

B-Engrossed Senate Bill 270

Ordered by the Senate July 1
Including Senate Amendments dated April 22 and July 1

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Education and Workforce Development for Special Committee on University Governance)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes governing boards for University of Oregon and Portland State University. Vests governing boards with certain duties, rights and powers.

Establishes time frame in which Oregon State University may elect to establish governing board.

Establishes process by which other universities in Oregon University System may *seek to* establish governing boards.

Requires public universities to continue to participate in all shared services until at least July 1, 2014, and listed shared services until at least July 1, 2015.

Establishes Special Committee on *[Regional and Technical Universities]* **University Governance and Operations** to make recommendations to Legislative Assembly on *[future governance at regional and technical universities and shared services operations among Oregon's public universities]* **issues of administration within state post-secondary education system and coordination of operations, academic programs and shared services within system.**

Establishes Work Group on University Shared Services to assist special committee in making legislative recommendations for shared services among Oregon's public universities.

Becomes operative on July 1, 2014.

Declares emergency, effective on passage.

A BILL FOR AN ACT

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Relating to the establishment of institutional boards for public universities in the Oregon University System; creating new provisions; amending ORS 21.007, 30.264, 30.864, 33.710, 36.145, 36.150, 36.155, 174.117, 184.631, 190.510, 190.520, 190.530, 190.540, 190.580, 190.590, 190.610, 192.501, 238.005, 238.200, 238.215, 238A.005, 243.107, 243.800, 243.820, 243.850, 243.910, 244.050, 270.100, 270.110, 273.155, 276.610, 276.612, 279A.025, 282.076, 284.540, 284.706, 286A.700, 287A.001, 291.055, 291.357, 291.375, 292.043, 292.044, 294.311, 297.250, 307.090, 307.095, 307.110, 307.112, 320.100, 329.810, 337.521, 340.310, 341.440, 342.443, 343.465, 343.961, 344.259, 344.753, 348.010, 348.205, 348.282, 348.283, 348.470, 348.603, 348.890, 348.900, 351.011, 351.015, 351.020, 351.047, 351.049, 351.052, 351.054, 351.062, 351.063, 351.065, 351.067, 351.070, 351.085, 351.094, 351.105, 351.110, 351.155, 351.165, 351.203, 351.205, 351.300, 351.310, 351.340, 351.509, 351.511, 351.516, 351.517, 351.518, 351.519, 351.521, 351.538, 351.539, 351.590, 351.626, 351.628, 351.638, 351.642, 351.643, 351.644, 351.646, 351.658, 351.692, 351.695, 351.697, 351.718, 351.735, 352.002, 352.006, 352.010, 352.012, 352.043, 352.046, 352.066, 352.068, 352.071, 352.074, 352.245, 352.360, 353.440, 354.090, 357.004, 358.575, 366.785, 401.922, 408.095, 408.506, 430.651, 442.830, 461.543, 468A.245, 471.580, 471.810, 526.215, 576.768, 659.850, 659.855, 659.860, 660.312, 660.358, 820.100, 820.110, 820.120, 820.130, 820.140, 820.150, 820.160 and 820.180 and section 3, chapter 797, Oregon Laws 2001, sections 13, 14, 15 and 17, chapter 761, Oregon Laws 2007, sections 5, 9, 22 and 24, chapter 904,

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 Oregon Laws 2009, sections 8 and 11, chapter 615, Oregon Laws 2011, and section 14, chapter
2 36, Oregon Laws 2012; repealing ORS 352.035, 352.048, 352.049, 352.051, 352.052 and 352.053; and
3 declaring an emergency.

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

5
6 **ESTABLISHMENT AND INDEPENDENCE OF GOVERNING BOARDS**
7

8 **SECTION 1. (1) The Legislative Assembly finds that the State of Oregon will benefit from**
9 **having public universities with governing boards that:**

10 (a) **Provide transparency, public accountability and support for the university.**

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

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

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

15 (e) **Act in the best interests of both the university and the State of Oregon as a whole.**

16 (f) **Promote the academic success of students in support of the mission of all education**
17 **beyond high school as described in ORS 351.009.**

18 (2) **The Legislative Assembly also finds that:**

19 (a) **Even with universities with governing boards, there are economy-of-scale benefits to**
20 **having a coordinated university system.**

21 (b) **Even with universities with governing boards, shared services may continue to be**
22 **shared among universities.**

23 (c) **Legal title to all real property, whether acquired before or after the creation of a**
24 **governing board, through state funding, revenue bonds or philanthropy, shall be taken and**
25 **held in the name of the State of Oregon, acting by and through the governing board.**

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

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

29 (1) **“Governing board” means a governing board established by a university under section**
30 **3 of this 2013 Act that manages the affairs of the university by exercising and carrying out**
31 **all of the powers, rights and duties that are expressly conferred upon the board by law, or**
32 **that are implied by law or are incident to such powers, rights and duties.**

33 (2) **“State bonds” means “bonds” as defined in ORS 286A.001 that are issued by the State**
34 **Treasurer.**

35 (3) **“University with a governing board” means a public university listed in section 3 of**
36 **this 2013 Act that has established a governing board.**

37 **SECTION 2a. A university with a governing board is a governmental entity performing**
38 **governmental functions and exercising governmental powers. A university with a governing**
39 **board is not considered a unit of local or municipal government or a state agency, board,**
40 **commission or institution for purposes of state statutes or constitutional provisions.**

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

45 (2) **A university with a governing board is an independent public body with statewide**

1 purposes and missions and without territorial boundaries. A university with a governing
2 board shall exercise and carry out all of the powers, rights and privileges, within and outside
3 this state, that are expressly conferred upon the university with a governing board, or that
4 are implied by law or are incident to such powers, rights and duties.

5 **SECTION 3.** (1) A governing board is established for each of the following public univer-
6 sities:

7 (a) University of Oregon;

8 (b) Portland State University;

9 (c) Oregon State University, if the president of Oregon State University notifies the
10 Governor that the university will become a university with a governing board in the manner
11 set forth in section 168 or 168a of this 2013 Act;

12 (d) Eastern Oregon University, if Eastern Oregon University becomes a university with
13 a governing board in the manner set forth in section 168a of this 2013 Act;

14 (e) Oregon Institute of Technology, if Oregon Institute of Technology becomes a univer-
15 sity with a governing board in the manner set forth in section 168a of this 2013 Act;

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

18 (g) Western Oregon University, if Western Oregon University becomes a university with
19 a governing board in the manner set forth in section 168a of this 2013 Act.

20 (2)(a) The University of Oregon governing board shall be known as the Board of Trustees
21 of the University of Oregon.

22 (b) The Portland State University governing board shall be known as the Board of Trus-
23 tees of Portland State University.

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

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

31 (e) The Oregon Institute of Technology governing board shall be known as the Board of
32 Trustees of the Oregon Institute of Technology, if the Oregon Institute of Technology be-
33 comes a university with a governing board in the manner set forth in section 168a of this
34 2013 Act.

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

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

41 **NOTE:** Section 4 was deleted by amendment. Subsequent sections were not renumbered.

42 **SECTION 5.** (1) On an annual basis, the Higher Education Coordinating Commission shall
43 submit to the Legislative Assembly an evaluation of each university with a governing board.
44 The commission may make recommendations to the Legislative Assembly regarding the
45 ability of the university to meet academic goals and fulfill its fiduciary responsibilities.

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

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

5 **(b) An assessment of the university's progress toward achieving the mission of all edu-**
6 **cation beyond high school as described in ORS 351.009; and**

7 **(c) An assessment as to how well the establishment of a governing board at the univer-**
8 **sity comports with the findings set forth in section 1 of this 2013 Act.**

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

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

14 **(b) The governing board must include one person who is a student enrolled at the uni-**
15 **versity. The student shall be a voting member of the board.**

16 **(c) The governing board must include one person who is a member of the faculty of the**
17 **university and one person who is a member of the nonfaculty staff of the university. For**
18 **each appointment made under this paragraph, the Governor may appoint the person as ei-**
19 **ther a voting or nonvoting member of the governing board.**

20 **(3) The president of the university shall be an ex officio nonvoting member of the gov-**
21 **erning board.**

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

24 **(b) The term of office of each student, faculty and nonfaculty staff member of the gov-**
25 **erning board is two years.**

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

28 **(d) The Governor may remove any appointed member of the governing board at any time**
29 **for cause, after notice and public hearing, but may not remove more than three members**
30 **within a period of four years, unless it is for corrupt conduct in office.**

31 **(e) Vacancies shall be filled by appointment by the Governor for the remainder of the**
32 **unexpired term.**

33 **(5) The governing board shall select one of its members as chairperson and another as**
34 **vice chairperson for such terms and with duties and powers as the board considers necessary**
35 **for the performance of the functions of those offices. The governing board shall adopt bylaws**
36 **concerning how a quorum is constituted and when a quorum is necessary.**

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

39 **SECTION 7.** **Notwithstanding the term of office specified in section 6 of this 2013 Act, the**
40 **initial term of a member appointed to a governing board by the Governor may be adjusted**
41 **so that one-half, as nearly as possible, of the members of the board are appointed biennially.**

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

44 **(2) The governing board shall adopt a mission statement for the university, and shall**
45 **forward the statement to an office designated by the Higher Education Coordinating Com-**

1 mission as being responsible for university coordination.

2 (3) A university with a governing board shall submit any significant change in the
3 university's academic programs to an office designated by the Higher Education Coordinating
4 Commission as being responsible for university coordination. The office shall establish a
5 process for reviewing the program change and submitting it to the Higher Education Coor-
6 dinating Commission for approval. The commission shall establish, by rule, what constitutes
7 a significant change to a university's academic program. The commission shall further en-
8 sure that approved programs:

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

10 (b) Do not unnecessarily duplicate academic programs offered by Oregon's other public
11 universities;

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

14 (d) Are allocated among Oregon's public universities to maximize the achievement of
15 statewide needs and requirements.

16 (4)(a) On or before April 1 of each even-numbered year, each university listed in ORS
17 352.002 must submit to an office designated by the Higher Education Coordinating Commis-
18 sion as being responsible for university coordination a funding request applicable to the
19 biennium beginning on July 1 of the following year. On or before May 1 of each even-
20 numbered year, the office shall consolidate the funding requests from public universities
21 listed in ORS 352.002 and submit the consolidated funding requests to the commission.

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

24 (c) The Governor's biennial budget submitted to the Legislative Assembly may include
25 funding requests from public universities, including universities with governing boards.

26 (5) As part of a funding request submitted under subsection (4) of this section, a uni-
27 versity with a governing board may request, and appropriations may include, funding for
28 education and general operations, statewide public services, state-funded debt service, capital
29 improvements, deferred maintenance, special initiatives and investments. Any moneys ap-
30 propriated to pay debt service for state bonds must be held by the State Treasurer pursuant
31 to an agreement entered into by the State Treasurer and a university with a governing board
32 under section 15 (2) of this 2013 Act.

33 (6) A public university listed in ORS 352.002 that wishes to request the issuance of state
34 bonds, including a university with a governing board that elects to remain eligible to receive
35 proceeds of state bonds under section 20 of this 2013 Act, must make a request to this effect
36 to an office designated by the Higher Education Coordinating Commission as being respon-
37 sible for university coordination. The office shall establish a process for reviewing the re-
38 quest to issue state bonds and submit the request to the commission. The commission shall
39 decide whether, and in what manner, to make a request for the issuance of state bonds to
40 the Legislative Assembly.

41 (7)(a) Each public university listed in ORS 352.002, including universities with governing
42 boards, shall respond to a request for data from the Legislative Assembly or other state body
43 by submitting the requested information to an office designated by the Higher Education
44 Coordinating Commission as being responsible for university coordination. The office shall
45 consolidate the data received from public universities and provide the data to the commis-

1 sion. The commission shall be responsible for providing the data to the Legislative Assembly
2 or other requesting entity.

3 (b) As used in this subsection, “data” means any information that, as of the effective
4 date of this 2013 Act, is collected by an office designated by the Higher Education Coordinating
5 Commission as being responsible for university coordination from each university and
6 reported to the Legislative Assembly or any other state entity, including but not limited to
7 retention and graduation rates and demographic information on students.

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

10 (b) The governing board shall prescribe the president’s compensation and terms and
11 conditions of employment.

12 (2) The president of the university is the president of the faculty. The president is also
13 the executive and governing officer of the university, except as otherwise provided by statute
14 or action of the governing board. Subject to the supervision of the governing board, the
15 president of the university has authority to direct the affairs of the university.

16 (3) Except in the case of an interim or acting president, the hiring committee for the
17 president of a university with a governing board shall include representatives of the univer-
18 sity community and at least one other president of a public university based in Oregon.

19 (4) The governing board is responsible for the reappointment or removal of the president
20 of the university.

21 (5) A university with a governing board may appoint and employ any instructional, ad-
22 ministrative, professional, trade, occupational and other personnel as are necessary or ap-
23 propriate and establish their compensation and terms and conditions of employment, subject
24 to the limitations set forth in section 14 (1) and (2) of this 2013 Act.

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

28 (2) The governing board shall establish a process for determining tuition and mandatory
29 enrollment fees. The process must provide for participation of enrolled students and the re-
30 cognized student government of the university.

31 (3) The governing board shall request that the president of the university transmit to the
32 board the joint recommendation of the president and the recognized student government
33 before the board authorizes, establishes or eliminates any incidental fees for programs under
34 the supervision or control of the board and found by the board to be advantageous to the
35 cultural or physical development of students.

36 (4) In determining tuition and mandatory enrollment fees for undergraduate students
37 who are enrolled in a degree program and are qualified to pay resident tuition:

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

- 40 (A) The Higher Education Coordinating Commission; or
- 41 (B) The Legislative Assembly.

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

1 **(5) The governing board may not delegate authority to determine tuition and mandatory**
2 **enrollment fees for undergraduate students who are enrolled in a degree program and are**
3 **qualified to pay resident tuition.**

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

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

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

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

14 **(d) Establish, collect and use charges, fines and fees for services, facilities, operations**
15 **and programs.**

16 **(e) Purchase, receive, subscribe for or otherwise acquire, own, hold, vote, use, sell,**
17 **mortgage, lend, pledge, invest in or otherwise dispose of and deal in or with the shares, stock**
18 **or other equity or interests in or obligations of any other entity. The State of Oregon may**
19 **not have any proprietary or other interest in investments or funds referenced in this para-**
20 **graph.**

21 **(f) Acquire, purchase, purchase on a contractual basis, borrow, receive, own, hold, con-**
22 **trol, convey, sell, manage, operate, lease, lease-purchase, license, lend, invest in, issue, im-**
23 **prove, develop, use, expend and dispose of personal property, including intellectual property,**
24 **of any nature, tangible or intangible.**

25 **(g) Establish employee benefit plans of any type, subject to ORS 351.094.**

26 **(h) Take, hold, grant, pledge or dispose of mortgages, liens and other security interests**
27 **on real and personal property.**

28 **(i) Spend all available moneys without appropriation or expenditure limitation approval**
29 **from the Legislative Assembly, except for moneys received by a university with a governing**
30 **board pursuant to a funding request submitted under section 8 (4) of this 2013 Act and the**
31 **proceeds of state bonds issued for the benefit of a university with a governing board. The**
32 **proceeds of state bonds issued for the benefit of a university with a governing board must**
33 **be held pursuant to an agreement entered into by the State Treasurer and a university with**
34 **a governing board under section 15 (2) of this 2013 Act. The provisions of ORS 351.450, 351.455**
35 **and 351.460 do not apply to state bonds issued for the benefit of a university with a governing**
36 **board pursuant to Article XI-F(1) or XI-G of the Oregon Constitution.**

37 **(j) Acquire, purchase, purchase on a contractual basis, borrow, receive, own, hold, con-**
38 **trol, convey, mortgage, pledge or otherwise encumber, sell, manage, operate, lease, lease-**
39 **purchase, license, lend, invest in, improve, develop, use, expend and dispose of real property.**

40 **(k) Erect, construct, improve, remodel, develop, repair, maintain, equip, furnish, lease,**
41 **lend, convey, sell, manage, operate, use and dispose of any building, structure, land or**
42 **project.**

43 **(L) Acquire, by condemnation or otherwise, private property that is necessary or con-**
44 **venient. The right to acquire property by condemnation shall be exercised as provided by**
45 **ORS chapter 35.**

1 (m) Establish policies for the organization, administration and development of the uni-
2 versity which, to the extent set forth in those policies, shall have the force of law and may
3 be enforced through university procedures that include an opportunity for appeal and in any
4 court of competent jurisdiction.

5 (n) Sue in its own name, be sued in its own name and issue and enforce subpoenas in its
6 own name.

7 (o) Hire or retain attorneys for the provision of all legal services. A university with a
8 governing board shall reimburse the State Treasurer for legal fees incurred in connection
9 with state bonds issued at the request of the university.

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

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

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

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

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

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

27 (3) A governing board or university with a governing board may perform any other acts
28 that in the judgment of the board or university are required, necessary or appropriate to
29 accomplish the rights and responsibilities granted to the board or university by law.

30 **SECTION 12.** (1) Legal title to all real property acquired by a university with a governing
31 board shall be taken and held in the name of the State of Oregon, acting by and through the
32 governing board. Legal title to all real property conveyed to a university with a governing
33 board is considered to be conveyed to and vested in the State of Oregon, acting by and
34 through the governing board. Authorized conveyances of all real property, other than uni-
35 versity lands, acquired by or vested in the State of Oregon for the use or benefit of the
36 university must be executed in the name of the State of Oregon, acting by and through the
37 governing board, by the chairperson of the governing board.

38 (2) The governing board has custody and control of and shall care for all real property
39 used for university purposes. Management, maintenance, encumbrance, disposal and pres-
40 ervation of all real property used for university purposes, whether the real property is ac-
41 quired before or after the establishment of a governing board, is the responsibility of the
42 governing board. Unless the governing board has granted prior consent, real property taken
43 and held under this section may only be encumbered by the State of Oregon in accordance
44 with state law and in a manner that would not impair the financial condition of the univer-
45 sity or the rights of the holders of any obligations of the university issued or incurred under

1 any master indenture or other financing agreement.

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

6 (a) Used by a governing board in a manner that would give rise to private business use;
7 or

8 (b) Sold, transferred, encumbered, leased or otherwise disposed of by a governing board.
9 The reference to leases in this paragraph does not apply to residential leases that a govern-
10 ing board enters into with students, faculty or employees of the university.

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

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

13 (b) Establish a police department and commission one or more employees as police offi-
14 cers in the manner and with all of the privileges and immunities set forth in ORS 352.383.
15 When a governing board establishes a police department and commissions one or more em-
16 ployees as police officers, the president of the university, in cooperation with the chief of the
17 police department, shall establish a process by which the university will receive and respond
18 to complaints involving the policies of the police department and the conduct of the police
19 officers.

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

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

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

31 (2) A university with a governing board shall participate in a collective bargaining part-
32 nership with other public universities in this state for the purpose of engaging in collective
33 bargaining with existing statewide bargaining organizations of the employees of the public
34 university. The collective bargaining partnership shall be established by written agreement.

35 (3) Subject to the authority of the Secretary of State to audit public accounts, a univer-
36 sity with a governing board may conduct an independent audit if the governing board con-
37 siders the audit advisable. Subject to ORS 297.250, the independent audit is subject to the
38 exclusive discretion and control of the university. The independent audit is subject to dis-
39 closure pursuant to ORS 192.410 to 192.505.

40 **SECTION 14a.** (1) Notwithstanding sections 10, 11 and 169 of this 2013 Act, the amend-
41 ments to ORS 243.107 and 351.094 by sections 88 and 113 of this 2013 Act and the operative
42 date set forth in section 171 of this 2013 Act, a university with a governing board shall con-
43 tinue to participate with other public universities listed in ORS 352.002 in all shared admin-
44 istrative services relating to:

45 (a) Employee benefits, including but not limited to group insurance or deferred compen-

1 sation plans authorized by ORS 351.094;

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

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

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

11 (3) Two or more public universities listed in ORS 352.002, including universities with
12 governing boards, may participate in shared services not described in subsection (1) of this
13 section, including but not limited to shared services involving legal services and information
14 technology.

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

24 (5) The office of the Chancellor of the Oregon University System shall coordinate public
25 university shared services described in this section until a new entity to coordinate shared
26 services is operational.

27 **SECTION 15.** (1) All moneys collected or received by a university with a governing board,
28 placed to the credit of the governing board and remaining unexpended and unobligated on
29 July 1, 2014, or the date that the board is established, whichever is later, and all moneys
30 collected or received by a university with a governing board after that date, may be:

31 (a) Deposited into one or more accounts established by the board in depositories insured
32 by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance
33 Fund, and the governing board shall ensure that sufficient collateral secures any amount of
34 funds on deposit that exceeds the limits of the coverage of the Federal Deposit Insurance
35 Corporation or the National Credit Union Share Insurance Fund; or

36 (b) Held, kept, pledged, controlled, conveyed, managed, used, loaned, expended and in-
37 vested as set forth in sections 10 and 11 of this 2013 Act.

38 (2) Upon a request by the State Treasurer, a university with a governing board shall en-
39 ter into a written agreement with the state that provides for the State Treasurer to receive,
40 hold, keep, manage and invest any amounts under the control of the university that the
41 State Treasurer determines should be held by the State Treasurer to provide for payment
42 of state bonds and other state obligations that are to be paid from appropriations described
43 in section 8 (5) of this 2013 Act, revenues of the university or other moneys under the control
44 of the university. The agreement may, at the request of the State Treasurer, require the
45 university to pay the costs incurred by the State Treasurer in connection with entering into

1 and carrying out the agreement.

2 (3) Upon a request by a university with a governing board, the State Treasurer may re-
3 ceive, hold, keep, manage and invest any or all moneys, appropriations, gifts, bequests or
4 revenues of the university from any source in accordance with an agreement entered into
5 between the State Treasurer and the university and with the policies and procedures estab-
6 lished by the State Treasurer, including the recoupment of costs incurred by the State
7 Treasurer in carrying out these tasks.

8 (4) As used in this section, “depository” has the meaning given that term in ORS 295.001.

9 **SECTION 16.** (1) The following entities are not subject to any provision of law enacted
10 after January 1, 2013, that is unique to governmental entities unless the following entities
11 are expressly named:

12 (a) A university with a governing board; and

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

16 (2) Notwithstanding subsection (1) of this section, the provisions of ORS 30.260 to 30.460,
17 33.710, 33.720, 200.005 to 200.025, 200.045 to 200.090, 236.605 to 236.640, 276.080, 279.835, 279.840,
18 279.850 and 297.040 and ORS chapters 35, 190, 192 and 244 apply to a university with a gov-
19 erning board under the same terms as they apply to public bodies other than the state.

20 (3) Except as otherwise provided by law, the provisions of ORS 35.550 to 35.575, 180.060,
21 180.210 to 180.235, 184.305 to 184.345, 190.480, 190.490, 200.035, 243.696, 357.805 to 357.895 and
22 656.017 (2) and ORS chapters 182, 183, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291,
23 292, 293, 294, 295 and 297 do not apply to a university with a governing board.

24 (4) Notwithstanding subsections (1) and (3) of this section, ORS 240.167, 279C.600 to
25 279C.625, 279C.800, 279C.810, 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855,
26 279C.860, 279C.865, 279C.870 and 292.043 apply to a university with a governing board under
27 the same terms as they apply to public bodies other than the state.

28 (5) Notwithstanding subsection (2) of this section, ORS 190.430 and 192.105 do not apply
29 to a university with a governing board or any organization or other entity described in sub-
30 section (1) of this section.

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

33 (7) ORS 351.065, 351.067, 351.642, 351.643, 351.644, 351.646, 351.656, 351.658, 352.012 and
34 352.375 apply to a university with a governing board, except that the board or university shall
35 exercise the responsibilities and authorities of the State Board of Higher Education or the
36 Oregon University System.

37 (8) A university with a governing board and its agents and employees remain subject to
38 all statutes and administrative rules of this state that create rights, benefits or protections
39 in favor of military veterans, service members and families of service members to the same
40 extent as an agency of this state would be subject to such statutes and administrative rules.

41 (9) ORS 351.692, 351.695 and 351.697 apply to a governing board, except that the board has
42 the responsibilities and authorities with respect to the university it governs that the State
43 Board of Higher Education and the Oregon University System have with respect to the public
44 universities identified in ORS 351.011. A university with a governing board may not issue a
45 tax credit certificate under ORS 351.692, 351.695 and 351.697 that will cause the public uni-

1 universities listed in ORS 352.002 to owe the General Fund more than \$6 million at any one time
2 under ORS 351.692, 351.695 and 351.697.

3 (10) If state bonds are issued for the benefit of a university with a governing board, the
4 university shall have the powers and duties of a related agency as defined in ORS 286A.001
5 to the extent necessary for the issuance of such state bonds and the administration of the
6 proceeds of the state bonds.

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

9 **SECTION 17.** A university with a governing board may open, establish, lay out and dedi-
10 cate to the public use any streets through lands owned by or used for the university. When
11 such streets are opened, established and laid out, they are declared to be dedicated to the
12 public use. The university may declare that it is the road authority pursuant to ORS 810.010
13 (4) for any or all roads through lands owned by or used for the university.

14 **SECTION 18.** The president and professors constitute the faculty and as such have the
15 immediate government and discipline of a university with a governing board and the students
16 therein, except as otherwise provided by law or action of the governing board. The faculty
17 may, subject to the supervision of the governing board and section 8 of this 2013 Act, pre-
18 scribe the course of study to be pursued in the university and the textbooks to be used.

19
20 **BONDING AUTHORITY OF GOVERNING BOARDS**

21
22 **SECTION 19.** As used in sections 19 to 23 of this 2013 Act:

23 (1) "Bond-related costs" means:

24 (a) The costs of paying the principal of, the interest on and the premium, if any, on re-
25 venue bonds.

26 (b) The costs and expenses of issuing, administering and maintaining revenue bonds, in-
27 cluding, but not limited to, the costs and expenses of:

28 (A) Redeeming revenue bonds.

29 (B) Paying amounts due in connection with credit enhancement devices or agreements
30 for exchange of interest rates.

31 (C) Paying the fees, administrative costs and expenses of a university with a governing
32 board related to revenue bonds, including, but not limited to, the costs of consultants, bond
33 trustees, remarketing agents, escrow agents, arbitrage rebate consultants, calculation
34 agents and advisers retained by the university.

35 (c) The costs of funding reserves for the revenue bonds.

36 (d) Capitalized interest for the revenue bonds.

37 (e) Rebates or penalties due to the United States in connection with the revenue bonds.

38 (f) Any other costs or expenses that a university with a governing board determines are
39 necessary or desirable in connection with issuing and maintaining the revenue bonds.

40 (2) "Credit enhancement device" means an agreement or contractual relationship be-
41 tween a university with a governing board and a bank, trust company, insurance company,
42 surety bonding company, pension fund or other financial institution or entity providing ad-
43 ditional credit on or security for a revenue bond.

44 (3) "For the benefit of a university with a governing board" means, in relation to state
45 bonds:

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

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

9 (4) "Obligation" means:

10 (a) A revenue bond;

11 (b) The commitment of a university with a governing board in connection with a credit
12 enhancement device; or

13 (c) An agreement for exchange of interest rates.

14 (5) "Operative document" means a bond declaration, trust agreement, indenture, security
15 agreement or other document in which a university with a governing board makes a pledge.

16 (6) "Pledge" means:

17 (a) To create a lien on revenue or property.

18 (b) A lien created on revenue or property.

19 (7) "Revenue" means tuition, fees, charges, rents, revenues, interest, dividends, receipts
20 and other income of a university with a governing board, except moneys received by the
21 university from taxes collected by the State of Oregon.

22 (8) "Revenue bond":

23 (a) Means a contractual undertaking or instrument of a university with a governing
24 board to repay borrowed moneys, which undertaking or instrument is secured by a pledge
25 of all or part of the revenue of the university.

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

27 **SECTION 20.** (1) A university with a governing board may elect to remain eligible to re-
28 ceive proceeds of state bonds. If a university with a governing board requests the State
29 Treasurer to issue state bonds for the benefit of the university with a governing board that
30 are authorized under Article XI-F(1) or XI-Q of the Oregon Constitution or ORS 283.085 to
31 283.092, and the state bonds are intended to be repaid in whole or in part by university re-
32 venues or other moneys under the control of the university, the State Treasurer must review
33 and approve all plans to issue revenue bonds of the university and to execute other obli-
34 gations related to the revenue bonds.

35 (2) The State Treasurer shall limit the scope of review and approval under subsection (1)
36 of this section to consideration of periodic cash flow projections and other information nec-
37 essary to determine the sufficiency of the cash flow of the university with a governing board
38 to pay any loans from state agencies funded with the proceeds of state bonds and to pay
39 costs for:

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

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

43 (3) A university with a governing board that issues revenue bonds of the university, or
44 executes other obligations related to the revenue bonds, without the approval of the State
45 Treasurer as provided in subsection (2) of this section is not eligible to receive proceeds of

1 the state bonds described in subsection (1) of this section and that are intended to be repaid
2 in whole or in part by university revenues or other moneys under the control of the uni-
3 versity on or after the effective date of this 2013 Act.

4 (4) For the purposes of ORS chapter 286A, a university with a governing board has the
5 powers and duties of a related agency as described in section 16 (10) of this 2013 Act with
6 respect to state bonds that:

7 (a) Were issued before the effective date of this 2013 Act for the benefit of a university
8 with a governing board and that remain outstanding; and

9 (b) Are authorized under ORS 286A.035 and issued on or after the effective date of this
10 2013 Act for the benefit of a university with a governing board.

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

12 (a) May issue revenue bonds for any lawful purpose of the university in accordance with
13 ORS chapter 287A.

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

16 (2) For the purposes of ORS 271.390 and ORS chapter 287A, a university with a governing
17 board is a public body.

18 (3) ORS 287A.150 does not apply to revenue bonds issued by a university with a governing
19 board.

20 (4) A university with a governing board:

21 (a) May grant leases of real property held by a trustee or lender for a term that ends
22 on the date on which all amounts due under the operative documents have been paid, or
23 provision for payment has been made, or for a term of up to 20 years after the last scheduled
24 payment under the operative documents, whichever is sooner. The leases may grant the
25 trustee or lender the right to evict the university and exclude the university from possession
26 of the real property for the term of the lease if the university fails to pay when due the
27 amounts scheduled to be paid under the operative documents or otherwise defaults under the
28 operative documents. Upon default, the trustee or lender may sublease the real property to
29 third parties and apply any rents to payments scheduled to be made under the operative
30 documents.

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

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

36 (a) Are revenue bonds or obligations of a political subdivision of the State of Oregon.

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

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

42 (d) Are not payable from, and may not be secured by a pledge of or lien on, any amounts
43 a university with a governing board is required to:

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

45 (B) Pay to the State Treasurer pursuant to a schedule described in section 23 of this 2013

1 Act.

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

3 **SECTION 23.** (1) Sections 19 to 23 of this 2013 Act do not impair the obligations, as de-
4 fined in ORS 286A.100, or agreements of the State of Oregon or the State Board of Higher
5 Education with respect to state bonds issued before the effective date of this 2013 Act for
6 the benefit of a university with a governing board.

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

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

28 (4) At the request of the State Treasurer, a university with a governing board shall pro-
29 vide the State Treasurer with periodic cash flow projections and other information that allow
30 the State Treasurer to review and approve the sufficiency of the university's cash flow to
31 pay amounts specified in the schedule described in subsection (3) of this section and to pay
32 amounts owed under loans from state agencies that were funded with the proceeds of state
33 bonds.

34 (5) Moneys deposited with the State Treasurer, the Controller of the Oregon University
35 System or the Oregon Department of Administrative Services in a debt service reserve ac-
36 count or otherwise for the portion of the debt service associated with obligations entered
37 into before the effective date of this 2013 Act for the benefit of a university with a governing
38 board must remain with the State Treasurer, the Controller of the Oregon University System
39 or the Oregon Department of Administrative Services until the obligations have been retired
40 or defeased. Earnings on moneys described in this subsection must be credited to the ac-
41 count or fund in which the moneys are held.

42 (6) The principal, interest, premium, if any, and any issuance costs of state bonds issued
43 before, on or after the effective date of this 2013 Act for the benefit of a university with a
44 governing board, and any related credit enhancement device or interest rate exchange
45 agreement, shall be paid from the sources identified in the laws and operative documents

1 authorizing the state bonds. The university with a governing board for which the state bonds
2 were issued shall pay any other expenses and liabilities, including, but not limited to, legal
3 expenses arising from an inquiry, audit or other action by a federal or state regulatory body,
4 unless the expense or liability results solely from the negligence or willful misconduct of a
5 state agency.

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

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

25
26 **STATUTORY AMENDMENTS**
27

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

29 352.002. [*The Oregon University System established in ORS 351.011 consists of the following public*
30 *universities under the jurisdiction of the State Board of Higher Education.*] **The following are es-**
31 **tablished as public universities in the State of Oregon:**

- 32 (1) University of Oregon.
33 (2) Oregon State University.
34 (3) Portland State University.
35 (4) Oregon Institute of Technology.
36 (5) Western Oregon University.
37 (6) Southern Oregon University.
38 (7) Eastern Oregon University.

39 **SECTION 25.** ORS 351.011 is amended to read:

40 351.011. (1) The Oregon University System is established as a public university system, consist-
41 ing of the office of the Chancellor of the Oregon University System[, *the public universities listed in*
42 *ORS 352.002 and any related offices, departments or activities.*] **and the following public universi-**
43 **ties, and any related offices, departments or activities:**

- 44 (a) Oregon State University.
45 (b) Oregon Institute of Technology.

1 (c) **Western Oregon University.**

2 (d) **Southern Oregon University.**

3 (e) **Eastern Oregon University.**

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

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

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

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

15 **SECTION 26. A public university that becomes a university with a governing board under**
16 **section 168 or 168a of this 2013 Act is not considered to be a public university listed in ORS**
17 **351.011.**

18 **NOTE:** Section 27 was deleted by amendment. Subsequent sections were not renumbered.

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

20 287A.001. As used in this chapter:

21 (1) "Advance refunding bond" means a bond all or part of the proceeds of which are to be used
22 to pay an outstanding bond one year or more after the advance refunding bond is issued.

23 (2) "Agreement for exchange of interest rates" means a contract, or an option or forward com-
24 mitment to enter into a contract, for an exchange of interest rates for related bonds that provides
25 for:

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

27 (b) Provisions to hedge payment, rate, spread or similar exposure including, but not limited to,
28 an interest rate floor or cap or an option, put or call.

29 (3) "Bond":

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

31 (b) Does not mean a credit enhancement device.

32 (4) "Capital construction" has the meaning given that term in ORS 310.140.

33 (5) "Capital improvements" has the meaning given that term in ORS 310.140.

34 (6) "Credit enhancement device":

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

38 (b) Does not mean a bond.

39 (7) "Current refunding bond" means a bond the proceeds of which are to be used to pay or
40 purchase an outstanding bond less than one year after the current refunding bond is issued.

41 (8) "Forward current refunding" means execution and delivery of a purchase agreement or sim-
42 ilar instrument under which a public body contracts to sell current refunding bonds for delivery at
43 a future date that is one year or more after execution of the purchase agreement or similar instru-
44 ment.

45 (9) "General obligation bond" means exempt bonded indebtedness, as defined in ORS 310.140,

1 that is secured by a commitment to levy ad valorem taxes outside the limits of sections 11 and 11b,
2 Article XI of the Oregon Constitution.

3 (10) "Lawfully available funds" means revenues or other moneys of a public body including, but
4 not limited to, moneys credited to the general fund of the public body, revenues from an ad valorem
5 tax and revenues derived from other taxes levied by the public body that are not dedicated, re-
6 stricted or obligated by law or contract to an inconsistent expenditure or use.

7 (11) "Operative document" means a bond declaration, trust agreement, indenture, security
8 agreement or other document in which a public body pledges revenue or property as security for a
9 bond.

10 (12) "Pledge" means:

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

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

13 (13) "Public body" means:

14 (a) A county of this state;

15 (b) A city of this state;

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

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

18 (e) Oregon Health and Science University;

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

20 *[(f)]* **(g)** Any other political subdivision of this state that is authorized by the Legislative As-
21 sembly to issue bonds.

22 (14) "Refunding bond" means an advance refunding bond, a current refunding bond or a forward
23 current refunding bond.

24 (15) "Related bond" means a bond for which the public body enters into an agreement for ex-
25 change of interest rates or obtains a credit enhancement device.

26 (16) "Revenue" means all fees, tolls, excise taxes, assessments, property taxes and other taxes,
27 rates, charges, rentals and other income or receipts derived by a public body or to which a public
28 body is entitled.

29 (17) "Revenue bond" means a bond that is not a general obligation bond.

30 (18) "Termination payment" means the amount payable under an agreement for exchange of in-
31 terest rates by one party to another party as a result of the termination, in whole or part, of the
32 agreement prior to the expiration of the stated term.

33 **SECTION 29.** ORS 348.010 is amended to read:

34 348.010. (1) An account in the Oregon University System Fund established under ORS 351.506
35 is designated for the purpose of granting student loans under the terms established by the National
36 Defense Education Act of 1958, as amended, under the terms of the Health Professions Educational
37 Assistance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as
38 amended.

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

40 (a) All moneys made available to *[the State Board of Higher Education]* **public universities**
41 **listed in ORS 352.002** for student loan purposes by state appropriations and by the federal govern-
42 ment under terms of the National Defense Education Act of 1958, as amended, under the terms of
43 the Health Professions Educational Assistance Act of 1963, as amended, and under the terms of the
44 Nurses Training Act of 1964, as amended;

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

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

2 (d) Earnings from investments of the account.

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

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

11 **SECTION 30.** ORS 348.205 is amended to read:

12 348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student
13 Access Commission.

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

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

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

20 (b) For a student attending a public university [*under the direction of the State Board of Higher*
21 *Education*] **listed in ORS 352.002**, the average cost of education of attending a public university
22 [*under the direction of the board*];

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

26 (d) For a student attending the Oregon Health and Science University or a four-year Oregon-
27 based, generally accredited, not-for-profit institution of higher education, the average cost of edu-
28 cation of attending [*an institution under the direction of the board*] **a public university listed in**
29 **ORS 352.002.**

30 (4)(a) The commission shall determine the amount of the student share. The student share shall
31 be based on:

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

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

35 (C) The amount of loans that the commission determines would constitute a manageable debt
36 burden for the student.

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

39 (c) The student share for a student who attends a community college may not exceed the amount
40 that the commission determines a student may earn based on the number of hours of work reason-
41 ably expected from the student under paragraph (a) of this subsection.

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

1 (5) The commission shall determine the amount of the family share. The family share shall be
2 based on the resources of the family.

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

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

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

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

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

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

22 **SECTION 31.** ORS 348.282 is amended to read:

23 348.282. As used in this section and ORS 348.283:

24 (1) "Armed Forces of the United States" means:

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

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

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

29 (2) "Public post-secondary institution" means:

30 (a) A public university [*under the direction of the State Board of Higher Education*] **listed in ORS**
31 **352.002**; and

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

33 (3) "Veteran" has the meaning given that term in ORS 408.225.

34 **SECTION 32.** ORS 348.283 is amended to read:

35 348.283. (1) There is established within the Oregon Student Access Commission the Oregon
36 Troops to Teachers program. Through the program, the commission shall pay for all of the resident
37 tuition charges of a veteran imposed by a public post-secondary institution, provided the veteran:

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

39 (b) Is a resident of Oregon; and

40 (c) Agrees to teach:

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

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

44 (2) An award under subsection (1) of this section shall be used for the purpose of paying resident
45 tuition. The commission may not award funds under subsection (1) of this section for the purpose

1 of paying for books, supplies, housing, food or any other costs associated with attending a public
2 post-secondary institution.

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

6 **SECTION 33.** ORS 348.470 is amended to read:

7 348.470. The Legislative Assembly finds and declares that:

8 (1) It is the policy of this state to encourage cooperation between [*the Oregon University*
9 *System*] **public universities listed in ORS 352.002** and community colleges on issues affecting stu-
10 dents who transfer between the two segments; and

11 (2) All unnecessary obstacles that restrict student transfer opportunities between the two seg-
12 ments shall be eliminated.

13 **SECTION 34.** ORS 348.603 is amended to read:

14 348.603. (1) The Higher Education Coordinating Commission shall:

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

16 (b) Authorize approved degree-granting schools to offer nondegree programs leading to a certif-
17 icate or diploma;

18 (c) Validate claims of degree possession;

19 (d) Terminate substandard or fraudulent degree activities;

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

21 (f) Except as provided in subsection (4) of this section, terminate the operation in or from
22 Oregon of post-secondary accrediting bodies that are not recognized by the United States Depart-
23 ment of Education or by the commission; and

24 (g) Review proposed new publicly funded post-secondary programs and locations.

25 (2)(a) Following review of a proposed new publicly funded post-secondary program or location
26 that is not a career pathways certificate of completion program described in ORS 348.611, the com-
27 mission shall recommend resolution to the appropriate governing boards and mediate between the
28 boards to seek a negotiated resolution if:

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

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

32 (b) If the boards do not resolve the issue raised under paragraph (a) of this subsection within
33 90 days of the date when the issue was recommended to the boards for mediation, the commission
34 shall have final authority for approval or disapproval of the program or location. If the boards do
35 not resolve the issue, the commission shall approve or disapprove the program or location within
36 180 days of the date when the review began.

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

39 (d) The commission shall establish by rule a fair and neutral decision-making process in con-
40 sultation with representatives designated by the State Board of Education, the State Board of
41 Higher Education, **the governing boards of public universities with a governing board listed in**
42 **section 3 of this 2013 Act**, associations representing Oregon independent colleges, associations
43 representing Oregon career colleges, and the governing boards of otherwise unrepresented post-
44 secondary schools.

45 (3) The commission, by rule, may impose a fee on any school or person requesting information

1 from the commission. The amount of the fee shall be established to recover designated expenses in-
 2 curred by the commission in carrying out the administration of ORS 348.594 to 348.615. Any fees
 3 collected under this subsection shall be deposited in the Degree Authorization Account established
 4 under ORS 348.601.

5 (4) Subsection (1)(f) of this section does not apply to a body the role of which is to accredit
 6 schools that offer only associate, bachelor's or master's degrees with titles in theology or religious
 7 occupations or, if the schools also offer doctoral degrees, offer doctoral degrees only in theology or
 8 religious occupations that have been approved by a federally recognized accrediting organization.

9 **SECTION 35.** ORS 348.890 is amended to read:

10 348.890. (1) The Higher Education Coordinating Commission shall provide policy direction to
 11 implement regional partnership proposals and any other joint program or activity approved by the
 12 State Board of Education, [and] the State Board of Higher Education **and the governing board of**
 13 **a public university with a governing board listed in section 3 of this 2013 Act.**

14 (2) Notwithstanding ORS 351.063 (3), the Department of Community Colleges and Workforce
 15 Development and the Oregon University System may use appropriations from the General Fund to
 16 implement agreements approved by the Higher Education Coordinating Commission that provide di-
 17 rect aid to a student, or other incentives that encourage shared use of facilities, programs and other
 18 resources of public universities listed in ORS 352.002 and community colleges.

19 **SECTION 36.** ORS 348.900 is amended to read:

20 348.900. (1) The Employment Department, in consultation with health care industry employers,
 21 shall perform a statewide and regional needs assessment for health care occupations to identify
 22 emerging occupations and occupations for which there is high demand or a shortage of workers. The
 23 assessment shall be performed as necessary on a periodic basis, as determined by the department,
 24 in consultation with industry employers. To perform the needs assessment, the department may
 25 consider any reliable data sources available to the department.

26 (2) Based on the needs assessment, the Higher Education Coordinating Commission shall inform
 27 the community colleges, public universities listed in ORS 352.002, Oregon Health and Science Uni-
 28 versity and health care industry employers of the identified statewide needs and invite the devel-
 29 opment of health care education programs that are responsive to those needs.

30 (3) When approving health care education programs, the State Board of Education, the State
 31 Board of Higher Education, **the governing board of a public university with a governing board**
 32 **listed in section 3 of this 2013 Act** and the Oregon Health and Science University Board of Di-
 33 rectors shall use the statewide needs assessment to evaluate whether a program fulfills statewide
 34 needs. If a board determines there is a statewide need, the board shall facilitate the:

35 (a) Coordination of new health care education programs and existing health care education
 36 programs that are similar to the new health care education programs to address the statewide need;
 37 and

38 (b) Alignment of health care education programs relating to statewide access, student
 39 transferability between programs, course articulation and common student learning outcomes for
 40 health care education programs.

41 (4) In the development and approval of health care education programs, community colleges,
 42 public universities, Oregon Health and Science University, the State Board of Education, the State
 43 Board of Higher Education, **the governing board of a public university with a governing board**
 44 **listed in section 3 of this 2013 Act** and the Oregon Health and Science University Board of Di-
 45 rectors shall consider issues related to statewide access, student transferability between programs,

1 course articulation and common student learning outcomes for health care education programs. The
2 community colleges, public universities, Oregon Health and Science University and boards shall
3 continue to provide and improve upon an effective articulation and transfer framework for students
4 in Oregon's post-secondary sectors.

5 **SECTION 37.** ORS 351.015 is amended to read:

6 351.015. The Oregon University System shall be conducted under the control of a board of 15
7 directors, to be known as the State Board of Higher Education. Except as otherwise provided by
8 law, the board has sole authority to govern, set policy and otherwise manage the affairs of the
9 public universities listed in ORS [352.002] **351.011**. The board shall consist of:

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

12 [(2) *One member of the faculty at Oregon State University, Portland State University or University*
13 *of Oregon.*]

14 [(3)] (2) [*One member*] **Two members** of the faculty at [*Eastern Oregon University, Oregon In-*
15 *stitute of Technology, Southern Oregon University or Western Oregon University*] **a public university**
16 **listed in ORS 351.011**.

17 [(4)] (3) Eleven members of the general public who are not students or faculty members at the
18 time of appointment.

19 **NOTE:** Sections 38 and 39 were deleted by amendment. Subsequent sections were not renum-
20 bered.

21 **SECTION 40.** ORS 351.020 is amended to read:

22 351.020. (1) The directors of the State Board of Higher Education must be residents of Oregon
23 and are appointed by the Governor. The appointments are subject to the confirmation of the Senate
24 in the manner provided by ORS 171.562 and 171.565. No director who is not a student or faculty
25 member at the time of appointment may be an employee of any of the public universities or offices,
26 departments or activities under the control of the State Board of Higher Education. The faculty
27 [*members*] **member** appointed under this section may not participate in any discussions or action
28 by the board or attend any executive session of the board involving collective bargaining issues that
29 affect faculty at any public university listed in ORS [352.002] **351.011**.

30 (2) To assist the Governor in making appointments of the student members as provided in ORS
31 351.015, the duly organized and recognized entities of student government at each public university
32 shall submit a list of nominees to the Governor. The entities are entitled to no more than three
33 nominees per public university. The Governor shall consider these lists in the selection of the stu-
34 dent members to be appointed to the State Board of Higher Education.

35 (3) To assist the Governor in making appointments of the faculty [*members*] **member** as provided
36 in ORS 351.015, a duly organized and recognized association of faculty members may submit a list
37 of nominees to the Governor. The Governor shall consider any submitted list in the selection of the
38 faculty [*members*] **member** to be appointed to the State Board of Higher Education.

39 (4) When making an appointment of the faculty or student members as provided in ORS 351.015,
40 the Governor shall rotate the appointments among representatives from various public universities
41 to ensure equal representation among the public universities.

42 **SECTION 41.** ORS 351.047 is amended to read:

43 351.047. The [*State Board of*] Higher Education **Coordinating Commission** shall:

44 (1) Review all mission statements of the public universities listed in ORS 352.002; and

45 (2) Approve all **significant changes to** academic programs offered at the public universities,

1 and shall ensure that the *[academic programs]* **changes:**

2 (a) Are consistent with the mission statement of the respective public university;

3 (b) Do not unnecessarily duplicate academic programs offered by other public universities;
4 *[listed in ORS 352.002; and]*

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

7 *[(c)]* (d) Are allocated among the public universities *[in the Oregon University System]* to maxi-
8 mize the achievement of statewide needs and requirements.

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

11 351.052. (1) For the purposes of this section, "performance compact" means an agreement be-
12 tween the *[State Board of Higher Education]* **Higher Education Coordinating Commission** and the
13 State of Oregon to achieve certain performance targets in order to enhance the success of Oregon
14 university *[System]* students in exchange for consideration of the appropriations sought in a funding
15 request submitted by the *[State Board of Higher Education]* **commission** to the *[Oregon Department*
16 *of Administrative Services]* **Governor**.

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

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

25 *[(2)]* (3) On or before September 1 of each even-numbered year, the *[State Board of Higher Ed-*
26 *ucation]* **Higher Education Coordinating Commission** shall submit *[the]* a funding request and
27 performance compact to the *[Oregon Department of Administrative Services for the Oregon University*
28 *System]* **Governor on behalf of all the public universities listed in ORS 352.002.**

29 *[(3)]* (4) The Governor's biennial budget submitted to the Legislative Assembly may include the
30 **Higher Education Coordinating Commission's** *[State Board of Higher Education's]* funding request
31 *[submitted to the Oregon Department of Administrative Services for the Oregon University System]* **for**
32 **public universities listed in ORS 352.002.** *[Any funding request approved by the Legislative Assem-*
33 *bly must specify that the moneys be appropriated to the Oregon Department of Administrative Services*
34 *for allocation to the Oregon University System.]*

35 *[(4)]* (5) The **commission's** funding request must include, in addition to the performance com-
36 pact, a report on performance from the previous biennium's performance compact.

37 *[(5)]* (6) The *[State Board of Higher Education]* **Higher Education Coordinating Commission**
38 shall, by rule, establish a framework for the development of a performance compact that must ac-
39 company the funding request to the *[Oregon Department of Administrative Services]* **Governor**. The
40 framework must address, among other issues, the issue of tuition affordability for students.

41 **SECTION 43.** ORS 351.054 is amended to read:

42 351.054. The *[State Board of Higher Education]* **Higher Education Coordinating Commission**
43 is authorized to:

44 (1) Request, as part of the funding request under ORS 351.052, appropriations for budgetary
45 items, including but not limited to education and general operations, statewide public services, state

1 funded debt service, capital improvements [*and other*], **deferred maintenance**, special initiatives
2 and investments; and

3 (2) Allocate moneys, from funds appropriated to the [*board*] **commission** and other available
4 moneys, among the office of the Chancellor of the Oregon University System[,] **and** public universi-
5 ties listed in ORS 352.002 [*and offices, departments and activities under the control of the board*].

6 **SECTION 44.** ORS 351.062 is amended to read:

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

11 **SECTION 45.** ORS 351.063 is amended to read:

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

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

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

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

27 (a) **The State Board of Higher Education may not increase the total amount of enroll-**
28 **ment fees by more than five percent annually unless the board first receives approval from:**

29 (A) **The Higher Education Coordinating Commission; or**

30 (B) **The Legislative Assembly.**

31 (b) **The State Board of Higher Education shall attempt to limit annual increases in en-**
32 **rollment fees for undergraduate students who are enrolled in a degree program at a public**
33 **university listed in ORS 351.011 and have established residency in Oregon to a percentage**
34 **that is not greater than the percentage increase in the Higher Education Price Index, as**
35 **compiled by the Commonfund Institute.**

36 **SECTION 46.** ORS 351.065 is amended to read:

37 351.065. (1) The State Board of Higher Education may, for each public university or office, de-
38 partment or activity under its control, **and a governing board as defined in section 2 of this 2013**
39 **Act may, for the public university under its control**, adopt [*rules*] **standards** and specific orders
40 by or through the president of each public university governing access to personnel records of the
41 public university or office, department or activity that are less than 25 years old.

42 (2) [*Rules*] **Standards** adopted under subsection (1) of this section shall require that personnel
43 records be subjected to restrictions on access unless upon a finding by the president of the public
44 university that the public interest in maintaining individual rights to privacy in an adequate edu-
45 cational environment would not suffer by disclosure of such records. Access to such records may

1 be limited to designated classes of information or persons, or to stated times and conditions, or to
2 both, but cannot be limited for records more than 25 years old.

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

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

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

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

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

22 (8)(a) Confidential letters and other information submitted to or solicited after July 1, 1975, by
23 the board or its public universities, offices, departments or activities prior to the employment of a
24 prospective faculty member are exempt from the provisions of this section. However, if the member
25 is employed by the board or its public universities, offices, departments or activities, the confidential
26 preemployment materials shall be placed in the three authorized files. If a faculty member requests
27 access to the member's files, the anonymity of the contributor of confidential preemployment letters
28 and other preemployment information shall be protected. The full text shall be made available, ex-
29 cept that portions of the text that would serve to identify the contributor shall be excised and re-
30 tained in a file other than the three designated in subsection (4) of this section.

31 **(b) Confidential letters and other information submitted to or solicited by a public uni-**
32 **versity with a governing board listed in section 3 of this 2013 Act after July 1, 2014, and prior**
33 **to the employment of a prospective faculty member are exempt from the provisions of this**
34 **section. However, if the member is employed by the university, the confidential preemploy-**
35 **ment materials shall be placed in the three authorized files. If a faculty member requests**
36 **access to the member's files, the anonymity of the contributor of confidential preemploy-**
37 **ment letters and other preemployment information shall be protected. The full text shall be**
38 **made available, except that portions of the text that would serve to identify the contributor**
39 **shall be excised and retained in a file other than the three designated in subsection (4) of this**
40 **section.**

41 (9) Classroom survey evaluation by students of a faculty member's classroom or laboratory per-
42 formance shall be anonymous. The record of tabulated reports shall be placed in at least one of the
43 files designated in subsection (4) of this section. All survey instruments used to obtain evaluation
44 data shall be returned to the faculty member.

45 (10) **A public university with a governing board listed in section 3 of this 2013 Act and,**

1 after July 1, 1975, the [board] **State Board of Higher Education** and its public universities, offices,
 2 departments or activities, when evaluating its employed faculty members, may not solicit or accept
 3 letters, documents or other materials, given orally or in written form, from individuals or groups
 4 who wish their identity kept anonymous or the information they provide kept confidential.

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

9 (12) Any category of personnel records specifically designated as confidential pursuant to valid
 10 [rules] **standards** or orders pursuant to this section is not a public record for the purposes of ORS
 11 192.420.

12 (13) As used in this section, “personnel records” means records containing information kept by
 13 the public university, office, department or activity concerning a faculty member and furnished by
 14 the faculty member or by others about the faculty member at the request of the faculty member or
 15 the public university, office, department or activity, including, but not limited to, information con-
 16 cerning discipline, membership activity, employment performance or other personal records of indi-
 17 vidual persons.

18 **SECTION 47.** ORS 351.067 is amended to read:

19 351.067. (1) **The State Board of Higher Education**, in carrying out its authority under ORS
 20 351.070, [the State Board of Higher Education] **and the governing board of a public university**
 21 **with a governing board listed in section 3 of this 2013 Act** may authorize receipt of compensation
 22 for any officer or employee [of the Oregon University System] from private or public resources, in-
 23 cluding, but not limited to, income from:

24 (a) Consulting;

25 (b) Appearances and speeches;

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

28 (d) Providing services or other valuable consideration for a private corporation, individual, or
 29 entity, whether paid in cash or in-kind, stock or other equity interest, or anything of value regard-
 30 less of whether there is a licensing agreement between the Oregon University System **or public**
 31 **university** and the private entity; and

32 (e) Performing public duties paid by private organizations, including institution corporate affil-
 33 iates, that augments an officer’s or employee’s publicly funded salary. Such income shall be author-
 34 ized and received in accordance with policies and [rules] **standards** established by [the] **each** board.

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

39 (3) Any compensation described and authorized under subsection (1) of this section is considered
 40 official compensation or reimbursement of expenses for purposes of ORS 244.040 and is not consid-
 41 ered an honorarium prohibited by ORS 244.042. If authorization or receipt of the compensation cre-
 42 ates a potential conflict of interest, the officer or employee shall report the potential conflict in
 43 writing in accordance with **board standards** [rules of the board]. The disclosure is a public record
 44 subject to public inspection.

45 (4) [The] **Each** board shall adopt [by rule] standards governing employee outside employment and

1 activities, including potential conflict of interest, as defined by board *[rule]* **standard** and consistent
2 with ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing po-
3 tential or actual conflict of interest complaints.

4 **SECTION 48.** ORS 351.070 is amended to read:

5 351.070. (1) The State Board of Higher Education shall, *by rule,* **develop standards to** imple-
6 ment a personnel system for the Oregon University System and may engage in collective bargaining
7 with the employees. All collective bargaining with any certified or recognized exclusive employee
8 representative shall be under the direction and supervision of the Chancellor of the Oregon Uni-
9 versity System. The board and the Oregon University System shall have payroll authority.

10 (2)(a) The board shall establish competitive procedures for the purchasing, procurement and
11 contracting of goods, services and information technology, for the benefit of the Oregon University
12 System and all the public universities and offices, departments and activities under the control of
13 the board. The board may also establish exemptions from the competitive procedures when appro-
14 priate.

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

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

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

25 (a) Appoint and employ a president and the requisite number of employees and prescribe their
26 compensation and tenure of office or employment.

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

30 (c) Prescribe incidental fees for programs under the supervision or control of the board found
31 by the board, upon its own motion or upon recommendation of the recognized student government,
32 to be advantageous to the cultural or physical development of students. Fees realized in excess of
33 amounts allocated and exceeding required reserves shall be considered surplus incidental fees and
34 shall be allocated for programs under the control of the board and found to be advantageous to the
35 cultural or physical development of students by the president upon the recommendation of the re-
36 cognized student government.

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

41 (e) Confer, consistent with the mission and programs of each public university and on the rec-
42 ommendation of the faculty of the public university, such degrees as usually are conferred by public
43 universities, or as the faculty deems appropriate.

44 (f) Prescribe the qualifications for admission.

45 (4) Subject to such delegation as the board may decide to make to the public universities and

1 offices, departments and activities under its control, the board, for each public university, office,
2 department or activity under its control:

3 (a) Shall supervise the general course of instruction therein, and the research, extension, edu-
4 cational and other activities thereof.

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

7 (c) Shall maintain cultural and physical development services and facilities therefor and, in
8 connection therewith, may cooperate and enter into agreements with any person or governmental
9 agency.

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

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

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

13 (A) Dependents of students.

14 (B) Staff.

15 (C) Faculty.

16 (g) Shall prescribe and collect charges.

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

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

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

31 **SECTION 49.** ORS 351.085 is amended to read:

32 351.085. The Chancellor of the Oregon University System shall exercise, under the direction of
33 the State Board of Higher Education, the administrative and management authority necessary to
34 carry out the policies and directives of the board with respect to the public universities and offices,
35 departments and activities under the control of the board. In carrying out the duties of the
36 chancellor, the chancellor shall:

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

39 (2) Supervise the presidents of the public universities listed in ORS [352.002] **351.011** and re-
40 commend the terms and conditions of their employment to the board, including but not limited to
41 appointment, compensation and termination.

42 (3) Maintain a centralized service program for all public universities and offices, departments
43 and activities under the control of the board, including but not limited to accounting, statistical
44 services, capital construction, management analysis, legal services, academic affairs and educational
45 research.

1 (4) Collect and compile information and statistics relative to the operation of the public uni-
2 versities and offices, departments and activities under the control of the board.

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

6 (6) Oversee the preparation and submission [*to the board*] of the funding request for the Oregon
7 University System for consideration by the [*board*] **Higher Education Coordinating Commission**
8 as the funding request under ORS 351.052.

9 (7) Appoint such personnel as may be necessary for the performance of the duties of the
10 chancellor.

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

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

17 (10) Prepare and submit to the board on or about December 31 of each year an annual report
18 in which the chancellor describes the principal activities of the Oregon University System during
19 the fiscal year ending June 30.

20 (11) Keep a record of the transactions of the board.

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

22 (13) Give such instructions as may be necessary to carry out the directives of the board and
23 forward them to the various institution presidents and heads of offices, departments and activities.

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

27 (15) Perform such other administrative or management assistance and consider other adminis-
28 trative or management matters as the board may require.

29 **SECTION 50.** ORS 297.250 is amended to read:

30 297.250. (1) An agency of the executive department that completes a risk assessment or internal
31 audit under ORS 184.360, or that prepares an independent audit under ORS 353.160 **or section 14**
32 **of this 2013 Act**, shall file the completed risk assessment or internal audit with the Division of
33 Audits of the Office of the Secretary of State.

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

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

37 351.105. In order to carry out the duties described in ORS 352.008, the State Board of Higher
38 Education **and the governing board of a public university with a governing board listed in**
39 **section 3 of this 2013 Act**, in consultation with the Oregon Health Authority and the Alcohol and
40 Drug Policy Commission, shall adopt [*by rule*] **standards that**, as a minimum, [*descriptions of*] **de-**
41 **scribe** the content of what shall be included in the policy and plan described in ORS 352.008.

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

43 351.110. All relationships and negotiations between the Legislative Assembly and its various
44 committees and a public university listed in ORS [*352.002*] **351.011** must be carried on through the
45 office of the Chancellor of the Oregon University System. An employee representing any of the

1 public universities may not appear before the Legislative Assembly or any committee except upon
2 the written authority of the State Board of Higher Education or the chancellor.

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

4 351.155. Notwithstanding the applicable provisions of ORS 279.835 to 279.855, 279A.140 to
5 279A.155, 279A.250 to 279A.290, 279A.990, 279B.200 to 279B.240, 279B.270, 279B.275, 279B.280,
6 279C.360, 279C.365, 279C.370, 279C.375, 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545,
7 279C.600 to 279C.625, 279C.650 to 279C.670 and 279C.800 to 279C.870, the State Board of Higher
8 Education **and the governing board of a public university listed in section 3 of this 2013 Act**
9 may, in the management of all forestlands under [its] **each board's** control and supervision, sell the
10 forest products on such lands in the same manner as is provided in ORS 530.059, and for that pur-
11 pose [the] **each** board shall have the same powers with respect to experimental or research projects
12 in the field of forestland management or for forest product utilization on forestlands under its con-
13 trol as the State Forester has pursuant to the provisions of ORS 530.050 and 530.059.

14 **SECTION 54.** ORS 174.117 is amended to read:

15 174.117. (1) Subject to ORS 174.108, as used in the statutes of this state “special government
16 body” means any of the following:

17 (a) A public corporation created under a statute of this state and specifically designated as a
18 public corporation.

19 (b) A school district.

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

21 (d) An education service district.

22 (e) A community college district or community college service district established under ORS
23 chapter 341.

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

25 (g) Any entity that is created by statute, ordinance or resolution that is not part of state gov-
26 ernment or local government.

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

28 (A) Not part of state government or local government;

29 (B) Created pursuant to authority granted by a statute, ordinance or resolution, but not directly
30 created by that statute, ordinance or resolution; and

31 (C) Identified as a governmental entity by the statute, ordinance or resolution authorizing the
32 creation of the entity, without regard to the specific terms used by the statute, ordinance or resolu-
33 tion.

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

35 (2) Subject to ORS 174.108, as used in the statutes of this state “special government body” in-
36 cludes:

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

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

42 (c) Any entity created by a special government body described in subsection (1) of this section,
43 other than an entity described in paragraph (b) of this subsection, unless the document creating the
44 entity indicates that the entity is not a governmental entity or the entity is not subject to any
45 substantial control by the special government body.

1 **SECTION 55.** ORS 351.165 is amended to read:

2 351.165. No later than March 1 of each odd-numbered year, the [*State Board of Higher*
3 *Education*] **Higher Education Coordinating Commission** shall submit a report to the Legislative
4 Assembly concerning the status of all previously approved [*Oregon University System*] capital con-
5 struction projects that have not been completed or have been completed within the preceding
6 24-month period. The report shall include the project title, funding sources, the amount of the ori-
7 ginal appropriation or expenditure limitation, the amount of unexpected funds, the construction
8 status and the anticipated completion date.

9 **SECTION 56.** ORS 352.245 is amended to read:

10 352.245. (1) There is established an Oregon Climate Service to be located at Oregon State Uni-
11 versity. The service shall acquire, maintain, disseminate and interpret climate data and information
12 for the state.

13 (2) The service shall:

14 (a) Assess the needs for weather and climate information in Oregon and establish priorities
15 among the needs.

16 (b) Perform a service to citizens of Oregon by managing climate data for the state, and by dis-
17 seminating such data and information to users.

18 (c) Assist in the coordination of existing activities within the state and among neighboring
19 states.

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

21 (e) Assist students and faculty [*in the Oregon University System*] **at the public universities**
22 **listed in ORS 352.002** by furnishing data and information needed in education and research pro-
23 grams.

24 (f) Study and analyze the relationships between climatic phenomena and activities in areas such
25 as agriculture, water resources, energy production and use, air quality, building design and con-
26 struction, transportation and communication, and business and commerce.

27 (g) Identify emerging climatic issues and anticipate public demand for information.

28 (h) Inform state, federal and private groups and the public on the availability and sources of
29 climate-related services, information and data.

30 **SECTION 57.** ORS 351.205 is amended to read:

31 351.205. The State Board of Higher Education may allow interchange of members of the faculties
32 of public universities listed in ORS [*352.002*] **351.011** with faculty members of comparable institutions
33 of other states or countries for a period of one year. Such exchange service shall, for all purposes,
34 be deemed continued service with the Oregon public university covered, with salary paid to the
35 absent faculty member accordingly. Salary for the visiting faculty member shall not be paid by the
36 Oregon public university covered.

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

38 351.300. The Legislative Assembly finds that in order to avoid unnecessary disruption at public
39 universities listed in ORS 352.002 and in order to provide assurance that the public universities
40 share in the benefits of any major reform in the Oregon tax system, it is necessary to stabilize
41 funding for the [*Oregon University System*] **universities** over a longer period than is customary with
42 biennial budgeting.

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

44 351.310. (1) The State Board of Higher Education shall control the use, distribution and dis-
45 bursement of all funds, appropriations and taxes now or hereafter in possession, levied and collected,

1 received or appropriated for the use, benefit, support and maintenance of the public universities
2 listed in ORS [352.002] **351.011** and offices, departments and activities under the control of the board,
3 including the authorization of individuals to sign vouchers for the disbursement of funds for the
4 various public universities, offices, departments and activities.

5 (2) All moneys, except moneys appropriated from the State Treasury for expenditure within a
6 specified period of time, heretofore or hereafter received by or on behalf of the board, or any public
7 university or office, department or activity under the control of the board, that are not otherwise
8 appropriated by law, hereby are appropriated continuously to the State Board of Higher Education
9 for the purposes for which such moneys were donated, granted or received, in accordance with any
10 applicable law governing the use of such moneys.

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

12 351.340. All sums of money provided by law for the support and maintenance of the public uni-
13 versities listed in ORS [352.002] **351.011** and offices, departments and activities under the control
14 of the State Board of Higher Education may be used for the payment of salaries of instructors and
15 employees, current expenses, construction of additional buildings, purchase of lands, purchase of
16 equipment, purchase of library books and periodicals, purchase of laboratory supplies and apparatus
17 and making necessary repairs and, in general, for the payment of all such expenses connected with
18 the management of the public universities and offices, departments and activities, as the board may
19 from time to time determine. However, such moneys in the instruction budget of the board shall not
20 be used to support hobby or recreation courses.

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

22 351.509. (1) There is established in the General Fund an account to be known as the Portland
23 State University Center for Nanoscience and Nanotechnology Account. Funds in the account shall
24 be used for the acquisition and expansion of microscopy and materials characterization facilities at
25 Portland State University related to a signature research center.

26 (2) The account shall consist of proceeds from lottery bonds made available to [*the Oregon*
27 *University System*] **Portland State University** for the purpose of the Portland State University
28 center for nanoscience and nanotechnology project described in subsection (1) of this section. In-
29 terest earned on moneys in the account shall be credited to the account.

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

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

35 351.511. (1) There is established in the General Fund an account to be known as the Portland
36 State University Northwest Engineering Science Center Phase I Account. Funds in the account shall
37 be used for acquisition or construction of an engineering science center at Portland State Univer-
38 sity.

39 (2) The account shall consist of federal and local government funds made available to and funds
40 donated to [*the Oregon University System*] **Portland State University** for the purpose of the
41 Portland State University Northwest Engineering Science Center Phase I project described in sub-
42 section (1) of this section. Interest earned on moneys in the account shall be credited to the ac-
43 count.

44 (3) Moneys in the account are continuously appropriated to [*the Oregon University System*]
45 **Portland State University** for the purposes described in subsection (1) of this section. The account

1 may not be credited with more than \$26,500,000 in interest, donations and federal and local gov-
2 ernment funds for purposes of this subsection.

3 **SECTION 63.** ORS 351.517 is amended to read:

4 351.517. (1) There is established in the General Fund an account to be known as the University
5 of Oregon Education Building and Complex Account. Funds in the account shall be used for the
6 acquisition, construction, remodeling, expansion and renovation of facilities for an education build-
7 ing and complex at the University of Oregon.

8 (2) The account shall consist of federal and local government funds made available to and funds
9 donated to the [*Oregon University System*] **University of Oregon** for the purpose of the education
10 building and complex project described in subsection (1) of this section. Interest earned on moneys
11 in the account shall be credited to the account. The account may not be credited with more than
12 \$19,400,000 in interest, donations and federal and local government funds for purposes of this sub-
13 section.

14 (3) Moneys in the account are continuously appropriated to the [*Oregon University System*]
15 **University of Oregon** and may be transferred to the account designated by ORS 351.626 for the
16 education building and complex project described in subsection (1) of this section.

17 **SECTION 64.** ORS 351.518 is amended to read:

18 351.518. (1) There is established in the General Fund an account to be known as the University
19 of Oregon Gilbert Hall Account. Funds in the account shall be used for the acquisition, construction,
20 remodeling, expansion and renovation of facilities for Gilbert Hall at the University of Oregon.

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

26 (3) Moneys in the account are continuously appropriated to the [*Oregon University System*]
27 **University of Oregon** and may be transferred to the account designated by ORS 351.626 for the
28 Gilbert Hall project described in subsection (1) of this section.

29 **SECTION 65.** ORS 351.519 is amended to read:

30 351.519. (1) There is established in the General Fund an account to be known as the University
31 of Oregon Integrative Science Complex Account. Funds in the account shall be used for the acqui-
32 sition, construction, remodeling, expansion and renovation of facilities for an integrative science
33 complex at the University of Oregon that includes a multiscale materials and devices laboratory and
34 other facilities related to a signature research center.

35 (2) The account shall consist of proceeds from lottery bonds made available to the [*Oregon*
36 *University System*] **University of Oregon** for the purpose of the University of Oregon integrative
37 science complex project described in subsection (1) of this section. Interest earned on moneys in the
38 account shall be credited to the account.

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

43 **SECTION 66.** ORS 351.521 is amended to read:

44 351.521. (1) There is established in the General Fund an account to be known as the University
45 of Oregon School of Music Account. Funds in the account shall be used for additions and alterations

1 to the School of Music at the University of Oregon.

2 (2) The account shall consist of federal and local government funds made available to and funds
3 donated to the [*Oregon University System*] **University of Oregon** for the purpose of the University
4 of Oregon School of Music project described in subsection (1) of this section. Interest earned on
5 moneys in the account shall be credited to the account.

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

9 **SECTION 67.** ORS 351.538 is amended to read:

10 351.538. (1) There is established in the General Fund an account to be known as the Museum
11 of Art Project Account. Funds in the account shall be used for additions to and alterations of the
12 Museum of Art at the University of Oregon.

13 (2) The account shall consist of federal and local government funds made available to and funds
14 donated to the [*Oregon University System*] **University of Oregon** for the purposes of the Museum
15 of Art project described in subsection (1) of this section. Interest earned on moneys in the account
16 shall be credited to the account.

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

20 **SECTION 68.** ORS 351.539 is amended to read:

21 351.539. (1) There is established in the General Fund an account to be known as the Straub Hall
22 Project Account. Funds in the account shall be used for the additions to and alterations of Straub
23 Hall at the University of Oregon.

24 (2) The account shall consist of federal and local government funds made available to and funds
25 donated to the [*Oregon University System*] **University of Oregon** for the purposes of the Straub Hall
26 project described in subsection (1) of this section. Interest earned on moneys in the account shall
27 be credited to the account.

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

31 **SECTION 69.** ORS 351.590 is amended to read:

32 351.590. (1) An account in the Oregon University System Fund established by ORS 351.506 is
33 designated for the purpose of receiving all revenue from incidental fees, optional fees, health ser-
34 vices fees and all operating revenue from intercollegiate athletics, student unions and educational
35 activities.

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

40 (3) Income and interest derived from moneys in the account designated by this section are
41 credited to the account. The State Board of Higher Education shall distribute annually the total
42 interest earnings proportionately to each public university listed in ORS [352.002] **351.011** based on
43 each university's average cash balance in the account.

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

45 351.626. An account in the Oregon University System Fund established by ORS 351.506 is des-

1 ignated for the construction, remodeling, expansion and renovation of facilities within the Oregon
2 University System **or any public university with a governing board listed in section 3 of this**
3 **2013 Act.** Income and interest from moneys in the account are credited to the account.

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

5 351.628. (1) There is established in the General Fund an account to be known as the Higher
6 Education Academic Modernization Account. Funds in the account shall be used at public universi-
7 ties listed in ORS [352.002] **351.011** for academic modernization, capital repair, deferred maintenance
8 and making facilities compliant with building and safety codes.

9 (2) The account shall consist of funds donated to the Oregon University System for the purposes
10 described in subsection (1) of this section. The account may also consist of other funds available to
11 the Oregon University System for the purposes described in subsection (1) of this section. The
12 Oregon University System may not deposit any moneys into the account that were appropriated to
13 the Department of Higher Education under chapter 725, Oregon Laws 2003. Interest earned on
14 moneys in the account shall be credited to the account.

15 (3) Moneys in the account are continuously appropriated to the Oregon University System for
16 the purposes described in subsection (1) of this section. The account may not be credited with more
17 than \$1,000,000 in interest, donations and other funds.

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

19 351.638. (1) An account in the Oregon University System Fund established by ORS 351.506 is
20 designated for the purpose of attracting new, outstanding faculty members to the public universities
21 listed in ORS [352.002] **351.011**. This purpose includes payment of costs incurred in relocating new
22 faculty, retraining necessary teaching assistants for new faculty, acquisition of equipment such as
23 laboratory equipment and facilities to support research by new faculty, payment of other costs in-
24 curred in recruiting new faculty and payment of costs associated with committing salary supple-
25 ments to newly recruited faculty over a period of more than one year.

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

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

30 351.642. (1) As used in this section:

31 (a) "Active member of the Armed Forces of the United States" includes officers and enlisted
32 personnel of the Armed Forces of the United States who:

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

35 (B) Reside in this state while serving as members of the crew of a ship that has an Oregon port
36 or shore establishment as its home port or permanent station; or

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

39 (b) "Armed Forces of the United States" includes:

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

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

43 (C) The National Guard of the United States and the Oregon National Guard.

44 (c) "Dependent children" includes any children of an active member of the Armed Forces of the
45 United States, of an active member of the commissioned corps of the National Oceanic and Atmo-

1 spheric Administration or of a member of the Public Health Service of the United States Department
2 of Health and Human Services detailed by proper authority for duty with the Army or Navy of the
3 United States, who:

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

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

7 (2) Active members of the Armed Forces of the United States, active members of the commis-
8 sioned corps of the National Oceanic and Atmospheric Administration and members of the Public
9 Health Service of the United States Department of Health and Human Services detailed by proper
10 authority for duty with the Army or Navy of the United States, and their spouses and dependent
11 children, are considered residents of this state for the purpose of admission and for the purpose of
12 determining fees and tuition to be paid by such individuals while attending any public university
13 [*that is under the control of the State Board of Higher Education*] **listed in ORS 352.002.**

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

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

21 (5) Students attending the public universities under contracts with the Armed Forces of the
22 United States under this section shall pay fees and tuition customarily charged Oregon students.

23 (6) Payments made by the Armed Forces of the United States under such contracts shall be de-
24 posited in a designated account [*in the Oregon University System Fund established by ORS 351.506*]
25 in the same manner that fees and tuition payments for resident students are deposited and credited.

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

28 351.643. (1) A student at a public university listed in ORS 352.002 who is a member of the mili-
29 tary, a member of the commissioned corps of the National Oceanic and Atmospheric Administration
30 or a member of the Public Health Service of the United States Department of Health and Human
31 Services detailed by proper authority for duty with the Army or Navy of the United States and who
32 is ordered to federal or state active duty for more than 30 consecutive days has the following rights:

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

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

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

38 (C) Continue and complete the course for full credit, subject to the provisions of subsection (3)
39 of this section;

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

42 (c) If the student elects to withdraw from the public university, the right to be readmitted and
43 reenrolled at the public university within one year after release from active duty without a re-
44 quirement of redetermination of admission eligibility; and

45 (d) The right to continuation of scholarships and grants awarded to the student that were funded

1 by the public university or the Oregon Student Access Commission before the student was ordered
2 to active duty.

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

5 (a) Give the student academic credit for the course from which the student withdraws;

6 (b) Give the student a failing grade or a grade of incomplete or make any other negative anno-
7 tation on the student's record; or

8 (c) Alter the student's grade point average due to the student's withdrawal from the course.

9 (3) A student who elects to continue and complete a course for full credit under subsection
10 (1)(a)(C) of this section is subject to the following conditions:

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

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

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

18 (4) The State Board of Higher Education **and the governing board of a public university with**
19 **a governing board listed in section 3 of this 2013 Act** shall adopt [*rules*] **standards** for the ad-
20 ministration of this section.

21 (5) As used in this section, "member of the military" means a person who is a member of:

22 (a) The Oregon National Guard or the National Guard of any other state or territory; or

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

25 **SECTION 75.** ORS 351.644 is amended to read:

26 351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b) shall be based on:

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

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

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

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

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

37 (B) As a monetary payment.

38 (2) A student who elects to claim the credit by the method described in subsection (1)(c)(A) of
39 this section may change the method of claiming the credit to the method described in subsection
40 (1)(c)(B) of this section by giving notice to the public university from which the student withdraws.

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

44 (4) A personal representative of a student who elected to claim the credit by the method de-
45 scribed in subsection (1)(c)(A) of this section may claim a monetary payment upon presenting evi-

1 dence to the public university that the student died while serving on active duty.

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

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

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

12 **SECTION 77.** ORS 351.658 is amended to read:

13 351.658. (1) [*The State Board of Higher Education shall direct*] Each public university listed in
14 ORS 352.002 [*to*] **shall** waive tuition for any course audited by an Oregon resident 65 years of age
15 or older if:

16 (a) Space is available in the course for additional students to register after degree-seeking stu-
17 dents have registered;

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

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

20 (2) The public university may charge the student attending under subsection (1) of this section
21 fees associated with the course being audited.

22 (3) A public university may develop [*rules*] **standards** for implementation of this section, in-
23 cluding [*rules*] **standards** relating to registration, admission and fees.

24 **SECTION 78.** ORS 351.692 is amended to read:

25 351.692. (1) The State Board of Higher Education shall adopt policies that prescribe the re-
26 quirements for a venture grant program and the requirements that a grant applicant must meet in
27 order to receive grant moneys from a university venture development fund, including requirements:

28 [(1)] (a) That a grant recipient remain within this state for at least five years following the re-
29 ceipt of a grant or repay the grant plus interest;

30 [(2)] (b) That each university that establishes a university venture development fund report
31 amounts of tax credit certificates issued by the university and maintain records of income realized
32 by the university as the result of grants made from the fund and records of amounts paid to the
33 General Fund; and

34 [(3)] (c) Under which the Oregon University System is to maintain records and issue directions
35 to universities that have established university venture development funds relating to when univer-
36 sities must cease issuing certificates, in order to ensure that the total amount owed **by the public**
37 **universities listed in ORS 352.002** to the General Fund [*by the Oregon University System*] at any
38 one time under ORS 351.697 (6) does not exceed \$6 million.

39 (2) **The governing board of a public university with a governing board listed in section 3**
40 **of this 2013 Act shall adopt a policy that prescribes the requirements for a venture grant**
41 **program and the requirements that a grant applicant must meet in order to receive grant**
42 **moneys from the university venture development fund operated by the university, including**
43 **requirements:**

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

1 **(b) That the university report amounts of tax credit certificates issued by the university**
2 **and cease issuing certificates until the total amount owed by the public universities listed in**
3 **ORS 352.002 to the General Fund at any one time under ORS 351.697 (6) does not exceed \$6**
4 **million; and**

5 **(c) That the university maintain records of income realized by the university as the re-**
6 **sult of grants made from the fund and records of amounts paid to the General Fund.**

7 **SECTION 79.** ORS 351.695 is amended to read:

8 351.695. (1) A university within the Oregon University System may deposit moneys received for
9 its university venture development fund in the Higher Education Donation Fund established under
10 ORS 351.130.

11 (2) Notwithstanding ORS 351.697 (5), the State Treasurer, as payment for expenses, may deduct
12 a fee pursuant to ORS 293.718 from a university venture development fund administered by a uni-
13 versity [*within the Oregon University System*] **listed in ORS 352.002** or the Oregon Health and Sci-
14 ence University.

15 (3) A university [*within the Oregon University System*] **listed in ORS 352.002** or the Oregon
16 Health and Science University may direct that moneys credited to its university venture develop-
17 ment fund be held and invested by the university's affiliated foundation. Any moneys held by an af-
18 filiated foundation under this section or ORS 351.697 are not subject to the provisions of ORS
19 chapter 293 or 295 and may not be considered public or state funds for any purpose. Moneys trans-
20 ferred to an affiliated foundation under this section or ORS 351.697 may be used only as provided
21 under ORS 351.692, 351.695, 351.697 and 353.445.

22 (4) At the request of a university within the Oregon University System, moneys in the Higher
23 Education Donation Fund that were deposited by the university under this section may be trans-
24 ferred to the university's affiliated foundation.

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

30 **SECTION 80.** ORS 351.697 is amended to read:

31 351.697. (1) Each university [*in the Oregon University System*] **listed in ORS 352.002** and Oregon
32 Health and Science University may elect to establish a university venture development fund as
33 provided in this section for the purpose of facilitating the commercialization of university research
34 and development. A university shall direct that the university venture development fund be admin-
35 istered, in whole or in part, by the university or by the university's affiliated foundation.

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

37 (a) Capital for university entrepreneurial programs;

38 (b) Opportunities for students to gain experience in applying research to commercial activities;

39 (c) Proof-of-concept funding for transforming research and development concepts into commer-
40 cially viable products and services;

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

43 (e) Tax credits for contributors to university research commercialization activities.

44 (3) Each university that elects to establish a university venture development fund shall:

45 (a) Notify the Department of Revenue of the establishment of the fund;

1 (b) Either directly or through its affiliated foundation, solicit contributions to the fund and re-
2 ceive, manage and disburse moneys contributed to the fund;

3 (c) Subject to ORS 315.521 (1), 351.692 [(3)] and 353.445 (3), issue tax credit certificates to con-
4 tributors to the fund in the amount of the contributions;

5 (d) Establish a grant program that meets the requirements for a venture grant program under
6 policies adopted **under ORS 351.692** by the State Board of Higher Education [*under ORS 351.692*]
7 **or the governing board of a public university with a governing board listed in section 3 of this**
8 **2013 Act** or under policies adopted by the Oregon Health and Science University Board of Directors
9 under ORS 353.445; and

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

12 (4) Except as provided in subsection (5) of this section, moneys in a university venture devel-
13 opment fund shall be disbursed only as directed by a university.

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

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

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

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

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

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

36 (d) The amount of income and royalties received from disbursements from the fund; and

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

38 **SECTION 81.** ORS 351.718 is amended to read:

39 351.718. (1) The members of the Higher Education Coordinating Commission must be residents
40 of this state who are well informed on the principles of higher education.

41 (2) A member of the State Board of Higher Education, **the Oregon Health and Science Univer-**
42 **sity Board of Directors, the governing board of a public university with a governing board**
43 **listed in section 3 of this 2013 Act** or the governing board of a community college district may
44 not serve as a member of the Higher Education Coordinating Commission.

45 **SECTION 82.** ORS 351.735, as amended by section 1, chapter 104, Oregon Laws 2012, is

1 amended to read:

2 351.735. (1) The Higher Education Coordinating Commission shall advise the Oregon Education
3 Investment Board on state goals and associated achievement compacts for the state post-secondary
4 education system, including community colleges and public universities listed in ORS 352.002, and
5 for the Oregon Student Access Commission.

6 (2) Under the direction and control of the Oregon Education Investment Board, the Higher Ed-
7 ucation Coordinating Commission shall:

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

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

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

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

15 and

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

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

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

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

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

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

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

32 (E) Recommended biennial appropriations for any future statewide higher education initiatives.

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

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

36 (B) Ongoing operations for the Oregon University System;

37 **(C) Ongoing operations for all public universities listed in ORS 352.002;**

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

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

40 ~~[(E)]~~ **(F)** Capital improvements.

41 (e) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of
42 student financial assistance programs, including the Oregon Opportunity Grant program under ORS
43 348.260.

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

45 (g) Authorize degrees to be offered in this state in accordance with ORS 348.594 to 348.615, and

1 adopt any rules to implement that authority.

2 (3) In addition to the duties described in subsections (1) and (2) of this section, the Higher Ed-
3 ucation Coordinating Commission shall:

4 (a) Develop and recommend policies to ensure or improve access to higher education by under-
5 served populations.

6 (b) Recommend and encourage student success and completion initiatives.

7 (c) Develop and recommend policies to improve the coordination of the provision of educational
8 services, including:

9 (A) Transfers and other movements throughout the higher education system;

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

11 (C) Applied baccalaureate and other transfer degrees; and

12 (D) Reciprocity agreements with other states.

13 (d) Review research efforts among the public universities of this state to improve economic de-
14 velopment in this state.

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

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

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

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

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

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

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

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

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

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

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

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

44 (B) Recommended limits regarding the setting of tuition rates at public universities listed in
45 ORS 352.002 in accordance with criteria set by the State Board of Higher Education **or the gov-**

1 **erning board of a public university with a governing board listed in section 3 of this 2013**
2 **Act**, with the goal of encouraging tuition affordability for students;

3 (C) Tuition rates set by each community college governing board for community colleges in this
4 state;

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

6 (E) Recommended biennial appropriations for any future statewide higher education initiatives.

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

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

10 (B) Ongoing operations for the Oregon University System;

11 **(C) Ongoing operations for all public universities listed in ORS 352.002;**

12 ~~[(C)]~~ (D) Ongoing operations for community colleges;

13 ~~[(D)]~~ (E) Needed new facilities or programs; and

14 ~~[(E)]~~ (F) Capital improvements.

15 (e) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of
16 student financial assistance programs, including the Oregon Opportunity Grant program under ORS
17 348.260.

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

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

21 (3) In addition to the duties described in subsections (1) and (2) of this section, the Higher Ed-
22 ucation Coordinating Commission shall:

23 (a) Develop and recommend policies to ensure or improve access to higher education by under-
24 served populations.

25 (b) Recommend and encourage student success and completion initiatives.

26 (c) Develop and recommend policies to improve the coordination of the provision of educational
27 services, including:

28 (A) Transfers and other movements throughout the higher education system;

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

30 (C) Applied baccalaureate and other transfer degrees; and

31 (D) Reciprocity agreements with other states.

32 (d) Review research efforts among the public universities of this state to improve economic de-
33 velopment in this state.

34 (e) Coordinate education initiatives with the State Workforce Investment Board, the Department
35 of Community Colleges and Workforce Development, local workforce investment boards, the Oregon
36 Health and Science University, **public universities with governing boards listed in section 3 of**
37 **this 2013 Act** and independent institutions of post-secondary education.

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

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

41 351.735. The Higher Education Coordinating Commission shall:

42 (1) Develop state goals and associated achievement compacts for the state post-secondary edu-
43 cation system, including community colleges and public universities listed in ORS 352.002, and for
44 the Oregon Student Access Commission.

45 (2) Develop a strategic plan for achieving state higher education goals, identifying priority areas

1 for attention and taking into consideration the contributions of this state's independent institutions
2 and other organizations dedicated to helping Oregonians reach state goals. Goals should include, but
3 need not be limited to:

- 4 (a) Increasing the educational attainment of the population;
- 5 (b) Increasing this state's global economic competitiveness and the quality of life of its citizens;
- 6 (c) Ensuring affordable access for qualified Oregon students at each college or public university;
- 7 and

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

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

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

15 (a) Recommended biennial appropriations to institutions, including a component specifically tied
16 to institutional contributions to state educational priorities;

17 (b) Recommended limits regarding the setting of tuition rates at public universities listed in ORS
18 352.002 in accordance with criteria set by the State Board of Higher Education **or the governing**
19 **board of a public university with a governing board listed in section 3 of this 2013 Act**, with
20 the goal of encouraging tuition affordability for students;

21 (c) Tuition rates set by each community college governing board for community colleges in this
22 state;

23 (d) Recommended biennial appropriations for student financial aid; and

24 (e) Recommended biennial appropriations for any future statewide higher education initiatives.

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

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

28 (b) Ongoing operations for the Oregon University System;

29 **(c) Ongoing operations for all public universities listed in ORS 352.002;**

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

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

32 [(e)] **(f)** Capital improvements.

33 (6) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of
34 student financial assistance programs, including the Oregon Opportunity Grant program under ORS
35 348.260.

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

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

39 (9) Develop and recommend policies to ensure or improve access to higher education by under-
40 served populations.

41 (10) Recommend and encourage student success and completion initiatives.

42 (11) Develop and recommend policies to improve the coordination of the provision of educational
43 services, including:

44 (a) Transfers and other movements throughout the higher education system;

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

1 (c) Applied baccalaureate and other transfer degrees; and

2 (d) Reciprocity agreements with other states.

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

5 (13) Coordinate education initiatives with the State Workforce Investment Board, the Depart-
6 ment of Community Colleges and Workforce Development, local workforce investment boards, the
7 Oregon Health and Science University, **public universities with governing boards listed in sec-**
8 **tion 3 of this 2013 Act** and independent institutions of post-secondary education.

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

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

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

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

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

21 **SECTION 87.** ORS 352.012 is amended to read:

22 352.012. For the purpose of requesting a state or nationwide criminal records check under ORS
23 181.534, [*the Oregon University System*] **a public university listed in ORS 352.002** may require the
24 fingerprints of a person who:

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

26 or

27 (b) Provides services or seeks to provide services to the **university or** Oregon University Sys-
28 tem as a contractor or volunteer; and

29 (2) Is, or will be, working or providing services in a position that is designated as a critical or
30 security-sensitive position. As used in this subsection, "critical or security-sensitive position" means
31 a position in which the person:

32 (a) Has direct access to persons under 18 years of age or to student residence facilities because
33 the person's work duties require the person to be present in the residence facility;

34 (b) Is providing information technology services and has control over, or access to, information
35 technology systems that would allow the person to harm the information technology systems or the
36 information contained in the systems;

37 (c) Has access to information, the disclosure of which is prohibited by state or federal laws,
38 rules or regulations or information that is defined as confidential under state or federal laws, rules
39 or regulations;

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

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

44 (f) Has fiscal, financial aid, payroll or purchasing responsibilities as one of the person's primary
45 responsibilities; or

1 (g) Has access to personal information about employees or members of the public including So-
2 cial Security numbers, dates of birth, driver license numbers, medical information, personal financial
3 information or criminal background information.

4 **SECTION 88.** ORS 351.094 is amended to read:

5 351.094. (1)(a) The State Board of Higher Education shall provide group insurance to employees
6 of the Oregon University System through the Public Employees' Benefit Board or may elect to pro-
7 vide **an** alternative group health and welfare insurance benefit [*plans*] **plan** to employees of the
8 Oregon University System [*if the same level of benefits is available at a lower cost than through the*
9 *Public Employees' Benefit Board*] **on or after October 1, 2016, if the benefit plan is offered**
10 **through the health insurance exchange under ORS 741.310, unless their participation is pre-**
11 **cluded by federal law.**

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

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

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

29 (b) **The governing board of each public university with a governing board listed in section**
30 **3 of this 2013 Act shall offer one or more deferred compensation plans to employees of the**
31 **university. The governing board shall choose whether to offer its employees the state de-**
32 **ferred compensation plan established under ORS 243.401 to 243.507 or another deferred com-**
33 **penetration plan that the governing board elects to make available to the employees of the**
34 **university.**

35 **SECTION 89.** ORS 352.043 is amended to read:

36 352.043. (1) There is created [*within the Oregon University System*] the University of Oregon
37 School of Law[. *The school shall*] **to** be administered by the University of Oregon.

38 (2) The University of Oregon School of Law shall:

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

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

41 (3) The president of the University of Oregon shall appoint the Dean of the University of Oregon
42 School of Law.

43 **SECTION 90.** ORS 352.046 is amended to read:

44 352.046. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the
45 Center for Brain, Biology and Machine[. *The center shall*] **to** be administered by the University of

1 Oregon.

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

6 (3) The [Oregon University System] **University of Oregon** may receive moneys from any public
7 or private source to support the Center for Brain, Biology and Machine created under subsections
8 (1) and (2) of this section. Gifts or grants received to support the center shall be deposited in an
9 appropriate fund at the University of Oregon [by the Oregon University System].

10 **NOTE:** Sections 91 through 94 were deleted by amendment. Subsequent sections were not re-
11 numbered.

12 **SECTION 95.** ORS 352.066 is amended to read:

13 352.066. (1) Pursuant to ORS 351.870, there is created [within the Oregon University System] the
14 Mark O. Hatfield School of Government[. *The Mark O. Hatfield School of Government shall*], to be
15 administered by Portland State University. The president of Portland State University shall appoint
16 the director of the Mark O. Hatfield School of Government.

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

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

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

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

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

26 (a) Providing the Legislative Assembly with objective, nonpartisan analyses of existing or pro-
27 posed state criminal justice policies, which analyses may not be inconsistent with state or federal
28 law or the Oregon or United States Constitution;

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

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

36 (d) Initiating, sponsoring, conducting and publishing research on criminal and juvenile justice,
37 public safety professionalism, ethics in leadership and early childhood development that is peer re-
38 viewed and directly useful to policymakers;

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

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

45 (4) The Governor, the Chief Justice of the Supreme Court, the President of the Senate, the

1 Speaker of the House of Representatives or the chairperson of a legislative committee with respon-
2 sibility over criminal or juvenile justice systems or childhood development programs may request the
3 assistance of the Criminal Justice Research and Policy Institute in evaluating criminal or juvenile
4 justice programs developed for, but not necessarily limited to, preventing delinquency, reducing
5 crime and improving professionalism in public safety careers.

6 (5) Agencies, departments and officers of state and local governments may assist the Criminal
7 Justice Research and Policy Institute in the performance of its functions and furnish information,
8 data and advice as requested by the institute.

9 **SECTION 96.** ORS 352.068 is amended to read:

10 352.068. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the
11 Center for Lakes and Reservoirs[. *The Center for Lakes and Reservoirs shall*], **to** be administered by
12 Portland State University.

13 (2) The purpose of the Center for Lakes and Reservoirs is to assist state and federal agencies
14 in researching and mitigating nonindigenous, invasive aquatic species in this state and to work with
15 communities in developing effective management of lakes and reservoirs.

16 **SECTION 97.** ORS 352.071 is amended to read:

17 352.071. (1) Pursuant to ORS 351.870, [*there is created within the Oregon University System*] the
18 Graduate School of Social Work[. *The Graduate School of Social Work shall*] **is created, to** be ad-
19 ministered by Portland State University.

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

23 **SECTION 98.** ORS 352.074 is amended to read:

24 352.074. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the
25 Institute of Portland Metropolitan Studies[. *The Institute of Portland Metropolitan Studies shall*], **to**
26 be administered by Portland State University.

27 (2) The purpose of the Institute of Portland Metropolitan Studies is to build partnerships be-
28 tween Portland State University's urban studies programs and the surrounding communities of met-
29 ropolitan Portland and to sponsor public service research.

30 **SECTION 99.** ORS 352.360 is amended to read:

31 352.360. (1) The State Board of Higher Education may enact such regulations as the board deems
32 convenient or necessary to provide for the policing, control and regulation of traffic and parking
33 of vehicles on the property of any public university listed in ORS [352.002] **351.011**. The regulations
34 may provide for the registration of vehicles, the designation of parking areas and the assessment
35 and collection of reasonable fees and charges for parking. The board may require that before a
36 quarterly or yearly parking privilege for any vehicle is granted to any full-time or part-time student
37 to use board property, the student must show that the vehicle is operated by a student holding a
38 valid driver license, that the vehicle is currently registered and that the student driving the vehicle
39 is insured under a motor vehicle liability insurance policy that meets the requirements described
40 under ORS 806.080 or that the student or owner of the vehicle has provided the Department of
41 Transportation with other satisfactory proof of compliance with the financial responsibility re-
42 quirements of this state.

43 (2) The regulations enacted pursuant to subsection (1) of this section shall be enforced admin-
44 istratively under procedures adopted by the board for each public university. Administrative and
45 disciplinary sanctions may be imposed upon students, faculty and staff for violation of the regu-

1 lations, including but not limited to, a reasonable monetary penalty which may be deducted from
 2 student deposits, and faculty or staff salaries or other funds in the possession of the public univer-
 3 sity. The board shall provide opportunity for hearing for the determination of controversies in con-
 4 nection with imposition of fines or penalties. The board may prescribe procedures for such hearings
 5 despite the provisions of ORS 183.413 to 183.470. Persons other than students, faculty or staff may
 6 voluntarily submit to the hearing procedures prescribed by the board, and shall be bound by the
 7 results of the hearing. The powers granted to the board by this section are supplemental to the ex-
 8 isting powers of the board with respect to the government of activities of students, faculty and staff
 9 and the control and management of property under its jurisdiction.

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

13 (4) All fees and charges for parking privileges and violations are deposited in a designated ac-
 14 count in the Oregon University System Fund established by ORS 351.506 for the purpose of defraying
 15 the costs of constructing bicycle racks and bicycle lanes and of traffic control, enforcement of traffic
 16 and parking regulations and maintenance and operation of parking facilities and for the purpose of
 17 acquiring and constructing additional parking facilities for vehicles at the various public universi-
 18 ties and offices, departments and activities under the control of the board. Fees and charges may
 19 also be credited to the account in the Oregon University System Fund designated by ORS 351.460.
 20 Parking fees shall be established at levels no greater than those required to finance the con-
 21 struction, operation and maintenance of parking facilities on the same campus of the public univer-
 22 sity for which the parking is provided. Notwithstanding ORS 351.072, parking fees or changes in fees
 23 shall be adopted [*by rule of*] **in accordance with standards issued by** the board [*subject to the*
 24 *procedure for rules adopted in ORS chapter 183*].

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

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

33 (7) In proceedings brought to enforce regulations enacted pursuant to subsection (1) of this
 34 section, it shall be sufficient to charge the defendant by an unsworn written notice in accordance
 35 with the provisions of ORS 221.333. In any case in which the defendant is not subject to and does
 36 not voluntarily submit to the hearing procedures prescribed under subsection (2) of this section,
 37 proceedings to enforce regulations enacted pursuant to subsection (1) of this section shall be
 38 brought in the name of the board in a circuit court, a justice court or a city court for offenses
 39 committed within the territorial jurisdiction of such court. Such courts shall have concurrent juris-
 40 diction over offenses committed within their respective jurisdictions. All fines, penalties and court
 41 costs recovered shall be paid to the clerk of the court involved and shall be disposed of as provided
 42 in ORS 153.640 to 153.680.

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

45 21.007. It is the intent of the Legislative Assembly that funding be provided to the following

1 entities by appropriations each biennium to fund programs, services and activities that were funded
2 through court fees before the 2011-2013 biennium:

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

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

7 (3) To [*the Oregon University System*] **Portland State University and the University of**
8 **Oregon** to fund the programs and expenses of the Mark O. Hatfield School of Government and the
9 University of Oregon School of Law under ORS 36.100 to 36.238 and 183.502.

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

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

15 (6) To the State Department of Agriculture for the purpose of funding mediation programs es-
16 tablished by the department, other than individual farm credit mediations.

17 (7) To the Judicial Department for the purposes of funding the appellate settlement program
18 established under ORS 2.560.

19 (8) To the Department of Human Services for the funding of the Office of Children's Advocate.

20 **SECTION 101.** ORS 30.264 is amended to read:

21 30.264. (1)(a) The State Board of Higher Education may authorize public universities listed in
22 ORS [352.002] **351.011** to provide liability insurance coverage for students involved in off-campus
23 experiential activities, including, but not limited to, student teaching, internships, clinical experi-
24 ences, capstone projects and related activities.

25 **(b) The governing board of a public university with a governing board listed in section 3**
26 **of this 2013 Act may authorize the university to provide liability insurance coverage for**
27 **students involved in off-campus experiential activities, including, but not limited to, student**
28 **teaching, internships, clinical experiences, capstone projects and related activities.**

29 (2) If commercial liability insurance coverage is not available to the public universities, students
30 participating in the activities described in subsection (1) of this section shall be considered to be
31 acting within the course and scope of state employment duties for purposes of ORS 30.260 to 30.300.

32 **SECTION 102.** ORS 30.864 is amended to read:

33 30.864. (1) Any person claiming to be aggrieved by the reckless disclosure of personally iden-
34 tifiable information from a student's education records as prohibited by [*rules of*] **standards issued**
35 **by the State Board of Education, [or] the State Board of Higher Education or the governing board**
36 **of a public university with a governing board listed in section 3 of this 2013 Act** may file a civil
37 action in circuit court for equitable relief or, subject to the terms and conditions of ORS 30.265 to
38 30.300, for damages, or both. The court may order such other relief as may be appropriate.

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

41 (3) In an action brought under this section, the court may allow the prevailing party costs, dis-
42 bursements and reasonable attorney fees.

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

44 36.145. The Dispute Resolution Account is established in the State Treasury, separate and dis-
45 tinct from the General Fund. All moneys received under ORS 36.150 shall be deposited to the credit

1 of the account. Notwithstanding the provisions of ORS 291.238, all moneys in the account are con-
2 tinuously appropriated to the [*Oregon University System*] **University of Oregon or Portland State**
3 **University** for the purposes for which the moneys were made available and shall be expended in
4 accordance with the terms and conditions upon which the moneys were made available.

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

6 36.150. [*The Oregon University System*] **Portland State University**, on behalf of the Mark O.
7 Hatfield School of Government and the **University of Oregon, on behalf of the** University of
8 Oregon School of Law, may accept and expend moneys from any public or private source, including
9 the federal government, made available for the purpose of encouraging, promoting or establishing
10 dispute resolution programs in Oregon or to facilitate and assist the schools in carrying out the
11 responsibilities of the schools under ORS 36.100 to 36.238 and 183.502. All moneys received by the
12 [*Oregon University System*] **University of Oregon and Portland State University** under this sec-
13 tion shall be deposited in the Dispute Resolution Account.

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

15 36.155. The Dean of the University of Oregon School of Law shall award grants for the purpose
16 of providing dispute resolution services in counties. Grants under this section shall be made from
17 funds [*appropriated*] **allocated** to the [*Oregon University System*] **University of Oregon** on behalf
18 of the University of Oregon School of Law for distribution under this section. The [*State Board of*
19 *Higher Education*] **Board of Trustees of the University of Oregon** may adopt [*rules*] **standards**
20 for the operation of the grant program.

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

22 184.631. (1) The Department of Transportation shall establish a public-private partnership re-
23 search and development program.

24 (2) As part of the program established under this section, the department may enter into joint
25 research and development agreements for the purpose of developing products for market that may
26 reduce the cost of maintenance and preservation or extend the useful life of the state's highways
27 or that may improve highway safety. The department may enter into agreements with the following:

28 (a) Individuals.

29 (b) Businesses.

30 (c) Nonprofit organizations.

31 (d) The State Board of Higher Education.

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

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

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

39 (5) The department shall adopt rules that govern the solicitation and selection of product de-
40 velopment projects that will receive funding under the program established under this section.

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

42 190.510. As used in ORS 190.510 to 190.610, unless the context requires otherwise,[:]

43 [(1) "*Board*" means the State Board of Higher Education established under ORS 351.015.]

44 [(2)] "city" means any incorporated city or town.

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

1 190.520. (1) *[The State Board of Higher Education]* **Portland State University** shall:

2 (a) Annually estimate the population as of July 1 of each city and county within the state and
3 no later than December 15 of each year prepare a certificate of population showing the *[board's]*
4 **university's** estimate of the population of each city and county within the state as of July 1. The
5 *[board's]* **university's** estimate may be based upon statistical or other pertinent data or upon an
6 actual count. The certificate shall also indicate the results of any enumeration of cities or annexed
7 areas made after July 1.

8 (b) Annually estimate the number of persons between the ages of 4 and 20 who resided in each
9 county as of October 25. The *[board]* **university** shall certify such estimate to the Superintendent
10 of Public Instruction and to the executive officer of the administrative office of each county, as de-
11 fined in ORS 328.001, by January 1 of each year.

12 (c) Upon an official request from a city, county, political subdivision, public corporation or state
13 agency, cause to be conducted at the expense of the requesting party an actual count of the popu-
14 lation of the area specified in the request and prepare a certificate of population based upon such
15 count.

16 (d) Upon the incorporation of a city, cause to be conducted at the expense of the city an actual
17 count of the population of the city. The *[board]* **university** shall prepare a certificate of population
18 based upon such count. If the election of officers of the newly incorporated city is held 40 days or
19 more before the end of the calendar quarter, the certificate shall be prepared before the end of the
20 calendar quarter. If the election is held less than 40 days before the end of the calendar quarter, the
21 certificate shall be prepared before the end of the calendar quarter next following the election.

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

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

25 190.530. Upon petition from a city, county, political subdivision, public corporation or state
26 agency for reconsideration, or upon its own motion, *[the State Board of Higher Education]* **Portland**
27 **State University** may revise its determination of the population of a city, county or other area.
28 Payment of funds to a city, county or other area under ORS 323.455, 366.785 to 366.820 or 471.810
29 shall be affected by a subsequent filing of a corrected certificate under this section in the manner
30 provided by ORS 190.620.

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

32 190.540. (1) The population shown in the certificate of population *[of the State Board of Higher*
33 *Education]* filed pursuant to ORS 190.520 or 190.530 shall be the official population of the city,
34 county or other area covered by the certificate until a later certificate covering such city, county
35 or other area is filed by *[the board]* **Portland State University**.

36 (2) After a certificate of population is filed pursuant to ORS 190.520 or 190.530, the population
37 of a city, county or other area as shown in the certificate shall be the official and exclusive basis
38 for determining per capita allocation and payment of funds to such city, county or other area under
39 ORS 366.785 to 366.820 and 471.810 until the filing by the *[board]* **university** of a later certificate
40 for such city, county or other area.

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

42 190.580. *[The State Board of Higher Education]* **Portland State University** may adopt such
43 *[rules and regulations]* **standards** as it considers desirable and expedient in the conduct of its duties
44 under ORS 190.510 to 190.610.

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

1 190.590. Any state agency, or officer thereof, and any city, or department, officer or employee
2 thereof, shall, upon request of [*the State Board of Higher Education*] **Portland State University**,
3 furnish such available information as may be required by the [*board*] **university** in securing accu-
4 rate data and information upon which to base its estimates. The [*board*] **university** may prescribe
5 the form for reporting such information.

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

7 190.610. [*The State Board of Higher Education*] **Portland State University** shall establish a
8 program, [*at one or more of the public universities under its control,*] designed to perform the duties
9 imposed upon it by ORS 190.510 to 190.610.

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

11 294.311. As used in ORS 294.305 to 294.565, unless the context requires otherwise:

12 (1) "Accrual basis" means the recording of the financial effects on a municipal corporation of
13 transactions and other events and circumstances that have cash consequences for the municipal
14 corporation in the periods in which those transactions, events and circumstances occur, rather than
15 only in the periods in which cash is received or paid by the municipal corporation.

16 (2) "Activity" means a specific and distinguishable service performed by one or more organiza-
17 tional components of a municipal corporation to accomplish a function for which the municipal
18 corporation is responsible.

19 (3) "Appropriation" means an authorization granted by the governing body to make expenditures
20 and to incur obligations for specific purposes. An appropriation is limited to a single fiscal year for
21 municipal corporations preparing annual budgets, or to the budget period for municipal corporations
22 preparing biennial budgets.

23 (4) "Basis of accounting" means the cash basis, the modified accrual basis or the accrual basis.

24 (5) "Budget" means a plan of financial operation embodying an estimate of expenditures for a
25 given period or purpose and the proposed means of financing the estimated expenditures.

26 (6) "Budget document" means the estimates of expenditures and budget resources as set forth
27 on the estimate sheets, tax levy and the financial summary.

28 (7) "Budget period" means, for municipal corporations with the power to levy a tax upon prop-
29 erty, the two-year period commencing on July 1 and closing on June 30 of the second calendar year
30 next following, and for all other municipal corporations, an accounting period of 24 months ending
31 on the last day of any month.

32 (8) "Budget resources" means resources to which recourse can be had to meet obligations and
33 expenditures during the fiscal year or budget period covered by the budget.

34 (9) "Cash basis" means a basis of accounting under which transactions are recognized only in
35 the period during which cash is received or disbursed.

36 (10) "Current budget period" means the budget period in progress.

37 (11) "Current year" means the fiscal year in progress.

38 (12) "Encumbrance accounting" means the method of accounting under which outstanding
39 encumbrances are recognized as reductions of appropriations and the related commitments are car-
40 ried in a reserve for encumbrances until liquidated, either by replacement with an actual liability
41 or by cancellation. This method of accounting may be used as a modification to the accrual basis
42 of accounting in accordance with generally accepted accounting principles.

43 (13) "Encumbrances" means obligations in the form of purchase orders, contracts or salary
44 commitments which are chargeable to an appropriation and for which a part of the appropriation
45 is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

1 (14) "Ensuing budget period" means the budget period following the current budget period.

2 (15) "Ensuing year" means the fiscal year following the current year.

3 (16) "Expenditure" means, if the accounts are kept on the accrual basis or the modified accrual
4 basis, decreases in net financial resources and may include encumbrances. If the accounts are kept
5 on the cash basis, the term covers only actual disbursement, the drawing of the check or warrant
6 for these purposes and not encumbrances, except that deferred employee compensation shall be in-
7 cluded as a personnel service expenditure where an approved deferred employee compensation plan
8 is in effect for a municipal corporation.

9 (17) "Fiscal year" means for municipal corporations with the power to impose ad valorem
10 property taxes, the fiscal year commencing on July 1 and closing on June 30, and for all other mu-
11 nicipal corporations, an accounting period of 12 months ending on the last day of any month.

12 (18) "Fund balance" means the excess of the assets of a fund over its liabilities and reserves
13 except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal pe-
14 riod, it represents the excess of the fund's assets and estimated revenues for the period over its li-
15 abilities, reserves and appropriations for the period.

16 (19) "General county resources" means resources from property taxes, state and federal shared
17 revenue, beginning balances available for expenditure and interest not required to be allocated to
18 specific programs or activities.

19 (20) "Governing body" means the city council, board of commissioners, board of directors,
20 county court or other managing board of a municipal corporation including a board managing a
21 municipally owned public utility or a dock commission.

22 (21) "Grant" means a donation or contribution of cash to a governmental unit by a third party.

23 (22) "Intergovernmental entity" means an entity created under ORS 190.010 (5). The term in-
24 cludes any council of governments created prior to the enactment of ORS 190.010 (5).

25 (23) "Internal service fund" means a fund properly authorized to finance, on a cost reimburse-
26 ment basis, goods or services provided by one organizational unit of a municipal corporation to
27 other organizational units of the municipal corporation.

28 (24) "Liabilities" means probable future sacrifices of economic benefits, arising from present
29 obligations of a municipal corporation to transfer assets or provide services to other entities in the
30 future as a result of past transactions or events. The term does not include encumbrances.

31 (25)(a) "Modified accrual basis" means the accrual basis of accounting adapted to the govern-
32 mental fund-type measurement focus. Under this basis of accounting, revenues and other financial
33 resource increments, such as bond proceeds, are recognized when they become susceptible to ac-
34 crial, that is, when they become both measurable and available to finance expenditures in the cur-
35 rent period.

36 (b) As used in this subsection, "available" means collectible in the current period or soon
37 enough thereafter to be used to pay liabilities of the current period. Under this basis of accounting,
38 expenditures are recognized when the fund liability is incurred except for:

39 (A) Inventories of material and supplies that may be considered expenditures either when pur-
40 chased or when used; and

41 (B) Prepaid insurance and similar items that may be considered expenditures either when paid
42 for or when consumed.

43 (26) "Municipal corporation" means any county, city, port, school district, union high school
44 district, community college district and all other public or quasi-public corporations including a
45 municipal utility or dock commission operated by a separate board or commission. "Municipal cor-

1 poration” includes an intergovernmental entity or council of governments that proposes to impose
2 or imposes ad valorem property taxes.

3 (27) “Net working capital” means the sum of the cash, cash equivalents, investments, accounts
4 receivable expected to be converted to cash during the ensuing year or ensuing budget period, in-
5 ventories, supplies and prepaid expenses less current liabilities and, if encumbrance accounting is
6 adopted, reserve for encumbrances. The term is not applicable to the cash basis of accounting.

7 (28) “Object” means, as used in expenditure classification, articles purchased including, but not
8 limited to, land, buildings, equipment and vehicles, or services obtained including, but not limited
9 to, administrative services, clerical services, professional services, property services and travel, as
10 distinguished from the results obtained from expenditures.

11 (29) “Object classification” means a grouping of expenditures on the basis of goods or services
12 purchased, including, but not limited to, personnel services, materials, supplies and equipment.

13 (30) “Operating taxes” has the meaning given that term in ORS 310.055.

14 (31) “Organizational unit” means any administrative subdivision of a municipal corporation, es-
15 pecially one charged with carrying on one or more functions or activities.

16 (32) “Population” means the number of inhabitants of a municipal corporation according to
17 certified estimates of population made by [*the State Board of Higher Education*] **Portland State**
18 **University**.

19 (33) “Program” means a group of related activities aimed at accomplishing a major service or
20 function for which the municipality is responsible.

21 (34) “Public utility” means those public utility operations authorized by ORS chapter 225.

22 (35) “Publish” or “publication” means any one or more of the following methods of giving notice
23 or making information or documents available to members of the general public:

24 (a) Publication in one or more newspapers of general circulation within the jurisdictional
25 boundaries of the municipal corporation.

26 (b) Posting through the United States Postal Service by first class mail, postage prepaid, to each
27 street address within the jurisdictional boundaries of the municipal corporation and to each post
28 office box and rural route number belonging to a resident within the jurisdictional boundaries of the
29 municipal corporation.

30 (c) Hand delivery to each street address within the jurisdictional boundaries of the municipal
31 corporation.

32 (36) “Receipts” means cash received unless otherwise qualified.

33 (37) “Reserve for encumbrances” means a reserve representing the segregation of a portion of
34 a fund balance to provide for unliquidated encumbrances.

35 (38) “Revenue” means the gross receipts and receivables of a governmental unit derived from
36 taxes, licenses, fees and from all other sources, but excluding appropriations, allotments and return
37 of principal from investment of surplus funds.

38 (39) “Special revenue fund” means a fund properly authorized and used to finance particular
39 activities from the receipts of specific taxes or other revenues.

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

41 366.785. As used in ORS 366.785 to 366.820, unless the context requires otherwise:

42 (1) “Year” means a calendar year.

43 (2) “City” means only cities of this state which are regularly operating as such through elected
44 governmental officers.

45 (3) “Population” means population as given in the latest determination of [*the State Board of*

1 *Higher Education*] **Portland State University**, except that for a city of more than 100,000 popu-
 2 lation according to the latest such determination, the term means 74 percent of the number of pop-
 3 ulation given for the city in the determination for computation of its share for 1964, 78 percent for
 4 computation of its share for 1965, 82 percent for 1966, 86 percent for 1967, 90 percent for 1968, 94
 5 percent for 1969, 98 percent for 1970; and for 1971 and subsequent years computation shall be made
 6 on the basis of full number of population.

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

8 471.810. (1) At the end of each month, the Oregon Liquor Control Commission shall certify the
 9 amount of moneys available for distribution in the Oregon Liquor Control Commission Account and,
 10 after withholding such moneys as it may deem necessary to pay its outstanding obligations, shall
 11 within 35 days of the month for which a distribution is made direct the State Treasurer to pay the
 12 amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as fol-
 13 lows:

14 (a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this
 15 section, credited to the General Fund available for general governmental purposes wherein it shall
 16 be considered as revenue during the quarter immediately preceding receipt;

17 (b) Twenty percent to the cities of the state in such shares as the population of each city bears
 18 to the population of the cities of the state, as determined by [*the State Board of Higher Education*]
 19 **Portland State University** last preceding such apportionment, under ORS 190.510 to 190.610;

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

23 (d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and
 24 this section.

25 (2) The commission shall direct the Oregon Department of Administrative Services to transfer
 26 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health
 27 Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS
 28 430.380.

29 (3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding
 30 month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute
 31 the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d)
 32 and (2) of this section and the amounts that would have been paid or transferred under subsections
 33 (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct
 34 the Oregon Department of Administrative Services to pay or transfer amounts equal to the differ-
 35 ences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to
 36 the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

37 (4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal
 38 year an amount less than the amount distributed to the city or county in accordance with ORS
 39 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the
 40 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census.
 41 If the population declined, the per capita distribution to the city or county shall be not less than
 42 the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to
 43 maintain the level of distribution under this subsection shall be paid from funds credited under
 44 subsection (1)(a) of this section.

45 **SECTION 107.** ORS 192.501 is amended to read:

1 192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505
2 unless the public interest requires disclosure in the particular instance:

3 (1) Records of a public body pertaining to litigation to which the public body is a party if the
4 complaint has been filed, or if the complaint has not been filed, if the public body shows that such
5 litigation is reasonably likely to occur. This exemption does not apply to litigation which has been
6 concluded, and nothing in this subsection shall limit any right or opportunity granted by discovery
7 or deposition statutes to a party to litigation or potential litigation.

8 (2) Trade secrets. "Trade secrets," as used in this section, may include, but are not limited to,
9 any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or
10 compilation of information which is not patented, which is known only to certain individuals within
11 an organization and which is used in a business it conducts, having actual or potential commercial
12 value, and which gives its user an opportunity to obtain a business advantage over competitors who
13 do not know or use it.

14 (3) Investigatory information compiled for criminal law purposes. The record of an arrest or the
15 report of a crime shall be disclosed unless and only for so long as there is a clear need to delay
16 disclosure in the course of a specific investigation, including the need to protect the complaining
17 party or the victim. Nothing in this subsection shall limit any right constitutionally guaranteed, or
18 granted by statute, to disclosure or discovery in criminal cases. For purposes of this subsection, the
19 record of an arrest or the report of a crime includes, but is not limited to:

20 (a) The arrested person's name, age, residence, employment, marital status and similar bi-
21 ographical information;

22 (b) The offense with which the arrested person is charged;

23 (c) The conditions of release pursuant to ORS 135.230 to 135.290;

24 (d) The identity of and biographical information concerning both complaining party and victim;

25 (e) The identity of the investigating and arresting agency and the length of the investigation;

26 (f) The circumstances of arrest, including time, place, resistance, pursuit and weapons used; and

27 (g) Such information as may be necessary to enlist public assistance in apprehending fugitives
28 from justice.

29 (4) Test questions, scoring keys, and other data used to administer a licensing examination,
30 employment, academic or other examination or testing procedure before the examination is given
31 and if the examination is to be used again. Records establishing procedures for and instructing
32 persons administering, grading or evaluating an examination or testing procedure are included in
33 this exemption, to the extent that disclosure would create a risk that the result might be affected.

34 (5) Information consisting of production records, sale or purchase records or catch records, or
35 similar business records of a private concern or enterprise, required by law to be submitted to or
36 inspected by a governmental body to allow it to determine fees or assessments payable or to estab-
37 lish production quotas, and the amounts of such fees or assessments payable or paid, to the extent
38 that such information is in a form which would permit identification of the individual concern or
39 enterprise. This exemption does not include records submitted by long term care facilities as defined
40 in ORS 442.015 to the state for purposes of reimbursement of expenses or determining fees for pa-
41 tient care. Nothing in this subsection shall limit the use which can be made of such information for
42 regulatory purposes or its admissibility in any enforcement proceeding.

43 (6) Information relating to the appraisal of real estate prior to its acquisition.

44 (7) The names and signatures of employees who sign authorization cards or petitions for the
45 purpose of requesting representation or decertification elections.

1 (8) Investigatory information relating to any complaint filed under ORS 659A.820 or 659A.825,
2 until such time as the complaint is resolved under ORS 659A.835, or a final order is issued under
3 ORS 659A.850.

4 (9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and
5 663.180.

6 (10) Records, reports and other information received or compiled by the Director of the De-
7 partment of Consumer and Business Services under ORS 697.732.

8 (11) Information concerning the location of archaeological sites or objects as those terms are
9 defined in ORS 358.905, except if the governing body of an Indian tribe requests the information and
10 the need for the information is related to that Indian tribe's cultural or religious activities. This
11 exemption does not include information relating to a site that is all or part of an existing, commonly
12 known and publicized tourist facility or attraction.

13 (12) A personnel discipline action, or materials or documents supporting that action.

14 (13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and
15 564.100, regarding the habitat, location or population of any threatened species or endangered spe-
16 cies.

17 (14) Writings prepared by or under the direction of faculty of public educational institutions, in
18 connection with research, until publicly released, copyrighted or patented.

19 (15) Computer programs developed or purchased by or for any public body for its own use. As
20 used in this subsection, "computer program" means a series of instructions or statements which
21 permit the functioning of a computer system in a manner designed to provide storage, retrieval and
22 manipulation of data from such computer system, and any associated documentation and source
23 material that explain how to operate the computer program. "Computer program" does not include:

24 (a) The original data, including but not limited to numbers, text, voice, graphics and images;

25 (b) Analyses, compilations and other manipulated forms of the original data produced by use of
26 the program; or

27 (c) The mathematical and statistical formulas which would be used if the manipulated forms of
28 the original data were to be produced manually.

29 (16) Data and information provided by participants to mediation under ORS 36.256.

30 (17) Investigatory information relating to any complaint or charge filed under ORS chapter 654,
31 until a final administrative determination is made or, if a citation is issued, until an employer re-
32 ceives notice of any citation.

33 (18) Specific operational plans in connection with an anticipated threat to individual or public
34 safety for deployment and use of personnel and equipment, prepared or used by a public body, if
35 public disclosure of the plans would endanger an individual's life or physical safety or jeopardize a
36 law enforcement activity.

37 (19)(a) Audits or audit reports required of a telecommunications carrier. As used in this para-
38 graph, "audit or audit report" means any external or internal audit or audit report pertaining to a
39 telecommunications carrier, as defined in ORS 133.721, or pertaining to a corporation having an af-
40 filiated interest, as defined in ORS 759.390, with a telecommunications carrier that is intended to
41 make the operations of the entity more efficient, accurate or compliant with applicable rules, pro-
42 cedures or standards, that may include self-criticism and that has been filed by the telecommuni-
43 cations carrier or affiliate under compulsion of state law. "Audit or audit report" does not mean an
44 audit of a cost study that would be discoverable in a contested case proceeding and that is not
45 subject to a protective order; and

1 (b) Financial statements. As used in this paragraph, “financial statement” means a financial
2 statement of a nonregulated corporation having an affiliated interest, as defined in ORS 759.390,
3 with a telecommunications carrier, as defined in ORS 133.721.

4 (20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS
5 247.967.

6 (21) The following records, communications and information submitted to a housing authority
7 as defined in ORS 456.005, or to an urban renewal agency as defined in ORS 457.010, by applicants
8 for and recipients of loans, grants and tax credits:

9 (a) Personal and corporate financial statements and information, including tax returns;

10 (b) Credit reports;

11 (c) Project appraisals;

12 (d) Market studies and analyses;

13 (e) Articles of incorporation, partnership agreements and operating agreements;

14 (f) Commitment letters;

15 (g) Project pro forma statements;

16 (h) Project cost certifications and cost data;

17 (i) Audits;

18 (j) Project tenant correspondence requested to be confidential;

19 (k) Tenant files relating to certification; and

20 (L) Housing assistance payment requests.

21 (22) Records or information that, if disclosed, would allow a person to:

22 (a) Gain unauthorized access to buildings or other property;

23 (b) Identify those areas of structural or operational vulnerability that would permit unlawful
24 disruption to, or interference with, services; or

25 (c) Disrupt, interfere with or gain unauthorized access to public funds or to information pro-
26 cessing, communication or telecommunication systems, including the information contained in the
27 systems, that are used or operated by a public body.

28 (23) Records or information that would reveal or otherwise identify security measures, or
29 weaknesses or potential weaknesses in security measures, taken or recommended to be taken to
30 protect:

31 (a) An individual;

32 (b) Buildings or other property;

33 (c) Information processing, communication or telecommunication systems, including the infor-
34 mation contained in the systems; or

35 (d) Those operations of the Oregon State Lottery the security of which are subject to study and
36 evaluation under ORS 461.180 (6).

37 (24) Personal information held by or under the direction of officials of the Oregon Health and
38 Science University, **a public university listed in ORS 352.002** or the Oregon University System
39 about a person who has or who is interested in donating money or property to the **Oregon Health**
40 **and Science** University, the system or a public university [*listed in ORS 352.002*], if the information
41 is related to the family of the person, personal assets of the person or is incidental information not
42 related to the donation.

43 (25) The home address, professional address and telephone number of a person who has or who
44 is interested in donating money or property to the Oregon University System **or a public university**
45 **listed in ORS 352.002.**

1 (26) Records of the name and address of a person who files a report with or pays an assessment
2 to a commodity commission established under ORS 576.051 to 576.455, the Oregon Beef Council
3 created under ORS 577.210 or the Oregon Wheat Commission created under ORS 578.030.

4 (27) Information provided to, obtained by or used by a public body to authorize, originate, re-
5 ceive or authenticate a transfer of funds, including but not limited to a credit card number, payment
6 card expiration date, password, financial institution account number and financial institution routing
7 number.

8 (28) Social Security numbers as provided in ORS 107.840.

9 (29) The electronic mail address of a student who attends a public university listed in ORS
10 352.002 or Oregon Health and Science University.

11 (30) The name, home address, professional address or location of a person that is engaged in,
12 or that provides goods or services for, medical research at Oregon Health and Science University
13 that is conducted using animals other than rodents. This subsection does not apply to Oregon Health
14 and Science University press releases, websites or other publications circulated to the general pub-
15 lic.

16 (31) If requested by a public safety officer, as defined in ORS 181.610:

17 (a) The home address and home telephone number of the public safety officer contained in the
18 voter registration records for the public safety officer.

19 (b) The home address and home telephone number of the public safety officer contained in re-
20 cords of the Department of Public Safety Standards and Training.

21 (c) The name of the public safety officer contained in county real property assessment or taxa-
22 tion records. This exemption:

23 (A) Applies only to the name of the public safety officer and any other owner of the property
24 in connection with a specific property identified by the officer in a request for exemption from dis-
25 closure;

26 (B) Applies only to records that may be made immediately available to the public upon request
27 in person, by telephone or using the Internet;

28 (C) Applies until the public safety officer requests termination of the exemption;

29 (D) Does not apply to disclosure of records among public bodies as defined in ORS 174.109 for
30 governmental purposes; and

31 (E) May not result in liability for the county if the name of the public safety officer is disclosed
32 after a request for exemption from disclosure is made under this subsection.

33 (32) Unless the public records request is made by a financial institution, as defined in ORS
34 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage
35 broker licensed under ORS 86A.095 to 86A.198, or title company for business purposes, records de-
36 scribed in paragraph (a) of this subsection, if the exemption from disclosure of the records is sought
37 by an individual described in paragraph (b) of this subsection using the procedure described in par-
38 agraph (c) of this subsection:

39 (a) The home address, home or cellular telephone number or personal electronic mail address
40 contained in the records of any public body that has received the request that is set forth in:

41 (A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance, release, satisfaction,
42 substitution of trustee, easement, dog license, marriage license or military discharge record that is
43 in the possession of the county clerk; or

44 (B) Any public record of a public body other than the county clerk.

45 (b) The individual claiming the exemption from disclosure must be a district attorney, a deputy

1 district attorney, the Attorney General or an assistant attorney general, the United States Attorney
2 for the District of Oregon or an assistant United States attorney for the District of Oregon, a city
3 attorney who engages in the prosecution of criminal matters or a deputy city attorney who engages
4 in the prosecution of criminal matters.

5 (c) The individual claiming the exemption from disclosure must do so by filing the claim in
6 writing with the public body for which the exemption from disclosure is being claimed on a form
7 prescribed by the public body. Unless the claim is filed with the county clerk, the claim form shall
8 list the public records in the possession of the public body to which the exemption applies. The ex-
9 emption applies until the individual claiming the exemption requests termination of the exemption
10 or ceases to qualify for the exemption.

11 (33) Land management plans required for voluntary stewardship agreements entered into under
12 ORS 541.423.

13 (34) Sensitive business records or financial or commercial information of the State Accident In-
14 surance Fund Corporation that is not customarily provided to business competitors. This exemption
15 does not:

16 (a) Apply to the formulas for determining dividends to be paid to employers insured by the State
17 Accident Insurance Fund Corporation;

18 (b) Apply to contracts for advertising, public relations or lobbying services or to documents re-
19 lated to the formation of such contracts;

20 (c) Apply to group insurance contracts or to documents relating to the formation of such con-
21 tracts, except that employer account records shall remain exempt from disclosure as provided in
22 ORS 192.502 (35); or

23 (d) Provide the basis for opposing the discovery of documents in litigation pursuant to the ap-
24 plicable rules of civil procedure.

25 (35) Records of the Department of Public Safety Standards and Training relating to investi-
26 gations conducted under ORS 181.662 or 181.878 (6), until the department issues the report described
27 in ORS 181.662 or 181.878.

28 (36) A medical examiner's report, autopsy report or laboratory test report ordered by a medical
29 examiner under ORS 146.117.

30 (37) Any document or other information related to an audit of a public body, as defined in ORS
31 174.109, that is in the custody of an auditor or audit organization operating under nationally re-
32 cognized government auditing standards, until the auditor or audit organization issues a final audit
33 report in accordance with those standards or the audit is abandoned. This exemption does not pro-
34 hibit disclosure of a draft audit report that is provided to the audited entity for the entity's response
35 to the audit findings.

36 **SECTION 108.** ORS 192.501, as amended by section 3, chapter 455, Oregon Laws 2005, section
37 7, chapter 608, Oregon Laws 2007, section 2, chapter 687, Oregon Laws 2007, section 2, chapter 48,
38 Oregon Laws 2008, section 3, chapter 57, Oregon Laws 2009, section 2, chapter 135, Oregon Laws
39 2009, section 4, chapter 222, Oregon Laws 2009, section 2, chapter 769, Oregon Laws 2009, section
40 15, chapter 9, Oregon Laws 2011, section 2, chapter 285, Oregon Laws 2011, and section 69, chapter
41 637, Oregon Laws 2011, is amended to read:

42 192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505
43 unless the public interest requires disclosure in the particular instance:

44 (1) Records of a public body pertaining to litigation to which the public body is a party if the
45 complaint has been filed, or if the complaint has not been filed, if the public body shows that such

1 litigation is reasonably likely to occur. This exemption does not apply to litigation which has been
2 concluded, and nothing in this subsection shall limit any right or opportunity granted by discovery
3 or deposition statutes to a party to litigation or potential litigation.

4 (2) Trade secrets. "Trade secrets," as used in this section, may include, but are not limited to,
5 any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or
6 compilation of information which is not patented, which is known only to certain individuals within
7 an organization and which is used in a business it conducts, having actual or potential commercial
8 value, and which gives its user an opportunity to obtain a business advantage over competitors who
9 do not know or use it.

10 (3) Investigatory information compiled for criminal law purposes. The record of an arrest or the
11 report of a crime shall be disclosed unless and only for so long as there is a clear need to delay
12 disclosure in the course of a specific investigation, including the need to protect the complaining
13 party or the victim. Nothing in this subsection shall limit any right constitutionally guaranteed, or
14 granted by statute, to disclosure or discovery in criminal cases. For purposes of this subsection, the
15 record of an arrest or the report of a crime includes, but is not limited to:

16 (a) The arrested person's name, age, residence, employment, marital status and similar bi-
17 ographical information;

18 (b) The offense with which the arrested person is charged;

19 (c) The conditions of release pursuant to ORS 135.230 to 135.290;

20 (d) The identity of and biographical information concerning both complaining party and victim;

21 (e) The identity of the investigating and arresting agency and the length of the investigation;

22 (f) The circumstances of arrest, including time, place, resistance, pursuit and weapons used; and

23 (g) Such information as may be necessary to enlist public assistance in apprehending fugitives
24 from justice.

25 (4) Test questions, scoring keys, and other data used to administer a licensing examination,
26 employment, academic or other examination or testing procedure before the examination is given
27 and if the examination is to be used again. Records establishing procedures for and instructing
28 persons administering, grading or evaluating an examination or testing procedure are included in
29 this exemption, to the extent that disclosure would create a risk that the result might be affected.

30 (5) Information consisting of production records, sale or purchase records or catch records, or
31 similar business records of a private concern or enterprise, required by law to be submitted to or
32 inspected by a governmental body to allow it to determine fees or assessments payable or to estab-
33 lish production quotas, and the amounts of such fees or assessments payable or paid, to the extent
34 that such information is in a form which would permit identification of the individual concern or
35 enterprise. This exemption does not include records submitted by long term care facilities as defined
36 in ORS 442.015 to the state for purposes of reimbursement of expenses or determining fees for pa-
37 tient care. Nothing in this subsection shall limit the use which can be made of such information for
38 regulatory purposes or its admissibility in any enforcement proceeding.

39 (6) Information relating to the appraisal of real estate prior to its acquisition.

40 (7) The names and signatures of employees who sign authorization cards or petitions for the
41 purpose of requesting representation or decertification elections.

42 (8) Investigatory information relating to any complaint filed under ORS 659A.820 or 659A.825,
43 until such time as the complaint is resolved under ORS 659A.835, or a final order is issued under
44 ORS 659A.850.

45 (9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and

1 663.180.

2 (10) Records, reports and other information received or compiled by the Director of the De-
3 partment of Consumer and Business Services under ORS 697.732.

4 (11) Information concerning the location of archaeological sites or objects as those terms are
5 defined in ORS 358.905, except if the governing body of an Indian tribe requests the information and
6 the need for the information is related to that Indian tribe's cultural or religious activities. This
7 exemption does not include information relating to a site that is all or part of an existing, commonly
8 known and publicized tourist facility or attraction.

9 (12) A personnel discipline action, or materials or documents supporting that action.

10 (13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and
11 564.100, regarding the habitat, location or population of any threatened species or endangered spe-
12 cies.

13 (14) Writings prepared by or under the direction of faculty of public educational institutions, in
14 connection with research, until publicly released, copyrighted or patented.

15 (15) Computer programs developed or purchased by or for any public body for its own use. As
16 used in this subsection, "computer program" means a series of instructions or statements which
17 permit the functioning of a computer system in a manner designed to provide storage, retrieval and
18 manipulation of data from such computer system, and any associated documentation and source
19 material that explain how to operate the computer program. "Computer program" does not include:

20 (a) The original data, including but not limited to numbers, text, voice, graphics and images;

21 (b) Analyses, compilations and other manipulated forms of the original data produced by use of
22 the program; or

23 (c) The mathematical and statistical formulas which would be used if the manipulated forms of
24 the original data were to be produced manually.

25 (16) Data and information provided by participants to mediation under ORS 36.256.

26 (17) Investigatory information relating to any complaint or charge filed under ORS chapter 654,
27 until a final administrative determination is made or, if a citation is issued, until an employer re-
28 ceives notice of any citation.

29 (18) Specific operational plans in connection with an anticipated threat to individual or public
30 safety for deployment and use of personnel and equipment, prepared or used by a public body, if
31 public disclosure of the plans would endanger an individual's life or physical safety or jeopardize a
32 law enforcement activity.

33 (19)(a) Audits or audit reports required of a telecommunications carrier. As used in this para-
34 graph, "audit or audit report" means any external or internal audit or audit report pertaining to a
35 telecommunications carrier, as defined in ORS 133.721, or pertaining to a corporation having an af-
36 filiated interest, as defined in ORS 759.390, with a telecommunications carrier that is intended to
37 make the operations of the entity more efficient, accurate or compliant with applicable rules, pro-
38 cedures or standards, that may include self-criticism and that has been filed by the telecommuni-
39 cations carrier or affiliate under compulsion of state law. "Audit or audit report" does not mean an
40 audit of a cost study that would be discoverable in a contested case proceeding and that is not
41 subject to a protective order; and

42 (b) Financial statements. As used in this paragraph, "financial statement" means a financial
43 statement of a nonregulated corporation having an affiliated interest, as defined in ORS 759.390,
44 with a telecommunications carrier, as defined in ORS 133.721.

45 (20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS

1 247.967.

2 (21) The following records, communications and information submitted to a housing authority
3 as defined in ORS 456.005, or to an urban renewal agency as defined in ORS 457.010, by applicants
4 for and recipients of loans, grants and tax credits:

5 (a) Personal and corporate financial statements and information, including tax returns;

6 (b) Credit reports;

7 (c) Project appraisals;

8 (d) Market studies and analyses;

9 (e) Articles of incorporation, partnership agreements and operating agreements;

10 (f) Commitment letters;

11 (g) Project pro forma statements;

12 (h) Project cost certifications and cost data;

13 (i) Audits;

14 (j) Project tenant correspondence requested to be confidential;

15 (k) Tenant files relating to certification; and

16 (L) Housing assistance payment requests.

17 (22) Records or information that, if disclosed, would allow a person to:

18 (a) Gain unauthorized access to buildings or other property;

19 (b) Identify those areas of structural or operational vulnerability that would permit unlawful
20 disruption to, or interference with, services; or

21 (c) Disrupt, interfere with or gain unauthorized access to public funds or to information pro-
22 cessing, communication or telecommunication systems, including the information contained in the
23 systems, that are used or operated by a public body.

24 (23) Records or information that would reveal or otherwise identify security measures, or
25 weaknesses or potential weaknesses in security measures, taken or recommended to be taken to
26 protect:

27 (a) An individual;

28 (b) Buildings or other property;

29 (c) Information processing, communication or telecommunication systems, including the infor-
30 mation contained in the systems; or

31 (d) Those operations of the Oregon State Lottery the security of which are subject to study and
32 evaluation under ORS 461.180 (6).

33 (24) Personal information held by or under the direction of officials of the Oregon Health and
34 Science University, a **public university listed in ORS 352.002** or the Oregon University System
35 about a person who has or who is interested in donating money or property to the **Oregon Health**
36 **and Science** University, the system or a public university [*listed in ORS 352.002*], if the information
37 is related to the family of the person, personal assets of the person or is incidental information not
38 related to the donation.

39 (25) The home address, professional address and telephone number of a person who has or who
40 is interested in donating money or property to the Oregon University System **or a public university**
41 **listed in ORS 352.002**.

42 (26) Records of the name and address of a person who files a report with or pays an assessment
43 to a commodity commission established under ORS 576.051 to 576.455, the Oregon Beef Council
44 created under ORS 577.210 or the Oregon Wheat Commission created under ORS 578.030.

45 (27) Information provided to, obtained by or used by a public body to authorize, originate, re-

1 ceive or authenticate a transfer of funds, including but not limited to a credit card number, payment
2 card expiration date, password, financial institution account number and financial institution routing
3 number.

4 (28) Social Security numbers as provided in ORS 107.840.

5 (29) The electronic mail address of a student who attends a public university listed in ORS
6 352.002 or Oregon Health and Science University.

7 (30) If requested by a public safety officer, as defined in ORS 181.610:

8 (a) The home address and home telephone number of the public safety officer contained in the
9 voter registration records for the public safety officer.

10 (b) The home address and home telephone number of the public safety officer contained in re-
11 cords of the Department of Public Safety Standards and Training.

12 (c) The name of the public safety officer contained in county real property assessment or taxa-
13 tion records. This exemption:

14 (A) Applies only to the name of the public safety officer and any other owner of the property
15 in connection with a specific property identified by the officer in a request for exemption from dis-
16 closure;

17 (B) Applies only to records that may be made immediately available to the public upon request
18 in person, by telephone or using the Internet;

19 (C) Applies until the public safety officer requests termination of the exemption;

20 (D) Does not apply to disclosure of records among public bodies as defined in ORS 174.109 for
21 governmental purposes; and

22 (E) May not result in liability for the county if the name of the public safety officer is disclosed
23 after a request for exemption from disclosure is made under this subsection.

24 (31) Unless the public records request is made by a financial institution, as defined in ORS
25 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage
26 broker licensed under ORS 86A.095 to 86A.198, or title company for business purposes, records de-
27 scribed in paragraph (a) of this subsection, if the exemption from disclosure of the records is sought
28 by an individual described in paragraph (b) of this subsection using the procedure described in par-
29 agraph (c) of this subsection:

30 (a) The home address, home or cellular telephone number or personal electronic mail address
31 contained in the records of any public body that has received the request that is set forth in:

32 (A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance, release, satisfaction,
33 substitution of trustee, easement, dog license, marriage license or military discharge record that is
34 in the possession of the county clerk; or

35 (B) Any public record of a public body other than the county clerk.

36 (b) The individual claiming the exemption from disclosure must be a district attorney, a deputy
37 district attorney, the Attorney General or an assistant attorney general, the United States Attorney
38 for the District of Oregon or an assistant United States attorney for the District of Oregon, a city
39 attorney who engages in the prosecution of criminal matters or a deputy city attorney who engages
40 in the prosecution of criminal matters.

41 (c) The individual claiming the exemption from disclosure must do so by filing the claim in
42 writing with the public body for which the exemption from disclosure is being claimed on a form
43 prescribed by the public body. Unless the claim is filed with the county clerk, the claim form shall
44 list the public records in the possession of the public body to which the exemption applies. The ex-
45 emption applies until the individual claiming the exemption requests termination of the exemption

1 or ceases to qualify for the exemption.

2 (32) Land management plans required for voluntary stewardship agreements entered into under
3 ORS 541.423.

4 (33) Sensitive business records or financial or commercial information of the State Accident In-
5 surance Fund Corporation that is not customarily provided to business competitors. This exemption
6 does not:

7 (a) Apply to the formulas for determining dividends to be paid to employers insured by the State
8 Accident Insurance Fund Corporation;

9 (b) Apply to contracts for advertising, public relations or lobbying services or to documents re-
10 lated to the formation of such contracts;

11 (c) Apply to group insurance contracts or to documents relating to the formation of such con-
12 tracts, except that employer account records shall remain exempt from disclosure as provided in
13 ORS 192.502 (35); or

14 (d) Provide the basis for opposing the discovery of documents in litigation pursuant to the ap-
15 plicable rules of civil procedure.

16 (34) Records of the Department of Public Safety Standards and Training relating to investi-
17 gations conducted under ORS 181.662 or 181.878 (6), until the department issues the report described
18 in ORS 181.662 or 181.878.

19 (35) A medical examiner's report, autopsy report or laboratory test report ordered by a medical
20 examiner under ORS 146.117.

21 (36) Any document or other information related to an audit of a public body, as defined in ORS
22 174.109, that is in the custody of an auditor or audit organization operating under nationally re-
23 cognized government auditing standards, until the auditor or audit organization issues a final audit
24 report in accordance with those standards or the audit is abandoned. This exemption does not pro-
25 hibit disclosure of a draft audit report that is provided to the audited entity for the entity's response
26 to the audit findings.

27 **SECTION 109.** ORS 238.005, as amended by section 30, chapter 54, Oregon Laws 2012, is
28 amended to read:

29 238.005. For purposes of this chapter:

30 (1) "Active member" means a member who is presently employed by a participating public em-
31 ployer in a qualifying position and who has completed the six-month period of service required by
32 ORS 238.015.

33 (2) "Annuity" means payments for life derived from contributions made by a member as provided
34 in this chapter.

35 (3) "Board" means the Public Employees Retirement Board.

36 (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on De-
37 cember 31 following.

38 (5) "Continuous service" means service not interrupted for more than five years, except that
39 such continuous service shall be computed without regard to interruptions in the case of:

40 (a) An employee who had returned to the service of the employer as of January 1, 1945, and
41 who remained in that employment until having established membership in the Public Employees
42 Retirement System.

43 (b) An employee who was in the armed services on January 1, 1945, and returned to the service
44 of the employer within one year of the date of being otherwise than dishonorably discharged and
45 remained in that employment until having established membership in the Public Employees Retire-

1 ment System.

2 (6) "Creditable service" means any period of time during which an active member is being paid
3 a salary by a participating public employer and for which benefits under this chapter are funded by
4 employer contributions and earnings on the fund. For purposes of computing years of "creditable
5 service," full months and major fractions of a month shall be considered to be one-twelfth of a year
6 and shall be added to all full years. "Creditable service" includes all retirement credit received by
7 a member.

8 (7) "Earliest service retirement age" means the age attained by a member when the member
9 could first make application for retirement under the provisions of ORS 238.280.

10 (8) "Employee" includes, in addition to employees, public officers, but does not include:

11 (a) Persons engaged as independent contractors.

12 (b) Seasonal, emergency or casual workers whose periods of employment with any public em-
13 ployer or public employers do not total 600 hours in any calendar year.

14 (c) Persons, other than workers in the Oregon Industries for the Blind under ORS 346.190, pro-
15 vided sheltered employment or made-work by a public employer in an employment or industries
16 program maintained for the benefit of such persons.

17 (d) Persons employed and paid from federal funds received under a federal program intended
18 primarily to alleviate unemployment. However, any such person shall be considered an "employee"
19 if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects
20 to have the person so considered by an irrevocable written notice to the board.

21 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-
22 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph
23 shall be deemed to have been in effect since the inception of the system.

24 (9) "Final average salary" means whichever of the following is greater:

25 (a) The average salary per calendar year paid by one or more participating public employers to
26 an employee who is an active member of the system in three of the calendar years of membership
27 before the effective date of retirement of the employee, in which three years the employee was paid
28 the highest salary. The three calendar years in which the employee was paid the largest total salary
29 may include calendar years in which the employee was employed for less than a full calendar year.
30 If the number of calendar years of active membership before the effective date of retirement of the
31 employee is three or fewer, the final average salary for the employee is the average salary per cal-
32 endar year paid by one or more participating public employers to the employee in all of those years,
33 without regard to whether the employee was employed for the full calendar year.

34 (b) One-third of the total salary paid by a participating public employer to an employee who is
35 an active member of the system in the last 36 calendar months of active membership before the ef-
36 fective date of retirement of the employee.

37 (10) "Firefighter" does not include a volunteer firefighter, but does include:

38 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and

39 (b) An employee of the State Forestry Department who is certified by the State Forester as a
40 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
41 fires as described in ORS 477.064.

42 (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-
43 lowing.

44 (12) "Fund" means the Public Employees Retirement Fund.

45 (13) "Inactive member" means a member who is not employed in a qualifying position, whose

1 membership has not been terminated in the manner described by ORS 238.095 and who is not retired
2 for service or disability.

3 (14) "Institution of higher education" means a public university listed in ORS 352.002, the
4 Oregon Health and Science University and a community college, as defined in ORS 341.005.

5 (15) "Member" means a person who has established membership in the system and whose mem-
6 bership has not been terminated as described in ORS 238.095. "Member" includes active, inactive
7 and retired members.

8 (16) "Member account" means the regular account and the variable account.

9 (17) "Normal retirement age" means:

10 (a) For a person who establishes membership in the system before January 1, 1996, as described
11 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
12 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

13 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
14 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
15 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
16 firefighter.

17 (18) "Pension" means annual payments for life derived from contributions by one or more public
18 employers.

19 (19) "Police officer" includes:

20 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
21 whose duties, as assigned by the Director of the Department of Corrections, include the custody of
22 persons committed to the custody of or transferred to the Department of Corrections and employees
23 of the Department of Corrections who were classified as police officers on or before July 27, 1989,
24 whether or not such classification was authorized by law.

25 (b) Employees of the Department of State Police who are classified as police officers by the
26 Superintendent of State Police.

27 (c) Employees of the Oregon Liquor Control Commission who are classified as liquor enforce-
28 ment inspectors by the administrator of the commission.

29 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified
30 by the sheriff, are the regular duties of police officers or corrections officers.

31 (e) Police chiefs and police personnel of a city who are classified as police officers by the
32 council or other governing body of the city.

33 (f) Police officers who are commissioned by a university under ORS 352.383 and who are clas-
34 sified as police officers by the university.

35 (g) Parole and probation officers employed by the Department of Corrections, parole and pro-
36 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
37 probation officers, as defined in ORS 181.610, who are classified as police officers for the purposes
38 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
39 cers as police officers for the purposes of this chapter, and the employees so classified are repres-
40 ented by a labor organization, any proposal by the county to change that classification or to cease
41 to classify adult parole and probation officers as police officers for the purposes of this chapter is
42 a mandatory subject of bargaining.

43 (h) Police officers appointed under ORS 276.021 or 276.023.

44 (i) Employees of the Port of Portland who are classified as airport police by the Board of Com-
45 missioners of the Port of Portland.

1 (j) Employees of the State Department of Agriculture who are classified as livestock police of-
2 ficers by the Director of Agriculture.

3 (k) Employees of the Department of Public Safety Standards and Training who are classified by
4 the department as other than secretarial or clerical personnel.

5 (L) Investigators of the Criminal Justice Division of the Department of Justice.

6 (m) Corrections officers as defined in ORS 181.610.

7 (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the
8 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

9 (o) The Director of the Department of Corrections.

10 (p) An employee who for seven consecutive years has been classified as a police officer as de-
11 fined by this section, and who is employed or transferred by the Department of Corrections to fill
12 a position designated by the Director of the Department of Corrections as being eligible for police
13 officer status.

14 (q) An employee of the Department of Corrections classified as a police officer on or prior to
15 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
16 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
17 tem implemented pursuant to ORS 240.190 does not affect police officer status.

18 (r) Employees of a school district who are appointed and duly sworn members of a law
19 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
20 police officers commissioned by the district.

21 (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,
22 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
23 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the
24 Department of Corrections or the Oregon Youth Authority.

25 (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
26 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
27 in such facilities.

28 (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and pro-
29 bation officers.

30 (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)
31 to (6) (1999 Edition).

32 (21) "Public employer" means the state, one of its agencies, any city, county, or municipal or
33 public corporation, any political subdivision of the state or any instrumentality thereof, or an agency
34 created by one or more such governmental organizations to provide governmental services. For
35 purposes of this chapter, such agency created by one or more governmental organizations is a gov-
36 ernmental instrumentality and a legal entity with power to enter into contracts, hold property and
37 sue and be sued.

38 (22) "Qualifying position" means one or more jobs with one or more participating public em-
39 ployers in which an employee performs 600 or more hours of service in a calendar year, excluding
40 any service in a job for which a participating public employer does not provide benefits under this
41 chapter pursuant to an application made under ORS 238.035.

42 (23) "Regular account" means the account established for each active and inactive member un-
43 der ORS 238.250.

44 (24) "Retired member" means a member who is retired for service or disability.

45 (25) "Retirement credit" means a period of time that is treated as creditable service for the

1 purposes of this chapter.

2 (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public
3 employer in return for services to the employer, plus the monetary value, as determined by the
4 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and
5 other advantages the employer furnishes the employee in return for services.

6 (b) "Salary" includes but is not limited to:

7 (A) Payments of employee and employer money into a deferred compensation plan, which are
8 deemed salary paid in each month of deferral;

9 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
10 paid in each month of participation;

11 (C) Retroactive payments described in ORS 238.008; and

12 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
13 652.190.

14 (c) "Salary" or "other advantages" does not include:

15 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
16 employer;

17 (B) Payments for insurance coverage by an employer on behalf of employee or employee and
18 dependents, for which the employee has no cash option;

19 (C) Payments made on account of an employee's death;

20 (D) Any lump sum payment for accumulated unused sick leave;

21 (E) Any accelerated payment of an employment contract for a future period or an advance
22 against future wages;

23 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement
24 gratuitous payment;

25 (G) Payments for periods of leave of absence after the date the employer and employee have
26 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for
27 sick leave and vacation;

28 (H) Payments for instructional services rendered to public universities [*of the Oregon University*
29 *System*] **listed in ORS 352.002** or the Oregon Health and Science University when such services are
30 in excess of full-time employment subject to this chapter. A person employed under a contract for
31 less than 12 months is subject to this subparagraph only for the months to which the contract per-
32 tains; or

33 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an
34 employee.

35 (27) "School year" means the period beginning July 1 and ending June 30 next following.

36 (28) "System" means the Public Employees Retirement System.

37 (29) "Variable account" means the account established for a member who participates in the
38 Variable Annuity Account under ORS 238.260.

39 (30) "Vested" means being an active member of the system in each of five calendar years.

40 (31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600
41 hours of service per year.

42 **SECTION 110.** ORS 238.200 is amended to read:

43 238.200. (1)(a) An active member of the Public Employees Retirement System shall contribute to
44 the Public Employees Retirement Fund and there shall be withheld from salary of the member six
45 percent of that salary as an employee contribution.

1 (b) Notwithstanding paragraph (a) of this subsection, an employee who is an active member of
 2 the system on August 21, 1981, shall contribute to the fund and there shall be withheld from salary
 3 of the member, as long as the employee continues to be an active member of the system, four percent
 4 of that salary if the salary for a month is less than \$500, or five percent of that salary if the salary
 5 for a month is \$500 or more and less than \$1,000. Notwithstanding subsection (2) of this section, for
 6 the purpose of computing the percentage of salary to be withheld under this paragraph from a
 7 member who is an employee of a school district or *[of the State Board of Higher Education]* **a public**
 8 **university listed in ORS 352.002** whose salary is based on an annual agreement, the agreed annual
 9 salary of the member shall be divided into 12 equal installments, and each installment shall be
 10 considered as earned and paid in separate, consecutive months, commencing with the first month
 11 that payment is actually made under the terms of the salary agreement.

12 (2) The contributions of each member as provided in subsection (1) of this section shall be de-
 13 ducted by the employer from each payroll and transmitted by the employer to the Public Employees
 14 Retirement Board, which shall cause them to be credited to the member account of the member.
 15 Salary shall be considered earned in the month in which it is paid. The date inscribed on the pay-
 16 check or warrant shall be considered as the pay date, regardless of when the salary is actually de-
 17 livered to the member.

18 (3) An active member who is concurrently employed by more than one participating public em-
 19 ployer, and who is a member of or entitled to membership in the system, shall make contributions
 20 to the fund on the basis of salary paid by each employer.

21 (4) Notwithstanding subsections (1) to (3) of this section, a member of the system, or a partic-
 22 ipating employer acting on behalf of the member pursuant to ORS 238.205, is not permitted or re-
 23 quired to make employee contributions to the fund for service performed on or after January 1, 2004.
 24 This subsection does not affect any contribution for the purpose of unit purchases under ORS
 25 238.440 or amounts paid for acquisition of creditable service under ORS 238.105 to 238.175.

26 **SECTION 111.** ORS 238.215 is amended to read:

27 238.215. Notwithstanding any other provision of this chapter:

28 (1) An employee, as defined in ORS 243.910 (2), who is an active member of the system and who
 29 has elected, and not canceled that election, to be assisted **under ORS 243.920 (1)** by the State Board
 30 of Higher Education *[under ORS 243.920 (1), shall]* **or governing board of a public university with**
 31 **a governing board listed in section 3 of this 2013 Act, may** not contribute to the fund on any
 32 part of the annual salary of the employee in excess of \$4,800 at any time during which the *[State*
 33 *Board of Higher Education]* **board** assists the employee under ORS 243.920 (1).

34 (2) The current service pension, whether for service or disability retirement, under this chapter
 35 provided by the contributions of the employers of such employee shall be:

36 (a) If the State Board of Higher Education **or governing board** is assisting such employee under
 37 ORS 243.920 (1) at the time of retirement, a pension equal to the annuity provided by the employee's
 38 accumulated contributions to the fund.

39 (b) If the *[State Board of Higher Education]* **board** is not assisting such employee under ORS
 40 243.920 (1) at the time of retirement, but previously so assisted the employee:

41 (A) For service before the date the *[State Board of Higher Education]* **board** last ceased to assist
 42 the employee, a pension equal to the annuity provided by the employee's accumulated contributions
 43 to the fund before that date.

44 (B) For service on and after the date the *[State Board of Higher Education]* **board** last ceased
 45 to so assist the employee, a pension computed as provided in ORS 238.300 (2), but if the employee

1 retires before reaching the normal retirement age, actuarially reduced and computed on the then
 2 attained age. For the purpose of computing the pension under this subparagraph, only the number
 3 of years of membership of the employee after the day before that date and only the salary of the
 4 employee on which the employee contributes to the fund for those years shall be considered.

5 (3) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2),
 6 who is an active member of the system, who elected to be assisted by the State Board of Higher
 7 Education **or governing board** under ORS 243.920 (1) before January 1, 1968, who canceled that
 8 election within the first 60 days of the calendar year 1968 as provided in ORS 243.940 (5) and who
 9 does not thereafter elect to be assisted by the [*State Board of Higher Education*] **board** under ORS
 10 243.920 (1).

11 (4) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2),
 12 who is an active member of the system and has been an active member of the system continuously
 13 since any date before January 1, 1968; who elected to be assisted by the State Board of Higher Ed-
 14 ucation **or governing board** under ORS 243.920 (1) before January 1, 1968; and who cancels that
 15 election in any calendar year after 1968, but before the calendar year in which the employee retires,
 16 as provided in ORS 243.940 (5) and does not thereafter elect to be assisted by the [*State Board of*
 17 *Higher Education*] **board** under ORS 243.920 (1). In this case the benefit, whether for service or
 18 disability retirement, shall be computed as under ORS 238.300; however, for service during periods
 19 in which the employee was assisted by the [*State Board of Higher Education*] **board** under ORS
 20 243.920 (1), a year of membership as used in ORS 238.300 (2) shall be a portion of a year which is
 21 represented by a fraction the numerator of which is \$4,800 and the denominator of which is the
 22 salary earned by the employee in that year. However, in no case shall the fraction be greater than
 23 one.

24 **SECTION 112.** ORS 238A.005, as amended by section 1, chapter 31, Oregon Laws 2012, is
 25 amended to read:

26 238A.005. For the purposes of this chapter:

27 (1) "Active member" means a member of the pension program or the individual account program
 28 of the Oregon Public Service Retirement Plan who is actively employed in a qualifying position.

29 (2) "Actuarial equivalent" means a payment or series of payments having the same value as the
 30 payment or series of payments replaced, computed on the basis of interest rate and mortality as-
 31 sumptions adopted by the board.

32 (3) "Board" means the Public Employees Retirement Board.

33 (4) "Eligible employee" means a person who performs services for a participating public em-
 34 ployer, including elected officials other than judges. "Eligible employee" does not include:

35 (a) Persons engaged as independent contractors;

36 (b) Aliens working under a training or educational visa;

37 (c) Persons, other than workers in the Industries for the Blind Program under ORS 346.190,
 38 provided sheltered employment or make-work by a public employer;

39 (d) Persons categorized by a participating public employer as student employees;

40 (e) Any person who is an inmate of a state institution;

41 (f) Employees of foreign trade offices of the Oregon Business Development Department who live
 42 and perform services in foreign countries under the provisions of ORS 285A.075 (1)(g);

43 (g) An employee actively participating in an alternative retirement program established under
 44 ORS 353.250 or an optional retirement plan established under ORS 341.551;

45 (h) Employees of [*the Oregon University System*] **a public university listed in ORS 352.002** who

1 are actively participating in an optional retirement plan offered under ORS 243.800;

2 (i) Any employee who belongs to a class of employees that was not eligible on August 28, 2003,
3 for membership in the system under the provisions of ORS chapter 238 or other law;

4 (j) Any person who belongs to a class of employees who are not eligible to become members of
5 the Oregon Public Service Retirement Plan under the provisions of ORS 238A.070 (2);

6 (k) Any person who is retired under ORS 238A.100 to 238A.245 or ORS chapter 238 and who
7 continues to receive retirement benefits while employed; and

8 (L) Judges.

9 (5) "Firefighter" means:

10 (a) A person employed by a local government, as defined in ORS 174.116, whose primary job
11 duties include the fighting of fires;

12 (b) The State Fire Marshal, the chief deputy state fire marshal and deputy state fire marshals;
13 and

14 (c) An employee of the State Forestry Department who is certified by the State Forester as a
15 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
16 fires as described in ORS 477.064.

17 (6) "Fund" means the Public Employees Retirement Fund.

18 (7)(a) "Hour of service" means:

19 (A) An hour for which an eligible employee is directly or indirectly paid or entitled to payment
20 by a participating public employer for performance of duties in a qualifying position; and

21 (B) An hour of vacation, holiday, illness, incapacity, jury duty, military duty or authorized leave
22 during which an employee does not perform duties but for which the employee is directly or indi-
23 rectly paid or entitled to payment by a participating public employer for services in a qualifying
24 position, as long as the hour is within the number of hours regularly scheduled for the performance
25 of duties during the period of vacation, holiday, illness, incapacity, jury duty, military duty or au-
26 thorized leave.

27 (b) "Hour of service" does not include any hour for which payment is made or due under a plan
28 maintained solely for the purpose of complying with applicable workers' compensation laws or un-
29 employment compensation laws.

30 (8) "Inactive member" means a member of the pension program or the individual account pro-
31 gram of the Oregon Public Service Retirement Plan whose membership has not been terminated, who
32 is not a retired member and who is not employed in a qualifying position.

33 (9) "Individual account program" means the defined contribution individual account program of
34 the Oregon Public Service Retirement Plan established under ORS 238A.025.

35 (10) "Institution of higher education" means a public university listed in ORS 352.002, the
36 Oregon Health and Science University or a community college, as defined in ORS 341.005.

37 (11) "Member" means an eligible employee who has established membership in the pension pro-
38 gram or the individual account program of the Oregon Public Service Retirement Plan and whose
39 membership has not been terminated under ORS 238A.110 or 238A.310.

40 (12) "Participating public employer" means a public employer as defined in ORS 238.005 that
41 provides retirement benefits for employees of the public employer under the system.

42 (13) "Pension program" means the defined benefit pension program of the Oregon Public Service
43 Retirement Plan established under ORS 238A.025.

44 (14) "Police officer" means a police officer as described in ORS 238.005.

45 (15) "Qualifying position" means one or more jobs with one or more participating public em-

1 employers in which an eligible employee performs 600 or more hours of service in a calendar year,
2 excluding any service in a job for which benefits are not provided under the Oregon Public Service
3 Retirement Plan pursuant to ORS 238A.070 (2).

4 (16) "Retired member" means a pension program member who is receiving a pension as provided
5 in ORS 238A.180 to 238A.195.

6 (17)(a) "Salary" means the remuneration paid to an active member in return for services to the
7 participating public employer, including remuneration in the form of living quarters, board or other
8 items of value, to the extent the remuneration is includable in the employee's taxable income under
9 Oregon law. Salary includes the additional amounts specified in paragraph (b) of this subsection,
10 but does not include the amounts specified in paragraph (c) of this subsection, regardless of whether
11 those amounts are includable in taxable income.

12 (b) "Salary" includes the following amounts:

13 (A) Payments of employee and employer money into a deferred compensation plan that are made
14 at the election of the employee.

15 (B) Contributions to a tax-sheltered or deferred annuity that are made at the election of the
16 employee.

17 (C) Any amount that is contributed to a cafeteria plan or qualified transportation fringe benefit
18 plan by the employer at the election of the employee and that is not includable in the taxable in-
19 come of the employee by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2011.

20 (D) Any amount that is contributed to a cash or deferred arrangement by the employer at the
21 election of the employee and that is not included in the taxable income of the employee by reason
22 of 26 U.S.C. 402(e)(3), as in effect on December 31, 2011.

23 (E) Retroactive payments described in ORS 238.008.

24 (F) The amount of an employee contribution to the individual account program that is paid by
25 the employer and deducted from the compensation of the employee, as provided under ORS 238A.335
26 (1) and (2)(a).

27 (G) The amount of an employee contribution to the individual account program that is not paid
28 by the employer under ORS 238A.335.

29 (H) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
30 652.190.

31 (c) "Salary" does not include the following amounts:

32 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
33 employer.

34 (B) Payments made on account of an employee's death.

35 (C) Any lump sum payment for accumulated unused sick leave, vacation leave or other paid
36 leave.

37 (D) Any severance payment, accelerated payment of an employment contract for a future period
38 or advance against future wages.

39 (E) Any retirement incentive, retirement bonus or retirement gratuitous payment.

40 (F) Payment for a leave of absence after the date the employer and employee have agreed that
41 no future services in a qualifying position will be performed.

42 (G) Payments for instructional services rendered to public universities [*of the Oregon University*
43 *System*] **listed in ORS 352.002** or the Oregon Health and Science University when those services
44 are in excess of full-time employment subject to this chapter. A person employed under a contract
45 for less than 12 months is subject to this subparagraph only for the months covered by the contract.

1 (H) The amount of an employee contribution to the individual account program that is paid by
2 the employer and is not deducted from the compensation of the employee, as provided under ORS
3 238A.335 (1) and (2)(b).

4 (I) Any amount in excess of \$200,000 for a calendar year. If any period over which salary is
5 determined is less than 12 months, the \$200,000 limitation for that period shall be multiplied by a
6 fraction, the numerator of which is the number of months in the determination period and the de-
7 nominator of which is 12. The board shall adopt rules adjusting this dollar limit to incorporate
8 cost-of-living adjustments authorized by the Internal Revenue Service.

9 (18) "System" means the Public Employees Retirement System.

10 **SECTION 113.** ORS 243.107 is amended to read:

11 243.107. A person employed by a public university listed in ORS 352.002 or the Oregon Health
12 and Science University may be considered an eligible employee for participation in one of the group
13 benefit plans described in ORS 243.135 if the State Board of Higher Education **or the governing**
14 **board of the public university**, or the Oregon Health and Science University Board of Directors
15 for Oregon Health and Science University employees, determines that funds are available therefor
16 and if:

17 (1) Notwithstanding ORS 243.105 (4)(b)(F), the person is a student enrolled in an institution of
18 higher education and is employed as a graduate teaching assistant, graduate research assistant or
19 a fellow at the institution and elects to participate; or

20 (2) Notwithstanding ORS 243.105 (4)(b)(B) or (C), the person is employed on a less than half-time
21 basis in an unclassified instructional or research support capacity and elects to participate.

22 **SECTION 114.** ORS 243.800 is amended to read:

23 243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A or ORS 243.910 to
24 243.945, the State Board of Higher Education **and the governing board of a public university with**
25 **a governing board listed in section 3 of this 2013 Act** shall establish and administer an Optional
26 Retirement Plan for administrative and academic employees of the Oregon University System **or**
27 **public university** who are eligible for membership in the Public Employees Retirement System. The
28 Optional Retirement Plan must be a qualified plan under the Internal Revenue Code, capable of ac-
29 cepting funds transferred under subsection (7) of this section without the transfer being treated as
30 a taxable event under the Internal Revenue Code, and willing to accept those funds. Retirement and
31 death benefits shall be provided under the plan by the purchase of annuity contracts, fixed or vari-
32 able or a combination thereof, or by contracts for investments in mutual funds.

33 (2) [*The State Board of Higher Education*] **Each board** shall select at least two life insurance
34 companies providing fixed and variable annuities and at least two investment companies providing
35 mutual funds, but not more than five companies in total, for the purpose of providing benefits under
36 the Optional Retirement Plan. [*The State Board of Higher Education*] **Each board** shall establish
37 selection criteria for the purpose of this subsection.

38 (3) An administrative or academic employee may make an irrevocable election to participate in
39 the Optional Retirement Plan within six months after being employed. An election under this sub-
40 section is effective on the first day of the month following six full months of employment.

41 (4) An administrative or academic employee who does not elect to participate in the Optional
42 Retirement Plan:

43 (a) Remains or becomes a member of the Public Employees Retirement System in accordance
44 with ORS chapters 238 and 238A; or

45 (b) Continues to be assisted by the State Board of Higher Education **or governing board** under

1 ORS 243.920 if the employee is being so assisted.

2 (5) Except as provided in subsection (6) of this section, employees who elect to participate in the
3 Optional Retirement Plan are ineligible for active membership in the Public Employees Retirement
4 System or for any assistance by the State Board of Higher Education **or governing board** under
5 ORS 243.920 as long as those employees are employed in the Oregon University System **or public**
6 **university** and the plan is in effect.

7 (6)(a) An administrative or academic employee who elects to participate in the Optional Retirement
8 Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who
9 is not vested shall be considered by the Public Employees Retirement Board to be a terminated
10 member under the provisions of ORS 238.095 as of the effective date of the election, and the amount
11 credited to the member account of the member shall be transferred directly to the Optional Retirement
12 Plan by the Public Employees Retirement Board in the manner provided by subsection (7) of
13 this section.

14 (b) An administrative or academic employee who elects to participate in the Optional Retirement
15 Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is
16 vested shall be considered to be an inactive member by the Public Employees Retirement Board and
17 shall retain all the rights, privileges and options under ORS chapter 238 unless the employee makes
18 a written request to the Public Employees Retirement Board for a transfer of the amounts credited
19 to the member account of the member to the Optional Retirement Plan. A request for a transfer
20 must be made at the time the member elects to participate in the Optional Retirement Plan. Upon
21 receiving the request, the Public Employees Retirement Board shall transfer all amounts credited
22 to the member account of the member directly to the Optional Retirement Plan, and shall terminate
23 all rights, privileges and options of the employee under ORS chapter 238.

24 (c) An administrative or academic employee who elects to participate in the Optional Retirement
25 Plan, and who is not a vested member of the pension program of the Oregon Public Service Retirement
26 Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be
27 considered to be a terminated member of the pension program by the Public Employees Retirement
28 Board as of the effective date of the election.

29 (d) An administrative or academic employee who elects to participate in the Optional Retirement
30 Plan, and who is a vested member of the pension program of the Oregon Public Service Retirement
31 Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be consid-
32 ered an inactive member of the pension program by the Public Employees Retirement Board as of
33 the effective date of the election. An employee who is subject to the provisions of this paragraph
34 retains all the rights, privileges and options of an inactive member of the pension program. If the
35 actuarial equivalent of the employee's benefit under the pension program at the time that the
36 election becomes effective is \$5,000 or less, the employee may make a written request to the Public
37 Employees Retirement Board for a transfer of the employee's interest under the pension program to
38 the Optional Retirement Plan. The request must be made at the time the member elects to partic-
39 ipate in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement
40 Board shall transfer the amount determined to be the actuarial equivalent of the employee's benefit
41 under the pension program directly to the Optional Retirement Plan, and shall terminate the mem-
42 bership of the employee in the pension program.

43 (e) An administrative or academic employee who elects to participate in the Optional Retirement
44 Plan, and who is a vested member of the individual account program of the Oregon Public Service
45 Retirement Plan as described in ORS 238A.320 on the date that the election becomes effective, shall

1 be considered an inactive member of the individual account program by the Public Employees Re-
 2 tirement Board as of the effective date of the election. An employee who is subject to the provisions
 3 of this paragraph retains all the rights, privileges and options of an inactive member of the indi-
 4 vidual account program. An administrative or academic employee who elects to participate in the
 5 Optional Retirement Plan, and who is a member of the individual account program of the Oregon
 6 Public Service Retirement Plan, may make a written request to the Public Employees Retirement
 7 Board that all amounts in the member's employee account, rollover account and employer account,
 8 to the extent the member is vested in those accounts under ORS 238A.320, be transferred to the
 9 Optional Retirement Plan. The request must be made at the time the member elects to participate
 10 in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement
 11 Board shall transfer the amounts directly to the Optional Retirement Plan, and shall terminate the
 12 membership of the employee in the individual account program upon making the transfer.

13 (f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the Public Employees Retire-
 14 ment Board may not treat any employee as an inactive member under the provisions of this sub-
 15 section for the purpose of receiving any benefit under ORS chapter 238 or 238A that requires that
 16 the employee be separated from all service with participating public employers and with employers
 17 who are treated as part of a participating public employer's controlled group under the federal laws
 18 and rules governing the status of the system and the Public Employees Retirement Fund as a qual-
 19 ified governmental retirement plan and trust.

20 (7) Any amounts transferred from the Public Employees Retirement Fund under subsection (6)
 21 of this section shall be transferred directly to the Optional Retirement Plan by the Public Employees
 22 Retirement Board and may not be made available to the employee.

23 (8) An employee participating in the Optional Retirement Plan shall contribute monthly an
 24 amount equal to the percentage of the employee's salary that the employee would otherwise have
 25 contributed as an employee contribution to the Public Employees Retirement System if the employee
 26 had not elected to participate in the Optional Retirement Plan.

27 (9) The State Board of Higher Education **or governing board** shall contribute monthly to the
 28 Optional Retirement Plan the percentage of salary of each employee participating in the plan equal
 29 to the percentage of salary that would otherwise have been contributed as an employer contribution
 30 on behalf of the employee to the Public Employees Retirement System, before any offset under ORS
 31 238.229 (2), if the employee had not elected to participate in the Optional Retirement Plan.

32 (10) Both employee and employer contributions to an Optional Retirement Plan shall be remitted
 33 directly to the companies that have issued annuity contracts to the participating employees or di-
 34 rectly to the mutual funds.

35 (11) Benefits under the Optional Retirement Plan are payable to employees who elect to partic-
 36 ipate in the plan and their beneficiaries by the selected annuity provider or mutual fund in accord-
 37 ance with the terms of the annuity contracts or the terms of the contract with the mutual fund.
 38 Employees electing to participate in the plan agree that benefits payable under the plan are not
 39 obligations of the State of Oregon or of the Public Employees Retirement System.

40 **SECTION 115.** ORS 243.820 is amended to read:

41 243.820. (1) In order to obtain the advantages of 26 U.S.C. 403(b), or any equivalent provision
 42 of federal law, an employer may agree with an employee who performs services for an educational
 43 institution that:

44 (a) The employee's salary will be reduced monthly by a stated amount, or the employee will
 45 forgo monthly a salary increase of a stated amount; and

1 (b) On behalf of the employee, the employer shall contribute monthly an amount equal to the
2 stated amount determined under paragraph (a) of this subsection as premiums for an annuity con-
3 tract or to a custodial account for investment in the stock of regulated investment companies as
4 defined in 26 U.S.C. 403(b)(7)(C). The amount contributed by the employer under this subsection
5 may not exceed the stated amount.

6 (2) Notwithstanding any other provision of law, pursuant to an agreement under subsection (1)
7 of this section, the stated amounts shall be forwarded by the employer as annuity premiums to the
8 company or association with which it has entered into an annuity contract or to the regulated in-
9 vestment company or its transfer agent for the benefit of the employee.

10 (3) An employer may make nonelective employer contributions on behalf of an employee who
11 performs services for an educational institution as premiums for an annuity contract, or to a cus-
12 todial account for investment in the stock of regulated investment companies as defined in 26 U.S.C.
13 403(b)(7)(C), for the purpose of obtaining the advantages of 26 U.S.C. 403(b) or any equivalent pro-
14 vision of federal law. Employer contributions under this subsection are in addition to any employee
15 contributions under subsection (1) of this section.

16 (4) As used in this section:

17 (a) "Educational institution" means an educational institution that normally maintains a regular
18 faculty and curriculum and normally has a regularly organized body of students in attendance at the
19 place where its educational activities are carried on or an education service district.

20 (b) "Employer" means the State Board of Higher Education, any other state agency, a commu-
21 nity college district, a school district, **a public university listed in ORS 352.002**, the Oregon Health
22 and Science University or an education service district employing an individual who performs ser-
23 vices for an educational institution.

24 **SECTION 116.** ORS 243.850 is amended to read:

25 243.850. (1) An eligible football coach and the State Board of Higher Education **or the gov-**
26 **erning board of a public university with a governing board listed in section 3 of this 2013 Act**
27 may enter into an agreement to provide that:

28 (a) The coach's salary will be reduced monthly by a stated amount that is not less than \$25 a
29 month, or the coach will forgo monthly a salary increase of a stated amount that is not less than
30 \$25 a month; and

31 (b) The [*State Board of Higher Education*] **board** will contribute monthly an amount equal to the
32 stated amount determined under paragraph (a) of this subsection for the month to a designated
33 qualified football coaches plan. The amount contributed by the employer shall not exceed the stated
34 amount.

35 (2) The amount by which an eligible football coach's salary or wages is reduced by reason of the
36 salary reduction or forgoing of a salary increase authorized by subsection (1) of this section shall
37 continue to be included as regular compensation for the purpose of computing the retirement, pen-
38 sion and Social Security benefits earned by the coach, but that amount shall not be considered
39 current taxable income for the purpose of computing federal and state income taxes withheld on
40 behalf of that coach.

41 (3) For the purposes of this section:

42 (a) "Eligible football coach" means a staff member of [*the Oregon University System*] **a public**
43 **university listed in ORS 352.002** who primarily coaches football as a full-time employee of a four-
44 year university described in 26 U.S.C. 170(b)(1)(A)(ii).

45 (b) "Qualified football coaches plan" has the meaning given that term in 29 U.S.C. 1002(37).

1 **SECTION 117.** ORS 243.910 is amended to read:

2 243.910. As used in ORS 243.910 to 243.945:

3 (1) “Board” means the State Board of Higher Education for *[all]* public universities listed in ORS
4 *[352.002]* **351.011, the governing board of a public university with a governing board listed in**
5 **section 3 of this 2013 Act** and for the Oregon Health and Science University, *[means]* the Oregon
6 Health and Science University Board of Directors.

7 (2) “Employees” means the persons appointed or employed by or under the authority of the
8 board who hold academic rank as determined by the board.

9 (3) “System” means the Public Employees Retirement System established by ORS 238.600.

10 **SECTION 118.** ORS 244.050, as amended by sections 9 and 29, chapter 90, Oregon Laws 2012,
11 is amended to read:

12 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
13 Government Ethics Commission a verified statement of economic interest as required under this
14 chapter:

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

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

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

20 (d) The Deputy Attorney General.

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

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

25 (g) The following state officers:

26 (A) Adjutant General.

27 (B) Director of Agriculture.

28 (C) Manager of State Accident Insurance Fund Corporation.

29 (D) Water Resources Director.

30 (E) Director of Department of Environmental Quality.

31 (F) Director of Oregon Department of Administrative Services.

32 (G) State Fish and Wildlife Director.

33 (H) State Forester.

34 (I) State Geologist.

35 (J) Director of Human Services.

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

37 (L) Director of the Department of State Lands.

38 (M) State Librarian.

39 (N) Administrator of Oregon Liquor Control Commission.

40 (O) Superintendent of State Police.

41 (P) Director of the Public Employees Retirement System.

42 (Q) Director of Department of Revenue.

43 (R) Director of Transportation.

44 (S) Public Utility Commissioner.

45 (T) Director of Veterans’ Affairs.

- 1 (U) Executive director of Oregon Government Ethics Commission.
- 2 (V) Director of the State Department of Energy.
- 3 (W) Director and each assistant director of the Oregon State Lottery.
- 4 (X) Director of the Department of Corrections.
- 5 (Y) Director of the Oregon Department of Aviation.
- 6 (Z) Executive director of the Oregon Criminal Justice Commission.
- 7 (AA) Director of the Oregon Business Development Department.
- 8 (BB) Director of the Office of Emergency Management.
- 9 (CC) Director of the Employment Department.
- 10 (DD) Chief of staff for the Governor.
- 11 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 12 (FF) Director of the Housing and Community Services Department.
- 13 (GG) State Court Administrator.
- 14 (HH) Director of the Department of Land Conservation and Development.
- 15 (II) Board chairperson of the Land Use Board of Appeals.
- 16 (JJ) State Marine Director.
- 17 (KK) Executive director of the Oregon Racing Commission.
- 18 (LL) State Parks and Recreation Director.
- 19 (MM) Public defense services executive director.
- 20 (NN) Chairperson of the Public Employees' Benefit Board.
- 21 (OO) Director of the Department of Public Safety Standards and Training.
- 22 (PP) Chairperson of the Oregon Student Access Commission.
- 23 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 24 (RR) Director of the Oregon Youth Authority.
- 25 (SS) Director of the Oregon Health Authority.
- 26 (TT) Deputy Superintendent of Public Instruction.
- 27 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 28 (i) Every elected city or county official.
- 29 (j) Every member of a city or county planning, zoning or development commission.
- 30 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
31 cipal administrator of the city or county.
- 32 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 33 (m) Every member of a governing body of a metropolitan service district and the executive of-
34 ficer thereof.
- 35 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 36 (o) The chief administrative officer and the financial officer of each common and union high
37 school district, education service district and community college district.
- 38 (p) Every member of the following state boards and commissions:
 - 39 (A) Board of Geologic and Mineral Industries.
 - 40 (B) Oregon Business Development Commission.
 - 41 (C) State Board of Education.
 - 42 (D) Environmental Quality Commission.
 - 43 (E) Fish and Wildlife Commission of the State of Oregon.
 - 44 (F) State Board of Forestry.
 - 45 (G) Oregon Government Ethics Commission.

- 1 (H) Oregon Health Policy Board.
- 2 (I) State Board of Higher Education.
- 3 (J) Oregon Investment Council.
- 4 (K) Land Conservation and Development Commission.
- 5 (L) Oregon Liquor Control Commission.
- 6 (M) Oregon Short Term Fund Board.
- 7 (N) State Marine Board.
- 8 (O) Mass transit district boards.
- 9 (P) Energy Facility Siting Council.
- 10 (Q) Board of Commissioners of the Port of Portland.
- 11 (R) Employment Relations Board.
- 12 (S) Public Employees Retirement Board.
- 13 (T) Oregon Racing Commission.
- 14 (U) Oregon Transportation Commission.
- 15 (V) Wage and Hour Commission.
- 16 (W) Water Resources Commission.
- 17 (X) Workers' Compensation Board.
- 18 (Y) Oregon Facilities Authority.
- 19 (Z) Oregon State Lottery Commission.
- 20 (AA) Pacific Northwest Electric Power and Conservation Planning Council.
- 21 (BB) Columbia River Gorge Commission.
- 22 (CC) Oregon Health and Science University Board of Directors.
- 23 (DD) Capitol Planning Commission.
- 24 (EE) Higher Education Coordinating Commission.
- 25 (q) The following officers of the State Treasurer:
- 26 (A) Deputy State Treasurer.
- 27 (B) Chief of staff for the office of the State Treasurer.
- 28 (C) Director of the Investment Division.
- 29 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
- 30 or 777.915 to 777.953.
- 31 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
- 32 (t) **Every member of a governing board of a public university with a governing board**
- 33 **listed in section 3 of this 2013 Act.**
- 34 (2) By April 15 next after the date an appointment takes effect, every appointed public official
- 35 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
- 36 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
- 37 and 244.090.
- 38 (3) By April 15 next after the filing deadline for the primary election, each candidate described
- 39 in subsection (1) of this section shall file with the commission a statement of economic interest as
- 40 required under ORS 244.060, 244.070 and 244.090.
- 41 (4) Within 30 days after the filing deadline for the general election, each candidate described in
- 42 subsection (1) of this section who was not a candidate in the preceding primary election, or who
- 43 was nominated for public office described in subsection (1) of this section at the preceding primary
- 44 election by write-in votes, shall file with the commission a statement of economic interest as re-
- 45 quired under ORS 244.060, 244.070 and 244.090.

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

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

10 **SECTION 119.** ORS 270.100 is amended to read:

11 270.100. (1)(a) Before offering for sale any real property or equitable interest therein owned by
 12 the state, the state agency acting for the state in such transaction shall report its intent of sale or
 13 transfer to the Oregon Department of Administrative Services. The department, or the agency spe-
 14 cifically designated by the department, shall notify other state agencies authorized to own real
 15 property of the intended sale or transfer to determine whether acquisition of the real property or
 16 interest therein would be advantageous to another state agency.

17 (b) The department shall give political subdivisions, as defined in ORS 271.005, the first oppor-
 18 tunity after other state agencies to acquire, purchase, exchange or lease real property to be sold
 19 or disposed of by the State of Oregon. The state agency responsible for selling or transferring the
 20 property may require at the time of the sale or transfer that any state real property sold or trans-
 21 ferred to a political subdivision, as defined in ORS 271.005, shall be for use for a public purpose or
 22 benefit, and not be for resale to a private purchaser.

23 (c) If property is not disposed of under paragraph (a) or (b) of this subsection, in accordance
 24 with rules adopted by the department, the state agency desiring to sell or transfer the property shall
 25 cause it to be appraised by one or more competent and experienced appraisers. Except as provided
 26 in ORS 273.825, if such property has an appraised value exceeding \$5,000 it shall not be sold to any
 27 private person except after notice calling for such proposals as set forth in ORS 270.130.

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

29 (2) Before acquisition of any real property or interest therein by any state agency, except for
 30 highway right of way acquired by the Department of Transportation and park properties acquired
 31 by the State Parks and Recreation Department and property within the approved projected campus
 32 boundaries for public universities of the Oregon University System **or public universities with**
 33 **governing boards listed in section 3 of this 2013 Act**, the state agency shall report its intent of
 34 acquisition to the Oregon Department of Administrative Services. The department shall notify other
 35 state agencies owning land of the intended acquisition to determine whether another state agency
 36 desires to sell or transfer property which would meet the needs of the purchasing agency. In ac-
 37 cordance with rules adopted by the Oregon Department of Administrative Services, if no other state
 38 agency desires to sell or transfer property which would meet the needs of the agency, the agency
 39 may acquire the real property or interest therein, consistent with applicable provisions of law.

40 (3) Before any terminal disposition of real property or an interest in real property, the state
 41 agency acting for the state in the transaction must secure approval of the transaction from the
 42 Oregon Department of Administrative Services.

43 (4) Subsection (3) of this section does not apply to terminal disposition of the following real
 44 property:

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

1 (b) State forestlands controlled by the State Forestry Department;

2 (c) Property controlled by the Department of Transportation;

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

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

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

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

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

11 (6) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190, 273.416, 273.426 to
12 273.436, 273.551 and 308A.709 (1) to (4) do not apply to a home or farm acquired, sold, or both, by
13 the Department of Veterans' Affairs under ORS 88.720, 406.050, 407.135, 407.145, 407.375 and 407.377.

14 **SECTION 120.** ORS 270.110 is amended to read:

15 270.110. (1) Except as provided in subsection (2) of this section, whenever the state or any
16 agency thereof possesses or controls real property not needed for public use, or whenever the public
17 interest may be furthered, the state or its agency may sell, exchange, convey or lease for any period
18 not exceeding 99 years all or any part of its interest in the property to or with the state or any
19 political subdivision of the state or the United States or any agency thereof or private individual
20 or corporation. Except where the state is exchanging real property, the consideration for the
21 transfer or lease may be cash or real property, or both.

22 (2) If the ownership, right or title of the state to any real property set apart by deed, will or
23 otherwise for a burial ground or cemetery, or for the purpose of interring the remains of deceased
24 persons, is limited or qualified or the use of such real property is restricted, whether by dedication
25 or otherwise, the state or its agency may, after first declaring by resolution that such real property
26 is not needed for public use, or that the sale, exchange, conveyance or lease thereof will further the
27 public interest, file a complaint in the circuit court for the county in which such real property is
28 located against all persons claiming any right, title or interest in such real property, whether the
29 interest be contingent, conditional or otherwise, for authority to sell, exchange, convey or lease all
30 or any part of such real property. The resolution is prima facie evidence that such real property is
31 not needed for public use, or that the sale, exchange, conveyance or lease will further the public
32 interest. The action shall be commenced and prosecuted to final determination in the same manner
33 as an action not triable by right to a jury. The complaint shall contain a description of such real
34 property, a statement of the nature of the restrictions, qualifications or limitations, and a statement
35 that the defendants claim some interest therein. The court shall make such judgment as it shall
36 deem proper, taking into consideration the limitations, qualifications or restrictions, the resolution
37 and all other matters pertinent thereto. Neither costs nor disbursements may be recovered against
38 any defendant.

39 (3) The authority to lease property granted by this section includes authority to lease property
40 not owned or controlled by the state at the time of entering into the lease. Such lease shall be
41 conditioned upon the subsequent acquisition of the interest covered by the lease.

42 (4) Any lease of state real property exceeding five years must be approved in advance by the
43 Oregon Department of Administrative Services, except for leases:

44 (a) Negotiated by the Oregon Department of Aviation;

45 (b) Of state forestlands;

1 (c) Of property controlled by the Department of State Lands, **the** Department of Transportation
2 or [*Oregon University System*] **a public university listed in ORS 352.002**; or

3 (d) Of property controlled by the legislative or judicial branches of state government.

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

5 273.155. The Department of State Lands, in carrying out its duties, may call upon all related
6 state and county agencies, including the Oregon University System, **public universities with gov-**
7 **erning boards listed in section 3 of this 2013 Act** and any state or county officers or Oregon
8 University System **or public university** employees through whom necessary information and aid
9 may be received. Such agencies, officers and employees shall cooperate with the department without
10 additional compensation.

11 **SECTION 121.** ORS 276.610 is amended to read:

12 276.610. There is established a fund in the State Treasury to be known as the State Building
13 Fund which shall be used for the construction, alteration and repair of buildings required for use
14 of institutions and activities under the jurisdiction of the Department of Corrections, the Depart-
15 ment of Human Services, the Oregon Health Authority, **the governing boards of public universi-**
16 **ties with governing boards listed in section 3 of this 2013 Act** or the State Board of Education
17 and the State Board of Higher Education and for the furnishing and equipping of buildings so con-
18 structed, altered or repaired.

19 **SECTION 122.** ORS 276.612 is amended to read:

20 276.612. The Department of Corrections, the Department of Human Services, the Oregon Health
21 Authority and the State Board of Education each shall determine the buildings to be constructed,
22 altered, repaired, furnished and equipped for the use of institutions and activities under their re-
23 spective jurisdictions. The State Board of Higher Education **or the governing board of a public**
24 **university with a governing board listed in section 3 of this 2013 Act** shall determine the
25 buildings to be constructed, altered, repaired, furnished and equipped for the use of public univer-
26 sities or offices, departments or activities under its jurisdiction.

27 **SECTION 123.** ORS 279A.025 is amended to read:

28 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting
29 Code applies to all public contracting.

30 (2) The Public Contracting Code does not apply to:

31 (a) Contracts between a contracting agency and:

32 (A) Another contracting agency;

33 (B) The Oregon Health and Science University;

34 **(C) A public university listed in ORS 352.002;**

35 ~~[(C)]~~ **(D)** The Oregon State Bar;

36 ~~[(D)]~~ **(E)** A governmental body of another state;

37 ~~[(E)]~~ **(F)** The federal government;

38 ~~[(F)]~~ **(G)** An American Indian tribe or an agency of an American Indian tribe;

39 ~~[(G)]~~ **(H)** A nation, or a governmental body in a nation, other than the United States; or

40 ~~[(H)]~~ **(I)** An intergovernmental entity formed between or among:

41 (i) Governmental bodies of this or another state;

42 (ii) The federal government;

43 (iii) An American Indian tribe or an agency of an American Indian tribe;

44 (iv) A nation other than the United States; or

45 (v) A governmental body in a nation other than the United States;

1 (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or
2 other authority for establishing agreements between or among governmental bodies or agencies or
3 tribal governing bodies or agencies;

4 (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and
5 414.145 for purposes of source selection;

6 (d) Grants;

7 (e) Contracts for professional or expert witnesses or consultants to provide services or testimony
8 relating to existing or potential litigation or legal matters in which a public body is or may become
9 interested;

10 (f) Acquisitions or disposals of real property or interest in real property;

11 (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-
12 lection;

13 (h) Contracts for the procurement or distribution of textbooks;

14 (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;

15 (j) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,
16 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;

17 (k) Contracts entered into under ORS chapter 180 between the Attorney General and private
18 counsel or special legal assistants;

19 (L) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry
20 and the State Forestry Department;

21 (m) Contracts for forest protection or forest related activities, as described in ORS 477.406, by
22 the State Forester or the State Board of Forestry;

23 (n) Sponsorship agreements entered into by the State Parks and Recreation Director in accord-
24 ance with ORS 565.080 (4);

25 (o) Contracts entered into by the Housing and Community Services Department in exercising the
26 department's duties prescribed in ORS chapters 456 and 458, except that the department's public
27 contracting for goods and services is subject to ORS chapter 279B;

28 (p) Contracts entered into by the State Treasurer in exercising the powers of that office pre-
29 scribed in ORS chapters 178, 286A, 287A, 289, 293, 294 and 295, including but not limited to invest-
30 ment contracts and agreements, banking services, clearing house services and collateralization
31 agreements, bond documents, certificates of participation and other debt repayment agreements, and
32 any associated contracts, agreements and documents, regardless of whether the obligations that the
33 contracts, agreements or documents establish are general, special or limited, except that the State
34 Treasurer's public contracting for goods and services is subject to ORS chapter 279B;

35 (q) Contracts, agreements or other documents entered into, issued or established in connection
36 with:

37 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;

38 (B) The making of program loans and similar extensions or advances of funds, aid or assistance
39 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining
40 activities or programs authorized by law; or

41 (C) The investment of funds by a public body as authorized by law, and other financial trans-
42 actions of a public body that by their character cannot practically be established under the com-
43 petitive contractor selection procedures of ORS 279B.050 to 279B.085;

44 (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,
45 243.275, 243.291, 243.303 and 243.565;

1 (s) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or

2 (t) Any other public contracting of a public body specifically exempted from the code by another
3 provision of law.

4 (3) The Public Contracting Code does not apply to the contracting activities of:

5 (a) The Oregon State Lottery Commission;

6 [(b) *The Oregon University System and member public universities, except as provided in ORS*
7 *351.086;*]

8 [(c)] (b) The legislative department;

9 [(d)] (c) The judicial department;

10 [(e)] (d) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS
11 279.835 to 279.855 and 279A.250 to 279A.290;

12 [(f)] (e) Oregon Corrections Enterprises;

13 [(g)] (f) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250
14 to 279A.290;

15 [(h)] (g) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

16 [(i)] (h) The Oregon 529 College Savings Network and the Oregon 529 College Savings Board;

17 [(j)] (i) The Oregon Innovation Council;

18 [(k)] (j) The Oregon Utility Notification Center; or

19 [(L)] (k) Any other public body specifically exempted from the code by another provision of law.

20 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with
21 qualified nonprofit agencies providing employment opportunities for individuals with disabilities un-
22 der ORS 279.835 to 279.855.

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

24 282.076. (1) An athletic department of any university under the jurisdiction of the State Board
25 of Higher Education **or an athletic department of a public university with a governing board**
26 **listed in section 3 of this 2013 Act [shall not be] is not** required to use state printing services
27 controlled by the Director of the Oregon Department of Administrative Services or the designee of
28 the director as required by ORS 282.020 (1).

29 (2) A state agency that gives to the director prior written notice of its intent to use other
30 printing services [shall not be] **is not** required to use state printing services controlled by the di-
31 rector or the director's designee as required by ORS 282.020 (1), if the agency can demonstrate that
32 these other printing services provide better value in the form of lower prices or better responsive-
33 ness than those services already provided by the Oregon Department of Administrative Services.

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

35 284.540. (1) There is established the Governor's Council on Oregon's Economy.

36 (2) The members of the council are:

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

38 (b) The chairperson of the Oregon Transportation Commission;

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

40 (d) The [*president of the State Board of Higher Education*] **chairperson of the Higher Educa-**
41 **tion Coordinating Commission;** and

42 (e) Other persons designated by the Governor.

43 (3) The council shall meet quarterly to:

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

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

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

5 284.706. (1) There is created the Oregon Innovation Council consisting of the following voting
6 members:

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

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

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

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

15 (e) A member of the Engineering and Technology Industry Council, appointed by the Engineer-
16 ing and Technology Industry Council.

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

18 (g) The [*Chancellor of the Oregon University System*] **executive director of the Higher Edu-**
19 **cation Coordinating Commission.**

20 [*h*] *The Commissioner for Community College Services.*

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

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

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

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

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

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

31 (b) The [*president of the State Board of Higher Education*] **chairperson of the Higher Educa-**
32 **tion Coordinating Commission.**

33 (c) The chairperson of the State Board of Education.

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

36 (4) The term of office of each appointed voting member of the council is three years, but an
37 appointed member serves at the pleasure of the appointing authority. Before the expiration of the
38 term of an appointed voting member, the appointing authority shall appoint a successor whose term
39 begins on July 1 next following. An appointed member is eligible for reappointment. If there is a
40 vacancy for any cause, the appointing authority shall make an appointment to become immediately
41 effective for the remainder of the unexpired term.

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

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

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

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

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

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

8 (11) Members of the council who are members of the Legislative Assembly are entitled to com-
9 pensation and expense reimbursement as provided in ORS 171.072.

10 (12) Members of the council who are not members of the Legislative Assembly are entitled to
11 compensation and expenses incurred by them in the performance of their official duties in the man-
12 ner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members
13 of the council who are public officers shall be paid out of funds appropriated to the public agency
14 that employs the member. Claims for compensation and expenses of members of the council who are
15 not public officers shall be paid out of funds appropriated to the Oregon Business Development De-
16 partment for that purpose.

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

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

22 286A.700. (1) As used in this section:

23 (a) "Oregon Baccalaureate Bonds" means bonds of the State of Oregon issued by the State
24 Treasurer at the request of the Oregon University System that are designated as baccalaureate
25 bonds.

26 (b) "Post-secondary education" means training and instruction provided by fully accredited
27 public universities or private institutions of higher learning, community colleges and post-high-
28 school career schools.

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

31 (3) The Legislative Assembly finds:

32 (a) For the benefit of its citizens, the state supports a system of common schools, public uni-
33 versities and community colleges.

34 (b) A post-secondary education advances a citizen's ability to pursue life, liberty and happiness
35 through a wide range of employment opportunities.

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

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

38 (e) While students have just begun their education upon completion of a formal education, a
39 lifetime pursuit of learning contributes to a well-informed citizenry and to Oregon's cherished qual-
40 ity of life.

41 (f) Citizens educated in Oregon are more likely to pursue careers in Oregon.

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

44 (h) An Oregon Baccalaureate Bond program that provides citizens an opportunity to save for a
45 post-secondary education for their children, themselves or any citizen is in the social and economic

1 interest of the State of Oregon.

2 (i) A systematic way to save for post-secondary education can assist all of Oregon's higher ed-
3 ucation, community college and career schools to better project enrollments, thereby permitting the
4 prudent allocation of scarce resources.

5 (4) At the request of the [*Oregon University System*] **Higher Education Coordinating Com-**
6 **mission**, the State Treasurer may:

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

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

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

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

17 291.375. (1) Prior to the submission of any application for financial assistance or grants from the
18 United States or any agency of the United States by or on behalf of any agency of this state, the
19 application must be submitted for legislative review in the following manner:

20 (a) If the application is to be submitted to the federal government when the Legislative Assem-
21 bly is in session, the application shall be submitted to the Joint Committee on Ways and Means for
22 review.

23 (b) If the application is to be submitted to the federal government when the Legislative Assem-
24 bly is not in session, the application shall be submitted to the Emergency Board or to the Joint In-
25 terim Committee on Ways and Means for review.

26 (2) If the legislative agency authorized under subsection (1) of this section to review applications
27 described therein approves the application, it may be submitted to the appropriate federal agency.
28 If the legislative agency disapproves of the application, it may not be submitted to any federal
29 agency unless it is or can be modified to meet the objections of the legislative agency.

30 (3) Notwithstanding subsection (1) of this section, the Joint Committee on Ways and Means, the
31 Emergency Board or the Joint Interim Committee on Ways and Means may exempt any state agency
32 from the requirements of this section. Project grants for departmental research, organized activities
33 related to instruction, sponsored research or other sponsored programs carried on within the Oregon
34 University System **or the public universities with governing boards listed in section 3 of this**
35 **2013 Act**, for which no biennial expenditure limitations have been established, are exempt from the
36 requirements of this section.

37 (4) The review required by this section is in addition to and not in lieu of the requirements of
38 ORS 293.550.

39 **SECTION 124.** ORS 33.710 is amended to read:

40 33.710. (1) As used in [*ORS 33.710 and*] **this section and ORS 33.720**, unless the context re-
41 quires otherwise:

42 (a) "Governing body" means the city council, board of commissioners, board of directors, county
43 court or other managing board of a municipal corporation, including a board managing a
44 municipally owned public utility or a dock commission **and a governing board established for a**
45 **public university pursuant to section 3 of this 2013 Act.**

1 (b) "Municipal corporation" means any county, city, port, school district, union high school
2 district, community college district **or public university with a governing board established**
3 **pursuant to section 3 of this 2013 Act** and all other public or quasi-public corporations, including
4 a municipal utility or dock commission operated by a separate board or commission.

5 (2) The governing body may commence a proceeding in the circuit court of the county in which
6 the municipal corporation or the greater part thereof is located, for the purpose of having a judicial
7 examination and judgment of the court as to the regularity and legality of:

8 (a) The proceedings in connection with the establishment or creation of the municipal corpo-
9 ration, including any action or proceedings proclaiming the creation of the municipal corporation
10 or declaring the result of any election therein.

11 (b) The proceedings of the governing body and of the municipal corporation providing for and
12 authorizing the issue and sale of bonds of the municipal corporation, whether the bonds or any of
13 them have or have not been sold or disposed of.

14 (c) Any order of the governing body levying a tax.

15 (d) The authorization of any contract and as to the validity of the contract, whether or not it
16 has been executed.

17 (e) Any decision of the governing body that raises novel or important legal issues that would
18 be efficiently and effectively resolved by a proceeding before the decision becomes effective, when
19 the decision will:

20 (A) Require a significant expenditure of public funds;

21 (B) Significantly affect the lives or businesses of a significant number of persons within the
22 boundaries of the governing body; or

23 (C) Indirectly impose a significant financial burden on the cost of conducting business within the
24 boundaries of the governing body.

25 (f) The authority of the governing body to enact any ordinance, resolution or regulation.

26 (g) Any ordinance, resolution or regulation enacted by the governing body, including the
27 constitutionality of the ordinance, resolution or regulation.

28 (3) All proceedings of the municipal corporation may be judicially examined and determined in
29 one special proceeding, or any part thereof may be separately examined and determined by the
30 court.

31 (4) Nothing in this section allows a governing body to have a judicial examination and judgment
32 of the court without a justiciable controversy.

33 **SECTION 125.** ORS 307.090 is amended to read:

34 307.090. (1) Except as provided by law, all property of the state and all public or corporate
35 property used or intended for corporate purposes of the several counties, cities, towns, school dis-
36 tricts, irrigation districts, drainage districts, ports, water districts, housing authorities, **public uni-**
37 **versities listed in ORS 352.002** and all other public or municipal corporations in this state, is
38 exempt from taxation.

39 (2) Any city may agree with any school district to make payments in lieu of taxes on all prop-
40 erty of the city located in any such school district, and which is exempt from taxation under sub-
41 section (1) of this section when such property is outside the boundaries of the city and owned, used
42 or operated for the production, transmission, distribution or furnishing of electric power or energy
43 or electric service for or to the public.

44 **SECTION 126.** ORS 307.112, as amended by section 2, chapter 42, Oregon Laws 2012, is
45 amended to read:

1 307.112. (1) Real or personal property of a taxable owner held under lease, sublease or lease-
2 purchase agreement by an institution, organization or public body, other than the State of Oregon,
3 **or a public university listed in ORS 352.002**, granted exemption or the right to claim exemption
4 for any of its property under ORS 307.090, 307.130, 307.136, 307.140, 307.145, 307.147 or 307.181 (3),
5 is exempt from taxation if:

6 (a) The property is used by the lessee or, if the lessee is not in possession of the property, by
7 the entity in possession of the property, in the manner, if any, required by law for the exemption
8 of property owned, leased, subleased or being purchased by it; and

9 (b) It is expressly agreed within the lease, sublease or lease-purchase agreement that the rent
10 payable by the institution, organization or public body has been established to reflect the savings
11 below market rent resulting from the exemption from taxation.

12 (2) To obtain the exemption under this section, the lessee or, if the lessee is not in possession
13 of the property, the entity in possession of the property, must file a claim for exemption with the
14 county assessor, verified by the oath or affirmation of the president or other proper officer of the
15 institution or organization, or head official of the public body or legally authorized delegate, show-
16 ing:

17 (a) A complete description of the property for which exemption is claimed.

18 (b) If applicable, all facts relating to the use of the property by the lessee or, if the lessee is
19 not in possession of the property, by the entity in possession of the property.

20 (c) A true copy of the lease, sublease or lease-purchase agreement covering the property for
21 which exemption is claimed.

22 (d) Any other information required by the claim form.

23 (3) If the assessor is not satisfied that the rent stated in the lease, sublease or lease-purchase
24 agreement has been established to reflect the savings below market rent resulting from the tax ex-
25 emption, before the exemption may be granted the lessor must provide documentary proof, as spec-
26 ified by rule of the Department of Revenue, that the rent has been established to reflect the savings
27 below market rent resulting from the tax exemption.

28 (4)(a) The claim must be filed on or before April 1 preceding the tax year for which the ex-
29 emption is claimed, except:

30 (A) If the lease, sublease or lease-purchase agreement is entered into after March 1 but not later
31 than June 30, the claim must be filed within 30 days after the date the lease, sublease or lease-
32 purchase agreement is entered into if exemption is claimed for that year; or

33 (B) If a late filing fee is paid in the manner provided in ORS 307.162 (2), the claim may be filed
34 within the time specified in ORS 307.162 (2).

35 (b) The exemption first applies for the tax year beginning July 1 of the year for which the claim
36 is filed.

37 (5)(a) An exemption granted under this section continues as long as the use of the property re-
38 mains unchanged and during the period of the lease, sublease or lease-purchase agreement.

39 (b) If the use changes, a new claim must be filed as provided in this section.

40 (c) If the use changes due to sublease of the property or any portion of the property from the
41 tax exempt entity described in subsection (1) of this section to another tax exempt entity, the entity
42 in possession of the property must file a new claim for exemption as provided in this section.

43 (d) If the lease, sublease or lease-purchase agreement expires before July 1 of any year, the ex-
44 emption terminates as of January 1 of the same calendar year.

45 **SECTION 127.** ORS 291.055 is amended to read:

1 291.055. (1) Notwithstanding any other law that grants to a state agency the authority to es-
2 tablish fees, all new state agency fees or fee increases adopted during the period beginning on the
3 date of adjournment sine die of a regular session of the Legislative Assembly and ending on the date
4 of adjournment sine die of the next regular session of the Legislative Assembly:

5 (a) Are not effective for agencies in the executive department of government unless approved
6 in writing by the Director of the Oregon Department of Administrative Services;

7 (b) Are not effective for agencies in the judicial department of government unless approved in
8 writing by the Chief Justice of the Supreme Court;

9 (c) Are not effective for agencies in the legislative department of government unless approved
10 in writing by the President of the Senate and the Speaker of the House of Representatives;

11 (d) Shall be reported by the state agency to the Oregon Department of Administrative Services
12 within 10 days of their adoption; and

13 (e) Are rescinded on adjournment sine die of the next regular session of the Legislative Assem-
14 bly as described in this subsection, unless otherwise authorized by enabling legislation setting forth
15 the approved fees.

16 (2) This section does not apply to:

17 (a) Any tuition or fees charged by [*the State Board of Higher Education and the public universi-*
18 *ties*] **a public university** listed in ORS 352.002.

19 (b) Taxes or other payments made or collected from employers for unemployment insurance re-
20 quired by ORS chapter 657 or premium assessments required by ORS 656.612 and 656.614 or contri-
21 butions and assessments calculated by cents per hour for workers' compensation coverage required
22 by ORS 656.506.

23 (c) Fees or payments required for:

24 (A) Health care services provided by the Oregon Health and Science University, by the Oregon
25 Veterans' Homes and by other state agencies and institutions pursuant to ORS 179.610 to 179.770.

26 (B) Assessments and premiums paid to the Oregon Medical Insurance Pool established by ORS
27 735.614 and 735.625.

28 (C) Copayments and premiums paid to the Oregon medical assistance program.

29 (D) Assessments paid to the Department of Consumer and Business Services under ORS 743.951
30 and 743.961.

31 (d) Fees created or authorized by statute that have no established rate or amount but are cal-
32 culated for each separate instance for each fee payer and are based on actual cost of services pro-
33 vided.

34 (e) State agency charges on employees for benefits and services.

35 (f) Any intergovernmental charges.

36 (g) Forest protection district assessment rates established by ORS 477.210 to 477.265 and the
37 Oregon Forest Land Protection Fund fees established by ORS 477.760.

38 (h) State Department of Energy assessments required by ORS 469.421 (8) and 469.681.

39 (i) Any charges established by the State Parks and Recreation Director in accordance with ORS
40 565.080 (3).

41 (j) Assessments on premiums charged by the Department of Consumer and Business Services
42 pursuant to ORS 731.804 or fees charged by the Division of Finance and Corporate Securities of the
43 Department of Consumer and Business Services to banks, trusts and credit unions pursuant to ORS
44 706.530 and 723.114.

45 (k) Public Utility Commission operating assessments required by ORS 756.310 or charges paid

1 to the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987.

2 (L) Fees charged by the Housing and Community Services Department for intellectual property
3 pursuant to ORS 456.562.

4 (m) New or increased fees that are anticipated in the legislative budgeting process for an
5 agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted
6 budget or the legislatively approved budget for the agency.

7 (n) Tolls approved by the Oregon Transportation Commission pursuant to ORS 383.004.

8 (o) Convenience fees as defined in ORS 182.126 and established by the Oregon Department of
9 Administrative Services under ORS 182.132 (3) and recommended by the Electronic Government
10 Portal Advisory Board.

11 (3)(a) Fees temporarily decreased for competitive or promotional reasons or because of unex-
12 pected and temporary revenue surpluses may be increased to not more than their prior level without
13 compliance with subsection (1) of this section if, at the time the fee is decreased, the state agency
14 specifies the following:

15 (A) The reason for the fee decrease; and

16 (B) The conditions under which the fee will be increased to not more than its prior level.

17 (b) Fees that are decreased for reasons other than those described in paragraph (a) of this sub-
18 section may not be subsequently increased except as allowed by ORS 291.050 to 291.060 and 294.160.

19 **SECTION 128.** ORS 291.357 is amended to read:

20 291.357. (1) As used in this section, "general governmental purposes" means:

21 (a) Those activities defined as governmental activities under the accounting standards
22 promulgated by the Governmental Accounting Standards Board of the Financial Accounting Found-
23 dation that are in effect on August 10, 2001; and

24 (b) Post-secondary educational activities that are partially funded by student tuition and fees.

25 (2) Each biennium, state governmental appropriations for general governmental purposes shall
26 be no greater than eight percent of projected personal income in Oregon for the same biennium.
27 Projected personal income shall be based on the United States Department of Commerce projections
28 used by the Oregon Department of Administrative Services in the last forecast given to the Legis-
29 lative Assembly before adjournment sine die of the odd-numbered year regular session on which the
30 printed, adopted budget is based.

31 (3) For purposes of this section, the following are considered to be appropriations:

32 (a) An authorization, given by law, to expend moneys in a biennium;

33 (b) A limitation, imposed by law, on the expenditure in a biennium of moneys that are contin-
34 uously appropriated; and

35 (c) An estimate of amounts of moneys that are continuously appropriated that will be spent in
36 a biennium without limitation.

37 (4) The following appropriations are not subject to the limitation on appropriations contained
38 in this section:

39 (a) Appropriations for the construction or acquisition of assets that are financed by state bonds,
40 certificates of participation or other forms of borrowing.

41 (b) Appropriations of moneys received directly or indirectly from the federal government.

42 (c) Appropriations for fee remission programs of [*the Oregon University System*] **public univer-**
43 **sities listed in ORS 352.002.**

44 (d) Appropriations of moneys voluntarily donated to a state agency.

45 (e) Appropriations of moneys from revenue increases or new revenue sources if the increases

1 or sources result from approval of a measure by the people at an election held on or after August
2 10, 2001.

3 (f) Appropriations to fund new programs or to increase funding for existing programs if the need
4 for new or increased funding results from approval of a measure by the people at an election held
5 on or after August 10, 2001.

6 (5) The limitation on appropriations established by this section may be exceeded for a biennium
7 if the Governor declares an emergency and three-fifths of the members serving in each house of the
8 Legislative Assembly affirmatively vote to exceed the limitation for the biennium.

9 **NOTE:** Section 129 was deleted by amendment. Subsequent sections were not renumbered.

10 **SECTION 130.** ORS 292.043 is amended to read:

11 292.043. (1) As used in this section:

12 (a) "Foundation" means:

13 (A) A tax exempt organization designated by a rule adopted by a state agency; or

14 (B) A tax exempt organization designated by the State Board of Higher Education **or the gov-**
15 **erning board of a public university with a governing board listed in section 3 of this 2013 Act**
16 to solicit contributions for the support of a public university listed in ORS 352.002.

17 (b) "Salary and wages" has the meaning given that term in ORS 292.014.

18 (2) Any state official authorized to disburse funds in payment of salaries or wages of the officers
19 and employees of a state agency, or of the officers, teachers, instructors and other employees of [*the*
20 *Oregon University System*] **a public university listed in ORS 352.002**, is authorized, upon written
21 request of the individual, to deduct each month from the salary or wages of the individual the
22 amount of money designated by the individual for payment to a foundation.

23 (3) The individual may withdraw the authorization at any time if the individual so notifies such
24 officer in writing.

25 (4) The moneys so deducted shall be paid over promptly to the foundation designated by the
26 individual. Subject to any rules prescribed by a state agency, [*or*] the State Board of Higher Edu-
27 cation **or the governing board of the public university**, the state official authorized to disburse
28 the funds in payment of salaries and wages may prescribe any procedures necessary to carry out
29 this section.

30 **SECTION 131.** ORS 292.044 is amended to read:

31 292.044. (1) As used in this section:

32 (a) "Employee" means officers, faculty, teachers, instructors and other employees of [*the Oregon*
33 *University System as described*] **a public university listed** in ORS 352.002.

34 (b) "Nonprofit organization" means an organization described in section 501(c)(3) of the Internal
35 Revenue Code that is exempt from income tax under section 501(a) of the Internal Revenue Code.

36 (2)(a) The Chancellor of the Oregon University System or a designee of the chancellor may ap-
37 prove a written request made by a public university or office, department or activity under the ju-
38 risdiction of the State Board of Higher Education, in which an employee of the public university or
39 office, department or activity may designate an amount from the salary or wages of the employee
40 for payment to a qualifying nonprofit organization. A request made to the chancellor under this
41 section must identify the nonprofit organization to whom payments would be made.

42 (b) **The governing board of a public university with a governing board listed in section 3**
43 **of this 2013 Act may approve a written request made by the university or office, department**
44 **or activity under the board's jurisdiction, in which an employee of the university or office,**
45 **department or activity may designate an amount from the salary or wages of the employee**

1 **for payment to a qualifying nonprofit organization. A request made under this section must**
2 **identify the nonprofit organization to whom payments would be made.**

3 (3) Upon written approval [*of the chancellor or of a designee of the chancellor*] and a written re-
4 quest of an employee of the public university or office, department or activity to which the approval
5 applies, the state official within the Oregon University System **or public university with a gov-**
6 **erning board listed in section 3 of this 2013 Act** authorized to disburse funds in payment of sal-
7 aries or wages shall deduct from the salary or wages of the employee the amount of money
8 designated by the employee for payment to the nonprofit organization.

9 (4) The moneys deducted from the salaries or wages under subsection (3) of this section shall
10 be paid over promptly to the nonprofit organization.

11 (5) The [*Chancellor of the*] Oregon University System [*or a designee of the chancellor*] **and the**
12 **governing board of a public university with a governing board listed in section 3 of this 2013**
13 **Act** shall prescribe procedures for determining whether an organization qualifies as a nonprofit or-
14 ganization under this section.

15 **SECTION 132.** ORS 307.095 is amended to read:

16 307.095. (1) Any portion of state property that is used during the tax year for parking on a
17 rental or fee basis to private individuals is subject to ad valorem taxation.

18 (2) The real market value of such portion shall be computed by determining that percentage
19 which the total of receipts from private use bears to the total of receipts from all use of the prop-
20 erty. The assessed value of such portion shall be computed as provided in ORS 308.146. However,
21 receipts from any use by a state officer or employee in the performance of the official duties of the
22 state officer or employee shall not be considered as receipts from private use in computing the
23 portion subject to ad valorem taxation.

24 (3) This section and ORS 276.592 do not apply to state property that is used by [*the Oregon*
25 *University System*] **a public university listed in ORS 352.002** or the Oregon Health and Science
26 University solely to provide parking for employees, students or visitors.

27 **SECTION 133.** ORS 307.110 is amended to read:

28 307.110. (1) Except as provided in ORS 307.120, all real and personal property of this state or
29 any institution or department thereof or of any county or city, town or other municipal corporation
30 or political subdivision of this state, held under a lease or other interest or estate less than a fee
31 simple, by any person whose real property, if any, is taxable, except employees of the state,
32 municipality or political subdivision as an incident to such employment, shall be subject to assess-
33 ment and taxation for the assessed or specially assessed value thereof uniformly with real property
34 of nonexempt ownerships.

35 (2) Each leased or rented premises not exempt under ORS 307.120 and subject to assessment and
36 taxation under this section which is located on property used as an airport and owned by and
37 serving a municipality or port shall be separately assessed and taxed.

38 (3) Nothing contained in this section shall be construed as subjecting to assessment and taxation
39 any publicly owned property described in subsection (1) of this section that is:

40 (a) Leased for student housing by a school or college to students attending such a school or
41 college.

42 (b) Leased to or rented by persons, other than sublessees or subrenters, for agricultural or
43 grazing purposes and for other than a cash rental or a percentage of the crop.

44 (c) Utilized by persons under a land use permit issued by the Department of Transportation for
45 which the department's use restrictions are such that only an administrative processing fee is able

1 to be charged.

2 (d) County fairgrounds and the buildings thereon, in a county holding annual county fairs,
3 managed by the county fair board under ORS 565.230, if utilized, in addition to county fair use, for
4 any of the purposes described in ORS 565.230 (2), or for horse stalls or storage for recreational ve-
5 hicles or farm machinery or equipment.

6 (e) The properties and grounds managed and operated by the State Parks and Recreation Di-
7 rector under ORS 565.080, if utilized, in addition to the purpose of holding the Oregon State Fair,
8 for horse stalls or for storage for recreational vehicles or farm machinery or equipment.

9 (f) State property that is used by [*the Oregon University System*] **a public university listed in**
10 **ORS 352.002** or the Oregon Health and Science University to provide parking for employees, stu-
11 dents or visitors.

12 (g) Property of a housing authority created under ORS chapter 456 which is leased or rented to
13 persons of lower income for housing pursuant to the public and governmental purposes of the
14 housing authority. For purposes of this paragraph, "persons of lower income" has the meaning given
15 the phrase under ORS 456.055.

16 (h) Property of a health district if:

17 (A) The property is leased or rented for the purpose of providing facilities for health care
18 practitioners practicing within the county; and

19 (B) The county is a frontier rural practice county under rules adopted by the Office of Rural
20 Health.

21 (4) Property determined to be an eligible project for tax exemption under ORS 285C.600 to
22 285C.626 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.371
23 and that is leased by this state, any institution or department thereof or any county, city, town or
24 other municipal corporation or political subdivision of this state to an eligible applicant shall be
25 assessed and taxed in accordance with ORS 307.123. The property's continued eligibility for taxation
26 and assessment under ORS 307.123 is not affected:

27 (a) If the eligible applicant retires the bonds prior to the original dates of maturity; or

28 (b) If any applicable lease or financial agreement is terminated prior to the original date of ex-
29 piration.

30 (5) The provisions of law for liens and the payment and collection of taxes levied against real
31 property of nonexempt ownerships shall apply to all real property subject to the provisions of this
32 section. Taxes remaining unpaid upon the termination of a lease or other interest or estate less than
33 a fee simple, shall remain a lien against the real or personal property.

34 (6) If the state enters into a lease of property with, or grants an interest or other estate less
35 than a fee simple in property to, a person whose real property, if any, is taxable, then within 30 days
36 after the date of the lease, or within 30 days after the date the interest or estate less than a fee
37 simple is created, the state shall file a copy of the lease or other instrument creating or evidencing
38 the interest or estate with the county assessor. This section applies notwithstanding that the prop-
39 erty may otherwise be entitled to an exemption under this section, ORS 307.120 or as otherwise
40 provided by law.

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

42 320.100. (1) All moneys received from the taxes imposed under ORS 320.011 and 320.012, includ-
43 ing penalties, shall be paid by the Department of Revenue in the following manner:

44 (a) Seventy-five percent (75%) of the moneys shall be credited, appropriated or remitted as fol-
45 lows:

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

3 (B) Nine and seven-tenths percent (9.7%) is continuously appropriated to pay the expenses of
4 state and local programs of the Oregon Youth Conservation Corps established under ORS 418.650
5 to 418.663.

6 (C) Forty-seven and one-tenth percent (47.1%) thereof shall be remitted to the county treasurers
7 of the several counties of the state. Each county shall receive such share of the moneys as its pop-
8 ulation, determined by [*the State Board of Higher Education*] **Portland State University**, bears to
9 the total population of the counties of the state, as determined by the census last preceding such
10 apportionment.

11 (b) Twenty-five percent (25%) of the moneys shall be continuously appropriated to pay the ex-
12 penses of the state and local programs of the Oregon Youth Conservation Corps established under
13 ORS 418.650 to 418.663.

14 (2) All revenues received under this section by the treasurers of the several counties shall be
15 placed in the general fund of each county to be expended by the county courts or the board of
16 county commissioners of the several counties for general governmental expenses.

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

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

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

25 (3) Mentors shall be trained to build relationships of trust and mutual collaboration with be-
26 ginning teachers and administrators.

27 (4) Mentors shall receive professional development before the school year begins and throughout
28 the school year.

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

30 337.521. (1) The [*State Board of Higher Education*] **Higher Education Coordinating Commis-**
31 **sion** may work with publishers, recognized national organizations of publishers, representatives of
32 post-secondary education institutions, the system described in ORS 192.517 and other interested
33 parties to:

34 (a) Develop unified, statewide guidelines consistent with ORS 337.511 to 337.524;

35 (b) Administer ORS 337.511 to 337.524; and

36 (c) Review guidelines annually and revise the guidelines as necessary due to changes in tech-
37 nology or other changes.

38 (2) The guidelines may address the following:

39 (a) The procedures and standards relating to the distribution of files and materials pursuant to
40 ORS 337.511 to 337.524;

41 (b) Available electronic formats;

42 (c) Procedures for granting exceptions when it is determined that a publisher is not able to
43 comply with the requirements of ORS 337.511 to 337.524 due to technical, economic or other prac-
44 tical impediments; and

45 (d) Other matters deemed necessary or appropriate to carry out the purposes of ORS 337.511 to

1 337.524.

2 (3) The [State Board of Higher Education] **Higher Education Coordinating Commission** shall
3 review the recommendations, published on or after July 1, 2007, of the Association of American
4 Publishers' Alternative Formats Solutions Initiative, and determine whether the recommendations
5 should be incorporated into ORS 337.511 to 337.524.

6 **SECTION 134.** ORS 340.310, as amended by section 10, chapter 104, Oregon Laws 2012, is
7 amended to read:

8 340.310. (1) The Higher Education Coordinating Commission shall develop statewide standards
9 for dual credit programs to be implemented by public high schools, community colleges and [state
10 institutions of higher education within the Oregon University System] **public universities listed in**
11 **ORS 352.002**. The standards must establish the manner by which:

12 (a) A student may, upon completion of a course, earn course credit both for high school and for
13 a community college or [state institution of higher education within the Oregon University System]
14 **public university**; and

15 (b) Teachers of courses that are part of a dual credit program will work together to determine
16 the quality of the program and to ensure the alignment of the content, objectives and outcomes of
17 individual courses.

18 (2) Each public high school, community college and [state institution of higher education within
19 the Oregon University System] **public university** that provides a dual credit program must implement
20 the statewide standards developed under subsection (1) of this section.

21 (3) Each school district, community college and [state institution of higher education within the
22 Oregon University System] **public university** that provides a dual credit program shall submit an
23 annual report to the Higher Education Coordinating Commission on the academic performance of
24 students enrolled in a dual credit program. The Higher Education Coordinating Commission shall
25 establish the required contents of the report, which must provide sufficient information to allow the
26 commission to determine the quality of the dual credit program.

27 **SECTION 135.** ORS 341.440 is amended to read:

28 341.440. (1) A community college district may contract with another community college district,
29 common or union high school district, education service district, [the Oregon University System]
30 **public university listed in ORS 352.002**, the Oregon Health and Science University, with a private
31 educational institution accredited by the Northwest Association of Schools and Colleges or its suc-
32 cessor or a career school as defined in ORS 345.010 to obtain educational services for students en-
33 rolled in the community college of the district. However, the educational services so obtained must
34 meet the standards for educational services provided by the college and the contract price to the
35 college for such services must not exceed the costs which would otherwise be incurred by the col-
36 lege to provide its students the same or similar services.

37 (2) Educational services for which a district operating a community college may contract include
38 services offered by correspondence and services offered electronically or through telecommuni-
39 cations if such services are accredited by a nationally recognized accrediting association.

40 (3) For purposes of ORS 341.626, costs incurred under subsection (1) of this section shall be
41 considered operating expenses of the district if the contract is approved by the Commissioner for
42 Community College Services.

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

44 342.443. (1) The Education and Workforce Policy Advisor shall report biennially to the Legisla-
45 tive Assembly longitudinal data on the number and percentage of:

- 1 (a) Minority students enrolled in community colleges;
- 2 (b) Minority students applying for admission to public universities listed in ORS 352.002;
- 3 (c) Minority students accepted in public universities;
- 4 (d) Minority students graduated from public universities;
- 5 (e) Minority candidates seeking to enter public teacher education programs in this state;
- 6 (f) Minority candidates admitted to public teacher education programs;
- 7 (g) Minority candidates who have completed approved public teacher education programs;
- 8 (h) Minority candidates receiving Oregon teaching licenses based on preparation in this state
- 9 and preparation in other states;
- 10 (i) Minority teachers who are newly employed in the public schools in this state; and
- 11 (j) Minority teachers already employed in the public schools.

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

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

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

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

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

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

26 (c) Uses specialized services and all other community services and programs for children, in-
27 cluding community preschools, Head Start programs, community health clinics, family support pro-
28 grams and other child-oriented agencies.

29 (d) Uses a variety of funding sources for preschool children with disabilities and their families,
30 including public and private funding, insurance and family resources.

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

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

35 (g) Encourages services and supports for preschool children with disabilities and their families
36 in their home communities and in settings with children without disabilities.

37 (h) Recognizes the importance of developing and supporting well-trained and competent person-
38 nel to provide services to preschool children with disabilities, and their families.

39 (i) Evaluates the system's impact on the child and family, including child progress, service
40 quality, family satisfaction, transition into public schooling, longitudinal and cumulative reporting
41 over several biennia and interagency coordination at both the state and local level.

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

45 (2) In carrying out the provisions of subsection (1) of this section, the Department of Education,

1 the Department of Human Services, **the public universities with governing boards listed in sec-**
2 **tion 3 of this 2013 Act** and the Oregon University System shall coordinate services to preschool
3 children with disabilities, or who are at risk of developing disabling conditions, and their families.
4 All program planning, standards for service, policies regarding services delivery and budget devel-
5 opment for services for preschool children with disabilities, and their families shall reflect the policy
6 outlined in subsection (1) of this section and elaborated through rules and agreements.

7 **SECTION 136.** ORS 343.961 is amended to read:

8 343.961. (1) As used in this section:

9 (a) "Day treatment program" means a public or private program that provides treatment of
10 children with a mental illness, an emotional disturbance or another mental health issue.

11 (b) "Eligible day treatment program" means a day treatment program with which the Oregon
12 Health Authority contracts for long term care or treatment. "Eligible day treatment program" does
13 not include residential treatment programs or programs that provide care or treatment to juveniles
14 who are in detention facilities.

15 (c) "Eligible residential treatment program" means a residential treatment program with which
16 the Oregon Health Authority, the Department of Human Services or the Oregon Youth Authority
17 contracts for long term care or treatment. "Eligible residential treatment program" does not include
18 psychiatric day treatment programs or programs that provide care or treatment to juveniles who
19 are in detention facilities.

20 (d) "Residential treatment program" means a public or private residential program that provides
21 treatment of children with a mental illness, an emotional disturbance or another mental health issue.

22 (e) "Student" means a child who is placed in an eligible day treatment program or eligible resi-
23 dential treatment program by a public or private entity or by the child's parent.

24 (2) The Department of Education shall be responsible for payment of the costs of education of
25 students in eligible day treatment programs and eligible residential treatment programs by con-
26 tracting with the school district in which the eligible day treatment program or eligible residential
27 treatment program is located. The costs of education do not include transportation, care, treatment
28 or medical expenses.

29 (3)(a) The school district in which an eligible day treatment program or eligible residential
30 treatment program is located is responsible for providing the education of a student, including the
31 identification, location and evaluation of the student for the purpose of determining the student's
32 eligibility to receive special education and related services.

33 (b) A school district that is responsible for providing an education under this subsection may
34 provide the education:

35 (A) Directly or through another school district or an education service district; and

36 (B) In the facilities of an eligible day treatment program or eligible residential treatment pro-
37 gram, the facilities of a school district or the facilities of an education service district.

38 (c) When a student is no longer in an eligible day treatment program or eligible residential
39 treatment program, the responsibilities imposed by this subsection terminate and become the re-
40 sponsibilities of the school district where the student is a resident, as determined under ORS 339.133
41 and 339.134.

42 (4) A school district may request the Department of Education to combine several eligible day
43 treatment programs or eligible residential treatment programs into one contract with another school
44 district or an education service district.

45 (5) The Oregon Health Authority, the Department of Human Services or the Oregon Youth Au-

1 thority shall give the school district providing the education at an eligible day treatment program
 2 or an eligible residential treatment program 14 days' notice, to the extent practicable, before a
 3 student is dismissed from the program.

4 (6) The Department of Education may make advances to school districts responsible for provid-
 5 ing an education to students under this section from funds appropriated for that purpose based on
 6 the estimated agreed cost of educating the students per school year. Advances equal to 25 percent
 7 of the estimated cost may be made on September 1, December 1 and March 1 of the current year.
 8 The balance may be paid whenever the full determination of cost is made.

9 (7) School districts that provide the education described in this section on a year-round plan
 10 may apply for 25 percent of the funds appropriated for that purpose on July 1, October 1, January
 11 1, and 15 percent on April 1. The balance may be paid whenever the full determination of cost is
 12 made.

13 (8) In addition to the payment methods described in this section, the Department of Education
 14 may:

15 (a) Negotiate interagency agreements to pay for the cost of education in day treatment programs
 16 and residential treatment programs operated under the auspices of the State Board of Higher Edu-
 17 cation **or the governing board of a public university with a governing board listed in section**
 18 **3 of this 2013 Act;** and

19 (b) Negotiate intergovernmental agreements to pay for the cost of education in day treatment
 20 programs and residential treatment programs operated under the auspices of the Oregon Health and
 21 Science University Board of Directors.

22 **SECTION 137.** ORS 344.259 is amended to read:

23 344.259. (1) The State Board of Education shall coordinate continuing education in lower divi-
 24 sion, developmental, adult self-improvement, professional and technical education for agencies under
 25 its regulatory authority. The State Board of Higher Education shall coordinate continuing education
 26 in upper division and graduate education for public universities under its jurisdiction.

27 (2) When significantly adverse impact is alleged by one or more of the agencies listed in this
 28 subsection, the affected parties jointly shall provide for written agreements. These agreements shall
 29 allocate responsibility for planning and providing continuing education or off-campus instruction in
 30 specific areas or by specific types. The agencies are:

31 (a) The State Board of Education.

32 (b) The State Board of Higher Education.

33 (c) Community college districts.

34 (d) Independent colleges.

35 (e) Proprietary schools.

36 **(f) The governing board of a public university with a governing board listed in section 3**
 37 **of this 2013 Act.**

38 (3) In the event the affected parties fail to reach a written agreement within 120 days following
 39 receipt of written notice of the allegation, either party may request the Education and Workforce
 40 Policy Advisor to review and to recommend resolution.

41 (4) Nothing in this section prohibits the offering of upper division or graduate programs within
 42 30 miles of the campus of [*the Oregon University System university*] **a public university listed in**
 43 **ORS 352.002** offering the program, or the offering of lower division programs within 30 miles of the
 44 campus offering the program in areas outside a community college district. Such programs are en-
 45 titled to the same college credit and financial support as programs offered on the campus of the

1 university.

2 **SECTION 138.** ORS 344.753 is amended to read:

3 344.753. (1) Employers who enter into written agreements with educational institutions and who
4 are providing training to participants in youth apprenticeship and training or work based learning
5 programs are eligible for reimbursement of expenses incurred in the training process. These ex-
6 penses may include wages paid to the student, training costs for mentors and supervisors, equipment
7 costs to set up youth training capacity, curriculum development costs, costs of establishing interfirm
8 training centers or other costs necessitated by the training agreement.

9 (2) The amount of reimbursement shall be 50 percent of the actual cost of the investment, such
10 reimbursement not to exceed \$2,500 per student who completes the agreed upon course of study.
11 In the event that a student drops out of the program through no fault of the employer, the Depart-
12 ment of Education may reimburse the employer for costs incurred to that point.

13 (3) Eligible employers may elect to receive education service credits in lieu of the reimburse-
14 ment provided in this section. The amount of the education service credit shall equal the value of
15 the potential reimbursement on a dollar-for-dollar basis. Education service credits may be used to
16 purchase educational services provided to the employer by school districts, education service dis-
17 tricts, community colleges, [the Oregon University System] **public universities listed in ORS 352.002**
18 or private providers approved by the Department of Education.

19 (4) Employers who terminate students without the concurrence of the school forfeit all claim to
20 reimbursements or education service credits earned under this section.

21 (5) The total amount of employer reimbursement allowable under this section to all employers
22 shall not exceed the amount allocated therefor biennially from the Administrative Services Eco-
23 nomic Development Fund.

24 (6) Reimbursements allowed under this section must first be certified with regard to eligibility
25 and availability of funds pursuant to a method established by the Department of Education in con-
26 sultation with the Bureau of Labor and Industries.

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

28 351.049. The State Board of Higher Education shall forward all mission statements of the public
29 universities listed in ORS [352.002] **351.011** to the Higher Education Coordinating Commission for
30 approval.

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

32 351.203. (1) The State Board of Higher Education **and the public universities with governing**
33 **boards listed in section 3 of this 2013 Act** shall cooperate with the [Education and Workforce
34 Policy Advisor] **Chief Education Officer of the Oregon Education Investment Board** in the de-
35 velopment of a state comprehensive education plan including post-secondary education and in review
36 of the board's programs and budget. The board **and the public universities with governing boards**
37 **listed in section 3 of this 2013 Act** shall submit in timely fashion to the [advisor such] **Chief Ed-**
38 **ucation Officer** the data as is appropriate in a form prescribed by the [advisor] **officer.**

39 (2) The board **and the public universities with governing boards listed in section 3 of this**
40 **2013 Act** shall cooperate with the mediation process administered by the Higher Education Coordi-
41 nating Commission pursuant to ORS 348.603 and, if a negotiated resolution cannot be reached by
42 mediation, comply with the decisions of the commission regarding proposed new post-secondary
43 programs and proposed new post-secondary locations, including those proposed by Oregon Health
44 and Science University in cooperation with the State Board of Higher Education under ORS 353.440.

45 **SECTION 139.** ORS 353.440 is amended to read:

1 353.440. The Legislative Assembly finds that:

2 (1) Public universities [*in the Oregon University System*] **listed in ORS 352.002** and other edu-
3 cational sectors have academic programs that are related to or integrated with the programs of
4 Oregon Health and Science University.

5 (2) It is in the best interest of the state that a coordinated approach be taken to these related
6 and integrated academic programs.

7 (3) In order to best ensure the continued harmony of such academic programs, the Oregon
8 Health and Science University and [*the Oregon University System*] **public universities** shall coordi-
9 nate such programs and shall advise each other of the following proposed changes to such academic
10 programs:

11 (a) Creation or significant revision, such as a merger or closure, of degree programs;

12 (b) Creation or significant revision, such as a merger or closure, of schools; and

13 (c) Creation or significant revision of major academic policies.

14 (4) The Oregon Health and Science University and the Higher Education Coordinating Com-
15 mission shall coordinate and advise each other of the following types of proposed changes to their
16 related or integrated academic programs:

17 (a) Coordination of strategic plans for achieving higher education goals;

18 (b) Seeking advice and input from each other on modifications to statutory educational missions;

19 (c) Working to develop a statewide educational data system;

20 (d) Collaborating as necessary on the creation of any new degree programs; and

21 (e) Notifying each other and commenting on tuition rate changes.

22 (5) In order to further the coordination described by this section, Oregon Health and Science
23 University officers shall maintain a role in the appropriate committees of the State Board of Higher
24 Education, the Higher Education Coordinating Commission and the Oregon University System.

25 **SECTION 140.** ORS 357.004 is amended to read:

26 357.004. As used in ORS 357.001 to 357.200, unless the context requires otherwise:

27 (1) "Depository library" means a library that is designated as such under ORS 357.095.

28 (2)(a) "Issuing agency" means state government, as that term is defined in ORS 174.111.

29 (b) "Issuing agency" does not include the State Board of Higher Education, or any public uni-
30 versity or office, department or activity under the control of the board, **or the governing board**
31 **of a public university with a governing board listed in section 3 of this 2013 Act.**

32 (3)(a) "Public document" means informational matter produced for public distribution or access
33 regardless of format, medium, source or copyright, originating in or produced with the imprint of,
34 by the authority of or at the total or partial expense of any state agency. "Public document" in-
35 cludes informational matter produced on computer diskettes, CD-ROMs, computer tapes, the Internet
36 or in other electronic formats.

37 (b) "Public document" does not include:

38 (A) Correspondence, forms, interoffice or intraoffice memoranda;

39 (B) Legislative bills;

40 (C) Oregon Revised Statutes or any edition thereof; or

41 (D) Reports and publications of the Oregon Supreme Court, the Oregon Court of Appeals and
42 the Oregon Tax Court.

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

44 358.575. (1) The voting members of the Oregon Heritage Commission shall be representatives of:

45 (a) Heritage interests, including Indian tribes with federal recognition, that reflect the cultural

1 and geographic diversity of this state; and

2 (b) Heritage interests reflected in community institutions, libraries, museums, architecture, ar-
3 chaeology and historic preservation.

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

5 (a) One member designated by the Director of the Department of Land Conservation and De-
6 velopment;

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

8 (c) One member designated by the [*State Board of Higher Education*] **Higher Education Coor-
9 dinating Commission**;

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

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

12 (f) The Executive Director of the Oregon Historical Society or a designee of the executive di-
13 rector;

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

15 (h) The Coordinator of the State Historical Records Advisory Board or a designee of the coor-
16 dinator; and

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

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

19 401.922. The Office of Emergency Management shall provide technical, clerical and other nec-
20 essary support services to the Seismic Safety Policy Advisory Commission. The Department of Con-
21 sumer and Business Services, the State Department of Geology and Mineral Industries, the
22 Department of Land Conservation and Development, the Department of Transportation, the Oregon
23 Health Authority, the Water Resources Department, **the public universities with governing
24 boards listed in section 3 of this 2013 Act** and the Oregon University System shall provide as-
25 sistance, as required, to the commission to enable it to meet its objectives.

26 **SECTION 141.** ORS 408.095 is amended to read:

27 408.095. (1) As used in this section, "community college" has the meaning given that term in
28 ORS 341.005.

29 (2) There is created in the Department of Veterans' Affairs the Campus Veterans' Service Offi-
30 cers Program.

31 (3) The purpose of the program is to provide educational outreach to veterans to help ensure
32 that they obtain maximum state and federal benefits.

33 (4) The department shall appoint a sufficient number of campus veterans' service officers to en-
34 sure that each Oregon community college and each public university [*in the Oregon University Sys-
35 tem, as described*] **listed** in ORS 352.002[,] is provided veterans' services.

36 (5) Each community college and public university [*in the Oregon University System*] shall provide
37 office space that may be used for the provision of veterans' services.

38 (6) The department may adopt rules to implement the Campus Veterans' Service Officers Pro-
39 gram.

40 **SECTION 142.** ORS 408.506 is amended to read:

41 408.506. The Department of Human Services, the Department of Transportation, the Housing and
42 Community Services Department, the Employment Department, the Department of Justice, the Ju-
43 dicial Department, the Oregon University System, **public universities with governing boards
44 listed in section 3 of this 2013 Act**, the Bureau of Labor and Industries, the Department of Com-
45 munity Colleges and Workforce Development and the Department of Veterans' Affairs shall partner

1 with the Oregon Military Department to provide reintegration services for veterans throughout this
2 state through regional strategies.

3 **SECTION 143.** ORS 430.651 is amended to read:

4 430.651. (1) If the Oregon Health Authority uses a formula for allocating to counties moneys,
5 and if the formula includes population as a factor in determining the amount of each allocation, the
6 authority shall calculate the formula annually using the most current population data that is avail-
7 able.

8 (2) The authority shall use as the source of the population data required by subsection (1) of this
9 section the primary population research center that is part of [*the Oregon University System*]
10 **Portland State University.**

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

12 442.830. (1) There is established the Oregon Patient Safety Commission Board of Directors con-
13 sisting of 17 members, including the Public Health Officer and 16 directors who shall be appointed
14 by the Governor and who shall be confirmed by the Senate in the manner prescribed in ORS 171.562
15 and 171.565.

16 (2) Membership on the board shall reflect the diversity of facilities, providers, insurers, pur-
17 chasers and consumers that are involved in patient safety. Directors shall demonstrate interest,
18 knowledge or experience in the area of patient safety.

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

20 (a) The Public Health Officer or the officer's designee;

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

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

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

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

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

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

34 (h) Two hospital administrators or their designees;

35 (i) One pharmacist licensed under ORS chapter 689;

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

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

38 (L) One nursing home administrator licensed under ORS chapter 678 or one nursing home di-
39 rector of nursing services.

40 (4) The term of office of each director appointed by the Governor is four years. Before the ex-
41 piration of the term of a director, the Governor shall appoint a successor whose term begins on July
42 2 next following. A director is eligible for reappointment for an additional term. If there is a vacancy
43 for any cause, the Governor shall make an appointment to become effective immediately for the
44 unexpired term. The board shall nominate a slate of candidates whenever a vacancy occurs or is
45 announced and shall forward the recommended candidates to the Governor for consideration.

1 (5) The board shall select one of its members as chairperson and another as vice chairperson for
2 the terms and with the duties and powers as the board considers necessary for performance of the
3 functions of those offices. The board shall adopt bylaws as necessary for the efficient and effective
4 operation of the commission.

5 (6) The Governor may remove any member of the board at any time at the pleasure of the
6 Governor, but not more than eight directors shall be removed within a period of four years, unless
7 it is for corrupt conduct in office. The board may remove a director as specified in the commission
8 bylaws.

9 (7) The board may appoint subcommittees and advisory groups as needed to assist the board,
10 including but not limited to one or more consumer advisory groups and technical advisory groups.
11 The technical advisory groups shall include physicians, nurses and other licensed or certified pro-
12 fessionals with specialty knowledge and experience as necessary to assist the board.

13 (8) No voting member of the board may be an employee of the commission.

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

15 461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery
16 Account is continuously appropriated to and shall be used by the [*State Board of Higher*
17 *Education*] **Higher Education Coordinating Commission** to fund sports programs at public uni-
18 versities listed in ORS 352.002. Seventy percent of the revenues in the fund shall be used to fund
19 nonrevenue producing sports and 30 percent shall be used for revenue producing sports. Of the total
20 amount available in the fund, at least 50 percent shall be made available for women's athletics.

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

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

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

27 (3) As used in subsections (1) to (3) of this section, "revenue producing sport" is a sport that
28 produces net revenue over expenditures during a calendar year or if its season extends into two
29 calendar years, produces net revenue over expenditures during the season.

30 (4) An amount equal to one percent of the moneys transferred to the Administrative Services
31 Economic Development Fund from the State Lottery Fund shall be allocated from the Administrative
32 Services Economic Development Fund to the Sports Lottery Account.

33 (5) The amounts received by the Sports Lottery Account shall be allocated as follows:

34 (a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but
35 not to exceed \$8 million annually, adjusted annually pursuant to the Consumer Price Index, as de-
36 fined in ORS 327.006.

37 (b) Twelve percent for the purpose of scholarships, to be distributed equally between scholar-
38 ships based on academic merit and scholarships based on need, as determined by rule of the board,
39 but not to exceed \$1,090,909 annually.

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

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

43 468A.245. The Oregon Global Warming Commission shall develop an outreach strategy to edu-
44 cate Oregonians about the scientific aspects and economic impacts of global warming and to inform
45 Oregonians of ways to reduce greenhouse gas emissions and ways to prepare for the effects of global

1 warming. The commission, at a minimum, shall work with state and local governments, the State
2 Department of Energy, the Department of Education, the [*State Board of Higher Education*] **Higher**
3 **Education Coordinating Commission** and businesses to implement the outreach strategy.

4 **SECTION 144.** ORS 471.580 is amended to read:

5 471.580. (1) As used in this section:

6 (a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in
7 a beverage based on the standard drink measurement used by the Centers for Disease Control and
8 Prevention.

9 (b) "Education provider" means:

10 (A) A community college, as defined in ORS 341.005, offering a food or beverage career program
11 approved by the State Board of Education;

12 (B) A career school, as defined in ORS 345.010, offering a food or beverage career program ap-
13 proved by the Oregon Student Assistance Commission or the State Board of Education;

14 (C) An institution of higher education listed in ORS 352.002 offering a food or beverage career
15 program approved by the State Board of Higher Education **or by the governing board of a public**
16 **university with a governing board listed in section 3 of this 2013 Act;** or

17 (D) A private and independent institution of higher education, as defined in ORS 352.720, offer-
18 ing a food or beverage career program that qualifies for payment under ORS 352.740.

19 (c) "Food or beverage career program" means a course of study designed to qualify a person for
20 a career in the food service industry or alcoholic beverage industry, including but not limited to a
21 course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant manage-
22 ment.

23 (2) The charging or payment of tuition or a special fee for enrollment in a class that is part of
24 a food or beverage career program or in a workshop or seminar concerning matters related to food
25 or beverage industry workforce training, offered by an education provider, that includes the con-
26 sumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other ex-
27 change of consideration for, alcoholic beverages.

28 (3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve
29 alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess
30 and consume alcoholic beverages on a licensed or unlicensed premises that the education provider
31 uses for educational purposes if:

32 (a) The person is enrolled as a student in a required or elective class that is part of a food or
33 beverage career program offered by the education provider;

34 (b) The alcoholic beverages are served to, and possessed and consumed by, the person for edu-
35 cational purposes as part of the class curriculum or a workshop or seminar concerning food or
36 beverage workforce training;

37 (c) The service, possession and consumption of the alcoholic beverages are supervised by a fac-
38 ulty or staff member of the education provider who is 21 years of age or older;

39 (d) The person does not purchase the alcoholic beverages; and

40 (e) The amount served to the person for consumption purposes during any two-hour class,
41 workshop or seminar period does not exceed two ounces of alcohol equivalence.

42 (4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another
43 person who is 18, 19 or 20 years of age on premises that an education provider uses for educational
44 purposes if:

45 (a) The person served is enrolled as a student in a required or elective class that is part of a

1 food or beverage career program offered by the education provider;

2 (b) The alcoholic beverages are served to, and consumed by, the person for educational purposes
3 as part of the class curriculum or, with the approval of the education provider, as part of a work-
4 shop or seminar concerning food or beverage workforce training;

5 (c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff
6 member of the education provider who is 21 years of age or older;

7 (d) The person served does not purchase the alcoholic beverages; and

8 (e) The amount served to the person for consumption purposes during any two-hour class period
9 does not exceed two ounces of alcohol equivalence.

10 (5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is
11 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed
12 premises that an education provider uses for educational purposes if:

13 (a) The person is enrolled as a student in a required or elective class that is part of a food or
14 beverage career program offered by the education provider;

15 (b) The person possesses and consumes the alcoholic beverages for educational purposes as part
16 of the class curriculum or, with the approval of the education provider, as part of a workshop or
17 seminar concerning food or beverage workforce training;

18 (c) The person possesses and consumes the alcoholic beverages under the supervision of a fac-
19 ulty or staff member of the education provider who is 21 years of age or older;

20 (d) The person does not purchase the alcoholic beverages; and

21 (e) The amount consumed by the person during any two-hour class, workshop or seminar period
22 does not exceed two ounces of alcohol equivalence.

23 (6) Notwithstanding ORS 471.410, a person who exercises control over private real property may
24 allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is
25 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this
26 section.

27 (7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a
28 licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older
29 in accordance with this chapter or the ability of a person 21 years of age or older to possess or
30 consume alcoholic beverages in accordance with this chapter.

31 **SECTION 145.** ORS 471.580, as amended by section 44, chapter 104, Oregon Laws 2012, is
32 amended to read:

33 471.580. (1) As used in this section:

34 (a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in
35 a beverage based on the standard drink measurement used by the Centers for Disease Control and
36 Prevention.

37 (b) "Education provider" means:

38 (A) A community college, as defined in ORS 341.005, offering a food or beverage career program
39 approved by the State Board of Education;

40 (B) A career school, as defined in ORS 345.010, offering a food or beverage career program ap-
41 proved by the Oregon Student Assistance Commission or the Higher Education Coordinating Com-
42 mission;

43 (C) An institution of higher education listed in ORS 352.002 offering a food or beverage career
44 program approved by the State Board of Higher Education **or by the governing board of a public**
45 **university with a governing board listed in section 3 of this 2013 Act;** or

1 (D) A private and independent institution of higher education, as defined in ORS 352.720, offer-
2 ing a food or beverage career program that qualifies for payment under ORS 352.740.

3 (c) "Food or beverage career program" means a course of study designed to qualify a person for
4 a career in the food service industry or alcoholic beverage industry, including but not limited to a
5 course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant manage-
6 ment.

7 (2) The charging or payment of tuition or a special fee for enrollment in a class that is part of
8 a food or beverage career program or in a workshop or seminar concerning matters related to food
9 or beverage industry workforce training, offered by an education provider, that includes the con-
10 sumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other ex-
11 change of consideration for, alcoholic beverages.

12 (3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve
13 alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess
14 and consume alcoholic beverages on a licensed or unlicensed premises that the education provider
15 uses for educational purposes if:

16 (a) The person is enrolled as a student in a required or elective class that is part of a food or
17 beverage career program offered by the education provider;

18 (b) The alcoholic beverages are served to, and possessed and consumed by, the person for edu-
19 cational purposes as part of the class curriculum or a workshop or seminar concerning food or
20 beverage workforce training;

21 (c) The service, possession and consumption of the alcoholic beverages are supervised by a fac-
22 ulty or staff member of the education provider who is 21 years of age or older;

23 (d) The person does not purchase the alcoholic beverages; and

24 (e) The amount served to the person for consumption purposes during any two-hour class,
25 workshop or seminar period does not exceed two ounces of alcohol equivalence.

26 (4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another
27 person who is 18, 19 or 20 years of age on premises that an education provider uses for educational
28 purposes if:

29 (a) The person served is enrolled as a student in a required or elective class that is part of a
30 food or beverage career program offered by the education provider;

31 (b) The alcoholic beverages are served to, and consumed by, the person for educational purposes
32 as part of the class curriculum or, with the approval of the education provider, as part of a work-
33 shop or seminar concerning food or beverage workforce training;

34 (c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff
35 member of the education provider who is 21 years of age or older;

36 (d) The person served does not purchase the alcoholic beverages; and

37 (e) The amount served to the person for consumption purposes during any two-hour class period
38 does not exceed two ounces of alcohol equivalence.

39 (5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is
40 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed
41 premises that an education provider uses for educational purposes if:

42 (a) The person is enrolled as a student in a required or elective class that is part of a food or
43 beverage career program offered by the education provider;

44 (b) The person possesses and consumes the alcoholic beverages for educational purposes as part
45 of the class curriculum or, with the approval of the education provider, as part of a workshop or

1 seminar concerning food or beverage workforce training;

2 (c) The person possesses and consumes the alcoholic beverages under the supervision of a fac-
3 ulty or staff member of the education provider who is 21 years of age or older;

4 (d) The person does not purchase the alcoholic beverages; and

5 (e) The amount consumed by the person during any two-hour class, workshop or seminar period
6 does not exceed two ounces of alcohol equivalence.

7 (6) Notwithstanding ORS 471.410, a person who exercises control over private real property may
8 allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is
9 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this
10 section.

11 (7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a
12 licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older
13 in accordance with this chapter or the ability of a person 21 years of age or older to possess or
14 consume alcoholic beverages in accordance with this chapter.

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

16 526.215. To aid in the economic development of the State of Oregon, the State Board of Higher
17 Education, **or if Oregon State University establishes a governing board, Oregon State Uni-**
18 **versity,** shall institute and carry on research and experimentation to develop the maximum yield
19 from the forestlands of Oregon, to obtain the fullest utilization of the forest resource, and to study
20 air and water pollution as it relates to the forest products industries.

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

22 576.768. (1) The report submitted by the Oregon Wine Board under ORS 182.472 must include a
23 description of the long term strategic plan created by the board and a description of the progress
24 made in implementing the statewide strategic objectives of the board during the most recent
25 biennium.

26 (2) Notwithstanding ORS 182.462:

27 (a) The board shall prepare and submit annual plans and a budget recommended by the board
28 for promotion and for research during the next fiscal year.

29 (b) The board shall adopt rules specifying the procedures, criteria and timelines for the prepa-
30 ration and approval of the annual plans and budget for promotion and for research.

31 (c) The Director of the Oregon Business Development Department shall review the budget and
32 plans submitted under this section. In reviewing the annual plans and budget, the director shall
33 consider whether the information supplied by the board is factual and consistent with ORS 576.750
34 to 576.775 and the positive development of the Oregon wine grape growing and wine making indus-
35 tries. The director shall either approve the budget and plans prior to the commencement of the next
36 fiscal year or disapprove and return the budget and plans to the board with conditions necessary
37 for approval prior to the commencement of the next fiscal year. In reviewing the budget and plans,
38 the director may consult with and receive coordinated support from:

39 (A) The State Department of Agriculture;

40 (B) The Oregon Tourism Commission;

41 (C) The Oregon University System, **or if Oregon State University establishes a governing**
42 **board, Oregon State University;**

43 (D) The Department of Community Colleges and Workforce Development; and

44 (E) The Oregon Liquor Control Commission.

45 **SECTION 146.** ORS 659.850 is amended to read:

1 659.850. (1) As used in this section, “discrimination” means any act that unreasonably differen-
2 tiates treatment, intended or unintended, or any act that is fair in form but discriminatory in oper-
3 ation, either of which is based on race, color, religion, sex, sexual orientation, national origin,
4 marital status, age or disability. “Discrimination” does not include enforcement of an otherwise
5 valid dress code or policy, as long as the code or policy provides, on a case-by-case basis, for rea-
6 sonable accommodation of an individual based on the health and safety needs of the individual.

7 (2) A person may not be subjected to discrimination in any public elementary, secondary or
8 community college education program or service, school or interschool activity or in any higher
9 education program or service, school or interschool activity where the program, service, school or
10 activity is financed in whole or in part by moneys appropriated by the Legislative Assembly.

11 (3) The State Board of Education **and the Higher Education Coordinating Commission** [*and*
12 *the State Board of Higher Education*] shall establish rules necessary to ensure compliance with sub-
13 section (2) of this section in the manner required by ORS chapter 183.

14 **SECTION 147.** ORS 659.855 is amended to read:

15 659.855. (1) Any public elementary or secondary school determined by the Superintendent of
16 Public Instruction or any community college determined by the Commissioner for Community Col-
17 lege Services to be in noncompliance with provisions of ORS 659.850 and this section shall be sub-
18 ject to appropriate sanctions, which may include withholding of all or part of state funding, as
19 established by rule of the State Board of Education.

20 (2) Any public university listed in ORS 352.002 determined by the [*Chancellor of the Oregon*
21 *University System*] **Higher Education Coordinating Commission** to be in noncompliance with
22 provisions of ORS 659.850 and this section shall be subject to appropriate sanctions, which may in-
23 clude withholding of all or part of state funding, as established by rule of the [*State Board of Higher*
24 *Education*] **commission**.

25 (3) Any public charter school determined by the sponsor of the school or the superintendent to
26 be in noncompliance with the provisions of ORS 659.850 and this section shall be subject to appro-
27 priate sanctions, which may include the withholding of all or part of state funding by the sponsor
28 or superintendent, as established by rule of the State Board of Education.

29 **SECTION 148.** ORS 659.860 is amended to read:

30 659.860. (1) Any person claiming to be aggrieved by unlawful discrimination as prohibited by
31 ORS 659.850 may file a civil action in circuit court for equitable relief or, subject to the terms and
32 conditions of ORS 30.265 to 30.300, damages, or both. The court may order such other relief as may
33 be appropriate. Damages shall be \$200 or actual damages, whichever is greater.

34 (2) The action authorized by this section shall be filed within one year of the filing of a griev-
35 ance.

36 (3) [*No action shall*] **An action may not** be filed unless, within 180 days of the alleged dis-
37 crimination, a grievance has been filed with the school district board, public charter school gov-
38 erning body, community college board of education, **governing board of a public university with**
39 **a governing board listed in section 3 of this 2013 Act** or State Board of Higher Education.

40 (4) [*No action may*] **An action may not** be filed until 90 days after filing a grievance unless only
41 injunctive relief is sought pursuant to ORCP 79. The right to temporary or preliminary injunctive
42 relief shall be independent of the right to pursue any administrative remedy available to
43 complainants pursuant to ORS 659.850.

44 (5) [*No action may*] **An action may not** be filed if the school district board, public charter
45 school governing body, community college board of education, **governing board of a public uni-**

1 **versity with a governing board listed in section 3 of this 2013 Act** or State Board of Higher
2 Education has obtained a conciliation agreement with the person filing the grievance or if a final
3 determination of a grievance has been made except as provided in ORS 183.480.

4 (6) Notwithstanding the filing of a grievance, pursuant to subsection (3) of this section, any
5 person seeking to maintain an action under this section shall also file a notice of claim within 180
6 days of the alleged discrimination as required by ORS 30.275.

7 (7) The court shall award reasonable attorney fees to a prevailing plaintiff in any action under
8 this section. The court may award reasonable attorney fees and expert witness fees incurred by a
9 defendant who prevails in the action if the court determines that the plaintiff had no objectively
10 reasonable basis for asserting a claim or no objectively reasonable basis for appealing an adverse
11 decision of a trial court.

12 (8) Nothing in this section is intended to reduce the obligations of the education agencies under
13 this section and ORS 659.850 and 659.855.

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

15 660.312. (1) The Governor shall be responsible for a coordinated and comprehensive response to
16 education and workforce issues. The Governor shall appoint an Education and Workforce Policy
17 Advisor, who serves at the pleasure of the Governor. The advisor shall, with the advice of such
18 advisory committees as may be appointed or assigned, advise the Governor on policy, planning and
19 coordination for education and workforce development in Oregon.

20 (2) The duties of the advisor shall include:

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

22 (b) Providing general direction and serving as a liaison between state and local efforts in edu-
23 cation, training and workforce development;

24 (c) Ensuring, through collaboration with the leadership of local workforce investment boards
25 and regional workforce committees, the alignment of statewide, local and regional strategic plans,
26 and the periodic reporting of performance in the implementation of such plans; and

27 (d) Consulting with local workforce investment boards and regional workforce committees on the
28 development and implementation of a workforce performance measurement system.

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

31 (a) The Department of Education;

32 (b) The Oregon University System;

33 (c) The Oregon Business Development Department;

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

35 (e) The Employment Department;

36 (f) The Department of Human Services;

37 (g) The Bureau of Labor and Industries;

38 (h) The Department of Corrections;

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

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

41 **(k) The public universities with governing boards listed in section 3 of this 2013 Act.**

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

44 (a) Businesses and industry organizations;

45 (b) Labor and labor organizations;

- 1 (c) Local education providers;
- 2 (d) Local government;
- 3 (e) Student, teacher, parent and faculty organizations;
- 4 (f) Community-based organizations;
- 5 (g) Public-private partnership organizations;
- 6 (h) Independent nonprofit and proprietary post-secondary colleges and schools; and
- 7 (i) Regional workforce committees, local workforce investment boards and regional investment

8 boards.

9 (5) The advisor shall meet, on a regularly scheduled basis, with the local workforce investment
10 boards, regional workforce committees and such others as necessary to ensure that local interests
11 are represented. The advisor shall seek input, advice and feedback on policy issues affecting state,
12 regional and local education and workforce development from interested parties and other commit-
13 tees formed under ORS 660.306, 660.312 and 660.315.

14 (6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary to carry out the duties
15 of the advisor.

16 **SECTION 149.** ORS 660.358 is amended to read:

17 660.358. (1) The State Workforce Investment Board, in consultation with the Governor, the Ed-
18 ucation and Workforce Policy Advisor and other parties deemed appropriate by the board and after
19 consideration of the clean energy and energy efficiency policies of this state, shall develop a plan
20 for a green jobs growth initiative to promote the development of emerging technologies and inno-
21 vations that lead to, create or sustain family wage green jobs.

22 (2) The plan for the initiative developed by the board shall:

23 (a) Identify industries that are high demand green industries based on current and projected
24 creation of family wage green jobs and the potential for career pathways created for such jobs.

25 (b) Use the needs of identified high demand green industries as the basis for the planning of
26 workforce development activities that promote the development of emerging green technologies and
27 innovations. These activities include, but are not limited to, such efforts undertaken by community
28 colleges, [*the*] public universities [*of the Oregon University System*] **listed in ORS 352.002**, designated
29 signature research centers, registered apprenticeship programs and other private sector training
30 programs.

31 (c) Leverage and align existing public workforce development programs and other public and
32 private resources to the goal of recruiting, supporting, educating and training of targeted popu-
33 lations of workers.

34 (d) Require the board to work collaboratively with stakeholders from business, labor and low
35 income advocacy groups in the regional economy to develop and implement the initiative.

36 (e) Link adult basic and remedial education programs with job training for skills necessary for
37 green jobs.

38 (f) Require the board to collaborate with employers and labor organizations to identify skills and
39 competencies necessary for green job career pathways.

40 (g) Ensure that support services are integrated with education and training for green jobs and
41 that such services are provided by organizations with direct access to and experience with targeted
42 populations.

43 (h) Include an analysis of occupations in the forest products industry to:

44 (A) Determine key growth factors and employment projections for green jobs in the forest pro-
45 ducts industry; and

1 (B) Define the educational and skill standards required for current and emerging green occupa-
2 tions in the forest products industry.

3 (3) Based on the analysis conducted under subsection (2)(h) of this section, the State Workforce
4 Investment Board, in consultation with the Education and Workforce Policy Advisor, shall identify
5 those forest products industries to be classified as high-demand green industries, taking into con-
6 sideration current and future job creation and the strategic importance of the development of high-
7 demand green forest products industry jobs to the development and growth of the state's green
8 economy.

9 (4) As used in this section, "forest products industry" includes, but is not limited to, businesses
10 that grow, manage, harvest, transport or process forest, wood and paper products.

11 **SECTION 150.** ORS 820.100 is amended to read:

12 820.100. (1) The State Board of Education shall adopt and enforce such reasonable standards
13 relating to school bus and school activity vehicle construction and school bus and school activity
14 vehicle equipment as the board deems necessary for safe and economical operation, except that the
15 board may not authorize the use of school buses manufactured before April 1, 1977.

16 (2) The State Board of Higher Education **and the governing board of a public university with**
17 **a governing board listed in section 3 of this 2013 Act** may adopt and enforce separate [*rules*]
18 **standards** of the type described under this section for school buses and school activity vehicles that
19 are under the board's jurisdiction, except that the board may not authorize the use of school buses
20 manufactured before April 1, 1977.

21 (3) The State Board of Education shall adopt and enforce standards for school bus stop arms
22 authorized by ORS 820.105.

23 (4) [*Rules*] **Standards** adopted under this section:

24 (a) Must be consistent with requirements established by statute or by rule adopted under stat-
25 utory authority that relate to the same subject.

26 (b) Shall be consistent with minimum uniform national standards, if such standards exist.

27 (c) May include different requirements for different classes or types of school buses or school
28 activity vehicles.

29 (d) May include any exemptions determined appropriate under ORS 820.150.

30 **SECTION 151.** ORS 820.110 is amended to read:

31 820.110. (1) The State Board of Education shall adopt and enforce rules to establish requirements
32 of operation, qualifications or special training of drivers and special accident reports for school
33 buses and school activity vehicles.

34 (2) The State Board of Higher Education **and the governing board of a public university with**
35 **a governing board listed in section 3 of this 2013 Act** may adopt and enforce separate [*rules*]
36 **standards** of the type described under this section for school buses and school activity vehicles that
37 are under its jurisdiction.

38 (3) The rules **and standards** adopted under this section:

39 (a) Are subject to ORS 820.190 and 820.200 and to any other statute or regulation relating to
40 the operation of vehicles, qualifications of drivers and accident reports.

41 (b) Must be consistent with requirements established by statute or by rule adopted under stat-
42 utory authority that relate to the same subject.

43 (c) May include different requirements for different classes or types of school buses or school
44 activity vehicles.

45 (d) May include any exemptions determined appropriate under ORS 820.150.

1 (4) If the Department of Transportation suspends, cancels or revokes any driving privileges of
2 a person who holds a school bus endorsement under ORS 807.035 (5), the Department of Transpor-
3 tation shall notify the Department of Education of the suspension, cancellation or revocation.

4 **SECTION 152.** ORS 820.120 is amended to read:

5 820.120. (1) The State Board of Education shall adopt and enforce rules to provide for the in-
6 spection of school buses and school activity vehicles to assure that the vehicles are in compliance
7 with requirements under **standards and** rules established under ORS 820.100 and 820.110, as appli-
8 cable, and that the vehicles are safe for operation. The rules may include intervals of inspections.

9 (2) The State Board of Higher Education **and the governing board of a public university with**
10 **a governing board listed in section 3 of this 2013 Act** may adopt and enforce separate [*rules*]
11 **standards** of the type described under this section for school buses and school activity vehicles that
12 are under its jurisdiction.

13 (3) The rules **and standards** adopted under this section:

14 (a) Are subject to any other statute or regulation relating to the safety of vehicles for operation
15 and the inspection of vehicles.

16 (b) May include different requirements for different classes or types of school buses or school
17 activity vehicles.

18 (c) May include any exemptions determined appropriate under ORS 820.150.

19 **SECTION 153.** ORS 820.130 is amended to read:

20 820.130. The Department of Transportation shall issue registration for a school bus when noti-
21 fied that the vehicle conforms to applicable **standards and** rules under ORS 820.100 to 820.120 and
22 that the vehicle is safe for operation on the highways. Notification required by this section shall
23 be from:

24 (1) The State Board of Education or its authorized representative regarding vehicles under its
25 regulatory authority.

26 (2) The State Board of Higher Education or its authorized representative regarding vehicles
27 under its jurisdiction.

28 **(3) The governing board of a public university with a governing board listed in section 3**
29 **of this 2013 Act or the authorized representative of the board regarding vehicles under the**
30 **board's jurisdiction.**

31 **SECTION 153a.** ORS 820.140 is amended to read:

32 820.140. The Department of Transportation may revoke the registration of any school bus if the
33 department determines that the vehicle:

34 (1) Is not maintained and operated in accordance with **standards and** rules applicable to the
35 vehicle under ORS 820.100 to 820.120; or

36 (2) Is not safe for operation over or is not safely operated over the public highways.

37 **SECTION 154.** ORS 820.150 is amended to read:

38 820.150. (1) The State Board of Education, by rule, may establish classes or types of vehicles
39 that are not considered school buses or school activity vehicles for purposes of the Oregon Vehicle
40 Code or classes of school buses or school activity vehicles that are not subject to regulation under
41 the Oregon Vehicle Code either partially or completely.

42 (2) The State Board of Higher Education **and the governing board of a public university with**
43 **a governing board listed in section 3 of this 2013 Act** may adopt separate [*rules*] **standards** of
44 the type described under this section for vehicles that are under its jurisdiction.

45 (3) Rules **and standards** adopted under this section are subject to the following:

1 (a) Any exemption, either partial or total, established under this section may be based upon
2 passenger capacity, on limited use or on any other basis the State Board of Education, **the gov-**
3 **erning board** or the State Board of Higher Education considers appropriate.

4 (b) [No] **An** exemption, either partial or total, [shall] **may not** be established under this section
5 for any vehicle that is marked with or displays the words “school bus.”

6 (c) Any vehicle determined not to be a school bus under this section is not a school bus within
7 the definition established under ORS 801.460. Partial exemptions established for vehicles under this
8 section may include removal of the vehicle from any provisions relating to school buses under the
9 vehicle code.

10 (d) Any vehicle determined not to be a school activity vehicle under this section is not a school
11 activity vehicle within the definition established under ORS 801.455. Partial exemptions established
12 for vehicles under this section may include removal of the vehicle from any provisions relating to
13 school activity vehicles under the vehicle code.

14 (e) In considering any rules **and standards** under this section, the boards shall consider the
15 need to [assure] **ensure** student safety.

16 **SECTION 154a.** ORS 820.160 is amended to read:

17 820.160. (1) A person commits the offense of illegal display of school bus markings if the person
18 displays the words “School Bus” on any vehicle unless the vehicle:

19 (a) Is used in transporting school children to or from school or an authorized school activity or
20 function; and

21 (b) Complies with the applicable requirements under **standards and** rules established under ORS
22 820.100 to 820.120.

23 (2) The offense described in this section, illegal display of school bus markings, is a Class B
24 traffic violation.

25 **SECTION 154b.** ORS 820.180 is amended to read:

26 820.180. (1) A person commits the offense of unsafe school vehicle operation if:

27 (a) The person operates or owns and causes or permits to be operated a school bus or school
28 activity vehicle in a manner that is in violation of any **standards and** rules applicable to the vehicle
29 that are adopted under ORS 820.100 to 820.120;

30 (b) The person owns or leases and causes or permits to be operated for school purposes a school
31 bus or school activity vehicle containing more passengers than the vehicle is designed to transport;
32 or

33 (c) The person operates or owns and causes or permits to be operated a school bus manufactured
34 before April 1, 1977.

35 (2) A person is not in violation of subsection (1)(b) of this section if a bus or vehicle contains
36 more passengers than it is designed to transport due to unforeseen or unusual circumstances.

37 (3) The offense described in this section, unsafe school vehicle operation, is a Class B traffic
38 violation.

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

40 **Sec. 5.** The [State Board of Higher Education] **Higher Education Coordinating Commission**
41 shall determine **by rule how** [the capital renewal, code compliance and safety projects to be under-
42 taken with] moneys made available under section 6 (1)(a), **chapter 904, Oregon Laws 2009, shall**
43 **be allocated to universities listed in ORS 352.002** [of this 2009 Act on the basis of the board’s de-
44 termination of the most critical capital renewal, code compliance and safety needs. In determining the
45 capital renewal, code compliance and safety needs, the board shall give priority to projects that protect

1 *the health and safety of occupants and maintain the structural integrity of facilities].*

2 **SECTION 154d.** Section 9, chapter 904, Oregon Laws 2009, as amended by section 6, chapter
3 99, Oregon Laws 2010, and section 2, chapter 15, Oregon Laws 2011, is amended to read:

4 **Sec. 9.** (1) Except as provided in subsection (3) of this section, the project approvals and ex-
5 penditure limitations in chapter 904, Oregon Laws 2009, and the expenditure limitations established
6 by the Emergency Board during the biennium beginning July 1, 2009, for capital construction or
7 acquisition projects of the Oregon University System, **of the public universities with governing**
8 **boards listed in section 3 of this 2013 Act** and of the Department of Community Colleges and
9 Workforce Development for community colleges, expire on June 30, 2015, unless otherwise noted or
10 unless changed by the Legislative Assembly.

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

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

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

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

24 **Sec. 8.** The [*State Board of Higher Education*] **Higher Education Coordinating Commission**
25 shall determine **by rule how** [*the capital renewal, code compliance and safety projects to be under-*
26 *taken with*] moneys made available under section 9 (1)(a), **chapter 615, Oregon Laws 2011, shall**
27 **be allocated to universities listed in ORS 352.002** [*of this 2011 Act on the basis of the board's de-*
28 *termination of the most critical capital renewal, code compliance and safety needs. In determining the*
29 *capital renewal, code compliance and safety needs, the board shall give priority to projects that protect*
30 *the health and safety of occupants and maintain the structural integrity of facilities. Capital renewal,*
31 *code compliance and safety projects do not include acquisition of buildings, structures or land].*

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

33 **Sec. 11.** (1) The project approvals and expenditure limitations established in section 9 [*of this*
34 *2011 Act*], **chapter 615, Oregon Laws 2011**, and the expenditure limitations established by the
35 Emergency Board during the biennium beginning July 1, 2011, for capital construction or acquisition
36 projects of the Oregon University System **and public universities with governing boards listed**
37 **in section 3 of this 2013 Act** expire on June 30, 2017, unless otherwise noted or unless changed
38 by the Legislative Assembly.

39 (2) The project approvals and expenditure limitations established by section 2 (6)(h), chapter 787,
40 Oregon Laws 2005, and increased by the Emergency Board at its April 2006 meeting, for capital
41 construction or acquisition projects of the Oregon University System expire on June 30, 2013, unless
42 otherwise changed by the Legislative Assembly.

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

1 Assembly.

2 (4) The project approvals and expenditure limitations established by section 2 (6)(e), chapter 761,
3 Oregon Laws 2007, and increased by the Emergency Board at its September 2010 meeting, for capital
4 construction or acquisition projects of the Oregon University System expire on June 30, 2013, unless
5 otherwise changed by the Legislative Assembly.

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

9 (6) The project approvals and expenditure limitations established by section 3 (1), (6) and (7),
10 chapter 787, Oregon Laws 2005, for capital construction or acquisition projects at Columbia Gorge
11 Community College, Klamath Community College and Southwestern Oregon Community College ex-
12 pire on June 30, 2012, unless otherwise changed by the Legislative Assembly.

13 (7) The project approval and expenditure limitation established by section 16 [*of this 2011 Act*],
14 **chapter 615, Oregon Laws 2011**, for Strand Agriculture Hall deferred maintenance at Oregon State
15 University expires on June 30, 2015, unless otherwise changed by the Legislative Assembly.

16 **SECTION 155.** Section 14, chapter 36, Oregon Laws 2012, is amended to read:

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

18 (a) "Achievement compact" means an agreement entered into between the Oregon Education
19 Investment Board and the governing body of an education entity as described in this section.

20 (b) "Education entity" means:

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

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

23 (C) A community college district or community college service district operated under ORS
24 chapter 341;

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

26 (E) A public university [*of the Oregon University System, as*] listed in ORS 352.002; and

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

29 (c) "Governing body of an education entity" means:

30 (A) For a school district, the school district board.

31 (B) For an education service district, the board of directors of the education service district.

32 (C) For a community college district or a community college service district, the board of edu-
33 cation of the community college district.

34 (D) For the Oregon University System, the State Board of Higher Education.

35 (E) For a public university of the Oregon University System, the president of the university.

36 **(F) For a public university with a governing board listed in section 3 of this 2013 Act, the**
37 **governing board of the university.**

38 [*F*] (G) For the Oregon Health and Science University, the Oregon Health and Science Uni-
39 versity Board of Directors.

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

43 (b) Governing bodies of education entities identified in subsection (1)(b)(A) to (C) of this section
44 shall enter into achievement compacts as part of the budgeting process under ORS 294.305 to 294.565
45 and shall submit achievement compacts to the board prior to July 1 of each year.

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

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

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

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

9 (A) A description of goals for outcomes that are consistent with the educational goals identified
10 in ORS 329.015, the findings described in ORS 351.003 and the mission of education provided in ORS
11 351.009.

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

14 (i) Completion rates for:

15 (I) Critical stages of learning and programs of study;

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

17 (III) Achieving the high school and post-secondary education goals established in ORS 351.009
18 and a projection of the progress needed to achieve those goals by 2025;

19 (ii) Validations of the quality of knowledge and skills acquired by students of the education en-
20 tity; and

21 (iii) The relevance of the knowledge and skills acquired by the students of the education entity
22 and the means by which those skills and knowledge will contribute to the workforce, the economy
23 and society as described in state policy.

24 (C) Other information suggested by the governing body of an education entity and approved by
25 the board.

26 (c) Notwithstanding the terms described in paragraph (b) of this subsection, for an achievement
27 compact entered into by an education entity identified in subsection (1)(b)(F) of this section, the
28 terms of the achievement compact shall be limited to the enrollment of, and attainment of degrees
29 by, Oregon residents in programs for which the state provides funding.

30 (4)(a) The governing body of each education entity shall identify a target number and percentage
31 of students for achievement of the outcomes, measures of progress and goals specified in the
32 achievement compact for the fiscal year.

33 (b) The governing body of each education entity shall provide a target number and percentage
34 of students for the aggregate of all disadvantaged subgroups, as defined by federal law or specified
35 by rules adopted by the board. The target number and percentage of students must reflect the edu-
36 cation entity's goals of improving education outcomes for disadvantaged student groups and closing
37 any student achievement gaps between disadvantaged student groups and other student groups.

38 (5) As part of the process of entering into an achievement compact, the governing body of an
39 education entity shall ensure that open communications are provided to parents, students, teachers
40 or faculty, employees, exclusive bargaining representatives and community representatives for the
41 purposes of explaining and discussing the outcomes, measures of progress, goals and targets speci-
42 fied in the achievement compact for the fiscal year. The open communications must be provided
43 during each education entity's public budget process.

44 (6) The board shall specify the format of the achievement compacts and provide model achieve-
45 ment compacts to the governing body of each education entity.

1 (7) The board may adopt a timeline and method for governing bodies of education entities to
2 provide the board with a report at the end of a fiscal year that describes the achievements made
3 by the education entities during the fiscal year. The report:

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

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

8 **SECTION 156.** Section 13, chapter 761, Oregon Laws 2007, as amended by section 5, chapter
9 2, Oregon Laws 2009, section 93, chapter 762, Oregon Laws 2009, and section 32, chapter 2, Oregon
10 Laws 2011, is amended to read:

11 **Sec. 13.** (1) There is established in the General Fund an account to be known as the Portland
12 State University Science Research and Teaching Center and Hazardous Waste Facility Account.
13 Funds in the account shall be used for the acquisition, construction, remodeling, expansion and
14 renovation of facilities for a Science Research and Teaching Center and Hazardous Waste Facility
15 Phase I at Portland State University.

16 (2) The account shall consist of proceeds from certificates of participation, grant funds, gift
17 funds, proceeds of legal settlements, federal and local government funds made available to and funds
18 donated to [*the Oregon University System*] **Portland State University** for the purpose of the center
19 and facility project described in subsection (1) of this section. Interest earned on moneys in the ac-
20 count shall be credited to the account. The account may not be credited with more than \$7,000,000
21 for purposes of this subsection.

22 (3) Moneys in the account are continuously appropriated to [*the Oregon University System*]
23 **Portland State University** and may be transferred to the account designated by [*ORS 351.626*] **the**
24 **university** for the center and facility project described in subsection (1) of this section.

25 **SECTION 157.** Section 14, chapter 761, Oregon Laws 2007, as amended by section 94, chapter
26 762, Oregon Laws 2009, and section 33, chapter 2, Oregon Laws 2011, is amended to read:

27 **Sec. 14.** (1) There is established in the General Fund an account to be known as the University
28 of Oregon Integrative Science Complex, Phase 2 Account. Funds in the account shall be used for the
29 acquisition, construction, remodeling, expansion and renovation of facilities for an Interactive Sci-
30 ence Complex, Phase 2 at the University of Oregon.

31 (2) The account shall consist of grant funds, gift funds, federal and local government funds made
32 available to and funds donated to the [*Oregon University System*] **University of Oregon** for the
33 purpose of the Interactive Science Complex, Phase 2 project described in subsection (1) of this sec-
34 tion. Interest earned on moneys in the account shall be credited to the account. The account may
35 not be credited with more than \$30,000,000 for purposes of this subsection.

36 (3) Moneys in the account are continuously appropriated to the [*Oregon University System*]
37 **University of Oregon** and may be transferred to the account designated by [*ORS 351.626*] **the**
38 **university** for the Interactive Science Complex, Phase 2 project described in subsection (1) of this
39 section.

40 **SECTION 158.** Section 15, chapter 761, Oregon Laws 2007, as amended by section 95, chapter
41 762, Oregon Laws 2009, and section 34, chapter 2, Oregon Laws 2011, is amended to read:

42 **Sec. 15.** (1) There is established in the General Fund an account to be known as the University
43 of Oregon Hayward Field Account. Funds in the account shall be used for the purposes described
44 in Article XI-G of the Oregon Constitution at Hayward Field at the University of Oregon.

45 (2) The account shall consist of funds received from not-for-profit organizations, grant funds, gift

1 funds, federal and local government funds made available to and funds donated to the [*Oregon Uni-*
 2 *versity System*] **University of Oregon** for the purpose of the Hayward Field project described in
 3 subsection (1) of this section. Interest earned on moneys in the account shall be credited to the ac-
 4 count. The account may not be credited with more than \$2,500,000 for purposes of this subsection.

5 (3) Moneys in the account are continuously appropriated to the [*Oregon University System*]
 6 **University of Oregon** and may be transferred to the account designated by [*ORS 351.626*] **the**
 7 **university** for the purposes described in subsection (1) of this section.

8 **SECTION 159.** Section 17, chapter 761, Oregon Laws 2007, as amended by section 97, chapter
 9 762, Oregon Laws 2009, and section 36, chapter 2, Oregon Laws 2011, is amended to read:

10 **Sec. 17.** (1) There is established in the General Fund an account to be known as the Portland
 11 State University Science PCAT Redevelopment Account. Funds in the account shall be used for the
 12 acquisition, construction, remodeling, expansion and renovation of facilities on the current site of
 13 the Portland Center for Advanced Technology at Portland State University.

14 (2) The account shall consist of grant funds, gift funds, proceeds of legal settlements, federal and
 15 local government funds made available to and funds donated to [*the Oregon University System*]
 16 **Portland State University** for the purpose of the project described in subsection (1) of this section.
 17 Interest earned on moneys in the account shall be credited to the account. The account may not be
 18 credited with more than \$10,000,000 for purposes of this subsection.

19 (3) Moneys in the account are continuously appropriated to [*the Oregon University System*]
 20 **Portland State University** and may be transferred to the account designated by [*ORS 351.626*] **the**
 21 **university** for the project described in subsection (1) of this section.

22 **SECTION 160.** Section 22, chapter 904, Oregon Laws 2009, as amended by section 50, chapter
 23 2, Oregon Laws 2011, and section 46, chapter 9, Oregon Laws 2011, is amended to read:

24 **Sec. 22.** (1) There is established in the General Fund an account to be known as the Portland
 25 State University Science Research and Teaching Center/Hazardous Waste Facility Phase 2 Project
 26 Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion
 27 and renovation of facilities for a facility project at [*Oregon*] **Portland** State University.

28 (2) The account shall consist of proceeds from grant funds, gift funds and federal and local
 29 government funds made available to [*the Oregon University System*] **Portland State University** for
 30 the purpose of the facility project described in subsection (1) of this section. Interest earned on
 31 moneys in the account shall be credited to the account. The account may not be credited with more
 32 than \$2,500,000 for purposes of this subsection.

33 (3) Moneys in the account are continuously appropriated to [*the Oregon University System*]
 34 **Portland State University** and may be transferred to the account designated by [*ORS 351.626*] **the**
 35 **university** for the facility project described in subsection (1) of this section.

36 **SECTION 161.** Section 24, chapter 904, Oregon Laws 2009, as amended by section 52, chapter
 37 2, Oregon Laws 2011, and section 48, chapter 9, Oregon Laws 2011, is amended to read:

38 **Sec. 24.** (1) There is established in the General Fund an account to be known as the University
 39 of Oregon Allen Hall Expansion and Remodel Project Account. Funds in the account shall be used
 40 for the acquisition, construction, remodeling, expansion and renovation of facilities for a facility
 41 project at the University of Oregon.

42 (2) The account shall consist of proceeds from grant funds and gift funds made available to and
 43 funds donated to the [*Oregon University System*] **University of Oregon** for the purpose of the fa-
 44 cility project described in subsection (1) of this section. Interest earned on moneys in the account
 45 shall be credited to the account. The account may not be credited with more than \$7,500,000 for

1 purposes of this subsection.

2 (3) Moneys in the account are continuously appropriated to the [*Oregon University System*]
3 **University of Oregon** and may be transferred to the account designated by [ORS 351.626] **the**
4 **university** for the facility project described in subsection (1) of this section.

5 **SECTION 162.** Section 3, chapter 797, Oregon Laws 2001, is amended to read:

6 **Sec. 3.** Subject to available funding, if a building evaluated under section 2 (4), **chapter 797,**
7 **Oregon Laws 2001,** [*of this 2001 Act*] is found by a board to pose an undue risk to life safety during
8 a seismic event, the State Board of Higher Education, **governing board of a public university with**
9 **a governing board listed in section 3 of this 2013 Act,** local school district board, community
10 college board or education service district board, as appropriate, shall develop a plan for seismic
11 rehabilitation of the building or for other actions to reduce the risk. For a board that is subject to
12 ORS 291.224, the board's plan to rehabilitate or take other action to reduce the seismic risk of a
13 building must be included in the capital construction program of the board. A board that is subject
14 to ORS 291.224 shall rank the relative benefit of projects to reduce seismic risk in comparison with
15 other life safety and code requirement projects. Subject to availability of funding, all seismic reha-
16 bilitations or other actions to reduce seismic risk must be completed before January 1, 2032. If the
17 building is listed on a national or state register of historic places or properties or is designated as
18 a landmark by local ordinance, the plan for seismic rehabilitation or other action shall be developed
19 in a manner that gives consideration to preserving the character of the building.

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

21 354.090. The [*State Board of Higher Education*] **Oregon Institute of Technology** is declared the
22 managing agency of the FM radio station KTEC, licensed to the Oregon Institute of Technology, and
23 as such shall prescribe rules and regulations in conformity with the regulations and laws of the
24 United States Government relating to educational FM radio stations. By such rules and regulations
25 the [*State Board of Higher Education*] **Oregon Institute of Technology** shall make the facilities of
26 the radio station available in the training programs of the [*Oregon Institute of Technology*] **univer-**
27 **sity.**

28 **SECTION 162b. (1) The amendments to ORS 354.090 by section 162a of this 2013 Act be-**
29 **come operative only if the Oregon Institute of Technology becomes a university with a gov-**
30 **erning board in the manner set forth in section 168a of this 2013 Act.**

31 **(2) If the condition specified in subsection (1) of this section is met, the amendments to**
32 **ORS 354.090 by section 162a of this 2013 Act become operative on the date the Governor ap-**
33 **points the members of the governing board under section 168a of this 2013 Act.**

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

35 351.516. (1) There is established in the General Fund an account to be known as the Eastern
36 Oregon University Regional Agricultural, Health and Life Sciences Building Account. Funds in the
37 account shall be used to acquire or construct a new building for agriculture, health and life sciences
38 studies at Eastern Oregon University.

39 (2) The account shall consist of proceeds from lottery bonds and federal and local government
40 funds made available to and funds donated to [*the Oregon University System*] **Eastern Oregon**
41 **University** for the purpose of the Eastern Oregon University Regional Agricultural, Health and Life
42 Sciences Building project described in subsection (1) of this section. Interest earned on moneys in
43 the account shall be credited to the account.

44 (3) Moneys in the account are continuously appropriated to [*the Oregon University System*]
45 **Eastern Oregon University** for the purposes described in subsection (1) of this section. The ac-

1 count may not be credited with more than \$14,470,500 in interest, proceeds from lottery bonds, do-
2 nations and federal and local government funds for purposes of this subsection.

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

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

9 **SECTION 163.** ORS 352.035, 352.048, 352.049, 352.051, 352.052 and 352.053 are repealed.

10 **SECTION 164.** Notwithstanding ORS 62.720, 321.185, 351.506, 351.507, 351.508, 351.532,
11 352.560, 567.010, 567.025, 567.030 and 759.445 and section 1, chapter 39, Oregon Laws 2012, and
12 section 6, chapter 79, Oregon Laws 2012, if the president of Oregon State University notifies
13 the Governor that the university will become a university with a governing board in the
14 manner set forth in section 168 or 168a of this 2013 Act, any moneys provided or transferred
15 by law to the Oregon University System or State Board of Higher Education for the benefit
16 of or use by Oregon State University shall be provided directly to Oregon State University.

17 **SECTION 165.** Notwithstanding ORS 196.438, 351.350, 352.230, 352.239, 352.247, 352.610,
18 526.225, 542.710, 561.364, 566.210, 567.005, 567.035, 567.210, 567.260, 567.455, 567.505, 567.510 and
19 567.580, if the president of Oregon State University notifies the Governor that the university
20 will become a university with a governing board in the manner set forth in section 168 or
21 168a of this 2013 Act, the university shall act independently, rather than under the direction,
22 control or management of the State Board of Higher Education.

23 **SECTION 165a.** Notwithstanding ORS 352.221 and 352.223 and section 16, chapter 761,
24 Oregon Laws 2007, section 7, chapter 2, Oregon Laws 2009, and section 18, chapter 904,
25 Oregon Laws 2009, if the Oregon Institute of Technology becomes a university with a gov-
26 erning board in the manner set forth in section 168a of this 2013 Act, any moneys provided
27 or transferred by law to the Oregon University System or State Board of Higher Education
28 for the benefit of or use by the Oregon Institute of Technology shall be provided directly to
29 the Oregon Institute of Technology.

30
31 **ESTABLISHMENT OF SPECIAL COMMITTEE**
32 **AND WORK GROUP**
33

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

36 (a) The President of the Senate shall appoint four members from among members of the
37 Senate.

38 (b) The Speaker of the House of Representatives shall appoint four members from among
39 members of the House of Representatives.

40 (c) The Governor shall appoint two members who are members of the Oregon Education
41 Investment Board.

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

43 (a) Issues of administration within the state post-secondary education system with an
44 emphasis on four-year public universities; and

45 (b) Coordination of operations, academic programs, shared services and other elements

1 of that system, after considering the recommendations of the Work Group on University
2 Shared Services established under section 166a of this 2013 Act.

3 (3) The special committee may recommend legislation on the future relationship between
4 Oregon's institutions of post-secondary education.

5 (4) The special committee shall evaluate options related to institutional governance as
6 Oregon's public universities transition to new governing boards, with a focus on how best to
7 coordinate academic services among the universities in order to increase student access,
8 affordability and success in pursuit of the mission described in ORS 351.009. Options may
9 include the role of a chancellor or an academic leader, the composition of the interim State
10 Board of Higher Education between July 1, 2014, and June 30, 2015, or the composition and
11 authorities of a consortium board for universities that do not request institutional governing
12 boards.

13 (5) With respect to university governance, any legislation recommended by the special
14 committee shall:

15 (a) Take into consideration the unique mission associated with each of Oregon's seven
16 public universities and identify how these missions can best be accomplished and sustained
17 over the next 10 years; and

18 (b) Ensure that the public missions of Oregon's public universities, including access and
19 affordability for residents of this state, are maintained and enhanced.

20 (6) With respect to university operations, any legislation recommended by the special
21 committee shall define the operating arrangements between the institutions in order to en-
22 sure:

23 (a) That all post-secondary institutions, including public universities listed in ORS 352.002
24 and Oregon's 17 community colleges, are able to achieve the goals and mission described in
25 ORS 351.006 and 351.009; and

26 (b) The achievement of cost efficiencies, economies of scale, cost effectiveness, account-
27 ability, administrative streamlining and the ability to provide the best quality education
28 possible for the amount of state moneys spent.

29 (7)(a) Any shared services legislation recommended by the special committee must fur-
30 ther consider the recommended shared services model provided by the Work Group on Uni-
31 versity Shared Services under section 166a (11) of this 2013 Act.

32 (b) The shared services subject to review by the special committee shall include, but are
33 not limited to, risk management, cash management, asset management, treasury services,
34 payroll, employee benefits, accounting, auditing, purchasing and contracting, information
35 technology and any other administrative function that might benefit from the sharing or
36 pooling of public university resources.

37 (8) A majority of the members of the special committee constitutes a quorum for the
38 transaction of business.

39 (9) Official action by the special committee requires the approval of a majority of the
40 members of the committee.

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

43 (11) If there is a vacancy for any cause, the appointing authority shall make an appoint-
44 ment to become immediately effective.

45 (12) The special committee shall meet at times and places specified by the call of the

1 cochairpersons or of a majority of the members of the committee.

2 (13) The special committee may adopt rules necessary for the operation of the commit-
3 tee.

4 (14)(a) The special committee shall convene and begin work no later than September 15,
5 2013.

6 (b) The special committee shall submit interim recommendations to the Governor and
7 Legislative Assembly no later than January 15, 2014, for consideration during the 2014 regu-
8 lar legislative session.

9 (c) The special committee shall continue to meet and submit final recommendations to
10 the Governor and Legislative Assembly, if necessary, no later than November 15, 2014, for
11 consideration during the 2015 regular legislative session.

12 (15) The Legislative Administration Committee shall provide staff support to the special
13 committee.

14 (16) Members of the special committee who are not members of the Legislative Assembly
15 are not entitled to compensation.

16 (17) All agencies of state government, as defined in ORS 174.111, and public universities
17 listed in ORS 352.002 are directed to assist the special committee in the performance of its
18 duties and, to the extent permitted by laws relating to confidentiality, to furnish such in-
19 formation and advice as the members of the committee consider necessary to perform their
20 duties.

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

24 **SECTION 166a.** (1) The Work Group on University Shared Services is established, con-
25 sisting of the presidents of the seven public universities listed in ORS 352.002 or the
26 presidents' designees.

27 (2) The work group shall develop a shared services model that delivers efficient and ef-
28 fective administrative operations to participating post-secondary institutions in a manner
29 that focuses on quality, responsiveness and customer service and that seeks to achieve cost
30 savings, economies of scale, accountability, transparency and streamlining.

31 (3) In developing a shared services model under subsection (2) of this section, the ser-
32 vices that the work group must consider include, but are not limited to, risk management,
33 cash management, asset management, treasury services, payroll, employee benefits, ac-
34 counting, auditing, purchasing and contracting, information technology and any other ad-
35 ministrative function that might benefit from the sharing or pooling of public university
36 resources.

37 (4) In recommending how to achieve a shared services enterprise for the public univer-
38 sities listed in ORS 352.002, the work group shall:

39 (a) Recommend an appropriate entity to facilitate the sharing of services among the
40 public universities listed in ORS 352.002 after universities with governing boards are estab-
41 lished;

42 (b) Recommend how the shared services coordinating entity described in paragraph (a)
43 of this subsection will be managed;

44 (c) Determine the financial impact that will be caused, both cumulatively and individ-
45 ually, for each university that establishes a governing board and leaves the Oregon Univer-

1 sity System;

2 (d) Recommend a mechanism to mitigate or eliminate the negative financial impact
3 caused by universities establishing governing boards and leaving the Oregon University Sys-
4 tem, or require universities establishing governing boards and leaving the Oregon University
5 System to remain in each shared service. In determining this mechanism, the work group
6 must consider the appropriateness of assessments or reductions of appropriations; and

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

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

17 (6) A majority of the members of the work group constitutes a quorum for the trans-
18 action of business.

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

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

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

24 (10) The work group may adopt rules necessary for the operation of the work group.

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

28 (b) The work group shall finalize and submit its recommended shared services model to
29 the special committee no later than September 15, 2014.

30 (12) The Oregon University System shall provide staff support to the work group.

31 (13) Members of the work group are not entitled to compensation.

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

36 **SECTION 167.** Sections 166 and 166a of this 2013 Act are repealed on the date of the
37 convening of the 2016 regular session of the Legislative Assembly as specified in ORS 171.010.

38
39 **OPERATIVE DATE AND TRANSITIONAL PROVISIONS**

40
41 **SECTION 168.** (1) Notwithstanding the operative date set forth in section 171 of this 2013
42 Act, the Governor shall appoint all of the members of the Board of Trustees of the Univer-
43 sity of Oregon and all of the members of the Board of Trustees of Portland State University
44 by August 19, 2013, so that these appointees may be confirmed by the Senate in the manner
45 provided in ORS 171.562 and 171.565 by September 30, 2013.

1 **(2) If the president of Oregon State University notifies the Governor by August 1, 2013,**
2 **the university will become a university with a governing board:**

3 **(a) Within two weeks after receiving the notification, the Governor shall inform the**
4 **President of the Senate, the Speaker of the House of Representatives and the Legislative**
5 **Counsel of the notification; and**

6 **(b) The Governor shall appoint all of the members of the Board of Trustees of Oregon**
7 **State University in the same manner and time frame as set forth in subsection (1) of this**
8 **section.**

9 **(3) If the president of Oregon State University notifies the Governor between August 2,**
10 **2013, and January 1, 2014, that the university will become a university with a governing**
11 **board, the Board of Trustees of Oregon State University shall be established in the manner**
12 **set forth in section 168a of this 2013 Act.**

13 **SECTION 168a.** **(1) If the president of Oregon State University notifies the Governor be-**
14 **tween August 2, 2013, and January 1, 2014, that the university will become a university with**
15 **a governing board:**

16 **(a) Within two weeks after receiving the notification, the Governor shall inform the**
17 **President of the Senate, the Speaker of the House of Representatives and the Legislative**
18 **Counsel of the notification; and**

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

21 **(2)(a) If the president of Eastern Oregon University, Oregon Institute of Technology,**
22 **Southern Oregon University or Western Oregon University determines that the university**
23 **should become a university with a governing board, the president shall notify the Governor**
24 **and the State Board of Higher Education of the university's intent. Notification under this**
25 **subsection must occur during the period beginning March 1, 2014, and ending June 1, 2015.**

26 **(b) Within 45 days of receiving notification under this subsection from a university**
27 **president, the State Board of Higher Education shall decide whether or not to endorse the**
28 **university's decision. If the board endorses the request, the board shall immediately com-**
29 **municate any endorsement to the Governor.**

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

32 **(A) Inform the President of the Senate, the Speaker of the House of Representatives and**
33 **the Legislative Counsel of that the university will become a university with a governing**
34 **board; and**

35 **(B) Not later than six months after receiving the notification, appoint all of the members**
36 **of the governing board in the manner set forth in section 6 of this 2013 Act.**

37 **(3) Notwithstanding section 169 of this 2013 Act, if Eastern Oregon University, Oregon**
38 **Institute of Technology, Southern Oregon University or Western Oregon University become**
39 **a university with a governing board under subsection (2) of this section, the president of that**
40 **university shall take over administrative responsibilities for the university from the State**
41 **Board of Higher Education on either July 1, 2015 or when the Governor appoints the mem-**
42 **bers of the governing board, whichever date comes later.**

43 **SECTION 169.** **Except as provided in section 168a of this 2013 Act, the State Board of**
44 **Higher Education shall continue to have jurisdiction over the operations of a university with**
45 **a governing board as defined in section 2 of this 2013 Act through June 30, 2014. However,**

1 the governing board shall propose funding requests pursuant to section 8 of this 2013 Act and
2 ORS 351.052, as amended by section 42 of this 2013 Act, and shall prepare budgets, in coop-
3 eration with the Higher Education Coordinating Commission, for the biennium beginning July
4 1, 2015.

5 **SECTION 170.** (1) Except as otherwise expressly provided in this section, all persons
6 employed by a university with a governing board, as defined in section 2 of this 2013 Act, on
7 the effective date of this 2013 Act shall continue their employment with the university and
8 shall retain any seniority, contractual rights or tenure granted prior to the effective date
9 of this 2013 Act. Nothing in this section shall affect any term or condition of any collective
10 bargaining agreement in effect on the effective date of this 2013 Act.

11 (2) All of the duties, functions, powers and lawfully incurred rights and obligations of the
12 State Board of Higher Education that pertain to a university with a governing board are
13 transferred to and vested in the governing board. The transfer shall include but not be lim-
14 ited to all applicable contractual rights and obligations and title to all applicable records,
15 property, supplies and materials, including equipment, books and papers. For the purpose of
16 succession to these rights and obligations, the governing board is considered to be a contin-
17 uation of the State Board of Higher Education and not a new authority, and the governing
18 board must exercise such rights and fulfill such obligations as if they had not been assigned
19 or transferred, except as otherwise provided by law.

20 (3) All unexpended moneys, including but not limited to General Fund appropriations,
21 gifts, bequests, other funds, assessments, liability and worker's compensation reserves and
22 premiums that are appropriated to, held, managed or invested by or on behalf of or otherwise
23 available to a university with a governing board, are appropriated and transferred to the
24 university.

25 (4) A university with a governing board shall conduct and complete any proceeding,
26 action, prosecution or other matter that the university commenced before the effective date
27 of this 2013 Act and that is pending on the effective date of this 2013 Act.

28 (5) The transfer of duties, functions and powers to a governing board or university with
29 a governing board does not affect any action, suit or proceeding relating to the university,
30 except that the university shall be substituted for the State Board of Higher Education and
31 the State of Oregon in any such action, suit or proceeding.

32 (6) Any action, proceeding or other matter that was commenced by a state agency, a
33 state officer, the State Board of Higher Education or an officer or employee of the State
34 Board of Higher Education before the effective date of this 2013 Act and relates to the gov-
35 erning board or university with a governing board and is still pending on the effective date
36 of this 2013 Act shall be conducted and completed by the governing board or university.

37 (7) Nothing in this 2013 Act relieves any person, public entity or private entity of any
38 obligation with respect to a tax, fee, fine or other charge, interest, penalty, forfeiture, rule,
39 policy, document, record or proceeding.

40 (8) Notwithstanding any other provision of this section, the lawfully adopted rules and
41 policies of the State Board of Higher Education pertaining to a university with a governing
42 board that are in effect on the effective date of this 2013 Act continue in effect until lawfully
43 superseded or repealed by the standards or policies of the governing board or the university.
44 References in rules or policies of the State Board of Higher Education to the state board or
45 an officer or employee of the state board are considered to be references to the governing

1 board or an officer or employee of a university with a governing board.

2 **SECTION 171.** Sections 2, 2a, 2b, 3, 5, 8 to 18, 164, 165, 169 and 170 of this 2013 Act, the
3 amendments to statutes and session laws by sections 24, 25, 28 to 37 and 40 to 162 of this 2013
4 Act and the repeal of statutes by section 163 of this 2013 Act become operative on July 1,
5 2014.

6 **SECTION 172.** The State Board of Higher Education and a university with a governing
7 board as defined in section 2 of this 2013 Act may take any action before the operative date
8 specified in section 171 of this 2013 Act that is necessary for the State Board of Higher Ed-
9 ucation and the university to exercise, on and after the operative date specified in section
10 171 of this 2013 Act, all of the duties, functions and powers conferred on the State Board of
11 Higher Education and university by this 2013 Act.

12 **SECTION 172a.** This 2013 Act is intended to preserve the autonomy of the universities
13 listed in ORS 352.002 whether they are governed by a university governing board or a uni-
14 versity consortium board.

15
16 **CAPTIONS**

17
18 **SECTION 173.** The unit captions used in this 2013 Act are provided only for the conven-
19 ience of the reader and do not become part of the statutory law of this state or express any
20 legislative intent in the enactment of this 2013 Act.

21
22 **EMERGENCY CLAUSE**

23
24 **SECTION 174.** This 2013 Act being necessary for the immediate preservation of the public
25 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
26 on its passage.
27
