be provided to nondistrict areas using a format specified by the Department of Community Colleges and Workforce Development; and

(b) Acting as the fiscal agent for agreements including establishing tuition and fees for services offered under terms of an agreement.

(3) Agreements between the community college district and nondistrict entities as listed in ORS 341.315 shall include an annual budget setting forth both revenue and expenditures. The budget shall be based upon the following conditions:

(a) Subject to ORS 341.022, eligible full-time equivalent student enrollment produced under the agreement may be claimed for state reimbursement purposes by the community college district. Such reimbursement shall come from the Community College Support Fund established in ORS 341.620 and shall be distributed as directed in ORS 341.626 and the rules of the [*State Board of Education*] **Higher Education Coordinating Commission**.

(b) A share of the budget shall be provided by those individuals or agencies receiving service under this agreement as specified by rule of the [*State Board of Education*] **commission** adopted under ORS 341.024 (3).

(4) Agreements developed under this section shall be wholly supported by Community College Support Fund reimbursement, nondistrict student tuition and nondistrict resources.

**SECTION 47.** ORS 341.024 is amended to read:

341.024. The [*State Board of Education*] **Higher Education Coordinating Commission** shall adopt rules to implement ORS 341.019 to 341.024. The rules shall provide:

(1) Standards for accepting proposals for service;

(2) Procedures providing the form of agreements and for recording them;

(3) Standards for cash and in-kind contributions by nondistrict areas;

(4) Standards as required by ORS 341.019 (4); and

(5) Other rules necessary to implement ORS 341.019 to 341.024.

**SECTION 48.** ORS 341.025 is amended to read:

341.025. (1) Whenever the electors registered in contiguous territory desire the formation of a community college district, they may sign a petition requesting the formation of such a district and present it to the [*State Board of Education*] **Higher Education Coordinating Commission**.

(2) The petition must be substantially in the form established by the [*state board*] **commission**, which shall furnish the petition form [*and*]. **The petition:**

(a) Must contain the minimum number of signatures fixed by the [*state board*] **commission** of 500, or 10 percent of the electors registered in each county or part of a county within the designated territory, whichever is the lesser;

(b) Must designate the boundaries of the territory to be included in the proposed district, which may include all or part of the territory lying within the boundaries of a school district and may be located in more than one county;

(c) Must request that the territory be organized into a district;

(d) May specify or reserve the right to specify the location for the proposed community college or may request the [*state board*] **commission** to determine the location;

(e) Must specify the method of nomination and election of the board of education of the proposed district from among the methods described in ORS 341.327; and

(f) Must contain any other information required by rules of the [*state board*] **commission**.

**SECTION 49.** ORS 341.039 is amended to read:

341.039. (1) A petition submitted pursuant to ORS 341.025 may specify that the proposed district be organized as a community college service district. The formation of a community college service district shall comply with the provisions of ORS 341.025 to 341.125. A petition affecting a territory that, in the judgment of the Commissioner for Community College Services, will not generate an annual enrollment in excess of 1,000 full-time equivalent students after three years of operation shall be considered to be a petition for the formation of a community college service district.

(2) If formed, a community college service district shall in all respects be governed by the laws applicable to community college districts with the following exceptions:

(a) Notwithstanding ORS 341.675, community college service districts formed after July 1, 1997, may not incur bonded indebtedness for any purpose. This limitation shall not be construed to prohibit lease-purchase arrangements or other lawful forms of capital financing. A community college service district may hold and own buildings and grounds acquired through gifts or financing methods authorized by this section.

(b) The board of education for a community college service district shall annually review the programs and services of the service district. This review shall have as its purpose a determination of which services can most effectively and economically be delivered directly and which services can best be delivered through contracting arrangements. The direct hiring of faculty and staff is expressly permitted.

(3) After having been in operation for at least three years, a community college service district may submit to the electors of the district the question of whether the district shall operate as a community college district.

(4) Prior to submitting the question to the electors, the community college service district must have been in operation for three years, and must have secured the approval of the [*State Board of Education*] **Higher Education Coordinating Commission** to hold the election. Before granting approval, the [*state board*] **commission** must find:

(a) The service district has acquired stability as demonstrated by a continuity of management, regularly adopted policies and procedures and adequate financial resources; and

(b) The service district has adopted a sound comprehensive plan that sets out the district's instructional and capital plans for five years.

**SECTION 50.** ORS 341.045 is amended to read:

341.045. (1) The [*State Board of Education*] **Higher Education Coordinating Commission** shall examine the petition to determine whether it is complete. If the petition is complete and if formation of the district is consistent with the overall plan for all education in the state, the [*state board*] **commission** shall undertake a study of the feasibility of a community college in the geographical area proposed by the petition, including but not limited to:

(a) Educational needs of the area.

(b) Potential enrollment levels.

(c) The rate of operating taxes that is required to meet the local share of operating and capital expenses and that would, if adopted, be the district's permanent rate limit for operating taxes, including whether the proposed rate bears a reasonable relationship to the permanent rate limit of operating community college districts of similar size and circumstance to the proposed new district. If the proposed rate is substantially below the rate of similar operating districts, the feasibility study shall explicitly detail how the proposed new district intends to provide a comprehensive community college program.

(d) Relationship of the proposed district to the overall plan for all education in the state.

(e) Boundaries of the proposed district.

(f) The appropriateness of the proposed name of the community college district or the community college, if a name is proposed, in order to determine that the proposed name is not misleading, confusing or grossly inappropriate.

(2) Upon completion of [*its*] **the** study, the [*state board*] **commission** shall set a date for a public hearing on the petition and study and shall give notice of the hearing in the manner provided in ORS 341.357.



- (3) The notice of hearing shall state:
- (a) A study has been conducted on a proposed district.
  - (b) The boundaries of the proposed district.
  - (c) Whether the proposed community college district specifies providing its courses through contract with agencies authorized to enter into such contracts.
  - (d) The time and place set for the hearing on the petition.

**SECTION 51.** ORS 341.055 is amended to read:

341.055. (1) At the time designated in the notice **given under ORS 341.045**, the [*State Board of Education*] **Higher Education Coordinating Commission** or its authorized representative shall conduct a public hearing on the study and may adjourn the hearing from time to time. The [*state board*] **commission** may alter the boundaries set forth in the petition submitted under ORS 341.025 to include all territory the residents of which will be materially benefited by formation of the community college district as determined by [*its*] **the study conducted under ORS 341.045**. The [*state board*] **commission** shall not modify the boundaries of the district as set forth in the petition so as to exclude from the district any territory the residents of which will be materially benefited by formation of the district, nor may there be included in the proposed district any territory the residents of which will not be materially benefited.

(2) If the [*board*] **commission** concludes that any territory has been improperly included or omitted from the proposed community college district and that electors within the included or omitted territory have not appeared at the hearing, the [*board*] **commission** shall continue further hearing on the study and shall order notice given to the nonappearing electors requiring them to appear and show cause why their territory should not be excluded or included in the proposed district. The notice shall be given either in the same manner as notice of the original hearing was given or by personal service on each nonappearing elector. If notice is given by personal service, such service shall be made at least 10 days prior to the date fixed for the hearing.

**SECTION 52.** ORS 341.065 is amended to read:

341.065. If, in the opinion of the [*State Board of Education*] **Higher Education Coordinating Commission**, the study **conducted under ORS 341.045** and the testimony presented at the hearing or hearings held under ORS 341.055 indicate that the formation of a community college district as petitioned is not warranted under the policies set forth by ORS 341.009, the [*state board*] **commission** shall order dismissal of the petition. An appeal from this order may be taken within 60 days in the manner provided in ORS 183.480.

**SECTION 53.** ORS 341.076 is amended to read:

341.076. (1) If, upon final hearing [*of the study*] under ORS 341.055, the [*State Board of Education*] **Higher Education Coordinating Commission** approves formation of a community college district, with boundaries either as originally presented or as altered pursuant to the hearing, the [*state board*] **commission** shall make its recommendation to the Legislative Assembly in an order describing the exterior boundaries and the zone boundaries for the election of members of the board of education of the community college district, if any. An appeal from the recommendation may be taken within 60 days in the manner provided in ORS 183.480. If no appeal from this recommendation is filed within 60 days after the date of the recommendation, the recommendation becomes final.

(2) If an appeal is filed, the recommendation becomes final on the date the recommendation is affirmed by the court. However, if the recommendation is not affirmed, the [*state board*] **commission** may not submit its recommendation to the Legislative Assembly but may reconsider the conclusions of [*its*] **the study conducted under ORS 341.045** and if the [*state board*] **commission** revises those conclusions, the [*state board*] **commission** may set a date for a new hearing.

(3) Upon receipt of the final recommendation, the Legislative Assembly shall approve or disapprove the recommendation. If the recommendation is approved, an election under ORS 341.085 shall be held. If the recommendation is disapproved, the [*state board*] **commission** may revise its recommendation and resubmit a final recommendation to the Legislative Assembly but not sooner than 60 days after the action of disapproval was taken.

**SECTION 54.** ORS 341.085 is amended to read:

341.085. (1) An election for the purpose of presenting the question of formation of a district and establishing a permanent rate limit for operating taxes and the boundaries of the zones, if the zones were recommended by the [State Board of Education] **Higher Education Coordinating Commission**, shall be held to submit the question to the electors registered in the proposed district designated in the recommendation of the [state board] **commission**. The election shall be held not sooner than the 90th day after the effective date of the appropriation required by ORS 341.102. The election date shall be uniform throughout the proposed district, and shall be set by the [state board] **commission** on a date specified in ORS 255.345. However, if the question of establishing a permanent rate limit for operating taxes is to be submitted, the election must be held on the same date as the next primary election or the next general election, as determined by the [state board] **commission**.

(2) ORS chapter 255 and ORS 250.035 and 250.036 govern the notice and conduct of an election under this section. The [state board] **commission** shall be the district elections authority for an election conducted under this section. Notwithstanding ORS 255.305, the [state board] **commission** shall pay the expenses incurred for the election.

(3) An elector registered in a precinct or in the portion of a precinct which is located within the boundaries of the proposed district may vote on any matter arising at the election under subsection (1) of this section.

**SECTION 55.** ORS 341.095 is amended to read:

341.095. (1) The [State Board of Education] **Higher Education Coordinating Commission** shall include as a part of the election called for formation of a district the question of a permanent rate limit for operating taxes to finance the district's share of operating and capital expenses. The rate limit shall be specified by the [state board] **commission** as a result of its study and the hearing held under ORS 341.055. The [state board] **commission** may also include the question of incurring indebtedness to pay organizational expenses of the district between the time the district is approved and the first budget is adopted. If the question of incurring indebtedness is approved, the district may borrow money on its negotiable, short-term, promissory notes in an aggregate amount not to exceed the limit approved at the election and may, notwithstanding ORS 294.338, expend [such] **the** money without the preparation and adoption of a budget.

(2) In preparing its first budget, the board of the district shall provide for the repayment of the indebtedness incurred for organizational expenses under subsection (1) of this section.

**SECTION 56.** ORS 341.105 is amended to read:

341.105. When at the request of the [State Board of Education] **Higher Education Coordinating Commission** the county clerk of the principal county, in consultation with county clerks of the affected counties, prepares a list or lists of names and addresses of the electors registered in the proposed district, the Department of Community Colleges and Workforce Development is authorized to pay the charge as determined under ORS 255.305.

**SECTION 57.** ORS 341.125 is amended to read:

341.125. (1) The first board of education of a district shall be elected at the same election as the election at which votes are cast for the formation of the district. Nominations for the board of education positions to be filled by nomination and election at-large shall be made by petition requesting that such person's name be placed on the ballot and signed with the signatures of at least 50 electors registered in the proposed district. If the district has been zoned and the position is to be filled by nomination or election by zone, the petition shall be signed by at least 25 electors registered in the zone. The petition shall be presented to the [State Board of Education] **Higher Education Coordinating Commission** at least 70 days prior to the election. Upon receipt of petitions [which] **that** comply with applicable law, the [state board] **commission** shall cause the names of [such] **the** nominees to be placed upon the ballot.

(2) Seven members shall be elected to the first board, to serve terms of four and two years respectively in accordance with the number of votes each receives with the three members receiving the largest number of votes serving the four-year terms. The terms of office of the members of the

first board shall be computed from the date of June 30 subsequent to the date of their election, but the members shall take office immediately following the election. If for any reason a district is not formed, the election of board members for that proposed district is void.

(3) If the district has been zoned, the [state board] **commission** shall designate the positions to be nominated or elected by zone and shall specify the length of the term to be served by each member of the first board elected by zone.

(4) If the election is at large, the length of the term of office of members of the first board elected shall be determined in accordance with the number of votes each receives in the election. Those receiving the highest number of votes may serve the four-year terms, subject to any term designations made by the [state board] **commission** under subsection (3) of this section.

**SECTION 58.** ORS 341.290 is amended to read:

341.290. The board of education of a community college district shall be responsible for the general supervision and control of any and all community colleges operated by the district. Consistent with any applicable rules of the [State Board of Education, the board] **Higher Education Coordinating Commission, the board of education of a community college district** may:

(1) Subject to ORS chapters 238 and 238A, employ administrative officers, professional personnel and other employees, define their duties, terms and conditions of employment and prescribe compensation therefor, pursuant to ORS 243.650 to 243.782.

(2) Enact rules for the government of the community college, including professional personnel and other employees [thereof] and students [therein] **of the community college.**

(3) Prescribe the educational program.

(4) Control use of and access to the grounds, buildings, books, equipment and other property of the district.

(5) Acquire, receive, hold, control, convey, sell, manage, operate, lease, lease-purchase, lend, invest, improve and develop any and all property of whatever nature given to or appropriated for the use, support or benefit of any activity under the control of the board, according to the terms and conditions of [such] **the** gift or appropriation.

(6) Purchase real property upon a contractual basis when the period of time allowed for payment under the contract does not exceed 30 years.

(7) Fix standards of admission to the community college, prescribe and collect tuition for admission to the community college, including fixing different tuition rates for students who reside in the district, students who do not reside in the district but are residents of the state and students who do not reside in the state.

(8) Prescribe and collect fees and expend funds so raised for special programs and services for the students and for programs for the cultural and physical development of the students.

(9) Provide and disseminate to the public information relating to the program, operation and finances of the community college.

(10) Establish or contract for advisory and consultant services.

(11) Take, hold and dispose of mortgages on real and personal property acquired by way of gift or arising out of transactions entered into in accordance with the powers, duties and authority of the board and institute, maintain and participate in suits and actions and other judicial proceedings in the name of the district for the foreclosure of [such] **the** mortgages.

(12) Maintain programs, services and facilities, and, in connection therewith, cooperate and enter into agreements with any person or public or private agency.

(13) Provide student services including health, guidance, counseling and placement services, and contract therefor.

(14) Join appropriate associations and pay any required dues therefor from resources of the district.

(15) Apply for federal funds and accept and enter into any contracts or agreements for the receipt of [such] **the** funds from the federal government or its agencies for educational purposes.

(16) Exercise any other power, duty or responsibility necessary to carry out the functions under this section or required by law.

(17) Prescribe rules for the use and access to public records of the district that are consistent with ORS 192.420, and education records of students under applicable state and federal law and rules of the [State Board of Education] **commission**. Whenever a student has attained 18 years of age or is attending an institution of post-secondary education, the permission or consent required of and the rights accorded to a parent of the student regarding education records shall thereafter be required of and accorded to only the student. However, faculty records relating to matters such as conduct, personal and academic evaluations, disciplinary actions, if any, and other personal matters shall not be made available to public inspection for any purpose except with the consent of the person who is the subject of the record or upon order of a court of competent jurisdiction.

(18) Enter into contracts for the receipt of cash or property, or both, and establish charitable gift annuities pursuant to ORS 731.038; and, commit, appropriate, authorize and budget for the payment of or other disposition of general funds to pay, in whole or in part, sums due under an agreement for a charitable gift annuity, and to provide the necessary funding for reserves or other trust funds pursuant to ORS 731.038.

(19) Encourage gifts to the district by faithfully devoting the proceeds of [such] **the** gifts to the district purposes for which intended.

(20) Build, furnish, equip, repair, lease, purchase and raze facilities; and locate, buy and acquire lands for all district purposes. Financing may be by any prudent method including but not limited to loans, contract purchase or lease. Leases authorized by this section include lease-purchase agreements under which the district may acquire ownership of the leased property at a nominal price. [Such] **The** financing agreements may be for a term of up to 30 years except for lease arrangements which may be for a term of up to 50 years.

(21) Participate in an educational consortium with public and private institutions that offer upper division and graduate instruction. Community colleges engaged in [such] consortiums may expend money, provide facilities and assign staff to assist those institutions offering upper division and graduate instruction.

(22) Enter into contracts of insurance or medical and hospital service contracts or may operate a self-insurance program as provided in ORS 341.312.

**SECTION 59.** ORS 341.315 is amended to read:

341.315. Any school district, education service district, institution of higher education, county, municipality or private organization may contract with a community college district to provide services of an educational nature that are subject to the approval of the [State Board of Education] **Higher Education Coordinating Commission**.

**SECTION 60.** ORS 341.317 is amended to read:

341.317. (1) Reimbursement from the Community College Support Fund established in ORS 341.620 may be made available to community colleges that deliver educational services to inmates confined to the state-operated correctional facilities and to locally operated correctional facilities. [Such] **The** reimbursement shall be distributed as directed in ORS 341.626 and the rules of the [State Board of Education] **Higher Education Coordinating Commission**.

(2) The [State Board of Education] **commission** shall review and approve services to correctional institutions at least once biennially.

(3) The enrollment limitation, as provided by ORS 341.022, does not apply to persons receiving services under this section.

(4) Reimbursement from the Community College Support Fund established in ORS 341.620 may not be made available to community colleges for delivering educational services to inmates confined in federal prisons. Neither shall local property taxes be used to support [such] **the** services. A host community college shall support [such] **the** services through a contractual arrangement with the federal government.

**SECTION 61.** ORS 341.405 is amended to read:

341.405. Upon approval of the [State Board of Education] **Higher Education Coordinating Commission**, a community college may be established by a community college district in which all the requirements for formation of the district are met and for which adequate building space, library

and suitable laboratory or shop space for the courses to be offered are available or will be available before classes begin.

**NOTE:** Section 62 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 63.** ORS 341.465 is amended to read:

341.465. The board of a district operating a community college, upon approval of the [State Board of Education] **Higher Education Coordinating Commission**, may award certificates and associate degrees indicating satisfactory completion of a course of study offered by the community college.

**SECTION 64.** ORS 341.547 is amended to read:

341.547. (1) Each community college board shall give an individual, written notice of reasonable assurance of continued employment to all employees who are to perform services in the same or a similar capacity during a subsequent academic year or term or in the period immediately following a recess period. [Such] **The** notice shall be given by May 30 of each year for employees employed as of that date and as of the date of hire for employees employed subsequent to May 30.

(2) No liability shall accrue from failure to give the notice required by subsection (1) of this section or from the timing or contents thereof on the part of the community college board. However, the [State Board of Education] **Higher Education Coordinating Commission** shall enforce the provisions of subsection (1) of this section.

(3) Faculty members on annual or indefinite tenure, classified staff members on regular status and management service employees are considered to have been given notice for the purposes of this section.

**SECTION 65.** ORS 341.565 is amended to read:

341.565. (1) The [State Board of Education] **Higher Education Coordinating Commission** shall constitute the boundary board for making any changes in the boundaries of community college districts. The [state board] **commission** on its own motion or on petition from a petitioning territory may propose changes in the boundaries of a community college district. The [state board] **commission** must find that the proposed change will have no substantially adverse effect upon the ability of the affected districts to provide and continue their programs and is not made solely for tax advantages to property owners in the district or area affected by the proposed change. The [state board] **commission** may submit the question of a boundary change to a vote of the electors of the territories affected by the boundary change. The election must be held on the same day in both of the affected territories.

(2) A petition shall be in a form prescribed by the [state board] **commission** and must contain [such] **the** information [as] **that** the [state board may require] **commission requires**. The petition shall contain a minimum number of signatures as fixed by the [state board] **commission**.

(3) Before any order changing boundaries of an existing district is entered, the [state board] **commission** shall set dates for a public hearing in the area to be included in the district or excluded from the district by the proposed boundary change and in the case of annexation of new territory in the principal town of the existing district and shall give notice in the manner required in ORS 341.357. At the time set in the notice, the [state board] **commission** or its authorized representative shall conduct a public hearing on the motion or petition and may adjourn the hearing from time to time.

(4) If, upon final hearing, the [state board] **commission** approves the motion or petition or affirms the vote of the electors of the affected territories, the [state board] **commission** shall make an order describing the revised boundaries of the district. The order becomes final when the order is approved by the Legislative Assembly. If the order is not approved, the [state board] **commission** may revise the order and resubmit the order to the Legislative Assembly but not sooner than 60 days after the action of disapproval was taken.

(5) Any division of assets and liabilities required by a change in the boundaries of a district shall be made pursuant to ORS 341.573.

(6) When the boundaries of a district are changed, if the final order of the [state board] **commission** or an election held under ORS 341.569:

(a) Occurs between July 1 and March 31, inclusive, the change takes effect on the June 30 following the final order or election favoring the change.

(b) Occurs between April 1 and June 30, inclusive, the change takes effect on the June 30 of the following year.

(7) For purposes of ad valorem taxation, a boundary change must be filed in final approved form with the county assessor and the Department of Revenue as provided in ORS 308.225.

**SECTION 66.** ORS 341.569 is amended to read:

341.569. (1) The [*State Board of Education*] **Higher Education Coordinating Commission** shall submit the question of a proposed boundary change to a vote if:

(a) The [*state board*] **commission** enters the order to revise the boundaries of a community college district;

(b) A remonstrance is filed with the [*state board*] **commission** within 20 days after the date on which the hearing under ORS 341.565 is adjourned finally;

(c) The remonstrance is signed by at least five percent of the electors or at least 500 of the electors, whichever is less, in:

(A) An area to be included in the district or excluded from the district by the proposed boundary change; or

(B) The existing community college district; and

(d) The area to be included in the district is not surrounded by the territory of a single community college district.

(2) When necessary under subsection (1) of this section, the question shall be submitted to the electors of the area or district filing a remonstrance or in both if remonstrances meeting the requirements of subsection (1) of this section are filed from both.

(3) If the proposed boundary change is defeated, the same or a substantially similar change may not be considered until at least 12 months have elapsed from the date of the election at which the change was defeated. If the vote is favorable in the area or district from which a remonstrance was filed, the [*state board*] **commission** shall declare the change effective on the date determined under ORS 341.565.

**SECTION 67.** ORS 341.573 is amended to read:

341.573. (1) When changes in district boundaries are made by the detachment of territory or an annexation of territory and another community college district is affected, the boards of the districts shall make an equitable division of the then existing assets and liabilities between the districts affected by such change and provide the manner of consummating the division.

(2) In case of failure to agree within 20 days from the time of such change, the matter shall be decided by a board of arbitrators. The board of arbitrators shall consist of one member appointed by each of the boards of the affected districts and an additional member appointed by the other appointees.

(3) In the event any such board fails to appoint an arbitrator within 30 days, the [*State Board of Education*] **Higher Education Coordinating Commission** shall appoint such arbitrator. In the event the arbitrators selected fail to appoint the additional arbitrator within 30 days after the appointment of the arbitrator last appointed, the [*State Board of Education*] **commission** shall notify the judge senior in service of the circuit court of the principal county. Within 10 days after receiving such notice, the judge shall appoint one additional arbitrator.

(4) Each member of the board of arbitrators shall be entitled to the sum of \$100 per day for each day's service, and necessary expenses, while serving in the official capacity of the member. Expenses thus incurred shall be equally apportioned among the districts concerned.

(5) A party to an arbitration under this section may seek confirmation, vacation, modification or correction of the arbitrator's decision as provided in ORS 36.700, 36.705 and 36.710. A court may vacate an award only if there is a basis to vacate the award described in ORS 36.705 (1)(a) to (d). The court may modify or correct an award only for the grounds given in ORS 36.710.

(6) Assets include all property and moneys belonging to the district at the time of division. Liabilities include all debts for which the respective districts in their corporate capacities are liable

at the time of division. In determining the assets, property shall be estimated at its fair value. The assets and liabilities shall be divided between the districts in proportion to the last assessed value of the real and personal property. The district retaining the real property shall pay the other districts concerned such sums as are determined in accordance with the provisions of this section. All funds to be apportioned during the current fiscal year, after such division, shall be made in proportion to the number of persons in each district according to the latest federal census.

**SECTION 68.** ORS 341.577 is amended to read:

341.577. (1) Notwithstanding any other provision of this chapter, when the new territory annexed to an existing community college district is greater in population than the original territory, based upon the latest federal census, the provisions of this section shall govern the community college district for a period of not less than 10 years after the effective date of the boundary change.

(2) Program access and facilities for students shall be maintained in the original territory for a period of not less than 20 years while programs and facilities for students are developed in the new territory.

(3)(a) After the approval by the electors of both the original territory and the new territory of the boundary change, the mode of election of board members shall be changed as provided in this subsection. The term of office of a board member shall be four years. Electors of each of the seven zones shall elect a board member.

(b) No later than the 90th day after the boundary change election under ORS 341.579 (1), five zones for the new territory shall be established by the [*State Board of Education*] **Higher Education Coordinating Commission**.

(c) No later than June 30, two zones for the original territory shall be established by the [*State Board of Education*] **commission** before the election of the first director to either zone as provided in this subsection.

(d) Zones shall be established with the boundaries exclusively within the original territory or exclusively within the new territory, and with the zones as nearly equal in population as is feasible according to the latest federal census.

(e) An elector may sign a petition of nomination and may vote only for a candidate from the zone in which the elector resides.

(f) The four-year terms of office pertaining to the five numbered zones of the original territory shall continue until the regularly scheduled June 30 termination date of each expires. A board member shall be nominated and elected in the same numbered zone in the new territory at the regular district election immediately preceding the June 30 date, and the director from that zone shall take office on the July 1 following the date of election.

(g) Board members nominated and elected to office by zone in the original territory, and any person elected or appointed to fill any vacancy in such office, shall continue to hold office until the expiration of the board member's term.

(h)(A) The two at-large board positions in the original territory shall become the two zoned positions of the original territory after that June 30 on which the last zone of the original territory no longer is in effect.

(B) At that time, the directors in office in the two at-large board positions in the original territory shall each be assigned that zone in which each resides, if both reside in separate zones.

(C) If the two directors reside in the same zone, then that director elected by the greater number of votes between the two directors at large shall hold the board position for the territory of the zone in which the director resided at the date of election, and the other director shall hold the board position of the other zone.

(D) [*Such*] **The** board members shall continue in office until their respective terms of at-large election expire, provided any vacancy occurring in a board member's office before the expiration of such term shall be filled until expiration by appointment by the board of a resident of the board member's zone.

(4) The board shall appoint an advisory committee of seven members, including three from the original territory and three from the new territory. The board shall appoint a seventh, at-large

member from a list of persons nominated by the advisory committee. The at-large member shall be the chairperson. The advisory committee members shall be appointed, and may be reappointed, for terms of three years, and the terms shall be staggered so that approximately one-third of the terms of the members end each year. The board shall give deliberative consideration to all recommendations of the advisory committee concerning policy related to district organization, educational services and facilities in regard to both the original territory and the new territory.

(5) Subject to ORS 294.414, members of the advisory committee shall be appointed to the community college district budget committee. The community college district budget committee shall review and recommend budgets established and delineated by territory based on revenues and resources available.

(6) The chief administrative officer of the district shall maintain the administrative office of the district in the original territory.

(7) Collective bargaining shall be maintained uniformly across the original territory and new territory.

(8) After receiving any recommendation of the advisory committee, the board may continue one or more of the provisions of subsections (1) and (3) to (7) of this section in effect for an indefinite period after the expiration of the 10-year period referred to in subsection (1) of this section.

(9) The original territory shall remain liable for the existing debt of the community college district payable from ad valorem property taxes levied specifically for the payment of such indebtedness.

**SECTION 69.** ORS 341.579 is amended to read:

341.579. (1) The [*State Board of Education*] **Higher Education Coordinating Commission** shall submit the question of any boundary change pertaining to a community college district subject to ORS 341.577 to a vote of the electors held the same day in both the original territory and the new territory.

(2) If the proposed boundary change is defeated in either territory, the same or a substantially similar change shall not be considered until at least 12 months have elapsed from the date of the election at which the proposed change was defeated. If the vote is favorable in both the original territory and the new territory, and subject to determination by the [*state board*] **commission** that there is a legislative appropriation to the Community College Support Fund established in ORS 341.620 to support the new district resulting from the boundary change at a level commensurate with support for other community college districts, then the [*state board*] **commission** shall declare the change effective on the date determined under ORS 341.565. Implementation of the [*state board's*] **commission's** order shall take place only if the funds needed to accommodate the impact of annexation on other local education districts are appropriated specifically for that purpose by the Legislative Assembly or allocated by the Emergency Board.

**SECTION 70.** ORS 341.626 is amended to read:

341.626. (1) Subject to rules adopted by the [*State Board of Education*] **Higher Education Coordinating Commission** and to ORS 291.232 to 291.260, the Commissioner for Community College Services shall distribute state aid to each community college district and community college service district.

(2) The rules adopted by the [*State Board of Education*] **commission** shall provide:

(a) No state aid for hobby and recreation classes;

(b) Procedures for proper and accurate record keeping;

(c) Procedures that will insure reasonable year to year stability in the delivery of appropriated moneys to the colleges; and

(d) Procedures to insure that the full state appropriation is delivered to the colleges.

(3) Upon compliance with the rules adopted by the [*State Board of Education*] **commission**, the commissioner shall, as soon as practicable following the receipt of required reports from the districts, prepare, certify and transmit to the Oregon Department of Administrative Services the names and the amounts due each district. The Oregon Department of Administrative Services shall audit



the amounts certified by the commissioner and draw its warrants on the State Treasury payable out of the General Fund to the districts.

**SECTION 71.** ORS 341.721 is amended to read:

341.721. (1) To provide funds to community college districts for the purposes specified in Article XI-G of the Oregon Constitution, the State Treasurer may issue bonds at the request of the [*State Board of Education*] **Higher Education Coordinating Commission** in accordance with the provisions of ORS chapter 286A.

(2) The State Treasurer may not issue bonds pursuant to Article XI-G of the Oregon Constitution under subsection (1) of this section for a community college project unless a grant agreement has been entered into pursuant to ORS 341.735 between the Department of Community Colleges and Workforce Development and the community college district that is receiving the bond proceeds.

**SECTION 72.** Section 25, chapter 904, Oregon Laws 2009, is amended to read:

**Sec. 25.** (1) Pursuant to Article XI-G of the Oregon Constitution and ORS 341.721 and ORS chapter 286A, the State Treasurer may sell, at the request of the [*State Board of Education*] **Higher Education Coordinating Commission**, general obligation bonds of the State of Oregon of the kind and character and within the limits prescribed by Article XI-G of the Oregon Constitution, as the treasurer determines, but in no event may the treasurer sell more than the aggregate principal sum of \$63,223,000 par value for the biennium beginning July 1, 2009. The moneys realized from the sale of the bonds shall be appropriated and may be expended for the purposes set forth in section 7 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, and section 3 (1), chapter 761, Oregon Laws 2007, and for payment for capitalized interest and costs incidental to issuance of the bonds.

(2) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 7 (1) [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under [*section 20, chapter 761, Oregon Laws 2007*] **ORS 341.753**, as amended by section 27 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**.

(3) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 7 (2) [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under [*section 21, chapter 761, Oregon Laws 2007*] **ORS 341.755**, as amended by section 28 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**.

(4) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 7 (3) [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under [*section 22, chapter 761, Oregon Laws 2007*] **ORS 341.757**, as amended by section 29 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**.

(5) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 7 (4) [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under [*section 26, chapter 787, Oregon Laws 2005*] **ORS 341.762**, as amended by section 30 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**.

(6) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 7 (5) [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under [*section 23, chapter 761, Oregon Laws 2007*] **ORS 341.766**, as amended by section 31 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**.

(7) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 7 (6) [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under [*section 27, chapter 787, Oregon Laws 2005*] **ORS 341.773**, as amended by section 26, chapter 761, Oregon Laws 2007, and section 32 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**.

(8) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 7 (7) [of this 2009 Act], **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under [section 27, chapter 761, Oregon Laws 2007] **ORS 341.775**, as amended by section 33 [of this 2009 Act], **chapter 904, Oregon Laws 2009**.

(9) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 7 (8) [of this 2009 Act], **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under [section 34 of this 2009 Act] **ORS 341.784**.

(10) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 7 (9) [of this 2009 Act], **chapter 904, Oregon Laws 2009**, are matched with the General Fund appropriation made under [section 35 of this 2009 Act] **ORS 341.787**.

**SECTION 73.** Section 26, chapter 904, Oregon Laws 2009, is amended to read:

**Sec. 26.** Notwithstanding section 7 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, at the request of the [State Board of Education] **Higher Education Coordinating Commission**, the State Treasurer may issue bonds for a project listed in section 7, **chapter 904, Oregon Laws 2009** [of this 2009 Act]:

(1) If the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 7, **chapter 904, Oregon Laws 2009**, [of this 2009 Act] has been received by the Department of Community Colleges and Workforce Development; or

(2) After the department reports to the Emergency Board or the Joint Committee on Ways and Means, if the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 7, **chapter 904, Oregon Laws 2009**, [of this 2009 Act] has not been received by the department.

**SECTION 74.** ORS 341.933 is amended to read:

341.933. The [State Board of Education] **Higher Education Coordinating Commission** shall adopt by rule standards governing the distribution of state funds to community college districts for capital construction projects. The standards shall include, but need not be limited to, the following provisions:

(1) No state funds shall be used for the construction of student or faculty housing, facilities for spectators at athletic events, recreational facilities, student health facilities or noninstructional portions of student centers; and

(2) State funds shall be matched by substantial contributions from nonstate sources, which may include tuition, property taxes, bond issues, gifts and grants.

**SECTION 75.** ORS 341.937 is amended to read:

341.937. In preparing budget requests for each biennium, after consultation with the community colleges and their respective representatives of the community of persons with disabilities at the colleges, the [State Board of Education] **Higher Education Coordinating Commission** shall include amounts for capital improvements that will be applied to the substantial reduction and eventual elimination of barriers to access by persons with disabilities.

**SECTION 76.** ORS 344.070 is amended to read:

344.070. (1) The Oregon Department of Administrative Services may draw warrants upon any state fund to which federal funds for training or education have been credited, in payment of vouchers approved by the Superintendent of Public Instruction or the Commissioner for Community College Services pursuant to rules of the [State Board of Education] **Higher Education Coordinating Commission**, in favor of school districts, education service districts and community college districts, for such sums, not exceeding \$100,000 for a single district in the aggregate, as the [state board] **commission**, by rule, shall determine. The warrants, upon delivery [thereof] to the districts, shall constitute advances from state funds to enable the districts more readily to effectuate the purposes set forth in any federal law or regulation pertaining to career and technical education or other education or training sponsored by the federal government.

(2) The districts to which moneys are advanced shall be responsible for the full repayment to the state of all sums advanced. The advances are not within any limitation upon indebtedness prescribed by law for districts. The moneys advanced to districts may not exceed in the aggregate the moneys to the credit of the state fund from which they are paid, and shall constitute advances to the recipient district in anticipation of verified vouchers to be supplied therefor. The advances are to be used as revolving funds for the payment of the costs of career and technical education programs. The advances shall be made only in those cases in which the federal government defrays all or part of the cost of such programs.

**SECTION 77.** ORS 344.080 is amended to read:

344.080. (1) All reimbursement vouchers for claims paid from the revolving funds mentioned in ORS 344.070 shall be approved by the Superintendent of Public Instruction or the Commissioner for Community College Services pursuant to rules of the [*State Board of Education*] **Higher Education Coordinating Commission**. When vouchers are so approved, warrants covering the same shall be drawn by the Oregon Department of Administrative Services, payable from the appropriate fund, and be used to reimburse the revolving funds.

(2) The districts receiving [*such*] **the** advances shall maintain their accounts and records so as to disclose at all times the true status of the unpaid vouchers issued for the reimbursement of the funds, the district warrants drawn against the funds advanced and the balances to the credit [*thereof*] **of the funds**.

(3) The revolving funds and accounts shall be subject to examination and audit by the state in the manner provided by law for other state funds and accounts. The [*State Board of Education*] **commission** may require an audit of the revolving accounts and shall take proper precautions as to the safety of, and accountability for, all funds advanced.

(4) The [*State Board of Education*] **commission** may require the filing with it of a bond of a corporate surety duly licensed to transact business in this state to insure the proper handling of and responsibility for any funds advanced. The bond shall be cumulative and supplemental to fidelity insurance coverage already held by the district concerned. The state may have recourse to any and all fidelity bonds of clerks or other financial officers of the district to protect such advances.

**SECTION 78.** ORS 344.090 is amended to read:

344.090. When it appears to the Superintendent of Public Instruction or the Commissioner for Community College Services that the training and educational programs for which funds are advanced under ORS 344.070 have been completed, or that the need for [*such*] **the** advances or revolving funds no longer exists, or that the sums advanced are not being properly handled or accounted for, the superintendent or commissioner may require that all or part of the amounts advanced to any district shall be returned, with any interest earned, to the state funds or accounts from which the amounts originally were withdrawn. Upon receipt of notification from the superintendent or commissioner that funds advanced are to be returned, the district concerned shall immediately repay the same to the State Treasurer, for credit to the proper fund or account. To the extent that funds advanced are so repaid, security or protection theretofore required by the [*State Board of Education*] **Higher Education Coordinating Commission** under ORS 344.080 (4) to insure the safety of such funds may be released.

**SECTION 79.** Section 5, chapter 904, Oregon Laws 2009, is amended to read:

**Sec. 5.** The [*State Board of Higher Education*] **Higher Education Coordinating Commission** shall determine **by rule how** [*the capital renewal, code compliance and safety projects to be undertaken with*] moneys made available under section 6 (1)(a), **chapter 904, Oregon Laws 2009, shall be allocated to universities listed in ORS 352.002** [*of this 2009 Act on the basis of the board's determination of the most critical capital renewal, code compliance and safety needs. In determining the capital renewal, code compliance and safety needs, the board shall give priority to projects that protect the health and safety of occupants and maintain the structural integrity of facilities*].

**NOTE:** Section 80 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 81.** ORS 348.040 is amended to read:

348.040. As used in ORS 348.040 to 348.070, unless the context requires otherwise:

(1) "Eligible student" means a person who is a resident of this state, as determined by the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission**, at the time of application for a loan under ORS 348.040 to 348.070:

(a) Who is enrolled in or has applied for enrollment in a qualified school;

(b) Who has demonstrated a satisfactory level of achievement in the high school or other school on the record of which the application for enrollment is based or in which the applicant is enrolled; and

(c) Who can show the necessity for financial assistance in order to continue the applicant's education.

(2) "Qualified school" means a school within this state that is a:

(a) Four-year, nonprofit, generally accredited institution of higher education;

(b) Accredited public or private community college or education center, or one recognized by a state educational agency;

(c) Career school that is approved by the [*Superintendent of Public Instruction*] **commission**;

(d) Medical or dental program offered by the Oregon Health and Science University;

(e) Veterinary program offered by Oregon State University; or

(f) Institution that is, in the opinion of the commission, comparable to [*such*] **the** institutions, colleges, centers or schools.

(3) "Qualified school" may include an institution, college, center or school not located in this state if the commission certifies that the course is not available in this state.

**SECTION 82.** ORS 348.040, as amended by section 41, chapter 104, Oregon Laws 2012, is amended to read:

348.040. As used in ORS 348.040 to 348.070, unless the context requires otherwise:

(1) "Eligible student" means a person who is a resident of this state, as determined by the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission**, at the time of application for a loan under ORS 348.040 to 348.070:

(a) Who is enrolled in or has applied for enrollment in a qualified school;

(b) Who has demonstrated a satisfactory level of achievement in the high school or other school on the record of which the application for enrollment is based or in which the applicant is enrolled; and

(c) Who can show the necessity for financial assistance in order to continue the applicant's education.

(2) "Qualified school" means a school within this state that is a:

(a) Four-year, nonprofit, generally accredited institution of higher education;

(b) Accredited public or private community college or education center, or one recognized by a state educational agency;

(c) Career school that is approved by the Higher Education Coordinating Commission;

(d) Medical or dental program offered by the Oregon Health and Science University;

(e) Veterinary program offered by Oregon State University; or

(f) Institution that is, in the opinion of the commission, comparable to [*such*] **the** institutions, colleges, centers or schools.

(3) "Qualified school" may include an institution, college, center or school not located in this state if the commission certifies that the course is not available in this state.

**SECTION 83.** ORS 348.070, as amended by section 42, chapter 104, Oregon Laws 2012, is amended to read:

348.070. [*To assist the Oregon Student Access Commission and the Department of State Lands in determining the qualification of schools, the Higher Education Coordinating Commission*] **The Higher Education Coordinating Commission** shall maintain a listing of career schools offering professional and technical training that meets the occupational needs of the student.

**SECTION 84.** ORS 348.180 is amended to read:

348.180. As used in this section and ORS 348.186, 348.205, 348.230, 348.250, 348.260 and 348.285:

(1) "Cost of education" includes but is not limited to, tuition, fees and living expenses.

- (2) "Eligible post-secondary institution" means:
- (a) A public university listed in ORS 352.002;
  - (b) A community college operated under ORS chapter 341;
  - (c) The Oregon Health and Science University; or
  - (d) An Oregon-based, generally accredited, not-for-profit institution of higher education.
- (3) "Qualified student" means any resident student who plans to attend an eligible post-secondary institution and who:
- (a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;
  - (b) Is enrolled in an eligible program as defined by rule of the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission**; and
  - (c) Is making satisfactory academic progress as defined by rule of the [*commission*] **commission**.

**SECTION 85.** ORS 348.186 is amended to read:

348.186. (1) In addition to any other form of student financial aid authorized by law, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** shall award, to the extent funds are made available, an Oregon Achievement Grant to any qualified student who:

(a) Commences at least half-time study toward a degree at the eligible post-secondary institution within three years of high school graduation; and

(b) While a resident of Oregon, has scored at or above a level determined by the commission on a nationally recognized college admissions test.

(2) Any qualified student receiving an Oregon Achievement Grant under subsection (1) of this section must use the grant for the purpose of study in an eligible program, as defined by rule of the **Higher Education Coordinating Commission**, at an eligible post-secondary institution.

(3) The commission may not award an Oregon Achievement Grant to a qualified student who is enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(4) Each Oregon Achievement Grant shall be renewed yearly provided that the recipient has maintained satisfactory progress, as determined by the commission, toward a first associate or baccalaureate degree.

(5) Notwithstanding subsection (4) of this section, no Oregon Achievement Grant shall be renewed after a qualified student has reached the number of credit hours required to graduate with a baccalaureate degree at the institution the student is attending.

**SECTION 86.** ORS 348.205 is amended to read:

348.205. (1) The Oregon Opportunity Grant program is established within the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission**.

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

(3) The [*commission*] **Executive Director of the Office of Student Access and Completion** shall determine the cost of education of a qualified student based on the type of eligible post-secondary institution the student is attending. The cost of education equals:

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

(b) For a student attending a public university [*under the direction of the State Board of Higher Education*], the average cost of education of attending a public university [*under the direction of the board*];

(c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institution of higher education, the average cost of education of attending a community college in this state; and

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

(4)(a) The [commission] **executive director** shall determine the amount of the student share. The student share shall be based on:

(A) The type of eligible post-secondary institution the student is attending;

(B) The number of hours of work that the [commission] **executive director** determines may be reasonably expected from the student; and

(C) The amount of loans that the [commission] **executive director** determines would constitute a manageable debt burden for the student.

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

(c) The student share for a student who attends a community college may not exceed the amount that the [commission] **executive director** determines a student may earn based on the number of hours of work reasonably expected from the student under paragraph (a) of this subsection.

(d) The student share for a student who attends an eligible post-secondary institution that is not a community college may not exceed the sum of the amount that the [commission] **executive director** determines a student may receive as loans plus the amount a student may earn based on the number of hours of work reasonably expected from the student under paragraph (a) of this subsection.

(5) The [commission] **executive director** shall determine the amount of the family share. The family share shall be based on the resources of the family.

(6) The [commission] **executive director** shall determine the amount of the federal share based on how much the student or the student's family is expected to receive from the federal government as grants, loans, tax credits or other student assistance.

(7)(a) The [commission] **executive director** shall determine the amount of the state share. The state share shall be equal to the cost of education reduced by the student share, family share and amount received by the student from the federal government.

(b) The [commission] **executive director** shall establish a minimum amount that a student may receive as a state share. If the [commission] **executive director** determines that the amount of the state share of a student is below the minimum amount, the student may not receive the state share.

(c) In determining the amount of the state share, the [commission] **executive director** shall consider the total amount available to award as grants to all qualified students. If the [commission] **executive director** must reduce the amount of the state share under this paragraph, the [commission] **executive director** may not reduce the amount of the state share awarded to students in the low income range in a greater proportion than the amount that the state share for students in other income ranges is reduced.

(8)(a) The **Higher Education Coordinating Commission** shall adopt rules that prioritize current foster children and former foster children for receiving Oregon Opportunity Grants when the Oregon Opportunity Grant program does not have sufficient funding to serve all eligible Oregon students.

(b) For the purposes of this subsection, "former foster child" has the meaning given that term in ORS 351.293.

**SECTION 87.** ORS 348.210 is amended to read:

348.210. (1) In addition to any other scholarships provided by law, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may award scholarships at Eastern Oregon University to resident undergraduate students applying for enrollment in the university or who are pursuing courses therein. The number of students who receive scholarships under this subsection may not exceed two and one-half percent of the number of students who are enrolled at the university. The scholarships shall be awarded upon the basis of a record of high intellectual standing and deportment in the school or institution where the applicant has received or is receiving preparatory training, the necessity for financial assistance and other qualifications of such nature that the awarding of scholarships will operate not only to the advantage of the applicant but to the people of Oregon. A scholarship awarded under this subsection may not exceed in value the amount of the tuition and other fees, including the fees that are levied against the recipient of the scholarship by [*the State Board of Higher Education at*] the university.

(2) The commission may award tuition and fee-exempting scholarships to students from foreign nations who are enrolled in public universities listed in ORS 352.002. A student may not receive a scholarship under this subsection that exceeds the amount of tuition and fees owed by the student.

(3) The value of scholarships awarded each year under subsection (2) of this section may not exceed in aggregate an amount equal to 10 percent of the amount of tuition and fees paid in the preceding year [to the Oregon University System] by students enrolled in public universities listed in ORS 352.002 who were not Oregon residents.

**SECTION 88.** ORS 348.230 is amended to read:

348.230. (1) In addition to any other financial aid provided by law, the [Oregon Student Access Commission] **Higher Education Coordinating Commission** may award to qualified residents of this state scholastic grants in any eligible post-secondary institution.

(2) A qualified applicant is one who has an achievement of high intellectual standing and deportment in the school or institution on the records of which the application is based, and who demonstrates, to the satisfaction of the [commission] **Executive Director of the Office of Student Access and Completion**, that the applicant has superior capacity to profit by post-high-school education.

(3) If the recipient of a grant under this section meets the standards for renewal of that grant, the grant may be renewed, upon application of the recipient, until the recipient has received a total of four undergraduate years under this section or until the recipient has completed an undergraduate course of study, whichever is less.

(4) Nothing in subsection (3) of this section shall be construed to mean that the commission may not increase or reduce the amount of the grant upon application for renewal.

(5) No grant shall be made to any student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

**SECTION 89.** ORS 348.250 is amended to read:

348.250. (1) Grants established under ORS 348.230 and 348.260 shall be awarded by the [Oregon Student Access Commission] **Higher Education Coordinating Commission** in the manner provided in this section.

(2) Persons interested in obtaining a grant established under ORS 348.230 and 348.260 may apply to the [commission] **Executive Director of the Office of Student Access and Completion** for a grant.

(3) The [commission] **executive director** shall screen or cause to be screened the applications and shall determine for each available grant the person best qualified to receive that grant. A qualified applicant is eligible to receive a grant established under ORS 348.230 and 348.260 if:

(a) The applicant's financial need is such that in the opinion of the [commission] **executive director** financial aid is warranted; and

(b) The applicant plans to be a student at the eligible post-secondary institution where the grant is to be used.

(4) The [commission] **executive director** shall not discriminate for or against any applicant for a grant.

(5) Nothing in ORS 348.210 to 348.260, 348.505 to 348.615, 348.696 and 348.992 shall be construed to require any institution to admit a grant recipient or to attempt to control or influence the policies of the institution.

(6) Whenever funds are not available to award grants to all qualified students, the [commission] **executive director** may give priority to applicants who are or plan to be full-time students at the eligible post-secondary institution where the grant is to be used. A student shall be considered to be a full-time student if the combination of credit hours at more than one eligible post-secondary institution equals full-time attendance, according to the institution disbursing the grant funds.

(7) As used in this section, "discriminate" has the meaning given "discrimination" in ORS 659.850.

**SECTION 90.** ORS 348.260 is amended to read:

348.260. (1) In addition to any other form of student financial aid authorized by law, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may award Oregon Opportunity Grants to qualified students.

(2) The amount of a grant shall equal the state share of a qualified student's cost of education as determined by the [*commission*] **Executive Director of the Office of Student Access and Completion** under ORS 348.205.

(3) Grant funds necessary to meet matching requirements for federal funds under the Leveraging Educational Assistance Partnership Program and Special Leveraging Educational Assistance Partnership Program of the United States Department of Education may also be used to award grants to qualified students in any eligible post-secondary institution approved by the commission.

(4) Grants may be awarded under this section to qualified students enrolled for any term, including summer term. The commission may prescribe a specific date by which a student must apply to the commission to qualify for a grant only if the commission determines that the total amount available to award as the state share to all qualified students is not sufficient to cover the total state share amount scheduled to be awarded to all students.

(5) If a qualified student receiving a grant under this section meets the standards for renewal of the grant, the grant may be renewed upon application until the qualified student has received the equivalent of four full-time undergraduate years of grant funding for an eligible program as defined by the commission.

(6) A qualified student who receives a grant under this section must attend the eligible post-secondary institution upon which the grant application is based unless the [*commission*] **Executive Director of the Office of Student Access and Completion** authorizes the grant to be used at a different eligible post-secondary institution. A qualified student who receives a grant under this section may attend more than one eligible post-secondary institution if the grant application was based on the qualified student attending more than one eligible post-secondary institution.

(7) The commission may not make a grant to any qualified student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

**SECTION 91.** ORS 348.265 is amended to read:

348.265. (1) In addition to any other form of student financial aid authorized by law, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may award grants to qualified residents of this state who are enrolled in the professional medical, nursing or dental programs at the Oregon Health and Science University.

(2) A qualified applicant for a grant under this section is one who plans to attend the Oregon Health and Science University but whose financial capacity and that of the applicant's family to contribute to the educational costs are not adequate to meet such costs, as determined by the [*commission*] **Executive Director of the Office of Student Access and Completion**.

(3) Grants may be received by a student each year of attendance depending on the continuing need of the student for [*such*] **the** grant.

(4) No grant awarded under this section shall exceed the amount of the difference between the award year tuition and fees assessed and the tuition and fees assessed for that program in the academic year 1976-1977.

**SECTION 92.** ORS 348.270 is amended to read:

348.270. (1) In addition to any other scholarships provided by law, the [*commission*] **Higher Education Coordinating Commission** shall award scholarships in any public university listed in ORS 352.002, in the Oregon Health and Science University, in any community college operated under ORS chapter 341, or in any Oregon-based regionally accredited independent institution, to any student applying for enrollment or who is enrolled therein, who is:

(a) The natural child, adopted child or stepchild of any public safety officer who, in the line of duty, was killed or so disabled, as determined by the [*commission*] **Executive Director of the Office of Student Access and Completion**, that the income of the public safety officer is less than that earned by public safety officers performing duties comparable to those performed at the highest rank or grade attained by the public safety officer; or



(b) A current foster child or former foster child who enrolls in an institution of higher education as an undergraduate student not later than three years from the date the student was removed from the care of the Department of Human Services, the date the student graduated from high school or the date the student received the equivalent of a high school diploma, whichever date is earliest.

(2) Scholarships awarded under this section to students who are dependents of public safety officers or who are current foster children or former foster children shall equal the amount of tuition and all fees levied by the institution against the recipient of the scholarship. However, scholarships awarded to students who attend independent institutions [*shall*] **may** not exceed the amount of tuition and all fees levied by the University of Oregon.

(3) If [*the*] a student who is the dependent of a deceased public safety officer continues to remain enrolled in a public university listed in ORS 352.002 or a community college or an independent institution within the State of Oregon, the student shall be entitled to renewal of the scholarship until the student has received the equivalent of four years of undergraduate education and four years of post-graduate education.

(4) If [*the*] a student who is a current foster child or former foster child or who is the dependent of a public safety officer with a disability continues to remain enrolled in a public university listed in ORS 352.002 or a community college or an independent institution within the State of Oregon, the student shall be entitled to renewal of the scholarship until the student has received the equivalent of four years of undergraduate education.

(5) The [*commission*] **Executive Director of the Office of Student Access and Completion** may require proof of [*the*] a student's relationship to a public safety officer described in subsection (1) of this section or proof that [*the*] a student is a current foster child or former foster child.

(6) As used in this section:

(a) "Former foster child" means an individual who, for a total of 12 or more months while between the ages of 16 and 21, was a ward of the court pursuant to ORS 419B.100 (1)(b) to (e) and in the legal custody of the Department of Human Services for out-of-home placement.

(b) "Public safety officer" means:

(A) A firefighter or police officer as those terms are defined in ORS 237.610.

(B) A member of the Oregon State Police.

(C) A police officer commissioned by a university under ORS 352.383.

(D) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011.

**SECTION 93.** ORS 348.270, as amended by section 51, chapter 644, Oregon Laws 2011, is amended to read:

348.270. (1) In addition to any other scholarships provided by law, the [*commission*] **Higher Education Coordinating Commission** shall award scholarships in any public university listed in ORS 352.002, in the Oregon Health and Science University, in any community college operated under ORS chapter 341, or in any Oregon-based regionally accredited independent institution, to any student applying for enrollment or who is enrolled therein, who is:

(a) The natural child, adopted child or stepchild of any public safety officer who, in the line of duty, was killed or so disabled, as determined by the [*commission*] **Executive Director of the Office of Student Access and Completion**, that the income of the public safety officer is less than that earned by public safety officers performing duties comparable to those performed at the highest rank or grade attained by the public safety officer; or

(b) A current foster child or former foster child who enrolls in an institution of higher education as an undergraduate student not later than three years from the date the student was removed from the care of the Department of Human Services, the date the student graduated from high school or the date the student received the equivalent of a high school diploma, whichever date is earliest.

(2) Scholarships awarded under this section to students who are dependents of public safety officers or who are current foster children or former foster children shall equal the amount of tuition and all fees levied by the institution against the recipient of the scholarship. However, scholarships awarded to students who attend independent institutions [*shall*] **may** not exceed the amount of tuition and all fees levied by the University of Oregon.

(3) If [the] a student who is the dependent of a deceased public safety officer continues to remain enrolled in a public university listed in ORS 352.002 or a community college or an independent institution within the State of Oregon, the student shall be entitled to renewal of the scholarship until the student has received the equivalent of four years of undergraduate education and four years of post-graduate education.

(4) If [the] a student who is a current foster child or former foster child or who is the dependent of a public safety officer with a disability continues to remain enrolled in a public university listed in ORS 352.002 or a community college or an independent institution within the State of Oregon, the student shall be entitled to renewal of the scholarship until the student has received the equivalent of four years of undergraduate education.

(5) The [commission] **executive director** may require proof of [the] a student's relationship to a public safety officer described in subsection (1) of this section or proof that [the] a student is a current foster child or former foster child.

(6) As used in this section:

(a) "Former foster child" means an individual who, for a total of 12 or more months while between the ages of 16 and 21, was a ward of the court pursuant to ORS 419B.100 (1)(b) to (e) and in the legal custody of the Department of Human Services for out-of-home placement.

(b) "Public safety officer" means:

(A) A firefighter or police officer as those terms are defined in ORS 237.610.

(B) A member of the Oregon State Police.

(C) A police officer commissioned by a university under ORS 352.383.

**SECTION 94.** ORS 348.280 is amended to read:

348.280. (1) The [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** shall:

[(1)] (a) Determine which students are eligible to receive scholarships under ORS 348.270.

[(2)] (b) Grant the appropriate scholarships under ORS 348.270.

[(3)] (c) Make necessary rules for application and distribution of the benefits available under ORS 348.270 and this section.

**(d) In awarding scholarships pursuant to its authority under ORS 348.520, give priority to students who are eligible to receive scholarships under ORS 348.270.**

[(4)] (2) **The Higher Education Coordinating Commission shall** establish rules and procedures necessary to carry out the provisions of ORS 348.270 and this section, including but not limited to the usual and customary rules for analyzing financial need.

[(5) *In awarding scholarships pursuant to its authority under ORS 348.520, give priority to students who are eligible to receive scholarships under ORS 348.270.*]

**SECTION 95.** ORS 348.282 is amended to read:

348.282. As used in this section and ORS 348.283:

(1) "Armed Forces of the United States" means:

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

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

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

(2) "Public post-secondary institution" means:

(a) A public university [*under the direction of the State Board of Higher Education*]; and

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

(3) "Veteran" has the meaning given that term in ORS 408.225.

**SECTION 96.** ORS 348.283 is amended to read:

348.283. (1) There is established within the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** the Oregon Troops to Teachers program. Through the program, the commission shall pay for all of the resident tuition charges of a veteran imposed by a public post-secondary institution, provided the veteran:

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

- (b) Is a resident of Oregon; and
- (c) Agrees to teach:
  - (A) In an Oregon school district or public charter school classified as serving a high poverty area for not less than three years; or
  - (B) In the area of mathematics, science or special education for not less than four years.
- (2) An award under subsection (1) of this section shall be used for the purpose of paying resident tuition. The commission may not award funds under subsection (1) of this section for the purpose of paying for books, supplies, housing, food or any other costs associated with attending a public post-secondary institution.
- (3) The commission shall adopt rules necessary for the implementation and administration of this section in consultation with the Department of Education and the Oregon University System.

**SECTION 97.** ORS 348.285 is amended to read:

348.285. (1) In addition to any other form of student financial aid authorized by law, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may award, to the extent funds are made available, an Oregon Roadmap to Language Excellence Scholarship to a qualified student.

(2) The [*Oregon Student Access Commission*] **commission** may:

(a) Award an initial Oregon Roadmap to Language Excellence Scholarship for up to \$2,000 to a qualified student who:

- (A) Is a United States citizen or a noncitizen legally residing in the United States;
- (B) Has received a diploma from a high school in this state or the equivalent;
- (C) Is attending an eligible post-secondary institution in this state;
- (D) Is pursuing an Associate of Arts or more advanced degree; and
- (E) Demonstrates proficiency in speaking, reading and writing in a natural, human-based language other than English, excluding computer-based languages, musical notation and Esperanto.

(b) Award a subsequent Oregon Roadmap to Language Excellence Scholarship for up to \$2,000 to a student receiving a scholarship under paragraph (a) of this subsection who has demonstrated a measurable gain of proficiency in speaking, reading and writing skills in the same language for which the scholarship was awarded during the previous academic year.

(c) Award a reduced subsequent Oregon Roadmap to Language Excellence Scholarship to a student receiving a scholarship under paragraph (a) of this subsection who has not demonstrated a measurable gain of proficiency in speaking, reading and writing skills in the same language for which the scholarship was awarded during the previous academic year. The reduced scholarship is for \$500 less than the amount of the scholarship awarded the previous academic year. The commission may not award a reduced subsequent scholarship for consecutive academic years.

(3) The maximum amount of scholarships awarded to a person under this section may not exceed \$8,000.

(4) The commission may award scholarships under this section to a person for the year of the initial scholarship and the next three consecutive years. The **Higher Education Coordinating Commission** shall adopt rules allowing a waiver of the requirement that the scholarships be awarded in consecutive years for students with approved leaves of absence for appropriate reasons such as illness, emergency, military service and other appropriate reasons as determined by the commission.

(5) The commission may not award scholarships under this section to a student who is enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(6) The **Higher Education Coordinating Commission** shall adopt rules:

(a) Establishing priority for Oregon Roadmap to Language Excellence Scholarships when funds are not available to award scholarships to all qualified students.

(b) Setting standards for appropriate levels of language proficiency and improved language proficiency needed for eligible students to qualify for scholarships under this section.

(c) Choosing an assessment method for measuring language proficiency in speaking, reading and writing for the purposes of paragraph (b) of this subsection. The assessment method must comply

with the American Council on the Teaching of Foreign Languages proficiency guidelines, and must measure only Intermediate-Mid level language skills and higher.

**SECTION 98.** ORS 348.290 is amended to read:

348.290. The [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion** shall apply the interest on the amount transferred to the Oregon Student Assistance Fund under section 4, chapter 377, Oregon Laws 1985, to provide financial aid, as defined in ORS 348.505, to students to study barbering, hairdressing, manicure and esthetics at eligible post-secondary schools.

**SECTION 99.** ORS 348.310 is amended to read:

348.310. (1) The [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** is authorized to make loans to all qualified applicants, from the fund created in ORS 348.390 (1), to assist in financing the cost of a program of study leading to the degree of Doctor of Medicine or to the degree of Doctor of Osteopathic Medicine.

(2) The [*commission*] **Executive Director of the Office of Student Access and Completion** shall:

(a) Develop criteria for the preparation of applications and procedures for the submission, evaluation, priority selection and award of loans provided for in ORS 348.310 to 348.390; **and**

(b) Determine the number and amount of loans and loan renewals[; *and*].

[*c*] (3) **The Higher Education Coordinating Commission shall** adopt such rules as may be necessary to implement ORS 348.310 to 348.390.

**SECTION 100.** ORS 348.320 is amended to read:

348.320. (1) A person shall be eligible for a loan under ORS 348.310 to 348.390 if the person is:

(a) A bona fide resident of this state;

(b) Accepted for enrollment, or is a student in good standing in the professional medical program at an accredited medical school located in the United States or in an accredited school of osteopathic medicine;

(c) As a result of personal financial resources, unable to pursue a program of study in the absence of a loan or would be unable to do so without great hardship; and

(d) Desirous of practicing medicine in a rural community in this state, and in an area which meets the qualifications of a medical shortage area.

(2) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall apply to the [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion**.

(3) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall agree in writing to practice medicine in a medical shortage area as defined by the Oregon Health Authority, for a period equal to the period covered by the loan, but no less than two years.

**SECTION 101.** ORS 348.330 is amended to read:

348.330. In addition to any other financial aid provided by law, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may grant loans in the following amounts:

(1) Persons in their first or second year of study, or the equivalent [*thereof*] **of their first or second year of study**, are eligible for an amount not to exceed \$5,000 per academic year.

(2) Persons in their third or fourth year of study, or the equivalent [*thereof*] **of their third or fourth year of study**, are eligible for an amount not to exceed \$7,500 per academic year.

**SECTION 102.** ORS 348.340 is amended to read:

348.340. (1) The [*Oregon Student Access Commission is further authorized to*] **Executive Director of the Office of Student Access and Completion may** establish and administer cost-sharing loan fund programs which provide for assistance, in conjunction with community agencies or organizations, selected and approved by the **Higher Education Coordinating Commission** in a rural community in the state having a population of fewer than 7,500 persons. Participation in [*such*] a program **established under this subsection** shall be on a matching funds basis between the Rural Medical Education Loan Fund and the approved community agency and shall fund the educational

costs, fees and charges of a specific, eligible student, who shall be approved by the participating community and the commission.

(2) Funds provided from the Rural Medical Education Loan Fund under subsection (1) of this section shall not exceed 75 percent of the total amount calculated to be necessary to fund one person for one year, in an approved school as determined by the commission.

(3) The eligibility requirements for persons participating in *[the]* a program established in subsection (1) of this section shall be the same as the requirements for eligibility in the loan program under ORS 348.320.

(4) Upon completion of the program of study and training for licensure, the person receiving funds under this section shall not be required to repay such funds if the person practices medicine in the community providing the matching funds. The person shall practice medicine one year for each year that funds were provided, but in no event shall the person practice less than two years.

**SECTION 103.** ORS 348.350 is amended to read:

348.350. (1) The *[Oregon Student Access Commission]* **Executive Director of the Office of Student Access and Completion** is authorized to establish and administer a cost-sharing program to train intern and residency physicians as may be arranged by contract with an accredited training hospital within this state. The cost sharing shall be limited to general practice internships and family practice residencies. The commission may pay up to \$18,000 to an institution for each intern or resident position which is reserved for training students who are planning to enter medical practice in rural areas.

(2) Funds for programs established under subsection (1) of this section shall be paid from the Rural Medical Education Loan Fund.

(3) No money appropriated under this section shall be used for any program at the Oregon Health and Science University. The center shall be required to give priority admissions to recipients under ORS 348.310 to 348.390 in its family practice residency programs.

**SECTION 104.** ORS 348.360 is amended to read:

348.360. Each loan granted under ORS 348.330 and 348.340 is renewable annually. The *[Oregon Student Access Commission]* **Executive Director of the Office of Student Access and Completion** shall renew the loans upon application by the recipient when the *[commission]* **executive director** finds that the applicant has successfully completed the required work for the preceding academic year and is a student in good standing, is a resident of this state and is in a financial condition that warrants the continuation of *[such]* **the** aid.

**SECTION 105.** ORS 348.370 is amended to read:

348.370. (1) *[Persons]* **A person** receiving funds under ORS 348.310 to 348.390 shall not be required to repay the funds if the person practices medicine in a rural community in this state having a population of fewer than 7,500 persons and which meets the qualifications of a medical shortage area.

(2) The fund recipient shall practice medicine in the area designated under subsection (1) of this section at the rate of one year for each year the funds were provided to that recipient, but in no event shall any recipient practice medicine in an area less than two years.

(3) Any person receiving funds under ORS 348.310 to 348.390 who fails to complete the course of study, shall be required to repay the amount received to the Rural Medical Education Loan Fund. Ten percent interest shall be charged on the unpaid balance, accrued from the date the loan was granted.

(4) Any person receiving funds under ORS 348.310 to 348.390 who completes the course of study and requirements for licensure but fails to fulfill the obligations required by the loan, shall repay the amount received to the Rural Medical Education Loan Fund. Ten percent interest shall be charged on the unpaid balance, accrued from the date the loan was granted. Additionally, a penalty fee, equal to 25 percent of the total amount of funds received shall be assessed against the person. No interest shall accrue on the penalty.

(5) Any funds received by the Rural Medical Education Loan Fund under subsections (3) to (6) of this section shall be used by the *[Oregon Student Access Commission]* **Executive Director of the**

**Office of Student Access and Completion** for the purpose of carrying out the provisions of ORS 348.310 to 348.390.

(6) The [commission] **executive director** may waive any interest or penalty assessed under subsections (3) to (6) of this section in case of undue hardship.

**SECTION 106.** ORS 348.390 is amended to read:

348.390. (1) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Rural Medical Education Loan Fund, which may be invested in the same manner as the Oregon Student Assistance Fund. This fund may receive funds from state and private sources for the purpose of making loans to student residents of this state who are determined to be eligible to receive funds under ORS 348.310 to 348.390. Interest earned by the fund shall be credited to the fund.

(2) All funds for and relating to loans received by the [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion**, including repayments, interest and penalties, for the Rural Medical Education Loan Fund, except moneys appropriated from the State Treasury for a specified period of time, are continuously appropriated to the Rural Medical Education Loan Fund for the purposes for which the fund was created.

**SECTION 107.** ORS 348.427 is amended to read:

348.427. (1) To encourage community service participation among students in institutions of higher education, there is established a higher education community service voucher program within the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission**. The commission shall allocate the amount available to it for the purposes under ORS 348.427 to 348.436 by awarding the institution's share of the amount to each institution of higher education in this state that is eligible for or whose students are eligible for financial aid under Title IV, Part B, of the Higher Education Act of 1965 as amended. The institution's share shall be based on the proportion of its enrollment of full-time students to the enrollment of full-time students in all institutions of higher education in this state.

(2) An institution of higher education in this state that receives an amount under subsection (1) of this section shall award amounts from the institution's share to various academic departments in the institution. Vouchers awarded to eligible voucher recipients shall be in \$35 denominations for each eight hours of eligible community service. Priority shall be given to otherwise eligible applicants who have applied previously but not been awarded a place in the voucher program.

(3) In order to be eligible, a voucher recipient must perform approved services for at least 20 hours per week in one term for a state or local government entity or a nonprofit social service agency recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code of 1986. However, a voucher recipient shall not be assigned duties that are performed by a public employee if the assignment would displace the public employee. A voucher recipient may be assigned within the institution to assist in maintaining the program authorized by ORS 348.427 to 348.436.

(4) A voucher recipient is eligible for the voucher awards for only one term as an undergraduate student. In addition to the vouchers, the recipient shall receive graded academic credit to be determined by the institution. However, participation in the program does not replace any practicum or internship required for a degree.

**SECTION 108.** ORS 348.429 is amended to read:

348.429. (1) In addition to any other student assistance provided by the law, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** shall award vouchers to eligible students participating in the program.

(2) The total of all vouchers earned by a student under this section in one term shall not exceed an amount equal to the average tuition and associated fees charged annually to full-time resident undergraduate students by public universities listed in ORS 352.002.

(3) Vouchers shall be provided in \$35 denominations for each eight hours of eligible community service.

(4) The [commission] **Executive Director of the Office of Student Access and Completion** shall:

(a) Determine and approve which community service organizations and services within the programs of such organizations are eligible for participation in the program.

(b) Accept the students that the institutions consider eligible for vouchers under ORS 348.427 to 348.436.

(c) Provide payment for vouchers presented by the program students at eligible institutions.

(d) Establish procedures necessary to carry out the provisions of ORS 348.427 to 348.436[, including adopting necessary rules].

(5) Funds received in redemption of the vouchers granted pursuant to ORS 348.427 to 348.436 shall not be considered personal income for the purposes of ORS 316.037.

(6) The vouchers authorized by ORS 348.427 to 348.436 shall first become available when funds are available therefor from sources other than the General Fund, as determined by the [commission] **executive director**.

**(7) The Higher Education Coordinating Commission shall adopt any rules necessary for the executive director to carry out the provisions of ORS 348.427 to 348.436.**

**SECTION 109.** ORS 348.436 is amended to read:

348.436. There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Community Service Voucher Fund, which may be invested in the same manner as the Oregon Student Assistance Fund. This fund may receive moneys from federal, state or private sources for the purpose of providing payment for the redemption of vouchers authorized by ORS 348.427 to 348.436 and for the administration of the community service voucher program. This fund, including the interest earnings thereon, if any, is continuously appropriated to the [Oregon Student Access Commission] **Higher Education Coordinating Commission** for those purposes for which such funds were provided to or received or collected by the commission.

**SECTION 110.** ORS 348.444 is amended to read:

348.444. (1) There is created the Nursing Faculty Loan Repayment Program, to be administered by the [Oregon Student Access Commission] **Higher Education Coordinating Commission**. The purpose of the program is to provide loan repayments on behalf of nurse educators at nursing schools in Oregon who have earned a master's or doctoral degree from an accredited nursing education program.

(2) The **Higher Education Coordinating Commission** shall by rule adopt, in consultation with the Oregon State Board of Nursing and the Oregon Center for Nursing, criteria for participation in the Nursing Faculty Loan Repayment Program.

**SECTION 111.** ORS 348.448 is amended to read:

348.448. (1) To be eligible to participate in the Nursing Faculty Loan Repayment Program, a nurse educator or prospective nurse educator shall submit a letter of interest to the [Oregon Student Access Commission] **Executive Director of the Office of Student Access and Completion**.

(2) At the end of each school year in which a nurse practices as a nurse educator in Oregon, the [commission] **executive director** shall pay an amount not to exceed the lesser of 20 percent of the total of the nurse's outstanding qualifying loans or \$10,000 as adjusted under subsection (4) of this section.

(3) The [commission] **executive director** may make the annual payments under this section for up to:

(a) Three years for a nurse educator who has earned a master's degree; or

(b) Five years for a nurse educator who has earned a doctoral degree.

(4)(a) The [commission] **executive director** shall adjust annually the maximum dollar amount allowed under subsection (2) of this section by multiplying that amount by a cost-of-living adjustment as specified in this subsection.

(b) The cost-of-living adjustment applied to the maximum dollar amount allowed under subsection (2) of this section shall be equal to the ratio of the seasonally adjusted United States City Average Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor for April of that calendar year divided by the value of the same index for April 2009.

(c) If the value of the dollar amount determined under paragraph (a) of this subsection is not a multiple of \$100, the [commission] **executive director** shall round the dollar amount to the next lower multiple of \$100.

**SECTION 112.** ORS 348.500 is amended to read:

348.500. (1) The [Oregon Student Access Commission] **Higher Education Coordinating Commission** may establish Access to Student Assistance Programs in Reach of Everyone (ASPIRE) to provide information about financial aid and education and training options beyond high school to students in Oregon secondary schools. The goals of the programs are to:

(a) Provide mentoring and resources to help students access education and training beyond high school;

(b) Help high schools build a sustainable community of volunteer mentors; and

(c) Educate students and families about the scholarship application process and other options for paying for post-secondary education.

(2) The programs shall bring together students, school staff, community volunteers and parents to help students overcome obstacles to their continuing education. The programs may provide training, technical assistance and other resources to Oregon high schools on how to establish a volunteer-based program. Adult volunteers who are trained through the program may provide mentoring, training and encouragement to students about post-secondary options and financial aid.

**SECTION 113.** ORS 348.505 is amended to read:

348.505. As used in ORS 348.500 to 348.695[.],

[1] “Commission” means the Oregon Student Access Commission.]

[2] “financial aid” includes loans, grants, scholarships, work opportunities and other forms of financial aid to assist students in completing their post-high-school education.

**SECTION 114.** ORS 348.520 is amended to read:

348.520. The [Oregon Student Access Commission] **Executive Director of the Office of Student Access and Completion** shall:

(1) Make available to qualified persons financial aid from financial sources available to the [commission] **executive director**.

(2) Determine qualifications of persons to receive financial aid.

(3) Maintain reports and records on persons applying for and receiving financial aid from the [commission] **executive director**.

(4) Withhold any financial aid if the recipient thereof fails to maintain the standards established for receipt of that aid.

(5) Recommend to the Legislative Assembly not less than once every biennium matters relating to the establishment, administration, modification, transfer, reduction or cancellation of financial aid.

(6) Prior to implementing changes to the Oregon Opportunity Grant program, report to the Higher Education Coordinating Commission and the Legislative Assembly or the Emergency Board any proposed change:

(a) That increases or decreases the total amount awarded as Oregon Opportunity Grants that was approved as part of the budget enacted by the Legislative Assembly for the [Oregon Student Access Commission] **Higher Education Coordinating Commission**; and

(b) To the methodology used to determine the student share, family share or state share under ORS 348.205.

(7) Encourage the establishment of financial aid programs by private agencies.

(8) Collect and disseminate information pertaining to all types of available financial aid.

(9) Review the administrative practices and evaluate the effectiveness of all public and private post-secondary financial aid programs in Oregon.

(10) Disburse state appropriations for financial aid in such a manner as to maximize its role in cooperative coordination of financial aid programs.

**SECTION 115.** ORS 348.530 is amended to read:



348.530. The [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may:

(1) Negotiate for and contract with private and governmental agencies for the establishment of financial aid programs.

(2) Receive gifts of any type, including gifts of stock and real property, for the purpose of establishing, continuing and increasing financial aid.

(3) Administer any form of financial aid submitted to and accepted for administration by the commission.

(4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and other reasonable expenses, including refund of overpayment of fees, that are related to and necessary for making and protecting guaranteed loans and recovering moneys and loans and management of property acquired in connection with such loans.

(5) Sue and be sued.

[*(6) Pursuant to ORS chapter 183, adopt such rules as may be necessary to carry out the provisions of ORS 348.040 to 348.280, 348.500 to 348.695 and 348.992.*]

[*(7)*] **(6)** Cooperatively coordinate all types of financial aid activities.

[*(8)*] **(7)** Establish a State of Oregon scholar program to recognize students with outstanding academic achievement and other demonstrated attributes. The students will not necessarily receive financial aid.

[*(9)*] **(8)** Guarantee loans by eligible lending institutions to student residents of the State of Oregon who are enrolled or accepted for enrollment at any eligible institution, nonresident students enrolled or accepted for enrollment in an institution of higher education or community college in Oregon, and parents of those students, under the provisions of the Higher Education Act of 1965 as amended.

[*(10)*] **(9)** Deny financial aid to any student owing a refund or in default on financial aid previously made available to that student.

[*(11)*] **(10)** Establish and implement any program permitted under federal law to guaranty agencies, including administrative garnishment and wage withholding under Public Law 102-164, section 605.

**SECTION 116.** ORS 348.560 is amended to read:

348.560. Subject to any applicable provisions of the State Personnel Relations Law, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may employ and fix the compensation of any employees it deems necessary for the effective conduct of the work under its charge. The commission may also arrange with [*the Oregon University System*] **a public university listed in ORS 352.002 or a community college** for use of staff and office space [*under the jurisdiction of the Oregon University System*] **of the public university or community college.**

**SECTION 117.** ORS 348.563 is amended to read:

348.563. For the purpose of requesting a state or nationwide criminal records check under ORS 181.534, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may require the fingerprints of a person who:

(1)(a) Is employed or applying for employment by the [*commission*] **Executive Director of the Office of Student Access and Completion**; or

(b) Provides services or seeks to provide services to the [*commission*] **executive director** as a contractor or volunteer; and

(2) Is, or will be, working or providing services in a position:

(a) In which the person has direct access to facilities where students reside or to persons under 18 years of age, elderly persons or persons with disabilities;

(b) In which the person is providing information technology services and has control over, or access to, information technology systems that would allow the person to harm the information technology systems or the information contained in the systems;

(c) In which the person has access to information, the disclosure of which is prohibited by state or federal laws, rules or regulations or information that is defined as confidential under state or federal laws, rules or regulations; or

(d) That has payroll functions or in which the person has responsibility for receiving, receipting or depositing money or negotiable instruments, for billing, collections or other financial transactions or for purchasing or selling property or has access to property held in trust or to private property in the temporary custody of the state.

**SECTION 118.** ORS 348.570 is amended to read:

348.570. (1) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Oregon Student Assistance Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of the expenses of the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** in carrying out the purposes of ORS 348.210 to 348.250, 348.285, 348.505 to 348.615, 348.696 and 348.992. Interest earned by the fund shall be credited to the fund.

(2) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Alternative Student Loan Program Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of expenses of the commission in carrying out the purposes of ORS 348.625 to 348.695. This fund, including the interest earnings on the fund, if any, is continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission.

(3)(a) There is established in the General Fund an account to be known as the Nursing Services Account. Funds in the account shall be used for the payment of expenses of the Nursing Services Program created in ORS 442.540.

(b) The account shall consist of:

(A) Funds appropriated to the [*Oregon Student Access Commission*] **commission** for deposit into the account;

(B) Collections and penalties received by the [*commission*] **Executive Director of the Office of Student Access and Completion** under ORS 442.545; and

(C) Any donations or grants received by the commission for purposes of the Nursing Services Program.

(c) Any funds in the account that are not expended in any biennium shall be retained in the account and may be expended in subsequent biennia.

(4) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Foster Youth Scholarship Fund. Moneys received from appropriations, donations and grants shall be credited to the fund. Moneys in the fund are continuously appropriated to the [*Oregon Student Access*] commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.270 (1)(b). Interest earned by the fund shall be credited to the fund.

(5) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the ASPIRE Program Fund. Moneys received from donations and grants shall be credited to the ASPIRE Program Fund. Moneys in the fund are continuously appropriated to the [*Oregon Student Access*] commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.500. Interest earned by the fund shall be credited to the fund.

(6)(a) There is established in the State Treasury the Nursing Faculty Loan Repayment Fund, separate and distinct from the General Fund. Interest earned on the Nursing Faculty Loan Repayment Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the [*Oregon Student Access*] commission for carrying out ORS 348.440 to 348.448. The Nursing Faculty Loan Repayment Fund consists of:

(A) Moneys appropriated to the commission for the Nursing Faculty Loan Repayment Program created in ORS 348.444; and

(B) Grants, gifts or donations received by the commission for the program.

(b) Any unexpended funds in the fund at the end of a biennium shall be retained in the fund and may be expended in subsequent biennia.

**SECTION 119.** ORS 348.580 is amended to read:

348.580. (1) Subject to the terms of the governing instruments and applicable law, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may enter into agreements with one or more community foundations in Oregon to assume the management of the privately funded student aid programs of the commission. The commission may transfer to the community foundation any or all gifts or scholarship grants received by the commission from any private donor.

(2) All gifts or scholarship grant funds received by the commission that are not transferred to community foundations pursuant to subsection (1) of this section shall be placed in the hands of the State Treasurer, who is designated as the custodian thereof and who may hold, in the manner provided by law, the principal and interest on the gifts and grants. Funds may be withdrawn periodically by the commission to provide for administrative expenditures and make payments upon scholarships awarded by the commission.

(3) As used in this section, "community foundation" means an organization that is:

(a) A community trust or foundation within the meaning of section 170 of the Internal Revenue Code of 1986 and section 1.170A-9(e)(10) of the Treasury Regulations thereunder;

(b) Exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986; and

(c) Not a private foundation within the meaning of section 509 of the Internal Revenue Code of 1986.

**SECTION 120.** ORS 348.590 is amended to read:

348.590. All funds for and relating to student aid programs received by the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** pursuant to federal grant or from any other source, except moneys appropriated from the State Treasury for a specified period of time, hereby are continuously appropriated to the commission for the purposes for which such funds were provided and received by the commission.

**SECTION 121.** ORS 348.592 is amended to read:

348.592. (1) The [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion** may obtain loan cancellation insurance for any person holding a loan under this section and ORS 348.505 to 348.530 and 348.570.

(2) [*Such*] **The** insurance shall insure the life of the student who borrows under this section and ORS 348.505 to 348.530 and 348.570 for the amount of the principal and interest due on the loan and the State of Oregon shall be named as the beneficiary. If the borrower dies before repaying the loan, the insurance shall be used to pay the balance of the loan and the [*commission*] **executive director** shall issue a satisfaction of the obligation.

(3) The Oregon Department of Administrative Services shall procure bids for the purchasing of insurance in compliance with the laws governing the purchase and furnishing of services to state agencies.

**SECTION 122.** ORS 348.608 is amended to read:

348.608. (1) Each year, on a date prescribed by the Higher Education Coordinating Commission, a school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005, met the criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon Student Access Commission and that offered only degrees with approved titles in theology or religious occupations, shall submit to the [*commission*] **Executive Director of the Office of Student Access and Completion** a statement that reads: "(Name of School) hereby certifies that the school remains in compliance with all conditions for a religious exemption from ORS 348.594 to 348.615."

(2) A school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005, met the criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon Student Access Commission and that offered only degrees with approved titles in theology

or religious occupations remains exempt unless the [commission] **executive director** suspends or revokes the exemption.

(3) The [commission] **executive director** may suspend or revoke an exemption if:

(a) After the notice and opportunity to cure provided in subsection (4) of this section, a school fails to provide the statement required by subsection (1) of this section;

(b) The [commission] **executive director** has received a complaint from a student or former student of the school that the school is failing to comply with a condition for exemption under ORS 348.604, the [commission] **executive director** determines that the complaint is valid, the school has been provided with notice and opportunity to cure as required by subsection (4) of this section and the school fails to comply with the condition listed in the notice; or

(c) After the notice and opportunity to cure provided in subsection (4) of this section, a school is in violation of ORS 348.605.

(4) The [commission] **executive director** shall provide notice of and 90 days to cure a school's:

(a) Failure to provide the statement required by subsection (1) of this section;

(b) Failure to maintain compliance with a condition for exemption under ORS 348.604 if the [commission] **executive director** has received a complaint from a student or former student of the school that the school is failing to comply with a condition for exemption under ORS 348.604 and the [commission] **executive director** has determined the complaint is valid; or

(c) Violation of ORS 348.605.

(5) A school may appeal the denial, suspension or revocation of an exemption to the [commission] **executive director**.

(6) A school may appeal the [commission's] **executive director's** decision that a faculty member does not possess sufficient compensatory qualifications to substitute for an academic degree in the field in which the faculty member teaches.

(7) The [commission] **executive director** shall conduct an appeal under this section as a contested case under ORS chapter 183.

(8)(a) If a school appeals the denial, suspension or revocation of an exemption and the [commission] **executive director** upholds the denial, suspension or revocation, the [commission] **executive director** shall provide the school 90 days to cure the grounds for the denial, suspension or revocation. If the school does not cure the grounds for the denial, suspension or revocation within 90 days after the [commission] **executive director** upholds the denial, suspension or revocation, then the denial, suspension or revocation becomes effective 90 days after the issuance of the decision on the appeal by the [commission] **executive director**.

(b) If a school does not appeal the denial, suspension or revocation of an exemption to the [commission] **executive director** and the school does not cure the grounds for the denial, suspension or revocation within the period of time to appeal the decision to the [commission] **executive director**, then the denial, suspension or revocation becomes effective upon the expiration of the period of time to appeal.

**NOTE:** Section 123 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 124.** ORS 348.616 is amended to read:

348.616. (1) The [Oregon Student Access Commission] **Higher Education Coordinating Commission** shall develop and adopt rules that provide the minimum criteria that an employer must meet in order for the employer's scholarship program for employees and dependents to be certified as eligible for the employee and dependent scholarship program tax credit provided under ORS 348.621. The commission shall adopt rules to determine:

(a) The types of educational programs, institutions and expenses related to the programs and institutions for which scholarships may be offered to employees and dependents, and scholarship moneys expended on their behalf;

(b) The types of employees and dependents to whom scholarships must be offered;

(c) The minimum and maximum annual dollar amounts of a scholarship that would be a qualified scholarship under ORS 315.237;

(d) The minimum annual number of hours of instruction that a scholarship beneficiary must commit to in order to be eligible for a scholarship; and

(e) [Such] **Any** other requirements as the commission may provide.

(2) An employer must employ at least four full-time equivalent employees but no more than 250 employees in order to be certified as eligible for the employee and dependent scholarship program tax credit under ORS 348.621.

(3) An employer seeking to claim the tax credit provided under ORS 315.237 must apply to the [commission] **Executive Director of the Office of Student Access and Completion** for both employee and dependent scholarship program certification under ORS 348.618 and tax credit certification under ORS 348.621.

**SECTION 125.** ORS 348.618 is amended to read:

348.618. (1) An application for employee and dependent scholarship program certification shall be filed by the employer establishing the program. The application shall be filed with the [Oregon Student Access Commission] **Executive Director of the Office of Student Access and Completion** at least three months prior to the close of the first tax year for which a tax credit under ORS 315.237 will be claimed.

(2) The application shall be filed on a form prescribed by the [commission] **executive director** and shall contain the information required by the [commission] **executive director**, including:

(a) The date on which the proposed employee and dependent scholarship program will first be available to the employer's employees and their dependents;

(b) The total number of employees of the employer;

(c) The total number of employees who will be eligible, or whose dependents will be eligible, to participate in the program;

(d) The criteria to be used by the employer in determining the eligibility of an employee or an employee's dependent for a scholarship under the program; and

(e) The annual limit, if any, on the amount of funds to be used for scholarships under the program.

(3) The [commission] **executive director** shall certify an application that describes an employee and dependent scholarship program that is in compliance with the rules adopted by the **Higher Education Coordinating** Commission under ORS 348.616 (1) [and (2)], if made by an employer that meets the employment requirements of ORS 348.616 (1) and (2).

(4) The [commission] **executive director** shall certify or reject an application within 60 days of receipt of the application and shall notify the employer of the [commission's] **executive director's** determination.

(5) An employer whose application has been rejected by the [commission] **executive director** shall be afforded an opportunity to amend the application to address the [commission's] **executive director's** objections to the original application.

(6) In the case of an employer whose proposed employee and dependent scholarship program has been certified by the [commission] **executive director**, the [commission] **executive director** shall send a letter of program certification to the employer. The letter of program certification shall set forth or incorporate by reference the statements made in the application being certified.

(7) A letter of program certification issued under this section shall remain valid until the employer changes the terms of eligibility for a scholarship under the program, changes the minimum or maximum amount of a scholarship under the program or ceases to be an employer.

**SECTION 126.** ORS 348.621 is amended to read:

348.621. (1) An application for tax credit certification shall be filed by an employer that has obtained program certification under ORS 348.618 or that has applied for program certification and is awaiting such certification by the [Oregon Student Access Commission] **Executive Director of the Office of Student Access and Completion**.

(2) The application for tax credit certification shall be filed by the employer with the [commission] **executive director**. The application shall be filed at the time prescribed by the [commission]

**executive director**, but no later than October 1 of the calendar year in which begins the tax year for which a credit under ORS 315.237 will be claimed.

(3) The application shall be filed on a form prescribed by the [commission] **executive director** and shall contain the information required by the [commission] **executive director**, including the amount of scholarship moneys the employer has provided or intends to provide to employees or dependents during the calendar year for which tax credit certification is being sought and the number of employees employed by the employer for the calendar year.

(4) The [commission] **executive director** shall consider applications in the chronological order in which the applications are received and shall approve applications to the extent the amount set forth in the application, when added to the total amount already certified by the [commission] **executive director** for the calendar year under this section, does not exceed \$1 million.

(5) An employer may not receive tax credit certification:

(a) For an amount that is greater than \$1 million;

(b) If the employer employs fewer than four full-time equivalent employees for the calendar year;

or

(c) If the employer employs more than 250 employees for the calendar year.

(6) The [commission] **executive director** shall send written notice of the amount of the tax credit certification, or written notice that no amount is being certified, to the employer and to the Department of Revenue within 60 days of the date an application is filed under this section.

(7) The employer shall keep the written certification in the employer's records for at least five years and shall furnish the certification to the Department of Revenue if requested.

**SECTION 127.** ORS 348.625 is amended to read:

348.625. As used in ORS 348.570 and 348.625 to 348.695:

(1) "Alternative student loan program" means a program established by the [Oregon Student Access Commission] **Higher Education Coordinating Commission** to fund loans to eligible students, or to qualifying parents of eligible students, to help meet expenses of eligible students of attending post-secondary educational institutions; provided, however, that alternative student loan program loans may be made only to students who have applied for student financial aid under Title IV, Part B of the Higher Education Act of 1965, as amended, and have received information on their eligibility for programs under that Act, or the parents of students who have made such application and received such information.

(2) "Eligible student" means a student enrolled in an eligible post-secondary educational institution located in Oregon or a student who is an Oregon resident and who is enrolled in an eligible post-secondary educational institution located outside of Oregon. The [commission] **Executive Director of the Office of Student Access and Completion** shall determine, among other things, what constitutes enrollment and which post-secondary educational institutions are eligible institutions under the alternative student loan program.

(3) "Lender" means an insured institution as defined in ORS 706.008 that is authorized to do business in Oregon and [which] **that** has entered into an agreement with the [commission] **Higher Education Coordinating Commission** to originate, service and administer alternative student loans in the manner authorized by ORS 348.570 and 348.625 to 348.695.

**SECTION 128.** ORS 348.630 is amended to read:

348.630. (1) Loans may be made under the alternative student loan program to an eligible student or to a parent of an eligible student.

(2) Loans made under the alternative student loan program shall not exceed the eligible costs of education as determined by the [Oregon Student Access Commission] **Executive Director of the Office of Student Access and Completion**, minus other financial aid received, or \$10,000, whichever is less, for any eligible student during a single calendar year. Total loans made for any eligible student under the alternative student loan program shall not exceed \$40,000.

(3) Under the alternative student loan program, borrowers shall undergo a credit check by the lender or by the [commission] **executive director** and shall be creditworthy or provide a creditworthy cosigner.

**SECTION 129.** ORS 348.635 is amended to read:

348.635. In consultation with private sector lenders, the [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion** shall establish the terms and conditions, including but not limited to maturities and repayment provisions, of student loans for which the [*commission*] **executive director** shall provide funding. The [*commission*] **executive director** may also set standards of academic achievement which borrowers must maintain to receive loans.

**SECTION 130.** ORS 348.640 is amended to read:

348.640. (1) The [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion** shall provide funding to lenders pursuant to contracts which shall provide, among other things, the terms and conditions under which private sector lenders, using funding made available by the [*commission*] **executive director**, shall originate, service and administer loans pursuant to the alternative student loan program. Lenders shall receive and process loan applications from borrowers, perform credit analysis, approve or deny loan requests, and for loans [*which*] **that** are approved, originate, document, administer and service [*such*] **the** loans. The [*commission*] **executive director** shall make provision for payment to lenders of the reasonable costs of origination, servicing and administration of loans. Payment may be made directly by borrowers or by the [*commission*] **executive director**, as the [*commission*] **executive director** may determine.

(2) Loans shall be structured in such a manner that anticipated payments of principal and interest shall permit timely repayment of the revenue bonds to be issued by the State of Oregon pursuant to ORS 348.570 and 348.625 to 348.695. As a condition of participation in the alternative student loan program by private sector lenders, the [*commission*] **executive director** shall procure from each such lender a guarantee or letter of credit ensuring that the [*commission*] **executive director** shall receive full and timely repayment of principal of and interest due on loans originated, serviced and administered by the lender. The [*commission*] **executive director** shall provide by contract for payment by the [*commission*] **executive director** or by borrowers, as the [*commission*] **executive director** may determine, of the reasonable costs of such guarantees or letters of credit. It is the intention of ORS 348.570 and 348.625 to 348.695 that participating private sector lenders, not the [*commission*] **executive director**, shall bear the entire risk of loss, nontimely repayment or nonpayment of alternative student loan program loans.

**SECTION 131.** ORS 348.655 is amended to read:

348.655. In consultation with the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission**, the State Treasurer may issue revenue bonds in an amount not to exceed \$30 million annually, the proceeds of which shall be used to provide funding for loans to be made pursuant to the alternative student loan program. Interest on the bonds shall be exempt from personal income taxation by the State of Oregon.

**SECTION 132.** ORS 348.660 is amended to read:

348.660. (1) If the State Treasurer, in consultation with the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission**, determines that revenue bonds should be issued under ORS 348.570 and 348.625 to 348.695:

(a) The State Treasurer, in consultation with the commission, may authorize and issue in the name of the State of Oregon revenue bonds secured by revenues from repayment of loans to finance or refinance in whole or part the costs of the loan program. Refunding bonds may be issued to refinance [*such*] **the** revenue bonds.

(b) The State Treasurer, in consultation with the commission, shall designate the underwriter, trustee and bond counsel and enter into appropriate agreements with each to carry out the provisions of ORS 348.570 and 348.625 to 348.695.

(2) Any trustee designated by the State Treasurer, in consultation with the commission, must agree to furnish financial statements and audit reports for each bond issue.

(3) In determining whether to issue revenue bonds under ORS 348.570 and 348.625 to 348.695, the State Treasurer, in consultation with the commission, shall consider:

(a) The bond market for the types of bonds proposed for issuance.

(b) The terms and conditions of the proposed issue.

(c) [Such] **Any** other relevant factors as the State Treasurer, in consultation with the commission, considers necessary to protect the financial integrity of the state.

**SECTION 133.** ORS 348.665 is amended to read:

348.665. Bonds authorized under ORS 348.570 and 348.625 to 348.695 shall be issued in accordance with the provisions of ORS chapter 286A. The State Treasurer, in consultation with the [Oregon Student Access Commission] **Higher Education Coordinating Commission**, may establish special accounts or subaccounts in the Alternative Student Loan Program Fund created by ORS 348.570 and may pledge the assets or the revenues, or any portion [thereof] **of the assets or revenues**, of the alternative student loan program.

**SECTION 134.** ORS 348.670 is amended to read:

348.670. The administrative expenses of the State Treasurer and the [Oregon Student Access Commission] **Executive Director of the Office of Student Access and Completion** shall be charged against bond proceeds or repayment revenues.

**SECTION 135.** ORS 348.675 is amended to read:

348.675. The State Treasurer, in consultation with the [Oregon Student Access Commission, shall have the power, whenever refunding is considered expedient, to] **Higher Education Coordinating Commission**, may refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured. The refunding bonds may be exchanged for bonds to be refunded and the proceeds applied to the purchase, redemption or payment of [such] **the** bonds.

**SECTION 136.** ORS 348.685 is amended to read:

348.685. The official action authorizing the issuance of bonds under ORS 348.570 and 348.625 to 348.695 may contain covenants, notwithstanding that such covenants may limit the exercises of powers conferred by ORS 348.570 and 348.625 to 348.695 in the following respects and in such other respects as the state, acting through the State Treasurer, in consultation with the [Oregon Student Access Commission] **Higher Education Coordinating Commission**, or the designee [thereof] **of the commission**, may decide:

- (1) The use and disposition of the revenues from repayment;
- (2) The creation and maintenance of special accounts or subaccounts in the Alternative Student Loan Program Fund created by ORS 348.570 and the regulation, use and disposition thereof;
- (3) The purpose or purposes to which the proceeds of sale of bonds may be applied and the use and disposition of such proceeds;
- (4) The events of default and the rights and liabilities arising thereon and the terms and conditions upon which the holders of any bonds may bring any suit or action on such bonds or on any coupons appurtenant thereto;
- (5) The issuance of other or additional bonds or instruments payable from or constituting a charge against the revenues from repayment;
- (6) The keeping of books of account and the inspection and audit [thereof] **of books of account**;
- (7) The terms and conditions upon which any or all of the bonds shall become or may be declared due before maturity and the terms and conditions upon which such declaration and its consequences may be waived;
- (8) The rights, liabilities, powers and duties arising upon the breach of any covenants, conditions or obligations;
- (9) The appointing of and vesting in a trustee or trustees of the right to hold or dispose of any funds, accounts, revenues or assets of the alternative student loan program, to receive or assign any pledge [thereof] **of the funds, accounts, revenues or assets** or to enforce any covenants made to secure or to pay the bonds, the powers and duties of such trustee or trustees, and the limitation of the liabilities of the trustee or trustees;
- (10) The terms and conditions upon which the holder or holders of the bonds, or the holders of any proportion or percentage of them, may enforce any covenants made under ORS 348.570 and 348.625 to 348.695; and



(11) A procedure by which the terms of any official action authorizing bonds or of any other contract with bondholders, including but not limited to an indenture of trust or similar instrument, may be amended or abrogated, and the amount of bonds **to which** the holders [*of which*] may consent [*thereto*], and the manner in which [*such*] **the** consent may be given.

**SECTION 137.** ORS 348.690 is amended to read:

348.690. (1) Revenue bonds issued under ORS 348.570 and 348.625 to 348.695:

(a) Shall not be payable from nor charged upon any funds other than the revenue pledged to the payment thereof, except as provided in this section, nor shall the state be subject to any liability thereon. No holder or holders of such bonds shall ever have the right to compel any exercise of the taxing power of the state to pay any such bonds or the interest thereon, nor to enforce payment thereof against any property of the state.

(b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the state other than the Alternative Student Loan Program Fund created by ORS 348.570, any account or subaccount thereof or student loans, if any, owned or acquired by the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** pursuant to the alternative student loan program.

(2) Each bond issued under ORS 348.570 and 348.625 to 348.695 shall recite in substance that the bond, including interest [*thereon*] **on the bond**, is payable solely from the revenue pledged to the payment [*thereof*] **of the bond**. No such bond shall constitute a debt of the state or a lending of the credit of the state within the meaning of any constitutional or statutory limitation. However, nothing in ORS 348.570 and 348.625 to 348.695 is intended to impair the rights of holders of bonds to enforce covenants made for the security [*thereof*] **of the bonds** as provided in ORS 348.685.

**SECTION 138.** ORS 348.696 is amended to read:

348.696. Pursuant to section 4 (4)(d), Article XV of the Oregon Constitution, the Education Stability Fund is established separate and distinct from the General Fund. Moneys in the Education Stability Fund shall be invested as provided in ORS 293.701 to 293.790. All declared earnings on moneys in the fund shall be transferred and are appropriated continuously as follows:

(1) 75 percent to the Oregon Education Fund established by ORS 348.716; and

(2) 25 percent to the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** for the Oregon Opportunity Grant program under ORS 348.260.

**NOTE:** Section 139 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 140.** ORS 348.900 is amended to read:

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

(2) Based on the needs assessment, the Higher Education Coordinating Commission shall inform the community colleges, public universities listed in ORS 352.002, Oregon Health and Science University and health care industry employers of the identified statewide needs and invite the development of health care education programs that are responsive to those needs.

(3) When approving health care education programs, the [*State Board of Education, the State Board of Higher Education*] **commission** and the Oregon Health and Science University Board of Directors shall use the statewide needs assessment to evaluate whether a program fulfills statewide needs. If [*a board*] **the commission or the board** determines there is a statewide need, the [*board*] **commission or the board** shall facilitate the:

(a) Coordination of new health care education programs and existing health care education programs that are similar to the new health care education programs to address the statewide need; and

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

(4) In the development and approval of health care education programs, community colleges, public universities, Oregon Health and Science University, the [*State Board of Education, the State Board of Higher Education*] **commission** and the Oregon Health and Science University Board of Directors shall consider issues related to statewide access, student transferability between programs, course articulation and common student learning outcomes for health care education programs. The community colleges, public universities, Oregon Health and Science University and [*boards*] **commission** shall continue to provide and improve upon an effective articulation and transfer framework for students in Oregon's post-secondary sectors.

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

**SECTION 144.** ORS 351.077 is amended to read:

351.077. (1) [*Pursuant to ORS 342.447, the Chancellor of the Oregon University System*] **The Higher Education Coordinating Commission** shall ensure the implementation of the plans developed by the **State Board of Higher Education under ORS 342.447** for recruitment of minority teachers.

(2) The [*chancellor*] **commission** shall report biennially to [*the State Board of Higher Education and*] the Legislative Assembly on the implementation and results of the plans. The report may include recommendations on ways in which the Legislative Assembly can assist in increasing the number of minority teachers.

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

351.203. (1) The State Board of Higher Education shall cooperate with the [*Education and Workforce Policy Advisor*] **Chief Education Officer of the Oregon Education Investment Board** in the development of a state comprehensive education plan including post-secondary education and in review of the board's programs and budget. The board shall submit in timely fashion to the [*advisor such*] **Chief Education Officer** the data as is appropriate in a form prescribed by the [*advisor*] **officer**.

(2) The board shall cooperate with the mediation process administered by the Higher Education Coordinating Commission pursuant to ORS 348.603 and, if a negotiated resolution cannot be reached by mediation, comply with the decisions of the commission regarding proposed new post-secondary programs and proposed new post-secondary locations, including those proposed by Oregon Health and Science University in cooperation with the State Board of Higher Education under ORS 353.440.

**SECTION 146.** ORS 351.643, as amended by section 8, chapter 106, Oregon Laws 2012, is amended to read:

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

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

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

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

(C) Continue and complete the course for full credit, subject to the provisions of subsection (3) of this section;

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

(c) If the student elects to withdraw from the public university, the right to be readmitted and reenrolled at the public university within one year after release from active duty without a requirement of redetermination of admission eligibility; and

(d) The right to continuation of scholarships and grants awarded to the student that were funded by the public university or the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** before the student was ordered to active duty.

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

(a) Give the student academic credit for the course from which the student withdraws;

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

(c) Alter the student's grade point average due to the student's withdrawal from the course.

(3) A student who elects to continue and complete a course for full credit under subsection (1)(a)(C) of this section is subject to the following conditions:

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

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

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

(4) The [*State Board of*] Higher Education **Coordinating Commission** shall adopt rules for the administration of this section.

(5) As used in this section, "member of the military" means a person who is a member of:

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

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

**NOTE:** Section 147 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 148.** ORS 351.718 is amended to read:

351.718. [(1)] The members of the Higher Education Coordinating Commission must be residents of this state who are well informed on the principles of higher education.

[(2) *A member of the State Board of Higher Education, Oregon Health and Science University Board of Directors or the governing board of a community college district may not serve as a member of the Higher Education Coordinating Commission.*]

**SECTION 149.** ORS 352.730 is amended to read:

352.730. (1) The [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may enter into contracts with private and independent institutions of higher education for the performance of nonsectarian educational services to assist the state in providing educational opportunities for Oregon students.

(2) The commission may accept grants, gifts, bequests, and devises of real and personal property to carry out the purposes of ORS 352.710 to 352.760.

(3) No funds disbursed pursuant to ORS 352.710 to 352.760 shall be used by any recipient for any religious purpose.

**SECTION 150.** ORS 352.740 is amended to read:

352.740. Payments to private and independent institutions of higher education under contracts entered into under ORS 352.730 shall be determined by the [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion** on a uniform rate for every 45 quarter hours, or equivalent, of approved and registered course work in nonsectarian subjects completed by undergraduate students enrolled in the institutions who are residents of Oregon, and shall not exceed the actual cost to the institution of providing such educational services. This uniform rate shall apply to the estimated 45-hour units for each institution upon which the legislative appropriation is based for that year, or the actual 45-hour units for each institution, whichever is

the lesser. Any remaining funds shall be distributed among those institutions whose actual 45-hour units exceed the estimate. The distribution to each institution shall be according to the uniform rate established for the 45-hour units or an amount equal to the ratio that the excess units bear to 45. However, if insufficient funds are available for such a distribution, then the distribution shall be according to the ratio that the total number of 45-hour units in excess of the estimate bears to the total amount of funds remaining undistributed, multiplied by the number of excess 45-hour units, if any, at each institution.

**SECTION 151.** ORS 352.750 is amended to read:

352.750. In accordance with any applicable provisions of ORS chapter 183, the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** may make such reasonable rules and regulations as are necessary or proper to carry out ORS 352.710 to 352.760.

**SECTION 152.** ORS 353.200, as amended by section 9, chapter 106, Oregon Laws 2012, is amended to read:

353.200. (1) A student at the Oregon Health and Science University who is a member of the military, a member of the commissioned corps of the National Oceanic and Atmospheric Administration or a member of the Public Health Service of the United States Department of Health and Human Services detailed by proper authority for duty with the Army or Navy of the United States and who is ordered to federal or state active duty for more than 30 consecutive days has the following rights:

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

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

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

(C) Continue and complete the course for full credit, subject to the provisions of subsection (3) of this section;

(b) The right to a credit described in ORS 353.202 for all amounts paid for room, board, tuition and fees;

(c) If the student elects to withdraw from the university, the right to be readmitted and reenrolled at the university within one year after release from active duty without a requirement of redetermination of admission eligibility; and

(d) The right to continuation of scholarships and grants awarded to the student that were funded by the university or the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** before the student was ordered to active duty.

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

(a) Give the student academic credit for the course from which the student withdraws;

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

(c) Alter the student's grade point average due to the student's withdrawal from the course.

(3) A student who elects to continue and complete a course for full credit under subsection (1)(a)(C) of this section is subject to the following conditions:

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

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

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

(4) The Oregon Health and Science University Board of Directors shall adopt rules for the administration of this section.

(5) As used in this section, "member of the military" means a person who is a member of:

- (a) The Oregon National Guard or the National Guard of any other state or territory; or
- (b) The reserves of the Army, Navy, Air Force, Marine Corps or Coast Guard of the United States.

**NOTE:** Sections 153 and 154 were deleted by amendment. Subsequent sections were not re-numbered.

**SECTION 155.** ORS 399.255 is amended to read:

399.255. (1) Subject to the availability of funds, the Oregon Military Department shall contract with the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** to disburse to qualified applicants, awards made to the applicants on behalf of the Oregon National Guard Scholarship Program as determined by the Oregon Military Department.

(2) If the qualified applicant who receives a scholarship under ORS 399.245 to 399.265 meets the standards of the Oregon Military Department for renewal of the scholarship, the scholarship may be renewed upon application until the applicant has received a scholarship for a total of four undergraduate years.

(3) A qualified applicant who receives a scholarship under ORS 399.245 to 399.265 must attend the qualified institution of higher education upon which the scholarship application was based unless the commission authorizes the scholarship to be used at a different institution.

(4) No scholarship shall be made to any student enrolled in a course of study required for or leading to a degree in theology, divinity or religious education.

**SECTION 156.** ORS 399.265 is amended to read:

399.265. A qualified applicant may be awarded a scholarship under ORS 399.245 to 399.265 before completing the national guard service requirement. However, if an applicant fails to fulfill the service requirement, the applicant shall pay to the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** the amount of the scholarship received plus interest for each year for which a scholarship was awarded but for which the service requirement was not met.

**SECTION 157.** ORS 399.275 is amended to read:

399.275. (1) As used in this section and ORS 399.280:

(a) "Eligible post-secondary institution" has the meaning given that term in ORS 348.180.

(b) "Surviving family member" means a spouse or dependent of a member of the Oregon National Guard who is killed while on active duty.

(2) Subject to the availability of funds, the Oregon Military Department may contract with the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** to:

(a) Disburse to eligible post-secondary institutions the dollar amount of tuition waivers authorized by this section and approved for payment by the department; and

(b) Provide to the department a compilation of the total dollar amount of the tuition waivers approved for each academic term included in the contract.

(3) The department shall regularly provide to the commission the names of members of the Oregon National Guard and surviving family members for whom tuition waivers may be approved.

(4) Any member of the Oregon National Guard or surviving family member who registers for classes at an eligible post-secondary institution may receive a tuition waiver of up to 100 percent of the resident tuition charges imposed by that institution, except that in the case of a not-for-profit independent institution, the tuition waiver may not exceed 100 percent of the resident tuition at Oregon State University.

(5)(a) A member of the Oregon National Guard may receive the tuition waiver authorized by this section at any time if the member maintains satisfactory performance with the Oregon National Guard and pursues a course of study in the eligible post-secondary institution in a manner that satisfies the usual requirements of the institution.

(b) A surviving family member may receive the tuition waiver authorized by this section if the surviving family member pursues a course of study in the eligible post-secondary institution in a manner that satisfies the usual requirements of the institution.

(c) The member of the Oregon National Guard or surviving family member is responsible for payment of the balance of the tuition charges not provided for by the tuition waiver program.

(6) When determining to whom the tuition waivers shall be granted, priority shall be given to those members of the Oregon National Guard who have previously received tuition waivers while serving in the Oregon National Guard and surviving family members who have previously received tuition waivers.

(7) The department shall apply qualifications and limitations to the tuition waiver program that are consistent with efficient and effective program management as determined by the Adjutant General.

**NOTE:** Section 158 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 159.** ORS 411.894 is amended to read:

411.894. (1) The Oregon JOBS Individual Education Account is established to improve the position of JOBS Plus participants in the workforce by increasing their access to continuing education. Employer contributions to the account under this section shall be used to pay for education expenses for the individual as provided in subsection (2) of this section.

(2)(a) After the participant has participated in the JOBS Plus Program for 30 days, the employer shall pay, in addition to the participant wage, one dollar for each participant hour worked into the participant's individual education account. Contributions to such an account shall be tax deferred or tax-exempt to the extent permitted by federal and state law.

(b) Any participant for whom an Oregon JOBS Individual Education Account contribution is made shall be eligible for access to education benefits from that participant's individual education account for up to five years after the participant has left the JOBS Plus Program and has held a full-time, unsubsidized job for at least 30 days.

(c) When any participant has qualified for use of that participant's individual education account, an amount equal to that participant's individual education account balance shall be transferred to the [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion** for that participant's use. Only one individual education account shall be created for any participant. Each account shall be administered by the [*commission*] **executive director** and shall be used for continuing education and training for the participant and the participant's immediate family.

(3)(a) The [*commission*] **executive director** may use any interest earned by an individual education account transferred to the [*commission*] **executive director** under this section for payment of expenses incurred by the [*commission*] **executive director** in carrying out [*its*] **the executive director's** duties under this section.

(b) The Department of Human Services shall transfer any interest earned by the Oregon JOBS Individual Education Account to the General Fund for general governmental purposes. The department shall transfer the interest no later than the close of each fiscal year in which the interest is earned.

(4) Any unexpended or unobligated moneys remaining in an individual education account five years after the participant has left the JOBS Plus Program are appropriated and transferred to the [*commission*] **Higher Education Coordinating Commission** for the Oregon Opportunity Grant program on that date.

**SECTION 160.** ORS 418.658, as amended by section 43, chapter 104, Oregon Laws 2012, is amended to read:

418.658. (1) The program director of the Oregon Youth Conservation Corps shall establish a separate program known as the Oregon Community Stewardship Corps. In addition to the established purposes of the Oregon Youth Conservation Corps, the purpose of the Oregon Community Stewardship Corps is to promote community service activities throughout the state for a broad cross section of Oregon disadvantaged and at-risk youth through programs that also include appropriate educational and job training opportunities for participants.

(2) In addition to projects submitted under ORS 418.660 (1), projects of the Oregon Community Stewardship Corps may include, but shall not be limited to:

(a) Child care services.

(b) Elderly and disabled care services.

(c) Literacy education programs.

(d) Recycling and other waste reduction services.

(3) The Oregon Community Stewardship Corps shall offer employment and educational opportunities of at least three but not more than 12 months' duration for selected participants.

(4) Under rules adopted by the Higher Education Coordinating Commission, participants who successfully complete any 12-month program under this section shall be eligible for \$1,500 in tuition vouchers that can be used at any career school or post-secondary educational institution that is qualified to receive assistance through the [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion**.

(5) All Oregonians who are at least 13 years of age and under 25 years of age are eligible to participate in the program. To ensure that Oregon Community Stewardship Corps participants represent a broad cross section of Oregonians, special emphasis shall be given to recruiting school dropouts and other disadvantaged and at-risk youth, according to criteria established by the Oregon Youth Conservation Corps Advisory Committee.

(6) To the extent practicable, the program director shall enlist state and federal agencies, local government, nonprofit organizations and private businesses, and any combination of such entities, to act as sponsors for programs administered under this section. Selection of sponsors shall be based on criteria that include the following:

(a) The availability of other resources on a matching basis, including contributions from private sources, other federal, state and local agencies, and moneys available through the federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

(b) The provision of related educational and job training programs to participants, including but not limited to school and college coursework, General Educational Development (GED) tests equivalent training, project-related education and professional training;

(c) Assurances that proposed projects will not displace existing employees or duplicate existing private or government programs; and

(d) Assurances that proposed projects are devoted to the enhancement of the community and are not based in maintenance activities and that these projects meet an identified need.

(7) In consultation with the advisory committee and the Commissioner for Community College Services, the program director shall make grants for programs administered under this section.

**SECTION 161.** ORS 418.657 is amended to read:

418.657. (1) In consultation with the Oregon Youth Conservation Corps Advisory Committee and the Commissioner for Community College Services, the program director of the Oregon Youth Conservation Corps shall:

(a) Establish eligibility criteria for participants. Such criteria shall not render the program ineligible for federal funds. Participants shall be lawful permanent residents of the state.

(b) Establish criteria in order to make the required determination that enrollment in the corps was not the reason that an individual ceased attendance at a secondary school.

(c) Assume that application of the eligibility and participation criteria results in enrollment of at least 75 percent disadvantaged and at-risk youth among the total number of participants.

(2) The program director, in consultation with the Commissioner for Community College Services, may take the following actions, including but not limited to:

(a) Applying for and accepting grants or contributions of funds from any public or private source;

(b) Making agreements with any local, state or federal agency to utilize any service, material or property of any such agency, where such agreements are considered reasonable and necessary; and

(c) Purchasing or contracting for necessary private services, equipment, materials and property where such are needed to carry out the projects approved for and undertaken by the corps.

(3) The [*State Board of Education*] **Higher Education Coordinating Commission** may adopt all necessary rules to carry out the purposes and objectives of the program and to regulate the standards of conduct and other operating guidelines for corps members and other personnel.

- (4) Corps members are exempt from:  
(a) State Personnel Relations Law; and  
(b) ORS 279C.800 to 279C.870.

**SECTION 162.** ORS 442.540 is amended to read:

442.540. (1) There is created the Nursing Services Program, to be administered by the [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion** pursuant to rules adopted by the **Higher Education Coordinating** Commission. The purpose of the program is to provide loan repayments on behalf of nurses who agree to practice in nursing critical shortage areas.

(2) To be eligible to participate in the program, a nurse or prospective nurse shall submit a letter of interest to the [*commission*] **executive director**. Applicants who are selected for participation according to criteria adopted by the commission under subsection (3) of this section shall sign a letter of agreement stipulating that the applicant agrees to abide by the terms of the program described in ORS 442.545.

(3) The commission shall by rule adopt, in consultation with the Oregon State Board of Nursing and the Office of Rural Health, criteria for participation in the program.

(4) The Oregon State Board of Nursing by rule shall annually identify, in consultation with the Office of Rural Health, those areas that are considered nursing critical shortage areas.

(5) Amounts paid to the [*commission*] **executive director** as penalties under ORS 442.545 shall be credited and deposited in the Nursing Services Account created under ORS 348.570. The commission, in consultation with the Oregon State Board of Nursing, by rule shall allow waiver of all or part of any fees or penalties owed to the [*commission*] **executive director** due to circumstances that prevent a nurse from fulfilling a service obligation under ORS 442.545.

**SECTION 163.** ORS 442.545 is amended to read:

442.545. (1) A nurse or prospective nurse applicant who is a graduate of an accredited nursing program with a baccalaureate or associate degree and who wishes to participate in the Nursing Services Program established under ORS 442.540 shall agree that:

(a) For each year of nursing school, the applicant designates an agreed amount, not to exceed \$8,800 or the amount determined under subsection (2) of this section, as a qualifying loan for the program.

(b) In the four years following the execution of a Nursing Services Program agreement with the [*Oregon Student Access Commission*] **Executive Director of the Office of Student Access and Completion**, a nurse agrees to practice for at least two full years in a nursing critical shortage area in Oregon.

(c) For not less than two nor more than four years that the nurse practices in a nursing critical shortage area, the [*commission*] **executive director** shall annually pay:

(A) For full-time practice, an amount equal to 25 percent of the total of all qualifying loans made to the nurse.

(B) For half-time practice, an amount equal to 12.5 percent of the total of all qualifying loans made to the nurse.

(d) If the nurse does not complete the full service obligation set forth in paragraphs (b) and (c) of this subsection, the [*commission*] **executive director** shall collect 100 percent of any payments made by the [*commission*] **executive director** to the nurse under the Nursing Services Program. In addition, the [*commission*] **executive director** shall assess against the nurse a penalty equal to 50 percent of the qualifying loans and interest paid by the [*commission*] **executive director**.

(2)(a) On July 1 of each year, beginning in 2002 and ending in 2007, the [*commission*] **executive director** shall adjust the maximum dollar amount allowed under subsection (1)(a) of this section as a qualifying loan by multiplying the amount by a cost-of-living adjustment as specified in this subsection.

(b) The cost-of-living adjustment applied on July 1 each year by the [*commission*] **executive director** shall be equal to the ratio of the seasonally adjusted United States City Average Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United



States Department of Labor for April of the calendar year divided by the value of the same index for April 2001.

(c) Beginning on July 1, 2008, the [commission] **executive director** shall use the cost-of-living adjustment calculated for July 1, 2007.

(d) If the value of the dollar amount determined under paragraph (a) of this subsection is not a multiple of \$100, the [commission] **executive director** shall round the dollar amount to the next lower multiple of \$100.

**NOTE:** Sections 164 and 165 were deleted by amendment. Subsequent sections were not re-numbered.

**SECTION 166.** ORS 471.580 is amended to read:

471.580. (1) As used in this section:

(a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in a beverage based on the standard drink measurement used by the Centers for Disease Control and Prevention.

(b) "Education provider" means:

(A) A community college, as defined in ORS 341.005, offering a food or beverage career program approved by the [State Board of Education] **Higher Education Coordinating Commission;**

(B) A career school, as defined in ORS 345.010, offering a food or beverage career program approved by the [Oregon Student Assistance Commission or the State Board of Education] **Higher Education Coordinating Commission;**

(C) [An institution of higher education listed in ORS 352.002] **A public university** offering a food or beverage career program approved by the [State Board of Higher Education] **Higher Education Coordinating Commission;** or

(D) A private and independent institution of higher education, as defined in ORS 352.720, offering a food or beverage career program that qualifies for payment under ORS 352.740.

(c) "Food or beverage career program" means a course of study designed to qualify a person for a career in the food service industry or alcoholic beverage industry, including but not limited to a course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant management.

(2) The charging or payment of tuition or a special fee for enrollment in a class that is part of a food or beverage career program or in a workshop or seminar concerning matters related to food or beverage industry workforce training, offered by an education provider, that includes the consumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other exchange of consideration for, alcoholic beverages.

(3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess and consume alcoholic beverages on a licensed or unlicensed premises that the education provider uses for educational purposes if:

(a) The person is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The alcoholic beverages are served to, and possessed and consumed by, the person for educational purposes as part of the class curriculum or a workshop or seminar concerning food or beverage workforce training;

(c) The service, possession and consumption of the alcoholic beverages are supervised by a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person does not purchase the alcoholic beverages; and

(e) The amount served to the person for consumption purposes during any two-hour class, workshop or seminar period does not exceed two ounces of alcohol equivalence.

(4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another person who is 18, 19 or 20 years of age on premises that an education provider uses for educational purposes if:

(a) The person served is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The alcoholic beverages are served to, and consumed by, the person for educational purposes as part of the class curriculum or, with the approval of the education provider, as part of a workshop or seminar concerning food or beverage workforce training;

(c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person served does not purchase the alcoholic beverages; and

(e) The amount served to the person for consumption purposes during any two-hour class period does not exceed two ounces of alcohol equivalence.

(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed premises that an education provider uses for educational purposes if:

(a) The person is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The person possesses and consumes the alcoholic beverages for educational purposes as part of the class curriculum or, with the approval of the education provider, as part of a workshop or seminar concerning food or beverage workforce training;

(c) The person possesses and consumes the alcoholic beverages under the supervision of a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person does not purchase the alcoholic beverages; and

(e) The amount consumed by the person during any two-hour class, workshop or seminar period does not exceed two ounces of alcohol equivalence.

(6) Notwithstanding ORS 471.410, a person who exercises control over private real property may allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this section.

(7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older in accordance with this chapter or the ability of a person 21 years of age or older to possess or consume alcoholic beverages in accordance with this chapter.

**SECTION 167.** ORS 471.580, as amended by section 44, chapter 104, Oregon Laws 2012, is amended to read:

471.580. (1) As used in this section:

(a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in a beverage based on the standard drink measurement used by the Centers for Disease Control and Prevention.

(b) "Education provider" means:

(A) A community college, as defined in ORS 341.005, offering a food or beverage career program approved by the [*State Board of Education*] **Higher Education Coordinating Commission**;

(B) A career school, as defined in ORS 345.010, offering a food or beverage career program approved by the [*Oregon Student Assistance Commission or the*] Higher Education Coordinating Commission;

(C) [*An institution of higher education listed in ORS 352.002*] **A public university** offering a food or beverage career program approved by the [*State Board of Higher Education*] **Higher Education Coordinating Commission**; or

(D) A private and independent institution of higher education, as defined in ORS 352.720, offering a food or beverage career program that qualifies for payment under ORS 352.740.

(c) "Food or beverage career program" means a course of study designed to qualify a person for a career in the food service industry or alcoholic beverage industry, including but not limited to a course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant management.

(2) The charging or payment of tuition or a special fee for enrollment in a class that is part of a food or beverage career program or in a workshop or seminar concerning matters related to food or beverage industry workforce training, offered by an education provider, that includes the consumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other exchange of consideration for, alcoholic beverages.

(3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess and consume alcoholic beverages on a licensed or unlicensed premises that the education provider uses for educational purposes if:

(a) The person is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The alcoholic beverages are served to, and possessed and consumed by, the person for educational purposes as part of the class curriculum or a workshop or seminar concerning food or beverage workforce training;

(c) The service, possession and consumption of the alcoholic beverages are supervised by a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person does not purchase the alcoholic beverages; and

(e) The amount served to the person for consumption purposes during any two-hour class, workshop or seminar period does not exceed two ounces of alcohol equivalence.

(4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another person who is 18, 19 or 20 years of age on premises that an education provider uses for educational purposes if:

(a) The person served is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The alcoholic beverages are served to, and consumed by, the person for educational purposes as part of the class curriculum or, with the approval of the education provider, as part of a workshop or seminar concerning food or beverage workforce training;

(c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person served does not purchase the alcoholic beverages; and

(e) The amount served to the person for consumption purposes during any two-hour class period does not exceed two ounces of alcohol equivalence.

(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed premises that an education provider uses for educational purposes if:

(a) The person is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The person possesses and consumes the alcoholic beverages for educational purposes as part of the class curriculum or, with the approval of the education provider, as part of a workshop or seminar concerning food or beverage workforce training;

(c) The person possesses and consumes the alcoholic beverages under the supervision of a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person does not purchase the alcoholic beverages; and

(e) The amount consumed by the person during any two-hour class, workshop or seminar period does not exceed two ounces of alcohol equivalence.

(6) Notwithstanding ORS 471.410, a person who exercises control over private real property may allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this section.

(7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older

in accordance with this chapter or the ability of a person 21 years of age or older to possess or consume alcoholic beverages in accordance with this chapter.

**SECTION 168.** ORS 657.665 is amended to read:

657.665. (1) Except as provided in subsections (2) to (4) of this section, all information in the records of the Employment Department pertaining to the administration of the unemployment insurance, employment service and labor market information programs:

(a) Is confidential and for the exclusive use and information of the Director of the Employment Department in administering the unemployment insurance, employment service and labor market information programs in Oregon.

(b) May not be used in any court action or in any proceeding pending in the court unless the director or the state is a party to the action or proceeding or unless the proceeding concerns the establishment, enforcement or modification of a support obligation and support services are being provided by the Division of Child Support or the district attorney pursuant to ORS 25.080.

(c) Is exempt from disclosure under ORS 192.410 to 192.505.

(2) The Employment Department shall disclose information:

(a) To any claimant or legal representative, at a hearing before an administrative law judge, to the extent necessary for the proper presentation of an unemployment insurance claim.

(b) Upon request to the United States Secretary of Labor. The Employment Department shall disclose the information in a form and containing the information that the United States Secretary of Labor may require. The information disclosed is confidential and may not be used for any other purpose.

(c) Pursuant to section 303(a)(7) of the Social Security Act, upon request to any agency of the United States charged with the administration of public works or assistance through public employment. Under this paragraph, the Employment Department shall disclose the name, address, ordinary occupation and employment status of each recipient of unemployment insurance benefits and a statement of the recipient's right to further benefits under this chapter. The information disclosed is confidential and may not be used for any other purpose.

(d) Pursuant to section 303(c)(1) of the Social Security Act, to the Railroad Retirement Board. Under this paragraph, the Employment Department shall disclose unemployment insurance records. The information disclosed is confidential and may not be used for any other purpose. The costs of disclosing information under this paragraph shall be paid by the board.

(e) Pursuant to section 303(d) of the Social Security Act, upon request to officers and employees of the United States Department of Agriculture and to officers or employees of any state Supplemental Nutrition Assistance Program agency for the purpose of determining an individual's eligibility for or the amount of supplemental nutrition assistance. The information disclosed is confidential and may not be used for any other purpose. The costs of disclosing information under this paragraph shall be paid by the United States Department of Agriculture.

(f) Pursuant to section 303(e)(1) and (2)(A)(ii) of the Social Security Act, to state or local child support enforcement agencies enforcing child support obligations under Title IV-D of the Social Security Act for the purposes of establishing child support obligations, locating individuals owing child support obligations and collecting child support obligations from those individuals. The information disclosed is confidential and may not be used for any other purpose. The costs of disclosing information under this paragraph shall be paid by the child support enforcement agency.

(g) Pursuant to sections 303(f) and 1137 of the Social Security Act, to agencies participating in the income and eligibility verification system for the purpose of verifying an individual's eligibility for benefits, or the amount of benefits, under unemployment insurance, temporary assistance for needy families, Medicaid, the Supplemental Nutrition Assistance Program, Supplemental Security Income, child support enforcement or Social Security programs. The information disclosed is confidential and may not be used for any other purpose. The costs of disclosing information under this paragraph shall be paid by the requesting agency.

(h) Pursuant to section 303(h) of the Social Security Act and section 3304(a)(16)(B) of the Federal Unemployment Tax Act, to the United States Department of Health and Human Services National

Directory of New Hires. The information disclosed is confidential and may not be used for any other purpose. The costs of disclosing information under this paragraph shall be paid by the United States Department of Health and Human Services.

(i) Pursuant to section 303(i) of the Social Security Act, to officers and employees of the United States Department of Housing and Urban Development and to representatives of a public housing agency for the purpose of determining an individual's eligibility for benefits, or the amount of benefits, under a housing assistance program of the United States Department of Housing and Urban Development. The information disclosed is confidential and may not be used for any other purpose. The costs of disclosing information under this paragraph shall be paid by the United States Department of Housing and Urban Development or the public housing agency.

(j) Pursuant to regulations of the United States Secretary of Health and Human Services issued under section 3304(a)(16)(A) of the Federal Unemployment Tax Act, and except as required by section 303 of the Social Security Act, to the state, a political subdivision or a federally recognized Indian tribe that has signed an agreement with the Department of Human Services to administer Part A of Title IV of the Social Security Act for the purpose of determining an individual's eligibility for assistance, or the amount of assistance, under a program funded under Part A of Title IV of the Social Security Act. The information disclosed is confidential and may not be used for any other purpose.

(k) Upon request, to the United States Attorney's Office. Under this paragraph, the Employment Department may disclose an individual's employment and wage information in response to a federal grand jury subpoena or for the purpose of collecting civil and criminal judgments, including restitution and special assessment fees. The information disclosed is confidential and may not be used for any other purpose. The costs of disclosing information under this paragraph shall be paid by the United States Attorney's Office.

(3) The Employment Department may disclose information secured from employing units:

(a) To agencies of this state, federal agencies and local government agencies to the extent necessary to properly carry out governmental planning, performance measurement, program analysis, socioeconomic analysis and policy analysis functions performed under applicable law. The information disclosed is confidential and may not be disclosed by the agencies in any manner that would identify individuals, claimants, employees or employing units. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the agency requesting the information.

(b) As part of a geographic information system. Points on a map may be used to represent economic data, including the location, employment size class and industrial classification of businesses in Oregon. Information presented as part of a geographic information system may not give specific details regarding a business's address, actual employment or proprietary information. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the party requesting the information.

(c) In accordance with ORS 657.673.

(4) The Employment Department may:

(a) Disclose information to public employees in the performance of their duties under state or federal laws relating to the payment of unemployment insurance benefits, the provision of employment services and the provision of labor market information.

(b) At the discretion of the Director of the Employment Department and subject to an interagency agreement, disclose information to public officials in the performance of their official duties administering or enforcing laws within their authority and to the agents or contractors of public officials. The public official shall agree to assume responsibility for misuse of the information by the official's agent or contractor.

(c) Disclose information pursuant to an informed consent, received from an employer or claimant, to disclose the information.

(d) Disclose information to partners under the federal Workforce Investment Act of 1998 for the purpose of administering state workforce programs under the Act. The information disclosed is

confidential and may not be used for any other purpose. The costs of disclosing information under this paragraph shall be paid by the requesting partner.

(e) Disclose the names and addresses of employing units to the Bureau of Labor and Industries for the purpose of disseminating information to employing units. The names and addresses disclosed are confidential and may not be used for any other purpose. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the bureau.

(f) Disclose information to the Commissioner of the Bureau of Labor and Industries for the purpose of performing duties under ORS 279C.800 to 279C.870, 658.005 to 658.245 or 658.405 to 658.503 or ORS chapter 652, 653 or 659A. The information disclosed may include the names and addresses of employers and employees and payroll data of employers and employees. The information disclosed is confidential and may not be used for any other purpose. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the bureau.

(g) Disclose information required under ORS 657.660 (3) and (4) to the Public Employees Retirement System for the purpose of determining the eligibility of members of the retirement system for disability retirement allowances under ORS chapter 238. The information disclosed is confidential and may not be used for any other purpose. The costs of disclosing information under this paragraph shall be paid by the Public Employees Retirement System.

(h) Disclose to the Oregon Business Development Commission information required by the commission in performing its duty under ORS 285A.050 to verify changes in employment levels following direct employer participation in Oregon Business Development Department programs or indirect participation through municipalities under ORS 285B.410 to 285B.482. The information disclosed to the commission may include an employer's employment level, total subject wages payroll and whole hours worked. The information disclosed is confidential and may not be used for any other purpose. The commission may not disclose the information in any manner that would identify an employing unit or employee except to the extent necessary to carry out the commission's duty under ORS 285A.050. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the commission.

(i) Disclose information to the Department of Revenue for the purpose of performing its duties under ORS 293.250 or under the revenue and tax laws of this state. The information disclosed may include the names and addresses of employers and employees and payroll data of employers and employees. The information disclosed is confidential and may not be disclosed by the Department of Revenue in any manner that would identify an employing unit or employee except to the extent necessary to carry out the department's duties under ORS 293.250 or in auditing or reviewing any report or return required or permitted to be filed under the revenue and tax laws administered by the department. The Department of Revenue may not disclose any information received to any private collection agency or for any other purpose. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the Department of Revenue.

(j) Disclose information to the Department of Consumer and Business Services for the purpose of performing its duties under ORS chapters 654 and 656. The information disclosed may include the name, address, number of employees and industrial classification code of an employer and payroll data of employers and employees. The information disclosed is confidential and may not be disclosed by the Department of Consumer and Business Services in any manner that would identify an employing unit or employee except to the extent necessary to carry out the department's duties under ORS chapters 654 and 656, including administrative hearings and court proceedings in which the Department of Consumer and Business Services is a party. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the Department of Consumer and Business Services.

(k) Disclose information to the Construction Contractors Board for the purpose of performing its duties under ORS chapter 701. The information disclosed to the board may include the names

and addresses of employers and status of their compliance with this chapter. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the board.

(L) Disclose information to the State Fire Marshal to assist the State Fire Marshal in carrying out duties under ORS 453.307 to 453.414. The information disclosed may include the name, address, telephone number and industrial classification code of an employer. The information disclosed is confidential and may not be disclosed by the State Fire Marshal in any manner that would identify an employing unit except to the extent necessary to carry out duties under ORS 453.307 to 453.414. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the office of the State Fire Marshal.

(m) Disclose information to the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** for the purpose of performing the commission's duties under ORS chapter 348 and Title IV of the Higher Education Act of 1965. The information disclosed may include the names and addresses of employers and employees and payroll data of employers and employees. The information disclosed is confidential and may not be disclosed by the commission in any manner that would identify an employing unit or employee except to the extent necessary to carry out the commission's duties under ORS chapter 348 or Title IV of the Higher Education Act of 1965. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the commission.

(n) Disclose information to the Department of Transportation to assist the Department of Transportation in carrying out the duties of the Department of Transportation relating to collection of delinquent and liquidated debts, including taxes, under ORS 184.610 to 184.666, 184.670 to 184.733 and 805.263, ORS chapter 319 and the Oregon Vehicle Code. The information disclosed may include the names and addresses of employers and employees and payroll data of employers and employees. The information disclosed is confidential and may not be disclosed by the Department of Transportation in any manner that would identify an employing unit or employee except to the extent necessary to carry out the Department of Transportation's duties relating to collection of delinquent and liquidated debts or in auditing or reviewing any report or return required or permitted to be filed under the revenue and tax laws administered by the Department of Transportation. The Department of Transportation may not disclose any information received to any private collection agency or for any other purpose. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the Department of Transportation.

(o) Disclose information to the Department of Human Services and the Oregon Health Authority to assist the Department of Human Services and the Oregon Health Authority in the collection of debts that the Department of Human Services and the Oregon Health Authority are authorized by law to collect. The information disclosed may include the names, addresses and payroll data of employers and employees. The information disclosed is confidential and may not be disclosed by the Department of Human Services or the Oregon Health Authority in a manner that would identify an employing unit or employee except to the extent necessary for the collection of debts as described in this paragraph. The Department of Human Services and the Oregon Health Authority may not disclose information received under this paragraph to a private collection agency or use the information for a purpose other than the collection of debts as described in this paragraph. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the Department of Human Services or the Oregon Health Authority.

(p) Disclose to the Alcohol and Drug Policy Commission information required by the commission in evaluating and measuring the performance of alcohol and drug prevention and treatment programs under ORS 430.242 or the impact of the programs on employment. The information disclosed to the commission may include total subject wages payroll and whole hours worked. The information disclosed under this paragraph is confidential and may not be used for any other purpose. The

commission may not disclose the information in any manner that would identify an employing unit or employee except to the extent necessary to carry out the commission's duties under ORS 430.242. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the commission.

(q) Disclose to any person establishment level information secured pursuant to this chapter from federal, state and local government employing units. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the party requesting the information.

(r) Disclose to any person the industrial classification code assigned to an employing unit. If the information disclosed under this paragraph is not prepared for the use of the Employment Department, the costs of disclosing the information shall be paid by the party requesting the information.

(5) Any officer appointed by or any employee of the Director of the Employment Department who discloses confidential information, except with the authority of the director, pursuant to rules or as otherwise required by law, may be disqualified from holding any appointment or employment with the Employment Department.

(6) Any person or any officer or employee of an entity to whom information is disclosed by the Employment Department under this section who divulges or uses the information for any purpose other than that specified in the provision of law or agreement authorizing the use or disclosure may be disqualified from performing any service under contract or disqualified from holding any appointment or employment with the state agency that engaged or employed that person, officer or employee. The Employment Department may immediately cancel or modify any information sharing agreement with an entity when a person or an officer or employee of that entity discloses confidential information, other than as specified in law or agreement.

**SECTION 169.** ORS 659.855 is amended to read:

659.855. (1) Any public elementary or secondary school determined by the Superintendent of Public Instruction [or any community college determined by the Commissioner for Community College Services] to be in noncompliance with provisions of ORS 659.850 and this section shall be subject to appropriate sanctions, which may include withholding of all or part of state funding, as established by rule of the State Board of Education.

**(2) Any public community college determined by the Higher Education Coordinating Commission to be in noncompliance with provisions of ORS 659.850 and this section shall be subject to appropriate sanctions, which may include withholding of all or part of state funding, as established by rule of the commission.**

[2] (3) Any public university listed in ORS 352.002 determined by the Chancellor of the Oregon University System to be in noncompliance with provisions of ORS 659.850 and this section shall be subject to appropriate sanctions, which may include withholding of all or part of state funding, as established by rule of the [State Board of Higher Education] **commission.**

[3] (4) Any public charter school determined by the sponsor of the school or the superintendent to be in noncompliance with the provisions of ORS 659.850 and this section shall be subject to appropriate sanctions, which may include the withholding of all or part of state funding by the sponsor or superintendent, as established by rule of the State Board of Education.

**SECTION 170.** ORS 660.312 is amended to read:

660.312. (1) The Governor shall be responsible for a coordinated and comprehensive response to education and workforce issues. The Governor shall appoint an Education and Workforce Policy Advisor, who serves at the pleasure of the Governor. The advisor shall, with the advice of such advisory committees as may be appointed or assigned, advise the Governor on policy, planning and coordination for education and workforce development in Oregon.

(2) The duties of the advisor shall include:

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

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



(c) Ensuring, through collaboration with the leadership of local workforce investment boards and regional workforce committees, the alignment of statewide, local and regional strategic plans, and the periodic reporting of performance in the implementation of such plans; and

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

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

- (a) The Department of Education;
- (b) The Oregon University System;
- (c) The Oregon Business Development Department;
- (d) The Department of Community Colleges and Workforce Development;
- (e) The Employment Department;
- (f) The Department of Human Services;
- (g) The Bureau of Labor and Industries;
- (h) The Department of Corrections; **and**

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

*[(j)]* (i) The Teacher Standards and Practices Commission.

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

- (a) Businesses and industry organizations;
- (b) Labor and labor organizations;
- (c) Local education providers;
- (d) Local government;
- (e) Student, teacher, parent and faculty organizations;
- (f) Community-based organizations;
- (g) Public-private partnership organizations;
- (h) Independent nonprofit and proprietary post-secondary colleges and schools; and
- (i) Regional workforce committees, local workforce investment boards and regional investment boards.

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

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

**SECTION 171.** ORS 660.318 is amended to read:

660.318. (1) To implement and oversee state implementation of Title I-B, the Department of Community Colleges and Workforce Development may:

(a) Receive federal youth activities funds allotted to this state by the Secretary of Labor pursuant to Title I-B and allocate those funds that are not reserved according to an allocation formula recommended by the State Workforce Investment Board and approved by the Governor.

(b) Receive federal adult employment and training activities funds allotted to this state by the Secretary of Labor pursuant to Title I-B and allocate those funds that are not reserved according to an allocation formula recommended by the State Workforce Investment Board and approved by the Governor.

(c) Receive federal dislocated worker funds allotted to this state by the Secretary of Labor pursuant to Title I-B and allocate those funds that are not reserved according to an allocation formula recommended by the State Workforce Investment Board and approved by the Governor.

(d) Establish a procedure for use by local workforce investment boards to identify eligible providers of training services according to section 2864 of the federal Act and to maintain the list of providers identified as eligible by the boards in all local workforce investment areas in this state.

(e) Receive the comprehensive strategic plan developed and implemented by each local workforce investment board and review the plan, with input from representatives of state and local workforce programs, to determine if the plan meets the requirements of section 2833 of the federal Act and state policy.

(f) Approve the plans, after review by the State Workforce Investment Board, that are found to meet the requirements of Title I-B and review and approve any amendments to the plans.

(g) Carry out the required and allowable activities described in section 2864 of the federal Act with the advice of the Education and Workforce Policy Advisor.

(h) Pursuant to ORS 660.339, establish procedures to maintain the confidentiality of the names and records of participants in workforce programs for which the department is responsible, including circumstances under which the names and records may be disclosed.

(i) Establish a method to set performance standards for the Secretary of Labor as required under section 2871 of the federal Act.

(j) Perform planning functions related to Title I-B programs and performance reporting.

(2)(a) Subject to the availability of funds from the federal Workforce Investment Act, the Department of Community Colleges and Workforce Development shall create and operate a summer youth employment program that reestablishes meaningful summer work experience for persons between the ages of 14 and 24 and that meets the requirements for funding under the federal Act.

(b) Programs funded under this subsection:

(A) Must include representatives of the business community in the planning, implementation and evaluation of the program.

(B) May provide for private and public sector employment opportunities.

(C) Shall be managed by local workforce investment boards in a manner that coordinates regional state-sponsored youth work experience programs.

(c) Local workforce investment boards responsible for managing programs created under this subsection shall provide training for business, labor and education leaders in use of best practices that assure positive summer work experiences for participants.

(3) The Department of Community Colleges and Workforce Development shall collaborate with the State Workforce Investment Board and local workforce investment boards to collect data on summer work experience programs that identify successful summer work experiences and allow for the identification and dissemination of promising practices.

(4) The [department] **Higher Education Coordinating Commission**, in consultation with the State Workforce Investment Board, may adopt rules pursuant to ORS chapter 183 to implement this section.

**SECTION 172.** ORS 660.340 is amended to read:

660.340. (1) There is created in the Department of Community Colleges and Workforce Development the Oregon Employer Workforce Training Program. Subject to the availability of funding, the department shall create and operate, and local workforce investment boards shall manage, the program for the purpose of:

(a) Assisting businesses and consortia of businesses in implementing projects that identify and provide cost-effective solutions to the issues of employee training, retention and advancement;

(b) Maximizing the utilization of public and private resources for providing training to employed persons in skills that are responsive to the need of businesses and industries in Oregon to become and to remain competitive on the national and international level; and

(c) Responding to the need of workers in Oregon to develop current job skills necessary to meet the current and future needs of employers.

(2)(a) Businesses in industries identified in the plans developed by local workforce investment boards as required by ORS 660.327 are eligible to participate in projects selected for participation in the program.

(b) Priority for approval of projects submitted under this subsection shall be given to businesses in industries that have the greatest impact on the local economy and emerging green jobs.

(3) Local workforce investment boards shall:

- (a) Identify businesses and consortia of businesses for potential participation in the program;
- (b) Develop and implement an application process for projects proposed for the program;
- (c) Notwithstanding the provisions of the Public Contracting Code, use an open and competitive procurement process for agreements entered into with participants in the program;
- (d) Require that businesses participating in a project provide private sector funding equal to the amount of state funding provided for the project; and
- (e) Track and report to the department the outcomes of projects implemented in the local workforce investment area, including, but not limited to:
  - (A) The number of businesses participating in approved projects;
  - (B) The number and types of projects completed;
  - (C) The number of employees receiving training;
  - (D) The number of jobs retained or created by the businesses participating in the project; and
  - (E) The value of the private sector funding provided.
- (4) The [department] **Higher Education Coordinating Commission** shall adopt rules necessary for the implementation and operation of the program created under subsection (1) of this section. The rules shall include, but are not limited to, a process by which moneys may be appropriated and allocated to the local workforce investment boards to support projects identified by the local workforce investment boards under subsection (3) of this section.

**SECTION 173.** ORS 680.515, as amended by section 9, chapter 43, Oregon Laws 2012, is amended to read:

680.515. (1) Subject to the provisions of ORS 676.612, upon application accompanied by payment of required fees, the Oregon Health Licensing Agency shall issue a license to practice denture technology to an applicant who:

(a) Provides to the agency official transcripts verifying completion of an associate degree program in denture technology, or the equivalent in formal, post-secondary education, approved by the agency in consultation with the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** and the Department of Education.

(b) Provides to the agency documentation of 1,000 hours of supervised clinical practice in denture technology, completed while enrolled in or after having completed a course of study offered in a post-secondary educational institution, or through equivalent supervised experience, as determined by the agency in consultation with the commission and the department.

(c) Passes a written and a practical examination prescribed, recognized or approved by the State Board of Denture Technology. An applicant who fails the practical examination must complete additional hours of clinical and laboratory training in an approved work experience program, as determined by the board, to qualify for reexamination.

(d) Meets other requirements established by the agency by rule.

(2) The educational program required by subsection (1)(a) of this section must include pertinent courses in anatomy, including histology, microbiology, physiology, pharmacology, pathology emphasizing periodontology, dental materials, medical emergencies, geriatrics, professional ethics, clinical denture technology and denture laboratory technology.

(3) Notwithstanding subsection (1)(a) of this section, the board may accept educational training obtained in any other state or country if, upon review of satisfactory evidence, the agency determines that the educational program in the other state or country meets the educational standards prescribed under this section.

(4) An applicant meets the requirements of subsection (1)(a) or (b) of this section if the applicant provides the agency with documentation of military training or experience that the agency determines is substantially equivalent to the training or experience required by subsection (1)(a) or (b) of this section.

(5) Notwithstanding subsection (1)(c) of this section, the agency may adopt rules providing for waiver of the practical examination requirement.

(6) The agency may adopt rules allowing for issuance of a temporary license to practice denture technology.

**SECTION 174.** ORS 684.040, as amended by section 14, chapter 43, Oregon Laws 2012, is amended to read:

684.040. (1) Any person applying for a license to practice chiropractic in this state shall make application to the State Board of Chiropractic Examiners, upon such form and in such manner as may be provided by the board. The application must be accompanied by nonrefundable fees of:

(a) \$150; and

(b) The amount established by the board by rule under ORS 181.534.

(2) Each applicant shall furnish to the board:

(a) Evidence satisfactory to the board of the applicant's good moral character.

(b) A certificate of proficiency in the fundamental sciences (Part I, taken subsequent to January 1, 1971) issued to the applicant by the National Board of Chiropractic Examiners.

(c) Evidence of successful completion of at least two years of liberal arts and sciences study, in any college or university accredited by either the Northwest Association of Schools and Colleges or a like regional association or in any college or university in Oregon approved for granting degrees by the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission**.

(d) A diploma and transcript, certified by the registrar, or other documents satisfactory to the State Board of Chiropractic Examiners evidencing graduation from a chiropractic school or college approved by the board under the board's academic standards, or from a school accredited by the Council on Chiropractic Education or its successor agency, under standards that are accepted and adopted biennially by the board in the version applied to that school by the accrediting agency.

(e) A statement of any other health care provider license in this state held by the applicant, with identifying information required by the State Board of Chiropractic Examiners.

(3) An applicant meets the requirements of subsection (2)(c) or (d) of this section if the applicant provides the State Board of Chiropractic Examiners with documentation of military training or experience that the board determines is substantially equivalent to the education required by subsection (2)(c) or (d) of this section.

(4) The State Board of Chiropractic Examiners may waive the requirements of subsection (2)(c) of this section for any applicant for a license to practice chiropractic if the applicant is licensed in another state and practiced chiropractic in that state, but the applicant must pass the examination authorized by ORS 684.050 or by ORS 684.052.

**SECTION 175.** ORS 685.060 is amended to read:

685.060. (1) The minimum educational requirements for a license under the provisions of this chapter are:

(a) At least two years' satisfactory liberal arts and sciences study, or either, in a college or university accredited by either the Northwest Association of Schools and Colleges or a like regional association or in a college or university in Oregon approved for granting degrees by the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** as evidenced by certificate or transcript of credits from the college or university; and

(b) Graduation from an accredited naturopathic school or college.

(2)(a) The areas of study required of an applicant for a license to practice naturopathic medicine in this state include basic sciences, clinical sciences and any naturopathic subjects specified by the Oregon Board of Naturopathic Medicine by rule.

(b) The Oregon Board of Naturopathic Medicine may not include major surgery as a required area of study under paragraph (a) of this subsection.

**SECTION 176.** ORS 326.011 is amended to read:

326.011. In establishing policy for the administration and operation of the public elementary and secondary schools [*and public community colleges*] in the State of Oregon and in carrying out its duties as prescribed by law, the State Board of Education shall consider the goals of modern education, the requirements of a sound, comprehensive curriculum best suited to the needs of the students and the public and any other factors consistent with the maintenance of a modern and efficient elementary and secondary school system [*and community college program*].

**SECTION 177.** ORS 327.495 is amended to read:

327.495. All moneys received by the State Board of Education for distribution to school districts[, *community college districts and any institutions of higher education*] in this state for the purpose of carrying out experimental and demonstration programs to improve teaching and teacher education in this state are hereby continuously appropriated for such purpose.

**SECTION 178.** ORS 341.115 is amended to read:

341.115. (1) If the vote is in favor of the formation of the community college district and establishes a permanent rate limit for operating taxes for the district, the [*State Board of Education*] **Higher Education Coordinating Commission**:

(a) Shall proclaim [*not later than the second regular meeting of the state board following the board's*] **the commission's** determination from the election results that a community college district has been formed; and

(b) Shall furnish any affected county assessor with a copy of the proclamation.

(2) If the location of the community college or zone boundaries are specified on the ballot, and the vote favors formation, the [*state board*] **commission** shall include such location and boundaries in its proclamation.

(3) If the vote is in favor of the formation of a community college district but opposed to a permanent rate limit at the rate submitted, the district shall not be formed.

**SECTION 179.** ORS 341.420 is amended to read:

341.420. (1)(a) Subject to the requirements of subsection (2) of this section, the name of any community college district or community college may be changed by resolution of the district board of education. The district board shall submit the proposed name change to the [*State Board of Education*] **Higher Education Coordinating Commission** for its approval or disapproval. If the proposed name change is approved by the [*state board*] **commission**, it shall be submitted to a public hearing in the district. If the [*state board*] **commission** disapproves the proposed name change, the district board may rescind its resolution or revise it to reflect a different name which must be submitted to the [*state board*] **commission** for its approval or disapproval.

(b) If the proposed name is approved by the [*state board*] **commission**, notice of the hearing shall be given as provided in ORS 341.357. The proposed change shall take effect 21 days after the final adjournment of the public hearing unless a remonstrance is filed under subsection (2) of this section.

(2) If a remonstrance to the proposed name change is filed with the district board within 20 days after the final adjournment of the public hearing under subsection (1) of this section, the district board must submit the question of the proposed name change to the electors of the district unless the board rescinds its resolution. The remonstrance must be signed by at least five percent or at least 50, whichever is less, of the electors of the district. The proposed name change shall be submitted to the electors at the regular school election next following adoption of the resolution.

(3) If the majority of votes cast at the election favor the change, it shall take effect upon the canvass and return of the vote. If the majority of votes cast oppose the change, it shall not take effect.

**SECTION 180.** ORS 348.604 is amended to read:

348.604. Upon application from a school, as defined in ORS 348.594, the Higher Education Coordinating Commission shall grant an exemption from ORS 348.594 to 348.615 to the school if the school:

(1) Is, or is operated by, a nonprofit corporation;

(2) Offers only associate, bachelor's or master's degrees with titles in theology or religious occupations, or, if the school also offers doctoral degrees, offers doctoral degrees in theology or religious occupations that have been approved by a federally recognized accrediting organization;

(3) Teaches students with faculty members who:

(a) Hold degrees:

(A) From a school that, at the time of the conferral of the degrees, was accredited by a federally recognized accrediting organization, held an exemption under this section, or was a school that, on July 14, 2005, met the criteria and followed procedures to obtain a religious exemption adopted by

rule by the Oregon Student Access Commission and that offered only degrees with approved titles in theology or religious occupations;

(B) That are at least one level above the degree level of the program in which the faculty members teach or that are the terminal degrees in the field in which the faculty members teach; and

(C) That are not honorary degrees; or

(b) Possess sufficient compensatory qualifications to substitute for academic degrees in the fields in which the faculty members teach;

(4) Offers a curriculum:

(a) Of a duration and level that is comparable to the curriculums offered by schools that are not exempt under this section; and

(b) That, with higher degrees, increases the difficulty of the work expected of students;

(5) Requires students to complete academic assignments and to demonstrate learning appropriate to the curriculum;

(6) Awards credit toward degrees proportionate to the work done by students;

(7) Offers admission:

(a) To a student:

(A) With a high school diploma or an equivalent credential; or

(B) Who completed the equivalent of a high school education through home study; and

(b) Based on evidence that the student can reasonably expect to complete a degree and benefit from the education offered;

(8) Provides or arranges for faculty members and students to have access to information that supports instruction and stimulates research or independent study in all areas of the curriculum;

(9) Provides accurate and appropriate credit transcripts to students of the school and accurate and appropriate diplomas to graduates of the school;

(10) Charges tuition by the credit hour or other fixed rate for instruction during an academic term and does not charge tuition or fees for the award of a degree or charge a single fee for an entire degree program;

(11) Provides the oversight required by the **Higher Education Coordinating** Commission over a faculty member or administrator who has:

(a) Been convicted of a felony; or

(b) Violated a state or federal law related to the operation of a school;

(12) Provides facilities that permit private communication between faculty members and students;

(13) Provides a number of faculty members that is adequate for the number of students enrolled;

(14) Provides clear and accurate information to students about the school's expectations of students in the school's courses;

(15) Ensures that a student who is pursuing a degree is making continuous progress toward the degree;

(16) Before a student enrolls in the school, informs the student that a school to which the student might transfer retains the discretion whether to accept the transfer of credits earned at the school;

(17) Provides official transcripts of faculty members to the commission; and

(18) Pays the fee imposed by ORS 348.607.

**SECTION 181.** ORS 433.283 is amended to read:

433.283. (1) The Oregon Health Authority may require each community college to require that students involved in clinical experiences in allied health programs, practicum experiences in education and child care programs and membership on intercollegiate sports teams have current immunizations for measles prior to each student's participation. The requirement shall apply only to those students born on or after January 1, 1957.

(2) The [*State Board of Education*] **Higher Education Coordinating Commission** by rule shall define clinical experiences in allied health programs, practicum experiences in education and child care programs and membership on intercollegiate sports teams at the community colleges. The

Oregon Health Authority by rule shall establish immunization schedules and may further limit the students and programs to which the requirement applies. Each community college shall develop procedures to implement and maintain this requirement.

(3) The authority may conduct validation surveys to ensure compliance with this section. Community colleges shall be required to keep immunization records only while the student is involved in the program.

**SECTION 182.** ORS 659.850 is amended to read:

659.850. (1) As used in this section, “discrimination” means any act that unreasonably differentiates treatment, intended or unintended, or any act that is fair in form but discriminatory in operation, either of which is based on race, color, religion, sex, sexual orientation, national origin, marital status, age or disability. “Discrimination” does not include enforcement of an otherwise valid dress code or policy, as long as the code or policy provides, on a case-by-case basis, for reasonable accommodation of an individual based on the health and safety needs of the individual.

(2) A person may not be subjected to discrimination in any public elementary, secondary or community college education program or service, school or interschool activity or in any higher education program or service, school or interschool activity where the program, service, school or activity is financed in whole or in part by moneys appropriated by the Legislative Assembly.

(3) The State Board of Education and the [*State Board of Higher Education*] **Higher Education Coordinating Commission** shall establish rules necessary to ensure compliance with subsection (2) of this section in the manner required by ORS chapter 183.

**SECTION 183.** ORS 687.011 is amended to read:

687.011. As used in ORS 687.011 to 687.250, 687.895 and 687.991:

(1) “Board” means the State Board of Massage Therapists.

(2) “Certified class” means a class that is approved by the board and is offered:

(a) By a person or institution licensed as a career school under ORS 345.010 to 345.450;

(b) By a community college and approved by the [*State Board of Education*] **Higher Education Coordinating Commission**;

(c) By an accredited college or university; or

(d) In another state and licensed or approved by the appropriate agency in that state.

(3) “Fraud or misrepresentation” means knowingly giving misinformation or a false impression through the intentional misstatement of, concealment of or failure to make known a material fact or by other means.

(4) “Manual” means the use of the hands or the feet, or both, or any part of the body in the performance of massage.

(5) “Massage” or “massage therapy” means the use on the human body of pressure, friction, stroking, tapping or kneading, vibration or stretching by manual or mechanical means or gymnastics, with or without appliances such as vibrators, infrared heat, sun lamps and external baths, and with or without lubricants such as salts, powders, liquids or creams for the purpose of, but not limited to, maintaining good health and establishing and maintaining good physical condition.

(6) “Massage therapist” means a person licensed under ORS 687.011 to 687.250, 687.895 and 687.991 to practice massage.

(7) “Practice of massage” means the performance of massage:

(a) For purposes other than sexual contact, as defined in ORS 167.002 (5); and

(b) For compensation.

(8) “Preceptor” means a licensed massage therapist who contracts with an approved school or program of massage to provide direct on-site clinical supervision of a massage student enrolled in a certified class.

(9) “Supervision” means:

(a) The process of overseeing and directing the training of massage students as set forth in rules of the board;

(b) The process of overseeing and directing a licensee being disciplined by the board; or

(c) Voluntary consultation with, and education of, less experienced licensed massage therapists or practitioners in related fields.

(10) "Treatment" means the selection, application and practice of massage or massage therapy essential to the effective execution and management of a plan of care.

(11) "Unprofessional or dishonorable conduct" means a behavior, practice or condition that is contrary to the ethical standards adopted by the board.

**SECTION 184.** Section 1, chapter 96, Oregon Laws 2012, is amended to read:

**Sec. 1.** (1) The Higher Education Coordinating Commission shall work with the State Board of Higher Education, community college districts and independent for-profit and not-for-profit institutions of higher education to carry out the following goals:

(a) Increase the number of students who receive academic credit for prior learning and the number of students who receive academic credit for prior learning that counts toward their major or toward earning their degree, certificate or credential, while ensuring that credit is awarded only for high quality course-level competencies;

(b) Increase the number and type of academic credits accepted for prior learning in institutions of higher education, while ensuring that credit is awarded only for high quality course-level competencies;

(c) Develop transparent policies and practices in awarding academic credit for prior learning to be adopted by the governing boards of public universities, community colleges and independent institutions of higher education;

(d) Improve prior learning assessment practices across all institutions of higher education;

(e) Create tools to develop faculty and staff knowledge and expertise in awarding academic credit for prior learning and to share exemplary policies and practices among institutions of higher education;

(f) Develop articulation agreements when patterns of academic credit for prior learning are identified for particular programs and pathways; and

(g) Develop outcome measures to track progress on the goals outlined in this section.

(2) The Higher Education Coordinating Commission shall appoint an advisory committee to coordinate implementation of the goals in subsection (1) of this section. The committee shall include:

(a) A member recommended for appointment by the State Board of Higher Education representing public universities in this state.

(b) A member recommended for appointment by the [State Board of Education] **Commissioner for Community College Services** representing community colleges in this state.

(c) A member representing independent not-for-profit institutions of higher education located in this state.

(d) A member representing for-profit institutions of higher education offering degree programs to students in this state.

(e) A member representing the business community.

(f) A member representing the labor community.

(g) A member who is a student at a two-year or four-year institution of higher education located in this state.

(h) Other members appointed by the Higher Education Coordinating Commission based upon a demonstrated interest in and knowledge of prior learning programs.

(3) The Higher Education Coordinating Commission shall submit an annual report to the Legislative Assembly no later than December 31 of each calendar year, in the manner prescribed by ORS 192.245, reporting on progress toward meeting the goals set forth in subsection (1) of this section.

(4) For the purposes of this section, "prior learning" means the knowledge and skills gained through work and life experience, through military training and experience and through formal and informal education and training from institutions of higher education in the United States and in other nations.

**SECTION 185.** ORS 326.375, as amended by section 3, chapter 36, Oregon Laws 2012, is amended to read:



326.375. (1) The [*State Board of Education*] **executive director of the Higher Education Coordinating Commission** shall appoint a Commissioner for Community College Services who shall:

(a) Serve at the pleasure of the [*board*] **executive director**.

(b) Serve under the direction and control of the Chief Education Officer appointed under section 2, chapter 519, Oregon Laws 2011, for matters related to the design and organization of the state's education system.

(2) The commissioner shall be a person who by training and experience is well qualified to perform the duties of the office and to assist in carrying out the functions of the [*board under ORS 326.041, 326.051, 326.375, 341.005,*] **Higher Education Coordinating Commission under this section and ORS 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933.**

(3) The commissioner shall:

(a) Be the executive head of the Department of Community Colleges and Workforce Development.

(b) Direct and supervise all activities of the Department of Community Colleges and Workforce Development.

(c) Hire staff, as authorized by the [*State Board of Education*] **executive director of the Higher Education Coordinating Commission** to assist in carrying out the duties of the commissioner. The staff shall be considered employees of the Department of Community Colleges and Workforce Development for purposes of ORS chapters 240 and 243.

(d) Be responsible directly to:

(A) The [*State Board of Education*] **executive director of the Higher Education Coordinating Commission** for those duties enumerated in ORS chapter 341.

(B) The Chief Education Officer for matters related to the design and organization of the state's education system.

(4) The commissioner, with approval of the [*State Board of Education*] **executive director of the Higher Education Coordinating Commission**, shall be responsible for the representation of community college interests to the Governor, the Legislative Assembly, state agencies and others. The commissioner, with the approval of the [*state board*] **executive director**, shall be responsible for submitting community college budget requests and budget reports for the Department of Community Colleges and Workforce Development to the Legislative Assembly. The [*state board*] **commission** shall ensure that the budget request for community colleges and for the Department of Community Colleges and Workforce Development are separate and distinct from its other requests to the Legislative Assembly.

**SECTION 186.** ORS 326.375, as amended by sections 3 and 9, chapter 36, Oregon Laws 2012, is amended to read:

326.375. (1) The [*State Board of Education*] **executive director of the Higher Education Coordinating Commission** shall appoint a Commissioner for Community College Services who shall serve at the pleasure of the [*board*] **executive director**.

(2) The commissioner shall be a person who by training and experience is well qualified to perform the duties of the office and to assist in carrying out the functions of the [*board under ORS 326.041, 326.051, 326.375, 341.005,*] **Higher Education Coordinating Commission under this section and ORS 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933.**

(3) The commissioner shall:

(a) Be the executive head of the Department of Community Colleges and Workforce Development.

(b) Direct and supervise all activities of the Department of Community Colleges and Workforce Development.

(c) Hire staff, as authorized by the [*State Board of Education*] **executive director of the Higher Education Coordinating Commission** to assist in carrying out the duties of the commissioner. The staff shall be considered employees of the Department of Community Colleges and Workforce Development for purposes of ORS chapters 240 and 243.

(d) Be responsible directly to the [*State Board of Education*] **executive director of the Higher Education Coordinating Commission** for those duties enumerated in ORS chapter 341.

(4) The commissioner, with approval of the [*State Board of Education*] **executive director of the Higher Education Coordinating Commission**, shall be responsible for the representation of community college interests to the Governor, the Legislative Assembly, state agencies and others. The commissioner, with the approval of the [*state board*] **executive director**, shall be responsible for submitting community college budget requests and budget reports for the Department of Community Colleges and Workforce Development to the Legislative Assembly. The [*state board*] **commission** shall ensure that the budget request for community colleges and for the Department of Community Colleges and Workforce Development are separate and distinct from its other requests to the Legislative Assembly.

**SECTION 187.** ORS 341.015 is amended to read:

341.015. The [*State Board of Education*] **Higher Education Coordinating Commission** shall adopt guidelines for the orderly development and management of community college districts, including guidelines for personnel policy formulation, accounting procedures and student record keeping and privacy procedures.

**SECTION 188.** ORS 341.527 is amended to read:

341.527. (1) Community colleges in Oregon shall admit students from other states at the same tuition rate assessed against Oregon residents who are residents of the community college district if:

(a) The state in which the student resides agrees to pay and pays its per capita state aid for comparable students in the state to the community college;

(b) The state in which the students reside agrees to permit and permits one-for-one full-time enrollment exchange arrangements that allow an equal number of Oregon residents to be admitted to community colleges or comparable institutions in the state at the same tuition rate assessed against residents of the state and community colleges or comparable institutions in the state in which the students reside agree to admit and admit approved Oregon residents without assessing nonresident tuition; or

(c) The board of the community college determines out-of-state residents are essential to providing the critical mass to offer programs that would otherwise be unavailable to Oregon residents.

(2) The Department of Community Colleges and Workforce Development shall enter into agreements with such other states as are willing to agree to the provisions of this section to establish reimbursement procedures or one-for-one exchange procedures.

(3) In cases described in subsection (1)(a) of this section, the Department of Community Colleges and Workforce Development shall pay from funds available therefor to the state that agrees to pay and does pay its per capita state aid to eligible Oregon community colleges to the credit of the community college or comparable institution educating the Oregon resident an amount equal to the amount that would be available under ORS 341.626 if the Oregon resident were enrolled in a community college in this state. From these same funds, the Department of Community Colleges and Workforce Development shall pay to the Oregon community colleges admitting approved one-for-one exchange students as provided by subsection (1)(b) of this section, from other states, an amount equal to the amount that would be available under ORS 341.626 as if the enrolled one-for-one students were Oregon residents. The Department of Community Colleges and Workforce Development shall not reimburse Oregon community colleges who admit students from other states under subsection (1)(c) of this section.

(4) If a state that has entered into the agreement to pay the per capita state aid to eligible Oregon community colleges as described in subsections (1) and (2) of this section does not make any payment agreed to, the agreement terminates after the affected community college notifies the Higher Education Coordinating Commission of the lack of payment. The termination is effective 30 days after the [*state board*] **commission** notifies the appropriate agency of the other state that the agreement is terminated if no payment is received by the end of the academic period for which tu-

ition is assessed and no payment is received at that time. The agreement may be reinstated by mutual consent of the parties.

(5) The Higher Education Coordinating Commission shall adopt rules governing attendance in community colleges or comparable institutions in other states for purposes of the reimbursement authorized under subsections (1) and (2) of this section to assure that Oregon residents shall not be the object of such reimbursement if they can obtain the same education within the state without undue hardship.

**SECTION 189.** ORS 656.046 is amended to read:

656.046. (1) All persons registered at a college and participating as unpaid trainees in a work experience program who are subject to the direction of noncollege-employed supervisors, and those trainees participating in college directed professional education projects, are considered workers of the college subject to this chapter for purposes of this section. However, trainees who are covered by the Federal Employees Compensation Act shall not be subject to the provisions of this section.

(2) A college conducting a work experience program or college directed professional education project shall submit a written statement to the insurer, or in the case of self-insurers, to the Director of the Department of Consumer and Business Services, that includes a description of the work to be performed by such persons and an estimate of the total number of persons enrolled in the program or project.

(3) Persons covered under this section are entitled to the benefits of this chapter. However, such persons are not entitled to benefits under ORS 656.210 or 656.212. They are entitled to such benefits if injured as provided in ORS 656.156 and 656.202 while performing any duties arising out of and in the course of their participation in the work experience program or college directed professional education project, provided the duties being performed are among those:

- (a) Described on the application of the college; and
- (b) Required of similar full-time paid employees.

(4) The filing of claims for benefits under this section is the exclusive remedy of a trainee or a beneficiary of the trainee for injuries compensable under this chapter against the state, its political subdivisions, the college district board, members, officers and employees of the board or any employer, regardless of negligence.

(5) A college may elect to make trainees subject to this chapter for college directed professional education projects not enumerated in subsection (8) of this section or for work experience programs under the direction of college-employed supervisors by filing a written request with the insurer of the college, or in the case of self-insured colleges, with the director. Coverage under such election shall become effective no sooner than the date of receipt by the insurer. The coverage request shall include a description of the work to be performed and an estimate of the number of participating trainees. The insurer or director shall accept a request that meets the criteria of this section.

(6) The provisions of this section shall be inapplicable to any trainee who has earned wages for such employment.

(7) As used in this section, "college" means any community college district or community college service district as defined in ORS chapter 341.

(8) As used in this section, "college directed professional education project" means an assigned on-campus or off-campus project that is a component of a program approved by the college board or the operating procedures of the [State Board of Education] **Higher Education Coordinating Commission** and involves work that provides practical experience beyond the initial instruction and demonstration phases, performed outside of the college classroom or laboratory environment and requiring substantial hands-on participation by trainees. Such projects are further limited to logging, silvicultural thinning, slash burning, fire fighting, stream enhancement, woodcutting, reforestation, tree surgery, construction, printing and manufacturing involving formed metals.

**SECTION 190.** ORS 339.030 is amended to read:

339.030. (1) In the following cases, children may not be required to attend public full-time schools:

(a) Children being taught in a private or parochial school in the courses of study usually taught in grades 1 through 12 in the public schools and in attendance for a period equivalent to that required of children attending public schools in the 1994-1995 school year.

(b) Children proving to the satisfaction of the district school board that they have acquired equivalent knowledge to that acquired in the courses of study taught in grades 1 through 12 in the public schools.

(c) Children who have received a high school diploma.

(d) Children being taught for a period equivalent to that required of children attending public schools by a private teacher the courses of study usually taught in grades 1 through 12 in the public school.

(e) Children being educated in the children's home by a parent or legal guardian.

(f) Children excluded from attendance as provided by law.

(2) The State Board of Education **and the Higher Education Coordinating Commission** by rule shall establish procedures whereby, on a semiannual basis, an exemption from compulsory attendance may be granted to the parent or legal guardian of any child 16 or 17 years of age who is lawfully employed full-time, lawfully employed part-time and enrolled in school, a community college or an alternative education program as defined in ORS 336.615. An exemption also may be granted to any child who is an emancipated minor or who has initiated the procedure for emancipation under ORS 419B.550 to 419B.558.

**SECTION 191.** ORS 660.157 is amended to read:

660.157. (1) Each state joint committee, with the prior approval of the State Apprenticeship and Training Council, shall prescribe a standard course of study, developed from a trade analysis, for the trade, craft or industrial occupation over which the committee exercises jurisdiction. Each such course of study shall include instructional objectives and an outline of course content for related instruction and manipulative instruction in the classroom. The prescribed course shall also provide for evaluation procedures and instruments for measuring performance. For all programs in apprenticeable occupations a minimum of 144 hours of related instruction per year is recommended.

(2) Except as provided in subsection (3) of this section, no course of study for the instruction of apprentices or trainees that has not been prescribed pursuant to subsection (1) of this section may be implemented under ORS 660.002 to 660.210.

(3) Notwithstanding subsections (1) and (2) of this section, any course of study for the instruction of apprentices or trainees may be implemented under ORS 660.002 to 660.210 where such course of study:

(a) Involves instruction in any trades or crafts where the industry will provide the facilities for training;

(b) Prepares apprentices and trainees in any trades or crafts;

(c) Requires expert instructors to meet the level of skill and training required by the industry;

(d) Is substantially equivalent to the standard course prescribed under subsection (1) of this section; and

(e) Is supervised by a local joint committee or by a joint industry trust fund committee.

(4) Where a course of study meets the requirements of subsection (3) of this section, such course shall be approved:

(a) By the state joint committee; *[and]*

(b) By the State Board of Education for apprenticeship training credit; and

(c) **By the Higher Education Coordinating Commission for** *[toward]* community college associate degrees.

(5) Operation of a course of study under subsection (3) of this section shall be the responsibility of the recognized local apprenticeship committee or local industry trust fund or recognized local employee organization. Such local committee, trust or organization may prescribe criteria for enrollment into the course of study.

**SECTION 192.** ORS 660.343 is amended to read:

660.343. (1) There is created in the Department of Community Colleges and Workforce Development the Oregon National Career Readiness Certification Program to certify the workplace and college readiness skills of Oregonians and to better prepare Oregonians for continued education and workforce training, successful employment and career advancement in a demand-driven, skills-based economy.

(2) Program services may be offered through public high schools, community colleges, local and regional career centers and any other institutions determined to be appropriate by the department to residents of Oregon and to employees of businesses located in Oregon.

(3) Services provided by the program shall include, but are not limited to:

(a) An assessment process that identifies the proficiency level of program participants in work-ready skills including, but not limited to, reading, applied mathematics, locating information and any additional skills determined by the department to be necessary to meet business and industry skill demands;

(b) Targeted instruction and remedial skills training to provide work-ready skills in which program participants are not proficient, as determined by the assessment process described in paragraph (a) of this subsection, and that have been identified by the department as work-ready skills required by local employers;

(c) Issuance of a National Career Readiness Certificate to program participants who demonstrate proficiency in work-ready skills, as determined by the assessment process described in paragraph (a) of this subsection, and who satisfy any other requirements for certification adopted by the department by rule;

(d) Providing information to school districts, community colleges and community college service districts about the National Career Readiness Certificate and the assessments, targeted instruction and remedial skills training available through the program; and

(e) An online database that:

(A) Serves as the repository for National Career Readiness Certificate attainment data.

(B) Provides online access to program data that enables employers to determine the work skill proficiency level of individual program participants and to locate certified individuals on a statewide or regional basis.

(C) Provides individual program participants the opportunity for career exploration, continuing education, job readiness practice and job searches.

(D) Provides individual program participants the opportunity to opt out of the database in accordance with rules adopted by the department.

(4) The Department of Community Colleges and Workforce Development, after consultation with the State Workforce Investment Board, the Department of Education and the [*State Board of Education*] **Higher Education Coordinating Commission**, shall adopt rules for the implementation and administration of the program created under subsection (1) of this section.

(5) By September 1 of each year, school districts, community colleges and community college service districts shall report to the Department of Community Colleges and Workforce Development the rate of participation in and the total number of students enrolled in the district or community college who utilized the services provided by the program in the most recently concluded school year.

(6) The Department of Community Colleges and Workforce Development shall submit a report on program outcomes and recommendations for improving and funding the program to the appropriate interim legislative committees and to the Governor by December 1 of each year. The report shall include a summary of the information required under subsection (5) of this section.

**NOTE:** Section 193 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 194.** Section 10, chapter 519, Oregon Laws 2011, as amended by section 1, chapter 37, Oregon Laws 2012, is amended to read:

**Sec. 10.** Sections 1, 2, 3, 5[, 6] and 7, chapter 519, Oregon Laws 2011, are repealed on March 15, 2016.

**SECTION 195.** ORS 341.531, as amended by section 6, chapter 106, Oregon Laws 2012, is amended to read:

341.531. (1) A student at a community college who is a member of the military, a member of the commissioned corps of the National Oceanic and Atmospheric Administration or a member of the Public Health Service of the United States Department of Health and Human Services detailed by proper authority for duty with the Army or Navy of the United States and who is ordered to federal or state active duty for more than 30 consecutive days has the following rights:

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

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

(B) Receive a grade of incomplete and, upon release from active duty, complete the course in accordance with the community college's practice for completion of incomplete courses; or

(C) Continue and complete the course for full credit, subject to the provisions of subsection (3) of this section;

(b) The right to a credit described in ORS 341.532 for all amounts paid for room, board, tuition and fees;

(c) If the student elects to withdraw from the community college, the right to be readmitted and reenrolled at the community college within one year after release from active duty without a requirement of redetermination of admission eligibility; and

(d) The right to continuation of scholarships and grants awarded to the student that were funded by the community college or the [*Oregon Student Access Commission*] **Office of Student Access and Completion** before the student was ordered to active duty.

(2) If the student elects to withdraw from a course under subsection (1)(a)(A) of this section, the community college may not:

(a) Give the student academic credit for the course from which the student withdraws;

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

(c) Alter the student's grade point average due to the student's withdrawal from the course.

(3) A student who elects to continue and complete a course for full credit under subsection (1)(a)(C) of this section is subject to the following conditions:

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

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

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

(4) Boards of education of community college districts shall adopt rules for the administration of this section.

(5) As used in this section, "member of the military" means a person who is a member of:

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

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

**SECTION 196.** ORS 348.050 is amended to read:

348.050. (1) Upon approval of the loan application of an eligible student by the [*Oregon Student Access Commission*] **Office of Student Access and Completion**, the Department of State Lands may loan an amount from the Common School Fund to the student in compliance with ORS 348.040 to 348.070. The loan shall be evidenced by a written obligation but no additional security shall be required. Notwithstanding any provision in this section, the department may require cosigners on the loans.

(2) Loans granted under ORS 348.040 to 348.070 to eligible students by the department shall:

(a) Not exceed \$1,000 in a single academic year to an undergraduate student.

(b) Not exceed \$4,000 in a single academic year to a graduate or professional student.

(c) Not exceed \$16,000 for all loans made to a student under ORS 348.040 to 348.070.

(3) Payment of interest shall be as follows:

(a) Medical and dental student borrowers at the Oregon Health and Science University and veterinary student borrowers at Oregon State University shall be assessed at least six percent interest per annum on the unpaid balance from the date of the note. Interest payments by these borrowers shall be deferred until they cease to be enrolled. During the interest deferment period, the [*Oregon Student Access Commission*] **Office of Student Access and Completion** shall pay the department the negotiated rate of interest on an annual basis. The borrower shall reimburse the [*commission*] **office** for these interest payments as provided in subsection (4) of this section. These borrowers shall commence direct payment of accruing interest to the department at the time they cease to be enrolled.

(b) All other borrowers are required to pay at least seven percent interest per annum on the unpaid balance from the date of the loan as provided in subsection (4) of this section.

(c) The [*commission*] **office** shall pay annually to the department a maximum of three percent per annum on the unpaid balance of all medical, dental and veterinary student borrower loans. The rate of this special payment may vary annually and will be negotiated by the [*commission*] **office** and the department.

(d) The interest rates to be charged the borrower for the school year as stated in paragraphs (a) and (b) of this subsection shall be negotiated by the department and the [*commission*] **office**.

(4)(a) Repayment of the principal and accruing and deferred interest on loans shall be commenced not later than 12 months after the student's graduation or other termination of the student's education.

(b) Notwithstanding any other provision of this section, medical, dental and veterinary student borrowers who enter approved post-graduate study programs shall commence repayment of the principal and the accruing and deferred interest on loans no later than 12 months following the completion of the post-graduate study program or 60 months from when the loan was originally granted, whichever is sooner.

(c) Repayment shall be completed in a maximum of 120 months from the time repayment is commenced. However, nothing in this section is intended to prevent repayment without penalty at an earlier date than provided in this section or to prohibit the department, with the consent of the [*Oregon Student Access Commission*] **Office of Student Access and Completion**, from extending the repayment period to a date other than permitted by this subsection.

(5) Notwithstanding any other provision of this section, the department may loan an amount from the Common School Fund to a student under guaranteed programs authorized by the Higher Education Act of 1965, as amended, commonly known as the Guaranteed Student Loan Program and the Parent's Loans for Undergraduate Students Program. Neither the limitations on amounts set forth in subsection (2) of this section nor the subsidies authorized by subsection (3) of this section apply to such loans. ORS 327.484 does not apply to such loans.

**SECTION 197.** ORS 348.095 is amended to read:

348.095. From funds available therefor, the [*Oregon Student Access Commission*] **Office of Student Access and Completion** shall reimburse the Department of State Lands for any loss resulting from default of a student loan under ORS 348.040 to 348.070. Funds appropriated under ORS 348.050 to pay interest to the department on loans to medical, dental and veterinary students shall also be available to reimburse the department for any loss resulting from default of a student loan under ORS 348.040 to 348.070.

**SECTION 198.** Section 3, chapter 94, Oregon Laws 2012, is amended to read:

**Sec. 3.** (1) The STEM Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the STEM Fund shall be credited to the fund. Moneys in the STEM Fund are continuously appropriated to the [*Oregon Student Access Commission*] **Higher Education Coordinating Commission** for the purpose of providing scholarships to students to encourage study in science, technology, engineering and mathematics.

(2) The [Oregon Student Access] commission may accept grants, donations, contributions or gifts from any source for deposit in the STEM Fund.

**SECTION 199.** ORS 351.052, as amended by section 7, chapter 104, Oregon Laws 2012, is amended to read:

351.052. [(1) For the purposes of this section, “performance compact” means an agreement between the State Board of Higher Education and the State of Oregon to achieve certain performance targets in order to enhance the success of Oregon University System students in exchange for consideration of the appropriations sought in a funding request submitted by the State Board of Higher Education to the Oregon Department of Administrative Services.]

[(2)] (1) On or before September 1 of each even-numbered year, the State Board of Higher Education shall submit [the] a funding request [and performance compact] to the [Oregon Department of Administrative Services] **Higher Education Coordinating Commission** for the Oregon University System.

[(3)] (2) The Governor’s biennial budget submitted to the Legislative Assembly may include the **Higher Education Coordinating Commission’s** [State Board of Higher Education’s] funding request [submitted to the Oregon Department of Administrative Services for the Oregon University System]. Any funding request approved by the Legislative Assembly must specify that the moneys be appropriated to the [Oregon Department of Administrative Services] **commission** for allocation to the [Oregon University System] **public universities listed in ORS 352.002**.

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

[(5) The State Board of Higher Education shall, by rule, establish a framework for the development of a performance compact that must accompany the funding request to the Oregon Department of Administrative Services. The framework must address, among other issues, the issue of tuition affordability for students.]

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

351.070. (1) The State Board of Higher Education shall, by rule, implement a personnel system for the Oregon University System and may engage in collective bargaining with the employees. All collective bargaining with any certified or recognized exclusive employee representative shall be under the direction and supervision of the Chancellor of the Oregon University System. The board and the Oregon University System shall have payroll authority.

(2)(a) The board shall establish competitive procedures for the purchasing, procurement and contracting of goods, services and information technology, for the benefit of the Oregon University System and all the public universities and offices, departments and activities under the control of the board. The board may also establish exemptions from the competitive procedures when appropriate.

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

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

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

(a) Appoint and employ a president and the requisite number of employees and prescribe their compensation and tenure of office or employment.

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



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

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

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

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

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

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

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

(c) Shall maintain cultural and physical development services and facilities therefor and, in connection therewith, may cooperate and enter into agreements with any person or governmental agency.

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

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

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

(A) Dependents of students.

(B) Staff.

(C) Faculty.

(g) Shall prescribe and collect charges.

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

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

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

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

351.293. (1) Notwithstanding ORS 341.290[ 351.070 (3)] or 353.050 **or section 202 of this 2013 Act**, a current foster child or former foster child under 25 years of age who enrolls in an institution of higher education as an undergraduate student not later than three years after the date the student was removed from the care of the Department of Human Services, the date the student graduated from high school or the date the student received the equivalent of a high school diploma, whichever date is earliest, shall have the amount of tuition and all fees levied against the student

waived if attending an institution of higher education listed in ORS 352.002, a community college operated under ORS chapter 341 or Oregon Health and Science University for purposes of pursuing an initial undergraduate degree.

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

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

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

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

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

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

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

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

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

**(B) The allocation conflicts with a preexisting contractual financial commitment;**

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

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

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

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

**(4) If an agreement is not reached, the decision of the board may be appealed to the Higher Education Coordinating Commission by the recognized student government within seven days of the board's decision. The board shall submit its response within seven days of the appeal. The commission shall render its decision within seven days of its receipt of the board's response.**

**SECTION 202a.** If Senate Bill 270 becomes law, section 202 of this 2013 Act is amended to read:

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

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

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

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

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

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

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

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

(4) If an agreement is not reached, the decision of the board may be appealed to the Higher Education Coordinating Commission by the recognized student government within seven days of the board's decision. The board shall submit its response within seven days of the appeal. The commission shall render its decision within seven days of its receipt of the board's response.

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

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

**(2) Each achievement compact advisory committee shall be responsible for developing an achievement compact.**

**(3)(a) The board of education of a community college district or the president of a public university shall appoint the members of an achievement compact advisory committee. The members shall include administrators, faculty, education personnel and students of the community college or public university.**

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

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

**(B) Collaborate with the student body government of the community college or public university to recommend persons who are students of the community college or public university.**

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

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

(a) Develop plans for achieving the outcomes, measures of progress, goals and targets expressed in an achievement compact, including methods of assessing and reporting progress toward the achievement of goals and targets; and

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

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

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

(B) The president of the public university no later than a date identified by the president to comply with the timeline for submission of the achievement compact specified by the Oregon Education Investment Board.

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

(c) The board of education of the community college district or the president of the public university shall file the achievement compact advisory committee's report with each achievement compact that the board or president adopts and forwards to the Oregon Education Investment Board.

**SECTION 202c.** The requirements of section 202b of this 2013 Act first apply to achievement compacts entered into for fiscal years beginning with the 2013-2014 fiscal year.

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

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

(a) "Achievement compact" means an agreement entered into between the Oregon Education Investment Board and the governing body of an education entity as described in this section.

(b) "Education entity" means:

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

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

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

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

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

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

(c) "Governing body of an education entity" means:

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

(B) For an education service district, the board of directors of the education service district.

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

(D) For the Oregon University System, the State Board of Higher Education.

(E) For a public university of the Oregon University System, the president of the university.

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

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

(b) Governing bodies of education entities identified in subsection (1)(b)(A) to (C) of this section shall enter into achievement compacts as part of the budgeting process under ORS 294.305 to 294.565 and shall submit achievement compacts to the board prior to July 1 of each year.

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

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

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

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

(A) A description of goals for outcomes that are consistent with the educational goals identified in ORS 329.015, the findings described in ORS 351.003 and the mission of education provided in ORS 351.009.

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

(i) Completion rates for:

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

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

(III) Achieving the high school and post-secondary education goals established in ORS 351.009 and a projection of the progress needed to achieve those goals by 2025;

(ii) Validations of the quality of knowledge and skills acquired by students of the education entity; and

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

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

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

(4)(a) The governing body of each education entity shall identify a target number and percentage of students for achievement of the outcomes, measures of progress and goals specified in the achievement compact for the fiscal year.

(b) The governing body of each education entity shall provide a target number and percentage of students for the aggregate of all disadvantaged subgroups, as defined by federal law or specified by rules adopted by the board. The target number and percentage of students must reflect the education entity's goals of improving education outcomes for disadvantaged student groups and closing any student achievement gaps between disadvantaged student groups and other student groups.

(5) As part of the process of entering into an achievement compact, the governing body of an education entity shall ensure that open communications are provided to parents, students, teachers or faculty, employees, exclusive bargaining representatives and community representatives [*for the purposes of explaining and discussing*], **as appropriate for the type of education entity represented by the governing body of the education entity. The purposes of the open communications are to explain and discuss** the outcomes, measures of progress, goals and targets specified in the achievement compact for the fiscal year. The open communications must be provided during each education entity's public budget process.

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

(7) The board may adopt a timeline and method for governing bodies of education entities to provide the board with a report at the end of a fiscal year that describes the achievements made by the education entities during the fiscal year. The report:

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

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

## REPEALS

**SECTION 203.** ORS 326.075, 329.757, 329.765, 329.775, 329.780, 341.425, 348.510, 348.540, 348.550, 351.728 and 351.738 and section 6, chapter 104, Oregon Laws 2012, are repealed.

## OPERATIVE DATE

**SECTION 204.** Sections 8, 10, 12 to 17, 19 to 23 and 202 of this 2013 Act, the amendments to statutes and session laws by sections 1 to 5, 29 to 201 and 205 to 208 of this 2013 Act and the repeal of statutes and session law by section 203 of this 2013 Act become operative on July 1, 2014.

## CONFLICT AMENDMENTS

**SECTION 205.** If Senate Bill 267 becomes law, section 33 of this 2013 Act (amending ORS 284.540) is repealed and ORS 284.540, as amended by section 3, chapter 230, Oregon Laws 2013 (Enrolled Senate Bill 267), is amended to read:

284.540. (1) There is established the Governor's Council on Oregon's Economy.

(2) The members of the council are:

(a) The presiding officer of the Oregon Business Development Commission;

(b) The chairperson of the Oregon Transportation Commission;

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

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

(e) Other persons designated by the Governor.

(3) The council shall meet quarterly to:

(a) Discuss and coordinate the activities of each entity described in subsection (2) of this section that relate to economic development and improving the economy in Oregon; and

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

**SECTION 206.** If Senate Bill 267 becomes law, section 34 of this 2013 Act (amending ORS 284.706) is repealed and ORS 284.706, as amended by sections 21 and 31, chapter 90, Oregon Laws 2012, and sections 4 and 5, chapter 230, Oregon Laws 2013 (Enrolled Senate Bill 267), is amended to read:

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

(a) The Governor or the Governor's designated representative, who shall be chairperson of the council.

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

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

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

(e) A member of the Engineering and Technology Industry Council, appointed by the Engineering and Technology Industry Council.

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

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

[(h) *The Commissioner for Community College Services.*]

[(i)] (h) The State Treasurer.

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

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

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

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

(a) The presiding officer of the Oregon Business Development Commission.

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

*[(c) The chairperson of the State Board of Education.]*

*[(d)]* (c) An executive officer of an association representing Oregon-based, generally accredited, not-for-profit private institutions of higher education, appointed by the Governor.

(4) The term of office of each appointed voting member of the council is three years, but an appointed member serves at the pleasure of the appointing authority. Before the expiration of the term of an appointed voting member, the appointing authority shall appoint a successor whose term begins on July 1 next following. An appointed member is eligible for reappointment. If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the remainder of the unexpired term.

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

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

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

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

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

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

(11) Members of the council who are members of the Legislative Assembly are entitled to compensation and expense reimbursement as provided in ORS 171.072.

(12) Members of the council who are not members of the Legislative Assembly are entitled to compensation and expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members of the council who are public officers shall be paid out of funds appropriated to the public agency that employs the member. Claims for compensation and expenses of members of the council who are not public officers shall be paid out of funds appropriated to the Oregon Business Development Department for that purpose.

(13) All agencies of state government, as defined in ORS 174.111, are directed to assist the council in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the council consider necessary to perform their duties.

**SECTION 207. If Senate Bill 270 becomes law, section 199 of this 2013 Act (amending ORS 351.052) is repealed and ORS 351.052, as amended by section 7, chapter 104, Oregon Laws 2012, and section 42, chapter \_\_, Oregon Laws 2013 (Enrolled Senate Bill 270), is amended to read:**

351.052. *[(1) For the purposes of this section, "performance compact" means an agreement between the Higher Education Coordinating Commission and the State of Oregon to achieve certain performance targets in order to enhance the success of Oregon university students in exchange for consideration of the appropriations sought in a funding request submitted by the commission to the Governor.]*

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

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

[(3)] (2) On or before September 1 of each even-numbered year, the Higher Education Coordinating Commission shall submit a funding request *[and performance compact]* to the Governor on behalf of all the public universities listed in ORS 352.002.

[(4)] (3) The Governor's biennial budget submitted to the Legislative Assembly may include the Higher Education Coordinating Commission's funding request for public universities listed in ORS 352.002.

[(5)] *The commission's funding request must include, in addition to the performance compact, a report on performance from the previous biennium's performance compact.*

[(6)] *The Higher Education Coordinating Commission shall, by rule, establish a framework for the development of a performance compact that must accompany the funding request to the Governor. The framework must address, among other issues, the issue of tuition affordability for students.*

**SECTION 208. If Senate Bill 270 becomes law, section 148 of this 2013 Act (amending ORS 351.718) is repealed and ORS 351.718, as amended by section 81, chapter \_\_\_, Oregon Laws 2013 (Enrolled Senate Bill 270), is amended to read:**

351.718. [(1)] The members of the Higher Education Coordinating Commission must be residents of this state who are well informed on the principles of higher education.

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

#### UNIT CAPTIONS

**SECTION 209. The unit captions used in this 2013 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2013 Act.**

#### EMERGENCY CLAUSE

**SECTION 210. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.**



**Passed by House July 1, 2013**

**Repassed by House July 7, 2013**

.....  
Ramona J. Line, Chief Clerk of House

.....  
Tina Kotek, Speaker of House

**Passed by Senate July 6, 2013**

.....  
Peter Courtney, President of Senate

**Received by Governor:**

.....M,....., 2013

**Approved:**

.....M,....., 2013

.....  
John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2013

.....  
Kate Brown, Secretary of State