

# Senate Bill 211

Sponsored by Senator KRUSE (Presession filed.)

## 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 **as introduced**.

Provides that State Board of Education shall consist of 11 members appointed by Governor to represent kindergarten through grade 12, community colleges and institutions of higher education.

Directs State Board of Education to appoint Superintendent of Public Instruction.

Abolishes State Board of Higher Education and Higher Education Coordinating Commission. Transfers duties and powers of board and commission to State Board of Education.

Takes effect only if Senate Joint Resolution 4 (2013) is approved by people at next regular general election.

Takes effect July 1, 2015.

## A BILL FOR AN ACT

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Relating to the State Board of Education; creating new provisions; amending ORS 30.264, 30.864, 36.155, 62.720, 171.735, 182.122, 184.631, 190.510, 190.520, 190.530, 190.540, 190.580, 190.590, 190.610, 196.438, 200.025, 200.055, 238.200, 238.215, 240.205, 243.107, 243.800, 243.820, 243.850, 243.910, 244.050, 273.573, 273.586, 273.785, 276.610, 276.612, 282.076, 283.310, 284.540, 284.706, 284.711, 291.002, 291.038, 291.055, 291.445, 292.043, 292.044, 293.790, 293.812, 294.311, 320.100, 321.185, 326.011, 326.031, 326.041, 326.051, 329.085, 329.489, 337.521, 340.310, 341.009, 341.430, 341.455, 341.527, 342.147, 342.447, 343.961, 344.259, 344.557, 345.010, 345.015, 345.017, 345.020, 345.030, 345.040, 345.060, 345.070, 345.080, 345.110, 345.115, 345.117, 345.120, 345.325, 345.330, 345.340, 345.400, 345.430, 345.450, 345.995, 348.010, 348.040, 348.070, 348.205, 348.210, 348.282, 348.520, 348.597, 348.601, 348.603, 348.604, 348.605, 348.606, 348.607, 348.608, 348.609, 348.611, 348.612, 348.615, 348.849, 348.890, 348.900, 348.910, 351.011, 351.047, 351.052, 351.054, 351.057, 351.060, 351.062, 351.063, 351.065, 351.067, 351.070, 351.072, 351.075, 351.077, 351.085, 351.086, 351.087, 351.088, 351.092, 351.094, 351.096, 351.097, 351.105, 351.110, 351.117, 351.130, 351.140, 351.150, 351.155, 351.160, 351.165, 351.170, 351.180, 351.190, 351.203, 351.205, 351.210, 351.220, 351.230, 351.240, 351.250, 351.260, 351.267, 351.277, 351.282, 351.284, 351.287, 351.310, 351.320, 351.340, 351.345, 351.350, 351.353, 351.356, 351.460, 351.476, 351.505, 351.506, 351.590, 351.615, 351.627, 351.633, 351.638, 351.642, 351.643, 351.644, 351.646, 351.647, 351.653, 351.658, 351.663, 351.666, 351.668, 351.692, 351.697, 351.708, 351.735, 351.810, 351.820, 351.830, 351.840, 351.870, 351.875, 351.880, 351.885, 352.002, 352.004, 352.010, 352.021, 352.035, 352.051, 352.230, 352.360, 352.383, 352.385, 352.390, 352.510, 352.530, 352.580, 352.610, 353.040, 353.050, 353.080, 353.108, 353.330, 353.370, 353.440, 354.090, 357.004, 358.575, 366.785, 390.235, 418.658, 430.241, 458.558, 461.543, 468A.245, 471.580, 471.810, 526.215, 526.225, 542.710, 542.720, 561.364, 566.210, 567.025, 567.030, 567.035, 567.205, 567.210, 567.220, 567.230, 567.235, 567.255, 567.260, 567.270, 567.275, 567.325, 567.330, 567.405, 567.410, 567.430, 567.455, 567.475, 567.480, 567.505, 567.510, 567.515, 567.520, 567.575, 567.580, 576.035, 659.850, 659.855, 659.860, 678.425, 690.225, 696.182, 815.080, 820.100, 820.110, 820.120, 820.130, 820.150 and 825.017 and section 3, chapter 797, Oregon Laws 2001, sections 5, 10, 11, 12 and 13, chapter 904, Oregon Laws 2009, section 11, chapter 519,

**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.

Oregon Laws 2011, sections 8, 12, 13 and 14, chapter 615, Oregon Laws 2011, section 14, chapter 36, Oregon Laws 2012, section 9, chapter 79, Oregon Laws 2012, and section 1, chapter 96, Oregon Laws 2012; repealing ORS 326.021, 326.300, 351.015, 351.020, 351.040, 351.045, 351.049, 351.064, 351.715, 351.718, 351.722, 351.725, 351.728, 351.732 and 351.738 and section 2, chapter 637, Oregon Laws 2011; and prescribing an effective date.

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

## STATE BOARD OF EDUCATION

**SECTION 1.** (1) The State Board of Education shall consist of 11 members.

(2) The members of the board shall be appointed by the Governor from among the residents of this state as follows:

(a) Five members representing kindergarten through grade 12, one from each of the five congressional districts. When selecting the members, the Governor shall consider a list of persons that is jointly submitted by an organization representing school employees, an organization representing school administrators and an organization representing school district boards. The list shall consist of a total of 15 persons and shall provide the names of three persons from each congressional district.

(b) Three members representing public universities listed in ORS 352.002. When selecting the members, the Governor shall consider a list of persons that is submitted by an organization representing public universities. The list shall consist of a total of five persons.

(c) Three members representing community colleges. When selecting the members, the Governor shall consider a list of persons that is submitted by an organization representing community colleges. The list shall consist of a total of five persons.

(3) A member of the board shall serve for a term of four years and may not serve more than two consecutive full terms. Appointments are subject to confirmation by the Senate in the manner provided in ORS 171.562 and 171.565.

(4) Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on the following July 1.

(5) The Governor may remove a member of the board for cause at any time after notice and public hearing. A vacancy occurring in a position shall be filled as provided in ORS 326.031.

(6) The members of the board shall be nonpartisan.

(7) A member of the board may not engage in teaching or participate in the administration or operation of any school, community college or public university listed in ORS 352.002 while serving on the board.

**SECTION 2.** Notwithstanding section 1 of this 2013 Act, the members first appointed to the State Board of Education as provided by section 1 of this 2013 Act shall determine by lot the length of their terms such that:

(1) Five shall serve a term expiring on July 1, 2017; and

(2) Six shall serve a term expiring on July 1, 2019.

**SECTION 3.** (1) On June 30, 2015, the terms of office of the current members of the State Board of Education expire.

(2) Notwithstanding the prohibition under section 1 of this 2013 Act against a person serving more than two consecutive full terms as a board member, a member is eligible for

1 **reappointment to the board if the member’s term of office is terminated pursuant to this**  
 2 **section.**

3 **SECTION 4.** ORS 326.031 is amended to read:

4 326.031. [*Appointments made to fill vacancies of the State Board of Education occurring prior to*  
 5 *expiration of a term of an appointed member shall be for the remainder of the unexpired term. When*  
 6 *a vacancy occurs in an appointment made from a congressional district, the successor shall be ap-*  
 7 *pointed from the congressional district for which the vacancy exists.] **A vacancy occurring in a po-**  
 8 **sition on the State Board of Education before the expiration of the term of the position shall**  
 9 **be filled by appointment by the Governor, subject to confirmation by the Senate in the**  
 10 **manner provided in ORS 171.562 and 171.565. An appointee for a vacancy must comply with**  
 11 **the membership requirements of section 1 (2) of this 2013 Act. The term of an appointee for**  
 12 **a vacancy under this section expires at the end of the unexpired term.***

13 **SECTION 5.** ORS 326.041 is amended to read:

14 326.041. (1) The State Board of Education shall meet at least six times each year on dates de-  
 15 termined by the board, and at such other times as may be designated by the chairperson [*agreeable*  
 16 *to*] **that are agreed to by** a majority of the board, or at the call of a majority of the board members.

17 (2) The board shall elect one of its members to serve as chairperson of the board for **a term**  
 18 **of one year** [*commencing July 1*]. In case the office of chairperson of the board is permanently va-  
 19 cated for any reason, the board may elect a new chairperson to serve [*until the June 30 next fol-*  
 20 *lowing*] **for the remainder of the term.**

21 (3) A member is entitled to compensation and expenses as provided in ORS 292.495.

22 **SECTION 6. ORS 326.021 is repealed.**

23  
 24 **APPOINTMENT OF SUPERINTENDENT OF PUBLIC INSTRUCTION**

25  
 26 **SECTION 7.** ORS 326.051 is amended to read:

27 326.051. Subject to ORS 417.300 and 417.305:

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

30 **(a) Appoint the Superintendent of Public Instruction.**

31 [(a)] **(b)** Establish state standards for public kindergartens and public elementary and secondary  
 32 schools consistent with the policies stated in ORS 326.011.

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

35 [(c)] **(d)** Prescribe required or minimum courses of study.

36 [(d)] **(e)** Adopt rules regarding school and interscholastic activities.

37 [(e)] **(f)** Adopt rules that provide that [*no*] **a public elementary or secondary school** [*shall dis-*  
 38 *criminate*] **may not engage in an act of discrimination** in determining participation in interscho-  
 39 lastic activities. As used in this paragraph, “discrimination” has the meaning given that term in ORS  
 40 659.850.

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

43 (2) The State Board of Education may:

44 (a) Consistent with the laws of this state[,];

45 **(A)** Accept money or property not otherwise provided for under [*paragraph (b) of this subsection,*

1 *which*] **subparagraph (B) of this paragraph that** is donated for the use or benefit of the public  
 2 kindergartens, *[and]* public elementary and secondary schools and public community colleges; and

3 **(B)** Use such money or property for the purpose for which *[it]* **the money or property** was  
 4 donated. *Until it is used, the board shall*] **and** deposit any money received *[under this paragraph]* in  
 5 a special fund with the State Treasurer as provided in ORS 293.265 to 293.275, **until the money is**  
 6 **used.**

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

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

11 (B) Career and technical education programs;

12 (C) Adult education programs;

13 (D) Workforce training programs; and

14 (E) Any grants available to the state or its political subdivisions for general federal aid for  
 15 public kindergartens, public elementary schools, public secondary schools and public community  
 16 colleges and their auxiliary services, improvement of teacher preparation, teacher salaries, con-  
 17 struction of school buildings, administration of the Department of Education and any other educa-  
 18 tional activities under the jurisdiction of the State Board of Education.

19 (c) Adopt rules to administer the United States Department of Agriculture’s National School  
 20 Lunch Program and School Breakfast Program for public and private prekindergarten through grade  
 21 12 schools and residential child care facilities.

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

25 **SECTION 8.** ORS 329.085 is amended to read:

26 329.085. (1) To facilitate the attainment and successful implementation of educational standards  
 27 under ORS 326.051 [(1)(a)] **(1)(b)** and 329.025, the State Board of Education or its designee shall as-  
 28 sess the effectiveness of each public school, public charter school and school district. The findings  
 29 of the assessment shall be reported to the school or school district within six months.

30 (2) The board shall establish the standards, including standards of accessibility to educational  
 31 opportunities, upon which the assessment is based.

32 (3) On a periodic basis, the board shall review school and school district standards and credit  
 33 and performance requirements. The board shall seek public input in this process.

34 **SECTION 9. Until the State Board of Education appoints a Superintendent of Public In-**  
 35 **struction, as provided by ORS 326.051 (1)(a), the Governor shall continue to serve as the**  
 36 **Superintendent of Public Instruction.**

37 **SECTION 10.** ORS 171.735 is amended to read:

38 171.735. ORS 171.740 and 171.745 do not apply to the following persons:

39 (1) News media, or their employees or agents, that in the ordinary course of business directly  
 40 or indirectly urge legislative action but that engage in no other activities in connection with the  
 41 legislative action.

42 (2) Any legislative official acting in an official capacity.

43 (3) Any individual who does not receive compensation or reimbursement of expenses for lobby-  
 44 ing, who limits lobbying activities solely to formal appearances to give testimony before public ses-  
 45 sions of committees of the Legislative Assembly, or public hearings of state agencies, and who, when

1 testifying, registers an appearance in the records of the committees or agencies.

2 (4) A person who does not spend more than an aggregate amount of 24 hours during any cal-  
3 endar quarter lobbying and who does not spend an aggregate amount in excess of \$100 lobbying  
4 during any calendar quarter.

5 (5) The Governor, chief of staff for the Governor, deputy chief of staff for the Governor, legal  
6 counsel to the Governor, deputy legal counsel to the Governor, Secretary of State, Deputy Secretary  
7 of State appointed pursuant to ORS 177.040, State Treasurer, Deputy State Treasurer appointed  
8 pursuant to ORS 178.060, chief of staff for the office of the State Treasurer, Attorney General,  
9 Deputy Attorney General appointed pursuant to ORS 180.130, [*Deputy*] Superintendent of Public In-  
10 struction appointed pursuant to ORS [326.300] **326.051**, Commissioner of the Bureau of Labor and  
11 Industries, deputy commissioner of the Bureau of Labor and Industries appointed pursuant to ORS  
12 651.060, members and staff of the Oregon Law Commission who conduct the law revision program  
13 of the commission or any judge.

14 **SECTION 11.** ORS 240.205 is amended to read:

15 240.205. The unclassified service shall comprise:

16 (1) One executive officer and one secretary for each board or commission, the members of which  
17 are elected officers or are appointed by the Governor.

18 (2) The director of each department of state government, each full-time salaried head of a state  
19 agency required by law to be appointed by the Governor and each full-time salaried member of a  
20 board or commission required by law to be appointed by the Governor.

21 (3) The administrator of each division within a department of state government required by law  
22 to be appointed by the director of the department with the approval of the Governor.

23 (4) Principal assistants and deputies and one private secretary for each executive or adminis-  
24 trative officer specified in ORS 240.200 (1) and in subsections (1) to (3) of this section. "Deputy"  
25 means the deputy or deputies to an executive or administrative officer listed in subsections (1) to  
26 (3) of this section who is authorized to exercise that officer's authority upon absence of the officer.  
27 "Principal assistant" means a manager of a major agency organizational component who reports  
28 directly to an executive or administrative officer listed in subsections (1) to (3) of this section or  
29 deputy and who is designated as such by that executive or administrative officer with the approval  
30 of the Director of the Oregon Department of Administrative Services.

31 (5) Employees in the Governor's office and the principal assistant and private secretary in the  
32 Secretary of State's division.

33 (6) The director, principals, instructors and teachers in the school operated under ORS 346.010.

34 (7) Apprentice trainees only during the prescribed length of their course of training.

35 (8) Licensed physicians and dentists employed in their professional capacities and student  
36 nurses, interns, and patient or inmate help in state institutions.

37 (9) Lawyers employed in their professional capacities.

38 (10) All members of the Oregon State Police appointed under ORS 181.250.

39 (11) The [*Deputy*] Superintendent of Public Instruction appointed under ORS [326.300] **326.051**  
40 and associate superintendents in the Department of Education.

41 (12) Temporary seasonal farm laborers engaged in single phases of agricultural production or  
42 harvesting.

43 (13) Any individual employed and paid from federal funds received under a federal program in-  
44 tended primarily to alleviate unemployment. However, persons employed under this subsection shall  
45 be treated as classified employees for purposes of ORS 243.650 to 243.782.

1 (14) Managers, department heads, directors, producers and announcers of the state radio and  
 2 television network.

3 (15) Employees, including managers, of the foreign trade offices of the Oregon Business Devel-  
 4 opment Department located outside the country.

5 (16) Any other position designated by law as unclassified.

6 **SECTION 12.** ORS 244.050, as amended by section 9, chapter 90, Oregon Laws 2012, is amended  
 7 to read:

8 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon  
 9 Government Ethics Commission a verified statement of economic interest as required under this  
 10 chapter:

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

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

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

16 (d) The Deputy Attorney General.

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

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

21 (g) The following state officers:

22 (A) Adjutant General.

23 (B) Director of Agriculture.

24 (C) Manager of State Accident Insurance Fund Corporation.

25 (D) Water Resources Director.

26 (E) Director of Department of Environmental Quality.

27 (F) Director of Oregon Department of Administrative Services.

28 (G) State Fish and Wildlife Director.

29 (H) State Forester.

30 (I) State Geologist.

31 (J) Director of Human Services.

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

33 (L) Director of the Department of State Lands.

34 (M) State Librarian.

35 (N) Administrator of Oregon Liquor Control Commission.

36 (O) Superintendent of State Police.

37 (P) Director of the Public Employees Retirement System.

38 (Q) Director of Department of Revenue.

39 (R) Director of Transportation.

40 (S) Public Utility Commissioner.

41 (T) Director of Veterans' Affairs.

42 (U) Executive director of Oregon Government Ethics Commission.

43 (V) Director of the State Department of Energy.

44 (W) Director and each assistant director of the Oregon State Lottery.

45 (X) Director of the Department of Corrections.

- 1 (Y) Director of the Oregon Department of Aviation.
- 2 (Z) Executive director of the Oregon Criminal Justice Commission.
- 3 (AA) Director of the Oregon Business Development Department.
- 4 (BB) Director of the Office of Emergency Management.
- 5 (CC) Director of the Employment Department.
- 6 (DD) Chief of staff for the Governor.
- 7 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 8 (FF) Director of the Housing and Community Services Department.
- 9 (GG) State Court Administrator.
- 10 (HH) Director of the Department of Land Conservation and Development.
- 11 (II) Board chairperson of the Land Use Board of Appeals.
- 12 (JJ) State Marine Director.
- 13 (KK) Executive director of the Oregon Racing Commission.
- 14 (LL) State Parks and Recreation Director.
- 15 (MM) Public defense services executive director.
- 16 (NN) Chairperson of the Public Employees' Benefit Board.
- 17 (OO) Director of the Department of Public Safety Standards and Training.
- 18 (PP) Chairperson of the Oregon Student Access Commission.
- 19 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 20 (RR) Director of the Oregon Youth Authority.
- 21 (SS) Director of the Oregon Health Authority.
- 22 (TT) [*Deputy*] Superintendent of Public Instruction.
- 23 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 24 (i) Every elected city or county official.
- 25 (j) Every member of a city or county planning, zoning or development commission.
- 26 (k) The chief executive officer of a city or county who performs the duties of manager or prin-  
27 cipal administrator of the city or county.
- 28 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 29 (m) Every member of a governing body of a metropolitan service district and the executive of-  
30 ficer thereof.
- 31 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 32 (o) The chief administrative officer and the financial officer of each common and union high  
33 school district, education service district and community college district.
- 34 (p) Every member of the following state boards and commissions:
- 35 (A) Board of Geologic and Mineral Industries.
- 36 (B) Oregon Business Development Commission.
- 37 (C) State Board of Education.
- 38 (D) Environmental Quality Commission.
- 39 (E) Fish and Wildlife Commission of the State of Oregon.
- 40 (F) State Board of Forestry.
- 41 (G) Oregon Government Ethics Commission.
- 42 (H) Oregon Health Policy Board.
- 43 (I) State Board of Higher Education.
- 44 (J) Oregon Investment Council.
- 45 (K) Land Conservation and Development Commission.

- 1 (L) Oregon Liquor Control Commission.
- 2 (M) Oregon Short Term Fund Board.
- 3 (N) State Marine Board.
- 4 (O) Mass transit district boards.
- 5 (P) Energy Facility Siting Council.
- 6 (Q) Board of Commissioners of the Port of Portland.
- 7 (R) Employment Relations Board.
- 8 (S) Public Employees Retirement Board.
- 9 (T) Oregon Racing Commission.
- 10 (U) Oregon Transportation Commission.
- 11 (V) Wage and Hour Commission.
- 12 (W) Water Resources Commission.
- 13 (X) Workers' Compensation Board.
- 14 (Y) Oregon Facilities Authority.
- 15 (Z) Oregon State Lottery Commission.
- 16 (AA) Pacific Northwest Electric Power and Conservation Planning Council.
- 17 (BB) Columbia River Gorge Commission.
- 18 (CC) Oregon Health and Science University Board of Directors.
- 19 (DD) Capitol Planning Commission.
- 20 (EE) Higher Education Coordinating Commission.
- 21 (FF) Oregon Growth Board.
- 22 (q) The following officers of the State Treasurer:
- 23 (A) Deputy State Treasurer.
- 24 (B) Chief of staff for the office of the State Treasurer.
- 25 (C) Director of the Investment Division.
- 26 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
- 27 or 777.915 to 777.953.
- 28 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
- 29 (2) By April 15 next after the date an appointment takes effect, every appointed public official
- 30 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
- 31 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
- 32 and 244.090.
- 33 (3) By April 15 next after the filing deadline for the primary election, each candidate described
- 34 in subsection (1) of this section shall file with the commission a statement of economic interest as
- 35 required under ORS 244.060, 244.070 and 244.090.
- 36 (4) Within 30 days after the filing deadline for the general election, each candidate described in
- 37 subsection (1) of this section who was not a candidate in the preceding primary election, or who
- 38 was nominated for public office described in subsection (1) of this section at the preceding primary
- 39 election by write-in votes, shall file with the commission a statement of economic interest as re-
- 40 quired under ORS 244.060, 244.070 and 244.090.
- 41 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or
- 42 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections
- 43 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the
- 44 filing deadline for the statewide general election.
- 45 (6) If a statement required to be filed under this section has not been received by the commis-

1 sion within five days after the date the statement is due, the commission shall notify the public of-  
 2 ficial or candidate and give the public official or candidate not less than 15 days to comply with the  
 3 requirements of this section. If the public official or candidate fails to comply by the date set by the  
 4 commission, the commission may impose a civil penalty as provided in ORS 244.350.

5 **SECTION 13.** ORS 244.050, as amended by sections 9 and 29, chapter 90, Oregon Laws 2012, is  
 6 amended to read:

7 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon  
 8 Government Ethics Commission a verified statement of economic interest as required under this  
 9 chapter:

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

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

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

15 (d) The Deputy Attorney General.

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

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

20 (g) The following state officers:

21 (A) Adjutant General.

22 (B) Director of Agriculture.

23 (C) Manager of State Accident Insurance Fund Corporation.

24 (D) Water Resources Director.

25 (E) Director of Department of Environmental Quality.

26 (F) Director of Oregon Department of Administrative Services.

27 (G) State Fish and Wildlife Director.

28 (H) State Forester.

29 (I) State Geologist.

30 (J) Director of Human Services.

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

32 (L) Director of the Department of State Lands.

33 (M) State Librarian.

34 (N) Administrator of Oregon Liquor Control Commission.

35 (O) Superintendent of State Police.

36 (P) Director of the Public Employees Retirement System.

37 (Q) Director of Department of Revenue.

38 (R) Director of Transportation.

39 (S) Public Utility Commissioner.

40 (T) Director of Veterans' Affairs.

41 (U) Executive director of Oregon Government Ethics Commission.

42 (V) Director of the State Department of Energy.

43 (W) Director and each assistant director of the Oregon State Lottery.

44 (X) Director of the Department of Corrections.

45 (Y) Director of the Oregon Department of Aviation.

- 1 (Z) Executive director of the Oregon Criminal Justice Commission.
- 2 (AA) Director of the Oregon Business Development Department.
- 3 (BB) Director of the Office of Emergency Management.
- 4 (CC) Director of the Employment Department.
- 5 (DD) Chief of staff for the Governor.
- 6 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 7 (FF) Director of the Housing and Community Services Department.
- 8 (GG) State Court Administrator.
- 9 (HH) Director of the Department of Land Conservation and Development.
- 10 (II) Board chairperson of the Land Use Board of Appeals.
- 11 (JJ) State Marine Director.
- 12 (KK) Executive director of the Oregon Racing Commission.
- 13 (LL) State Parks and Recreation Director.
- 14 (MM) Public defense services executive director.
- 15 (NN) Chairperson of the Public Employees' Benefit Board.
- 16 (OO) Director of the Department of Public Safety Standards and Training.
- 17 (PP) Chairperson of the Oregon Student Access Commission.
- 18 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 19 (RR) Director of the Oregon Youth Authority.
- 20 (SS) Director of the Oregon Health Authority.
- 21 (TT) [*Deputy*] Superintendent of Public Instruction.
- 22 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 23 (i) Every elected city or county official.
- 24 (j) Every member of a city or county planning, zoning or development commission.
- 25 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
- 26 cipal administrator of the city or county.
- 27 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 28 (m) Every member of a governing body of a metropolitan service district and the executive of-
- 29 ficer thereof.
- 30 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 31 (o) The chief administrative officer and the financial officer of each common and union high
- 32 school district, education service district and community college district.
- 33 (p) Every member of the following state boards and commissions:
- 34 (A) Board of Geologic and Mineral Industries.
- 35 (B) Oregon Business Development Commission.
- 36 (C) State Board of Education.
- 37 (D) Environmental Quality Commission.
- 38 (E) Fish and Wildlife Commission of the State of Oregon.
- 39 (F) State Board of Forestry.
- 40 (G) Oregon Government Ethics Commission.
- 41 (H) Oregon Health Policy Board.
- 42 (I) State Board of Higher Education.
- 43 (J) Oregon Investment Council.
- 44 (K) Land Conservation and Development Commission.
- 45 (L) Oregon Liquor Control Commission.

- 1 (M) Oregon Short Term Fund Board.
- 2 (N) State Marine Board.
- 3 (O) Mass transit district boards.
- 4 (P) Energy Facility Siting Council.
- 5 (Q) Board of Commissioners of the Port of Portland.
- 6 (R) Employment Relations Board.
- 7 (S) Public Employees Retirement Board.
- 8 (T) Oregon Racing Commission.
- 9 (U) Oregon Transportation Commission.
- 10 (V) Wage and Hour Commission.
- 11 (W) Water Resources Commission.
- 12 (X) Workers' Compensation Board.
- 13 (Y) Oregon Facilities Authority.
- 14 (Z) Oregon State Lottery Commission.
- 15 (AA) Pacific Northwest Electric Power and Conservation Planning Council.
- 16 (BB) Columbia River Gorge Commission.
- 17 (CC) Oregon Health and Science University Board of Directors.
- 18 (DD) Capitol Planning Commission.
- 19 (EE) Higher Education Coordinating Commission.
- 20 (q) The following officers of the State Treasurer:
- 21 (A) Deputy State Treasurer.
- 22 (B) Chief of staff for the office of the State Treasurer.
- 23 (C) Director of the Investment Division.
- 24 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
- 25 or 777.915 to 777.953.
- 26 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
- 27 (2) By April 15 next after the date an appointment takes effect, every appointed public official
- 28 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
- 29 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
- 30 and 244.090.
- 31 (3) By April 15 next after the filing deadline for the primary election, each candidate described
- 32 in subsection (1) of this section shall file with the commission a statement of economic interest as
- 33 required under ORS 244.060, 244.070 and 244.090.
- 34 (4) Within 30 days after the filing deadline for the general election, each candidate described in
- 35 subsection (1) of this section who was not a candidate in the preceding primary election, or who
- 36 was nominated for public office described in subsection (1) of this section at the preceding primary
- 37 election by write-in votes, shall file with the commission a statement of economic interest as re-
- 38 quired under ORS 244.060, 244.070 and 244.090.
- 39 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or
- 40 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections
- 41 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the
- 42 filing deadline for the statewide general election.
- 43 (6) If a statement required to be filed under this section has not been received by the commis-
- 44 sion within five days after the date the statement is due, the commission shall notify the public of-
- 45 ficial or candidate and give the public official or candidate not less than 15 days to comply with the

1 requirements of this section. If the public official or candidate fails to comply by the date set by the  
 2 commission, the commission may impose a civil penalty as provided in ORS 244.350.

3 **SECTION 14.** ORS 430.241, as amended by section 62, chapter 37, Oregon Laws 2012, is  
 4 amended to read:

5 430.241. (1) As used in this section and ORS 430.242:

6 (a) “Local government” means a local government as defined in ORS 174.116 that receives state  
 7 or federal funding for programs that provide alcohol or drug prevention or treatment services.

8 (b) “Participating state agency” means the Youth Development Council, the Department of  
 9 Corrections, the Department of Human Services, the Oregon Health Authority, the Department of  
 10 Education, the Oregon Criminal Justice Commission, the Oregon State Police, the Oregon Youth  
 11 Authority or any other state agency that is approved by the Alcohol and Drug Policy Commission  
 12 to license, contract for, provide or coordinate alcohol or drug prevention or treatment services.

13 (c) “Provider” means any person that is licensed by the Oregon Health Authority to provide  
 14 alcohol or drug prevention or treatment services.

15 (2) There is created the Alcohol and Drug Policy Commission, which is charged with planning,  
 16 evaluating and coordinating policies for the funding and effective delivery of alcohol and drug pre-  
 17 vention and treatment services.

18 (3) The membership of the commission consists of:

19 (a) Sixteen members appointed by the Governor, subject to confirmation by the Senate in the  
 20 manner prescribed in ORS 171.562 and 171.565, including:

21 (A) An elected district attorney;

22 (B) An elected county sheriff;

23 (C) A county commissioner;

24 (D) A representative of an Indian tribe;

25 (E) A provider;

26 (F) A chief of police;

27 (G) An alcohol or drug treatment researcher or epidemiologist;

28 (H) A criminal defense attorney;

29 (I) A representative of the health insurance industry;

30 (J) A representative of hospitals;

31 (K) An alcohol or treatment professional who is highly experienced in the treatment of persons  
 32 with a dual diagnosis of mental illness and substance abuse;

33 (L) An alcohol or drug abuse prevention representative;

34 (M) A consumer of alcohol or drug treatment who is in recovery;

35 (N) A representative of the business community;

36 (O) An alcohol or drug prevention representative who specializes in youth; and

37 (P) A person with expertise in and experience working with information technology systems used  
 38 in complex intergovernmental or corporate settings.

39 (b) Two members of the Legislative Assembly appointed to the commission as nonvoting mem-  
 40 bers of the commission, acting in an advisory capacity only and including:

41 (A) One member from among members of the Senate appointed by the President of the Senate;  
 42 and

43 (B) One member from among members of the House of Representatives appointed by the Speaker  
 44 of the House of Representatives.

45 (c) The following voting ex officio members:

- 1 (A) The Governor or the Governor’s designee;
- 2 (B) The Attorney General;
- 3 (C) The Director of the Oregon Health Authority;
- 4 (D) The Director of the Department of Corrections;
- 5 (E) The [Deputy] Superintendent of Public Instruction or the [deputy] superintendent’s designee;
- 6 (F) The Director of Human Services;
- 7 (G) The Director of the Oregon Youth Authority;
- 8 (H) The chairperson of the Youth Development Council; and
- 9 (I) The administrator of the Oregon Liquor Control Commission.

10 (d) A judge of a circuit court appointed to the commission as a nonvoting member by the Chief  
 11 Justice of the Supreme Court.

12 (4) The Alcohol and Drug Policy Commission shall select one of its members as chairperson and  
 13 another as vice chairperson, for such terms and with duties and powers necessary for the perform-  
 14 ance of the functions of such offices as the commission determines.

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

17 (6) Official action of the commission requires the approval of a majority of a quorum.

18 (7) The commission may establish a steering committee and subcommittees. These committees  
 19 may be continuing or temporary.

20 (8) The term of office of each commission member appointed by the Governor is four years, but  
 21 a member serves at the pleasure of the Governor. If there is a vacancy for any cause, the Governor  
 22 shall make an appointment to become immediately effective.

23 (9) The Oregon Health Authority shall provide staff support to the commission. Subject to  
 24 available funding, the commission may contract with a public or private entity to provide staff sup-  
 25 port.

26 (10) Members of the commission who are not members of the Legislative Assembly are entitled  
 27 to compensation and expenses incurred by them in the performance of their official duties in the  
 28 manner and amounts provided for in ORS 292.495. Claims for compensation and expenses shall be  
 29 paid out of funds appropriated to the Oregon Health Authority or funds appropriated to the com-  
 30 mission for purposes of the commission.

31 (11) The commission shall establish a budget advisory committee composed of the individuals  
 32 listed in subsection (3)(a)(C), (c)(B) to (I) and (d) of this section. The individual described in sub-  
 33 section (3)(d) of this section is a nonvoting member of the committee. The committee shall recom-  
 34 mend budget policy priorities to the commission:

35 (a) Regarding the allocation of funding for alcohol and drug prevention and treatment services  
 36 across state agencies and throughout this state;

37 (b) That identify additional funding from federal and private sources for alcohol and drug pre-  
 38 vention and treatment services; and

39 (c) For authorizing a suspension of the payment of state funds, or funds administered by this  
 40 state, to programs that do not comply with the commission’s rules or the budget priority policy or  
 41 that do not provide effective prevention or treatment services.

42 (12)(a) The Governor shall appoint a Director of the Alcohol and Drug Policy Commission who  
 43 shall serve at the pleasure of the Governor and be responsible for the dissemination and implemen-  
 44 tation of the commission’s policies and the performance of the duties, functions and powers of the  
 45 commission that are delegated to the director by the commission.

1 (b) The director shall be paid a salary as provided by law or, if not so provided, as prescribed  
 2 by the Governor.

3 **SECTION 15.** ORS 458.558, as amended by section 6, chapter 97, Oregon Laws 2012, is amended  
 4 to read:

5 458.558. (1) The members of the Oregon Volunteers Commission for Voluntary Action and Ser-  
 6 vice must be citizens of this state who have a proven commitment to community service and who  
 7 have a demonstrated interest in fostering and nurturing citizen involvement as a strategy for  
 8 strengthening communities and promoting the ethic of service in all sectors of this state.

9 (2) The Governor shall appoint as members of the commission at least one of each of the fol-  
 10 lowing:

11 (a) An individual with experience in educational, training and development needs of youth, par-  
 12 ticularly disadvantaged youth.

13 (b) An individual with experience in promoting involvement of older adults in service and  
 14 volunteerism.

15 (c) A representative of community-based agencies or organizations within this state.

16 (d) The [Deputy] Superintendent of Public Instruction or designee.

17 (e) A representative of local governments in this state.

18 (f) A representative of local labor unions in this state.

19 (g) A representative of business.

20 (h) A person at least 16, but not more than 25, years of age who is a participant or supervisor  
 21 in a national service program.

22 (i) A representative of a national service program described in 42 U.S.C. 12572(a).

23 (3) In addition to appointing members under subsection (2) of this section, the Governor may  
 24 appoint as members individuals from the following groups:

25 (a) Educators.

26 (b) Experts in the delivery of human, educational, environmental or public safety services to  
 27 communities and individuals.

28 (c) Members of Native American tribes.

29 (d) At-risk youths who are out of school.

30 (e) Entities that receive assistance under the Domestic Volunteer Service Act of 1973 (42 U.S.C.  
 31 4950 et seq.).

32 (f) A director or representative of a CASA Volunteer Program.

33 (g) A court appointed special advocate.

34 (4) In making appointments of members described in subsections (2) and (3) of this section, the  
 35 Governor shall ensure that:

36 (a) No more than 50 percent of the appointed members are from the same political party; and

37 (b) No more than 25 percent of the appointed members are state employees.

38 **SECTION 16. ORS 326.300 is repealed.**

39  
 40 **STATE BOARD OF HIGHER EDUCATION ABOLISHED**

41  
 42 **SECTION 17. (1) The State Board of Higher Education is abolished. On March 15, 2016,**  
 43 **the terms of office of the members of the State Board of Higher Education ceases.**

44 **(2) All the duties, functions and powers of the State Board of Higher Education are im-**  
 45 **posed upon, transferred to and vested in the State Board of Education.**

1       **SECTION 18.** (1) The president of the State Board of Higher Education shall:

2       (a) Deliver to the Superintendent of Public Instruction all records and property within  
3 the jurisdiction of the State Board of Higher Education that relate to the duties, functions  
4 and powers transferred by section 17 of this 2013 Act; and

5       (b) Transfer to the Superintendent of Public Instruction those employees engaged pri-  
6 marily in the exercise of the duties, functions and powers transferred by section 17 of this  
7 2013 Act.

8       (2) The Superintendent of Public Instruction shall take possession of the records and  
9 property, and shall take charge of the employees and employ them in the exercise of the  
10 duties, functions and powers transferred by section 17 of this 2013 Act, without reduction  
11 of compensation but subject to change or termination of employment or compensation as  
12 provided by law.

13       (3) The Governor shall resolve any dispute relating to transfers of records, property and  
14 employees under this section, and the Governor's decision is final.

15       **SECTION 19.** (1) The unexpended balances of amounts authorized to be expended by the  
16 State Board of Higher Education for the biennium beginning July 1, 2015, from revenues  
17 dedicated, continuously appropriated, appropriated or otherwise made available for the pur-  
18 pose of administering and enforcing the duties, functions and powers transferred by section  
19 17 of this 2013 Act are transferred to and are available for expenditure by the State Board  
20 of Education for the biennium beginning July 1, 2015, for the purpose of administering and  
21 enforcing the duties, functions and powers transferred to the State Board of Education by  
22 section 17 of this 2013 Act.

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

26       **SECTION 20.** The transfer of duties, functions and powers to the State Board of Educa-  
27 tion by section 17 of this 2013 Act does not affect any action, proceeding or prosecution in-  
28 volving or with respect to such duties, functions and powers begun before and pending at the  
29 time of the transfer, except that the State Board of Education is substituted for the State  
30 Board of Higher Education in the action, proceeding or prosecution.

31       **SECTION 21.** (1) Nothing in this 2013 Act relieves a person of a liability, duty or obli-  
32 gation accruing under or with respect to the duties, functions and powers transferred by  
33 section 17 of this 2013 Act. The State Board of Education may undertake the collection or  
34 enforcement of any such liability, duty or obligation.

35       (2) The rights and obligations of the State Board of Higher Education legally incurred  
36 under contracts, leases and business transactions executed, entered into or begun before  
37 March 15, 2016, are transferred to the State Board of Education. For the purpose of suc-  
38 cession to these rights and obligations, the State Board of Education is a continuation of the  
39 State Board of Higher Education and not a new authority.

40       **SECTION 22.** Notwithstanding the transfer of duties, functions and powers by section 17  
41 of this 2013 Act, the rules of the State Board of Higher Education in effect on March 15, 2016,  
42 continue in effect until superseded or repealed by rules of the State Board of Education.  
43 References in rules of the State Board of Higher Education to the State Board of Higher  
44 Education or an officer or employee of the State Board of Higher Education are considered  
45 to be references to the State Board of Education, when used in reference to the duties,

1 functions and powers described in section 17 of this 2013 Act.

2 **SECTION 23.** Whenever, in any uncodified law or resolution of the Legislative Assembly  
3 or in any rule, document, record or proceeding authorized by the Legislative Assembly, ref-  
4 erence is made to the State Board of Higher Education or an officer or employee of the State  
5 Board of Higher Education, the reference is considered to be a reference to the State Board  
6 of Education, when used in reference to the duties, functions and powers described in section  
7 17 of this 2013 Act.

8 **SECTION 24.** For the purpose of harmonizing and clarifying statutory law, the Legislative  
9 Counsel may substitute for words designating the “State Board of Higher Education” or its  
10 officers, wherever they occur in statutory law, words designating the “State Board of Edu-  
11 cation” or its officers, when used in reference to the duties, functions and powers described  
12 in section 17 of this 2013 Act.

13 **SECTION 25.** During the period between the effective date of the amendment to the  
14 Oregon Constitution proposed by Senate Joint Resolution 4 (2013), and March 15, 2016, the  
15 State Board of Education may take such action as is essential in order that the duties,  
16 functions and powers that are transferred as described in section 17 of this 2013 Act may be  
17 completed to the extent that the members of the State Board of Education may carry out  
18 their required functions when they take office on March 15, 2016.

19 **SECTION 26.** ORS 326.011 is amended to read:

20 326.011. In establishing policy for the administration and operation of the public elementary and  
21 secondary schools, [*and*] public community colleges **and public universities** in the State of Oregon  
22 and in carrying out its duties as prescribed by law, the State Board of Education shall consider the  
23 goals of modern education, the requirements of a sound, comprehensive curriculum best suited to the  
24 needs of the students and the public and any other factors consistent with the maintenance of a  
25 modern and efficient elementary and secondary school system, [*and*] community college program **and**  
26 **university system.**

27 **SECTION 27.** ORS 326.051, as amended by section 7 of this 2013 Act, is amended to read:

28 326.051. Subject to ORS 417.300 and 417.305:

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

31 (a) Appoint the Superintendent of Public Instruction.

32 **(b) Establish policies that allow for a seamless educational system transition between**  
33 **public kindergartens, public elementary and secondary schools, public community colleges**  
34 **and public universities.**

35 [(*b*)] **(c)** Establish state standards for public kindergartens and public elementary and secondary  
36 schools consistent with the policies stated in ORS 326.011.

37 [(*c*)] **(d)** Adopt rules for the general governance of public kindergartens, [*and*] public elementary  
38 and secondary schools, [*and*] public community colleges **and public universities.**

39 [(*d*)] **(e)** Prescribe required or minimum courses of study.

40 [(*e*)] **(f)** Adopt rules regarding school and interscholastic activities.

41 [(*f*)] **(g)** Adopt rules that provide that a public elementary or secondary school may not engage  
42 in an act of discrimination in determining participation in interscholastic activities. As used in this  
43 paragraph, “discrimination” has the meaning given that term in ORS 659.850.

44 [(*g*)] **(h)** Adopt rules that will eliminate the use and purchase of elemental mercury, mercury  
45 compounds and mercury-added instructional materials by public elementary and secondary schools.

1 (2) The State Board of Education may:

2 (a) Consistent with the laws of this state:

3 (A) Accept money or property not otherwise provided for under subparagraph (B) of this para-  
4 graph that is donated for the use or benefit of the public kindergartens, public elementary and sec-  
5 ondary schools, [and] public community colleges **and public universities**; and

6 (B) Use such money or property for the purpose for which the money or property was donated  
7 and deposit any money received in a special fund with the State Treasurer as provided in ORS  
8 293.265 to 293.275, until the money is used.

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

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

13 (B) Career and technical education programs;

14 (C) Adult education programs;

15 (D) Workforce training programs; and

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

21 (c) Adopt rules to administer the United States Department of Agriculture's National School  
22 Lunch Program and School Breakfast Program for public and private prekindergarten through grade  
23 12 schools and residential child care facilities.

24 (3) The State Board of Education shall provide a separate, identifiable place on its agenda six  
25 times a year for [community college] issues **related to community colleges and public**  
26 **universities**. The state board may also consider matters affecting community colleges **and public**  
27 **universities** at any regular or special meeting.

28 **SECTION 28.** ORS 329.085, as amended by section 8 of this 2013 Act, is amended to read:

29 329.085. (1) To facilitate the attainment and successful implementation of educational standards  
30 under ORS 326.051 [(1)(b)] (1)(c) and 329.025, the State Board of Education or its designee shall as-  
31 sess the effectiveness of each public school, public charter school and school district. The findings  
32 of the assessment shall be reported to the school or school district within six months.

33 (2) The board shall establish the standards, including standards of accessibility to educational  
34 opportunities, upon which the assessment is based.

35 (3) On a periodic basis, the board shall review school and school district standards and credit  
36 and performance requirements. The board shall seek public input in this process.

37 **SECTION 29.** ORS 352.002 is amended to read:

38 352.002. (1) The Oregon University System established in ORS 351.011 consists of the following  
39 public universities under the jurisdiction of the State Board of [Higher] Education:

40 [(1)] (a) University of Oregon.

41 [(2)] (b) Oregon State University.

42 [(3)] (c) Portland State University.

43 [(4)] (d) Oregon Institute of Technology.

44 [(5)] (e) Western Oregon University.

45 [(6)] (f) Southern Oregon University.

1 [(7)] (g) Eastern Oregon University.

2 (2) **The Oregon University System shall function under the direction and control of the**  
 3 **State Board of Education, with the Chancellor of the Oregon University System serving as**  
 4 **the executive head of the Oregon University System and directing and supervising all activ-**  
 5 **ities of the system.**

6 **SECTION 30.** ORS 30.264 is amended to read:

7 30.264. (1) The State Board of [*Higher*] Education may authorize public universities listed in ORS  
 8 352.002 to provide liability insurance coverage for students involved in off-campus experiential ac-  
 9 tivities, including, but not limited to, student teaching, internships, clinical experiences, capstone  
 10 projects and related activities.

11 (2) If commercial liability insurance coverage is not available to the public universities, students  
 12 participating in the activities described in subsection (1) of this section shall be considered to be  
 13 acting within the course and scope of state employment duties for purposes of ORS 30.260 to 30.300.

14 **SECTION 31.** ORS 30.864 is amended to read:

15 30.864. (1) Any person claiming to be aggrieved by the reckless disclosure of personally iden-  
 16 tifiable information from a student's education records as prohibited by rules of the State Board of  
 17 Education [*or the State Board of Higher Education*] may file a civil action in circuit court for equi-  
 18 table relief or, subject to the terms and conditions of ORS 30.265 to 30.300, for damages, or both.  
 19 The court may order such other relief as may be appropriate.

20 (2) The action authorized by this section shall be filed within two years of the alleged unlawful  
 21 disclosure.

22 (3) In an action brought under this section, the court may allow the prevailing party costs, dis-  
 23 bursements and reasonable attorney fees.

24 **SECTION 32.** ORS 36.155 is amended to read:

25 36.155. The Dean of the University of Oregon School of Law shall award grants for the purpose  
 26 of providing dispute resolution services in counties. Grants under this section shall be made from  
 27 funds appropriated to the Oregon University System on behalf of the University of Oregon School  
 28 of Law for distribution under this section. The State Board of [*Higher*] Education may adopt rules  
 29 for the operation of the grant program.

30 **SECTION 33.** ORS 62.720 is amended to read:

31 62.720. (1) All intangible personal property distributable in the course of a voluntary or invol-  
 32 untary dissolution of a cooperative that is unclaimed by the owner within two years after the date  
 33 for final distribution is presumed abandoned. Such property shall be subject to the provisions of ORS  
 34 98.302 to 98.436 and 98.992, except that with respect to agricultural cooperatives, the report of un-  
 35 claimed property shall be filed with the Department of State Lands as set forth in ORS 98.352. A  
 36 copy of the report shall also be filed with the State Board of [*Higher*] Education.

37 (2) All unclaimed property specified in the report required by ORS 98.352 shall be delivered  
 38 within the time specified in ORS 98.362 to the Department of State Lands which shall assume cus-  
 39 tody and shall be responsible for the safekeeping thereof. The department shall reconcile the report  
 40 to the delivered funds, deduct the costs as provided for in subsection (3) of this section, and forward  
 41 the funds to the State Board of [*Higher*] Education within 14 working days of receipt of the funds.  
 42 Any person who pays or delivers unclaimed property to the Department of State Lands under this  
 43 section is relieved of all liability to the extent of the value of the property so paid or delivered for  
 44 any claim which then exists or which thereafter may arise or be made in respect to the property.

45 (3) All funds received under this section shall be used for the benefit of Oregon State University

1 in such programs related to agricultural research as the university may determine except for:

2 (a) The payment of claims which may be made pursuant to this section; and

3 (b) The payment of expenses of mailing and publication in connection with any unclaimed  
4 property, reasonable service charges and expenses of the Department of State Lands in connection  
5 with claims made pursuant to ORS 98.392 to 98.402.

6 (4) The provisions of ORS 98.392 to 98.402 are applicable to claims against unclaimed property  
7 delivered to the State Board of [Higher] Education pursuant to this section. The State Board of  
8 [Higher] Education shall pay such claims from funds delivered to it pursuant to this section within  
9 30 days of receipt of a verified copy of a finding and decision of the Department of State Lands made  
10 pursuant to ORS 98.396 or a certified copy of a judgment made pursuant to ORS 98.402.

11 (5) As used in this section, an agricultural cooperative is any cooperative in which farmers act  
12 together in producing, processing, preparing for market, handling or marketing the agricultural  
13 products of such farmers, and any cooperative in which farmers act together in purchasing, testing,  
14 grading, processing, distributing and furnishing farm supplies or farm business services.

15 (6) The provisions of this section are applicable with respect to the voluntary or involuntary  
16 dissolution of any cooperative, which dissolution commenced on or after January 1, 1970.

17 **SECTION 34.** ORS 182.122 is amended to read:

18 182.122. (1) As used in this section:

19 (a) "Executive department" has the meaning given that term in ORS 174.112.

20 (b) "Information systems" means computers, hardware, software, storage media, networks, oper-  
21 ational procedures and processes used in the collection, processing, storage, sharing or distribution  
22 of information within, or with any access beyond ordinary public access to, the state's shared com-  
23 puting and network infrastructure.

24 (2) The Oregon Department of Administrative Services has responsibility for and authority over  
25 information systems security in the executive department, including taking all measures reasonably  
26 necessary to protect the availability, integrity or confidentiality of information systems or the in-  
27 formation stored in information systems. The Oregon Department of Administrative Services shall,  
28 after consultation and collaborative development with agencies, establish a state information sys-  
29 tems security plan and associated standards, policies and procedures.

30 (3) The Oregon Department of Administrative Services, in its sole discretion, shall:

31 (a) Review and verify the security of information systems operated by or on behalf of agencies;

32 (b) Monitor state network traffic to identify and react to security threats; and

33 (c) Conduct vulnerability assessments of agency information systems for the purpose of evalu-  
34 ating and responding to the susceptibility of information systems to attack, disruption or any other  
35 event that threatens the availability, integrity or confidentiality of information systems or the in-  
36 formation stored in information systems.

37 (4) The Oregon Department of Administrative Services shall contract with qualified, independent  
38 consultants for the purpose of conducting vulnerability assessments under subsection (3) of this  
39 section.

40 (5) In collaboration with agencies, the Oregon Department of Administrative Services shall de-  
41 velop and implement policies for responding to events that damage or threaten the availability, in-  
42 tegrity or confidentiality of information systems or the information stored in information systems,  
43 whether those systems are within, interoperable with or outside the state's shared computing and  
44 network infrastructure. In the policies, the department shall prescribe actions reasonably necessary  
45 to:

1 (a) Promptly assemble and deploy in a coordinated manner the expertise, tools and methodol-  
2 ogies required to prevent or mitigate the damage caused or threatened by an event;

3 (b) Promptly alert other persons of the event and of the actions reasonably necessary to prevent  
4 or mitigate the damage caused or threatened by the event;

5 (c) Implement forensic techniques and controls developed under subsection (6) of this section;

6 (d) Evaluate the event for the purpose of possible improvements to the security of information  
7 systems; and

8 (e) Communicate and share information with agencies, using preexisting incident response ca-  
9 pabilities.

10 (6) After consultation and collaborative development with agencies, the Oregon Department of  
11 Administrative Services shall implement forensic techniques and controls for the security of infor-  
12 mation systems, whether those systems are within, interoperable with or outside the state's shared  
13 computing and network infrastructure. The techniques and controls must include the use of spe-  
14 cialized expertise, tools and methodologies, to investigate events that damage or threaten the  
15 availability, integrity or confidentiality of information systems or the information stored in infor-  
16 mation systems. The department shall consult with the Oregon State Police, the Office of Emergency  
17 Management, the Governor and others as necessary in developing forensic techniques and controls  
18 under this section.

19 (7) The Oregon Department of Administrative Services shall ensure that reasonably appropriate  
20 remedial actions are undertaken when the department finds that such actions are reasonably nec-  
21 essary by reason of vulnerability assessments of information systems under subsection (3) of this  
22 section, evaluation of events under subsection (5) of this section and other evaluations and audits.

23 (8)(a) Agencies are responsible for the security of computers, hardware, software, storage media,  
24 networks, operational procedures and processes used in the collection, processing, storage, sharing  
25 or distribution of information outside the state's shared computing and network infrastructure fol-  
26 lowing information security standards, policies and procedures established by the Oregon Depart-  
27 ment of Administrative Services and developed collaboratively with agencies. Agencies may  
28 establish plans, standards and measures that are more stringent than the standards established by  
29 the department to address specific agency needs if those plans, standards and measures do not  
30 contradict or contravene the state information systems security plan. Independent agency security  
31 plans shall be developed within the framework of the state information systems security plan.

32 (b) An agency shall report the results of any vulnerability assessment, evaluation or audit con-  
33 ducted by the agency to the department for the purposes of consolidating statewide security re-  
34 porting and, when appropriate, to prompt a state incident response.

35 (9) This section does not apply to:

36 (a) Research and student computer systems used by or in conjunction with the State Board of  
37 *[Higher]* Education **in relation to higher education** or **with** any public university listed in ORS  
38 352.002; and

39 (b)(A) Gaming systems and networks operated by the Oregon State Lottery or its contractors;  
40 or

41 (B) The results of Oregon State Lottery reviews, evaluations and vulnerability assessments of  
42 computer systems outside the state's shared computing and network infrastructure.

43 (10) The Oregon Department of Administrative Services shall adopt rules to carry out its re-  
44 sponsibilities under this section.

45 **SECTION 35.** ORS 184.631 is amended to read:

1 184.631. (1) The Department of Transportation shall establish a public-private partnership re-  
2 search and development program.

3 (2) As part of the program established under this section, the department may enter into joint  
4 research and development agreements for the purpose of developing products for market that may  
5 reduce the cost of maintenance and preservation or extend the useful life of the state's highways  
6 or that may improve highway safety. The department may enter into agreements with the following:

7 (a) Individuals.

8 (b) Businesses.

9 (c) Nonprofit organizations.

10 (d) The State Board of [*Higher*] Education.

11 (3) The department may enter into agreements under subsection (2) of this section that allow the  
12 department to obtain royalties or other financial benefits from the sale or use of products developed  
13 through the public-private partnership research and development program.

14 (4) Moneys that the department is authorized to spend on planning and research may be used  
15 for development of products under this section.

16 (5) The department shall adopt rules that govern the solicitation and selection of product de-  
17 velopment projects that will receive funding under the program established under this section.

18 **SECTION 36.** ORS 190.510 is amended to read:

19 190.510. As used in ORS 190.510 to 190.610[, *unless the context requires otherwise*]:

20 (1) "Board" means the State Board of [*Higher*] Education [*established under ORS 351.015*].

21 (2) "City" means any incorporated city or town.

22 **SECTION 37.** ORS 190.520 is amended to read:

23 190.520. (1) The State Board of [*Higher*] Education shall:

24 (a) Annually estimate the population as of July 1 of each city and county within the state and  
25 no later than December 15 of each year prepare a certificate of population showing the board's es-  
26 timate of the population of each city and county within the state as of July 1. The board's estimate  
27 may be based upon statistical or other pertinent data or upon an actual count. The certificate shall  
28 also indicate the results of any enumeration of cities or annexed areas made after July 1.

29 (b) Annually estimate the number of persons between the ages of 4 and 20 who resided in each  
30 county as of October 25. The board shall certify such estimate to the Superintendent of Public In-  
31 struction and to the executive officer of the administrative office of each county, as defined in ORS  
32 328.001, by January 1 of each year.

33 (c) Upon an official request from a city, county, political subdivision, public corporation or state  
34 agency, cause to be conducted at the expense of the requesting party an actual count of the popu-  
35 lation of the area specified in the request and prepare a certificate of population based upon such  
36 count.

37 (d) Upon the incorporation of a city, cause to be conducted at the expense of the city an actual  
38 count of the population of the city. The board shall prepare a certificate of population based upon  
39 such count. If the election of officers of the newly incorporated city is held 40 days or more before  
40 the end of the calendar quarter, the certificate shall be prepared before the end of the calendar  
41 quarter. If the election is held less than 40 days before the end of the calendar quarter, the certif-  
42 icate shall be prepared before the end of the calendar quarter next following the election.

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

45 **SECTION 38.** ORS 190.530 is amended to read:

1 190.530. Upon petition from a city, county, political subdivision, public corporation or state  
 2 agency for reconsideration, or upon its own motion, the State Board of [*Higher*] Education may re-  
 3 vise its determination of the population of a city, county or other area. Payment of funds to a city,  
 4 county or other area under ORS 323.455, 366.785 to 366.820 or 471.810 shall be affected by a subse-  
 5 quent filing of a corrected certificate under this section in the manner provided by ORS 190.620.

6 **SECTION 39.** ORS 190.540 is amended to read:

7 190.540. (1) The population shown in the certificate of population of the State Board of  
 8 [*Higher*] Education filed pursuant to ORS 190.520 or 190.530 shall be the official population of the  
 9 city, county or other area covered by the certificate until a later certificate covering such city,  
 10 county or other area is filed by the board.

11 (2) After a certificate of population is filed pursuant to ORS 190.520 or 190.530, the population  
 12 of a city, county or other area as shown in the certificate shall be the official and exclusive basis  
 13 for determining per capita allocation and payment of funds to such city, county or other area under  
 14 ORS 366.785 to 366.820 and 471.810 until the filing by the board of a later certificate for such city,  
 15 county or other area.

16 **SECTION 40.** ORS 190.580 is amended to read:

17 190.580. The State Board of [*Higher*] Education may adopt such rules and regulations as it con-  
 18 siders desirable and expedient in the conduct of its duties under ORS 190.510 to 190.610.

19 **SECTION 41.** ORS 190.590 is amended to read:

20 190.590. Any state agency, or officer thereof, and any city, or department, officer or employee  
 21 thereof, shall, upon request of the State Board of [*Higher*] Education, furnish such available infor-  
 22 mation as may be required by the board in securing accurate data and information upon which to  
 23 base its estimates. The board may prescribe the form for reporting such information.

24 **SECTION 42.** ORS 190.610 is amended to read:

25 190.610. The State Board of [*Higher*] Education shall establish a program at one or more of the  
 26 public universities [*under its control*] **listed in ORS 352.002, that is** designed to perform the duties  
 27 imposed [*upon it*] by ORS 190.510 to 190.610.

28 **SECTION 43.** ORS 196.438 is amended to read:

29 196.438. (1) The Governor shall establish an Ocean Policy Advisory Council that is staffed by  
 30 the State Department of Fish and Wildlife, the Department of Land Conservation and Development  
 31 and other departments as the Governor deems necessary. The council shall be composed of:

- 32 (a) The Governor or the Governor's designee, as a nonvoting member;
- 33 (b) The director or the director's designee of the following agencies, as nonvoting members:
  - 34 (A) Department of Environmental Quality;
  - 35 (B) State Department of Fish and Wildlife;
  - 36 (C) State Department of Geology and Mineral Industries;
  - 37 (D) Department of Land Conservation and Development;
  - 38 (E) Department of State Lands;
  - 39 (F) Parks and Recreation Department;
  - 40 (G) State Department of Agriculture; and
  - 41 (H) On behalf of the State Board of [*Higher*] Education, the director or director's designee of
  - 42 Oregon State University, Sea Grant College;

43 (c) A member of the governing body of Coos, Curry, Douglas or Lane County to be appointed  
 44 by the Governor, chosen in consultation with and with the approval of a majority of the members  
 45 of the governing bodies of Coos, Curry, Douglas and Lane Counties;

1 (d) A member of the governing body of Clatsop, Lincoln or Tillamook County to be appointed  
 2 by the Governor, chosen in consultation with and with the approval of a majority of the members  
 3 of the governing bodies of Clatsop, Lincoln and Tillamook Counties;

4 (e) An elected city official from a coastal city bordering the territorial sea to be appointed by  
 5 the Governor with advice from an Oregon coastal zone management association;

6 (f) A representative of each of the following ocean interests, to be appointed by the Governor,  
 7 and subject to confirmation by the Senate pursuant to section 4, Article III, Oregon Constitution:

8 (A) Commercial ocean fisheries of the North Coast from Newport north;

9 (B) Commercial ocean fisheries of the South Coast south of Newport;

10 (C) Charter, sport or recreation ocean fisheries of the North Coast from Newport north;

11 (D) Charter, sport or recreation ocean fisheries of the South Coast south of Newport;

12 (E) Ports marine navigation or transportation;

13 (F) Coastal nonfishing recreation interests of surfing, diving, kayaking or windsurfing;

14 (G) A coastal conservation or environmental organization;

15 (H) Oregon Indian tribes appointed after consultation with the Commission on Indian Services;

16 (I) A coastwide organization representing a majority of small ports and local governments, as  
 17 a nonvoting member; and

18 (J) A statewide conservation or environmental organization; and

19 (g) Two representatives of the public, at least one of whom shall be a resident of a county bor-  
 20 dering the territorial sea, to be appointed by the Governor.

21 (2) The term of office of each member appointed by the Governor is four years, but a member  
 22 serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor  
 23 shall appoint a successor whose term begins on July 1 next following. A member is eligible for re-  
 24 appointment. If there is a vacancy for any cause, the Governor shall make an appointment to become  
 25 immediately effective for the unexpired term.

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

28 (4) The voting members of the council shall elect a person from among the membership to chair  
 29 the council.

30 **SECTION 44.** ORS 200.025 is amended to read:

31 200.025. (1) There is created, in the Office of the Governor, the Advocate for Minority, Women  
 32 and Emerging Small Business who shall be appointed by the Governor.

33 (2) There is created in the Oregon Business Development Department the Office for Minority,  
 34 Women and Emerging Small Business, the employees of which shall be appointed by the Director  
 35 of the Oregon Business Development Department.

36 (3)(a) The director may prescribe the duties and assignments of all officers and employees of the  
 37 Office for Minority, Women and Emerging Small Business. The director shall establish the compen-  
 38 sation of all officers and employees of the office.

39 (b) The officers and employees of the office shall be allowed reimbursement for reasonable and  
 40 necessary travel and other expenses incurred in the performance of their duties.

41 (4) The Advocate for Minority, Women and Emerging Small Business shall:

42 (a) Advise the Governor and the director on activities and initiatives that may promote the  
 43 economic integration of minorities, women and emerging small businesses into the business sector;

44 (b) Prepare an annual report to the Governor, director and Legislative Assembly on the status  
 45 of minorities and women in the marketplace, accomplishments and resolutions of issues of concern

1 to minority and women's enterprises and recommendations for executive and legislative actions; and

2 (c) Carry out other duties that may be assigned by the Governor.

3 (5) The Office for Minority, Women and Emerging Small Business shall:

4 (a) Provide information to minority, women and emerging small businesses;

5 (b) Assist in the development and implementation of an aggressive strategy for this state, based  
6 on research and monitoring, that encourages participation of minorities, women and emerging small  
7 businesses in the state's economy;

8 (c) Make recommendations to the director on the research, development and implementation of  
9 the plan for the involvement of disadvantaged and minority groups and emerging small businesses  
10 in all state programs;

11 (d) Maintain an Oregon Opportunity Register and Clearinghouse for information on public  
12 agency and other contract solicitations for professional services, supplies and services and other bid  
13 opportunities, in consultation with the State Board of [*Higher*] Education, the Department of  
14 Transportation and other entities;

15 (e) Monitor the certification and compliance program for disadvantaged, minority, women and  
16 emerging small businesses under ORS 200.055;

17 (f) Investigate complaints and possible abuses of the certification program; and

18 (g) Assist in the promotion and coordination of plans, programs and operations of state govern-  
19 ment that strengthen minority and women participation in the economic life of this state.

20 **SECTION 45.** ORS 200.055 is amended to read:

21 200.055. (1) Any disadvantaged, minority, women or emerging small business enterprise is enti-  
22 tled to be certified as such upon application to the Oregon Business Development Department. If the  
23 application is approved by the department, the department shall certify the applicant as a disad-  
24 vantaged, minority, women or emerging small business enterprise. The enterprise shall be considered  
25 so certified by any public contracting agency.

26 (2) In consultation with the State Board of [*Higher*] Education and the Department of Trans-  
27 portation, and with the approval of the Advocate for Minority, Women and Emerging Small Busi-  
28 ness, the Oregon Business Development Department by rule shall adopt a uniform standard form and  
29 procedure designed to provide complete documentation that a business enterprise is certified as a  
30 disadvantaged, minority, women or emerging small business enterprise. The department shall com-  
31 pile and make available upon request a list of certified disadvantaged, minority, women or emerging  
32 small business enterprises.

33 (3) Any business enterprise that is refused certification as a disadvantaged business enterprise  
34 or denied recertification as such or whose certification is revoked may appeal directly to the United  
35 States Department of Transportation.

36 (4) Any business enterprise that is refused certification as a minority, women or emerging small  
37 business enterprise or has its certification revoked may request a contested case hearing as pro-  
38 vided in ORS chapter 183.

39 (5) The Oregon Business Development Department shall be the sole agency authorized to certify  
40 enterprises as disadvantaged, minority, women or emerging small business enterprises eligible to  
41 perform on public contracts in this state.

42 (6) The Oregon Business Development Department by rule may establish a fee not to exceed  
43 \$100 for a copy of the list of certified disadvantaged, minority, women and emerging small business  
44 enterprises and may assess state agencies for services under ORS 200.005 to 200.075.

45 (7) The Department of Transportation may collect a fee, not to exceed \$200, from a bidder upon

1 bidder prequalifications to cover the costs of the Oregon Business Development Department in ad-  
 2 ministering ORS 200.005 to 200.075. The Department of Transportation shall transfer such fees to  
 3 the credit of the account established under subsection (8) of this section.

4 (8) The Oregon Business Development Department shall establish a special account in which to  
 5 deposit fees and assessments. The special account is continuously appropriated to the department  
 6 to meet its expenses in administering ORS 200.005 to 200.075.

7 **SECTION 46.** ORS 238.200 is amended to read:

8 238.200. (1)(a) An active member of the Public Employees Retirement System shall contribute to  
 9 the Public Employees Retirement Fund and there shall be withheld from salary of the member six  
 10 percent of that salary as an employee contribution.

11 (b) Notwithstanding paragraph (a) of this subsection, an employee who is an active member of  
 12 the system on August 21, 1981, shall contribute to the fund and there shall be withheld from salary  
 13 of the member, as long as the employee continues to be an active member of the system, four percent  
 14 of that salary if the salary for a month is less than \$500, or five percent of that salary if the salary  
 15 for a month is \$500 or more and less than \$1,000. Notwithstanding subsection (2) of this section, for  
 16 the purpose of computing the percentage of salary to be withheld under this paragraph from a  
 17 member who is an employee of a school district or of the State Board of [*Higher*] Education **in re-**  
 18 **lation to higher education** whose salary is based on an annual agreement, the agreed annual salary  
 19 of the member shall be divided into 12 equal installments, and each installment shall be considered  
 20 as earned and paid in separate, consecutive months, commencing with the first month that payment  
 21 is actually made under the terms of the salary agreement.

22 (2) The contributions of each member as provided in subsection (1) of this section shall be de-  
 23 ducted by the employer from each payroll and transmitted by the employer to the Public Employees  
 24 Retirement Board, which shall cause them to be credited to the member account of the member.  
 25 Salary shall be considered earned in the month in which it is paid. The date inscribed on the pay-  
 26 check or warrant shall be considered as the pay date, regardless of when the salary is actually de-  
 27 livered to the member.

28 (3) An active member who is concurrently employed by more than one participating public em-  
 29 ployer, and who is a member of or entitled to membership in the system, shall make contributions  
 30 to the fund on the basis of salary paid by each employer.

31 (4) Notwithstanding subsections (1) to (3) of this section, a member of the system, or a partic-  
 32 ipating employer acting on behalf of the member pursuant to ORS 238.205, is not permitted or re-  
 33 quired to make employee contributions to the fund for service performed on or after January 1, 2004.  
 34 This subsection does not affect any contribution for the purpose of unit purchases under ORS  
 35 238.440 or amounts paid for acquisition of creditable service under ORS 238.105 to 238.175.

36 **SECTION 47.** ORS 238.215 is amended to read:

37 238.215. Notwithstanding any other provision of this chapter:

38 (1) An employee, as defined in ORS 243.910 (2), who is an active member of the system and who  
 39 has elected, and not canceled that election, to be assisted by the State Board of [*Higher*] Education  
 40 under ORS 243.920 (1), shall not contribute to the fund on any part of the annual salary of the em-  
 41 ployee in excess of \$4,800 at any time during which the State Board of [*Higher*] Education assists  
 42 the employee under ORS 243.920 (1).

43 (2) The current service pension, whether for service or disability retirement, under this chapter  
 44 provided by the contributions of the employers of such employee shall be:

45 (a) If the State Board of [*Higher*] Education is assisting such employee under ORS 243.920 (1)

1 at the time of retirement, a pension equal to the annuity provided by the employee's accumulated  
2 contributions to the fund.

3 (b) If the State Board of [Higher] Education is not assisting such employee under ORS 243.920  
4 (1) at the time of retirement, but previously so assisted the employee:

5 (A) For service before the date the State Board of [Higher] Education last ceased to assist the  
6 employee, a pension equal to the annuity provided by the employee's accumulated contributions to  
7 the fund before that date.

8 (B) For service on and after the date the State Board of [Higher] Education last ceased to so  
9 assist the employee, a pension computed as provided in ORS 238.300 (2), but if the employee retires  
10 before reaching the normal retirement age, actuarially reduced and computed on the then attained  
11 age. For the purpose of computing the pension under this subparagraph, only the number of years  
12 of membership of the employee after the day before that date and only the salary of the employee  
13 on which the employee contributes to the fund for those years shall be considered.

14 (3) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2),  
15 who is an active member of the system, who elected to be assisted by the State Board of Higher  
16 Education under ORS 243.920 (1) before January 1, 1968, who canceled that election within the first  
17 60 days of the calendar year 1968 as provided in ORS 243.940 (5) and who does not thereafter elect  
18 to be assisted by the State Board of [Higher] Education under ORS 243.920 (1).

19 (4) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2),  
20 who is an active member of the system and has been an active member of the system continuously  
21 since any date before January 1, 1968; who elected to be assisted by the State Board of Higher Ed-  
22 ucation under ORS 243.920 (1) before January 1, 1968; and who cancels that election in any calendar  
23 year after 1968, but before the calendar year in which the employee retires, as provided in ORS  
24 243.940 (5) and does not thereafter elect to be assisted by the State Board of [Higher] Education  
25 under ORS 243.920 (1). In this case the benefit, whether for service or disability retirement, shall  
26 be computed as under ORS 238.300; however, for service during periods in which the employee was  
27 assisted by the State Board of [Higher] Education under ORS 243.920 (1), a year of membership as  
28 used in ORS 238.300 (2) shall be a portion of a year which is represented by a fraction the numerator  
29 of which is \$4,800 and the denominator of which is the salary earned by the employee in that year.  
30 However, in no case shall the fraction be greater than one.

31 **SECTION 48.** ORS 243.107 is amended to read:

32 243.107. A person employed by a public university listed in ORS 352.002 or the Oregon Health  
33 and Science University may be considered an eligible employee for participation in one of the group  
34 benefit plans described in ORS 243.135 if the State Board of [Higher] Education, or the Oregon  
35 Health and Science University Board of Directors for Oregon Health and Science University em-  
36 ployees, determines that funds are available therefor and if:

37 (1) Notwithstanding ORS 243.105 (4)(b)(F), the person is a student enrolled in an institution of  
38 higher education and is employed as a graduate teaching assistant, graduate research assistant or  
39 a fellow at the institution and elects to participate; or

40 (2) Notwithstanding ORS 243.105 (4)(b)(B) or (C), the person is employed on a less than half-time  
41 basis in an unclassified instructional or research support capacity and elects to participate.

42 **SECTION 49.** ORS 243.800 is amended to read:

43 243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A or ORS 243.910 to  
44 243.945, the State Board of [Higher] Education shall establish and administer an Optional Retirement  
45 Plan for administrative and academic employees of the Oregon University System who are eligible

1 for membership in the Public Employees Retirement System. The Optional Retirement Plan must be  
2 a qualified plan under the Internal Revenue Code, capable of accepting funds transferred under  
3 subsection (7) of this section without the transfer being treated as a taxable event under the Inter-  
4 nal Revenue Code, and willing to accept those funds. Retirement and death benefits shall be pro-  
5 vided under the plan by the purchase of annuity contracts, fixed or variable or a combination  
6 thereof, or by contracts for investments in mutual funds.

7 (2) The State Board of [*Higher*] Education shall select at least two life insurance companies  
8 providing fixed and variable annuities and at least two investment companies providing mutual  
9 funds, but not more than five companies in total, for the purpose of providing benefits under the  
10 Optional Retirement Plan. The State Board of [*Higher*] Education shall establish selection criteria  
11 for the purpose of this subsection.

12 (3) An administrative or academic employee may make an irrevocable election to participate in  
13 the Optional Retirement Plan within six months after being employed. An election under this sub-  
14 section is effective on the first day of the month following six full months of employment.

15 (4) An administrative or academic employee who does not elect to participate in the Optional  
16 Retirement Plan:

17 (a) Remains or becomes a member of the Public Employees Retirement System in accordance  
18 with ORS chapters 238 and 238A; or

19 (b) Continues to be assisted by the State Board of [*Higher*] Education under ORS 243.920 if the  
20 employee is being so assisted.

21 (5) Except as provided in subsection (6) of this section, employees who elect to participate in the  
22 Optional Retirement Plan are ineligible for active membership in the Public Employees Retirement  
23 System or for any assistance by the State Board of [*Higher*] Education under ORS 243.920 as long  
24 as those employees are employed in the Oregon University System and the plan is in effect.

25 (6)(a) An administrative or academic employee who elects to participate in the Optional Retirement  
26 Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who  
27 is not vested shall be considered by the Public Employees Retirement Board to be a terminated  
28 member under the provisions of ORS 238.095 as of the effective date of the election, and the amount  
29 credited to the member account of the member shall be transferred directly to the Optional Retirement  
30 Plan by the Public Employees Retirement Board in the manner provided by subsection (7) of  
31 this section.

32 (b) An administrative or academic employee who elects to participate in the Optional Retirement  
33 Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is  
34 vested shall be considered to be an inactive member by the Public Employees Retirement Board and  
35 shall retain all the rights, privileges and options under ORS chapter 238 unless the employee makes  
36 a written request to the Public Employees Retirement Board for a transfer of the amounts credited  
37 to the member account of the member to the Optional Retirement Plan. A request for a transfer  
38 must be made at the time the member elects to participate in the Optional Retirement Plan. Upon  
39 receiving the request, the Public Employees Retirement Board shall transfer all amounts credited  
40 to the member account of the member directly to the Optional Retirement Plan, and shall terminate  
41 all rights, privileges and options of the employee under ORS chapter 238.

42 (c) An administrative or academic employee who elects to participate in the Optional Retirement  
43 Plan, and who is not a vested member of the pension program of the Oregon Public Service Retirement  
44 Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be  
45 considered to be a terminated member of the pension program by the Public Employees Retirement

1 Board as of the effective date of the election.

2 (d) An administrative or academic employee who elects to participate in the Optional Retirement  
3 Plan, and who is a vested member of the pension program of the Oregon Public Service Retirement  
4 Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be consid-  
5 ered an inactive member of the pension program by the Public Employees Retirement Board as of  
6 the effective date of the election. An employee who is subject to the provisions of this paragraph  
7 retains all the rights, privileges and options of an inactive member of the pension program. If the  
8 actuarial equivalent of the employee's benefit under the pension program at the time that the  
9 election becomes effective is \$5,000 or less, the employee may make a written request to the Public  
10 Employees Retirement Board for a transfer of the employee's interest under the pension program to  
11 the Optional Retirement Plan. The request must be made at the time the member elects to partic-  
12 ipate in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement  
13 Board shall transfer the amount determined to be the actuarial equivalent of the employee's benefit  
14 under the pension program directly to the Optional Retirement Plan, and shall terminate the mem-  
15 bership of the employee in the pension program.

16 (e) An administrative or academic employee who elects to participate in the Optional Retirement  
17 Plan, and who is a vested member of the individual account program of the Oregon Public Service  
18 Retirement Plan as described in ORS 238A.320 on the date that the election becomes effective, shall  
19 be considered an inactive member of the individual account program by the Public Employees Re-  
20 tirement Board as of the effective date of the election. An employee who is subject to the provisions  
21 of this paragraph retains all the rights, privileges and options of an inactive member of the indi-  
22 vidual account program. An administrative or academic employee who elects to participate in the  
23 Optional Retirement Plan, and who is a member of the individual account program of the Oregon  
24 Public Service Retirement Plan, may make a written request to the Public Employees Retirement  
25 Board that all amounts in the member's employee account, rollover account and employer account,  
26 to the extent the member is vested in those accounts under ORS 238A.320, be transferred to the  
27 Optional Retirement Plan. The request must be made at the time the member elects to participate  
28 in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement  
29 Board shall transfer the amounts directly to the Optional Retirement Plan, and shall terminate the  
30 membership of the employee in the individual account program upon making the transfer.

31 (f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the Public Employees Retire-  
32 ment Board may not treat any employee as an inactive member under the provisions of this sub-  
33 section for the purpose of receiving any benefit under ORS chapter 238 or 238A that requires that  
34 the employee be separated from all service with participating public employers and with employers  
35 who are treated as part of a participating public employer's controlled group under the federal laws  
36 and rules governing the status of the system and the Public Employees Retirement Fund as a qual-  
37 ified governmental retirement plan and trust.

38 (7) Any amounts transferred from the Public Employees Retirement Fund under subsection (6)  
39 of this section shall be transferred directly to the Optional Retirement Plan by the Public Employees  
40 Retirement Board and may not be made available to the employee.

41 (8) An employee participating in the Optional Retirement Plan shall contribute monthly an  
42 amount equal to the percentage of the employee's salary that the employee would otherwise have  
43 contributed as an employee contribution to the Public Employees Retirement System if the employee  
44 had not elected to participate in the Optional Retirement Plan.

45 (9) The State Board of [*Higher*] Education shall contribute monthly to the Optional Retirement

1 Plan the percentage of salary of each employee participating in the plan equal to the percentage  
 2 of salary that would otherwise have been contributed as an employer contribution on behalf of the  
 3 employee to the Public Employees Retirement System, before any offset under ORS 238.229 (2), if the  
 4 employee had not elected to participate in the Optional Retirement Plan.

5 (10) Both employee and employer contributions to an Optional Retirement Plan shall be remitted  
 6 directly to the companies that have issued annuity contracts to the participating employees or di-  
 7 rectly to the mutual funds.

8 (11) Benefits under the Optional Retirement Plan are payable to employees who elect to partic-  
 9 ipate in the plan and their beneficiaries by the selected annuity provider or mutual fund in accord-  
 10 ance with the terms of the annuity contracts or the terms of the contract with the mutual fund.  
 11 Employees electing to participate in the plan agree that benefits payable under the plan are not  
 12 obligations of the State of Oregon or of the Public Employees Retirement System.

13 **SECTION 50.** ORS 243.820 is amended to read:

14 243.820. (1) In order to obtain the advantages of 26 U.S.C. 403(b), or any equivalent provision  
 15 of federal law, an employer may agree with an employee who performs services for an educational  
 16 institution that:

17 (a) The employee's salary will be reduced monthly by a stated amount, or the employee will  
 18 forgo monthly a salary increase of a stated amount; and

19 (b) On behalf of the employee, the employer shall contribute monthly an amount equal to the  
 20 stated amount determined under paragraph (a) of this subsection as premiums for an annuity con-  
 21 tract or to a custodial account for investment in the stock of regulated investment companies as  
 22 defined in 26 U.S.C. 403(b)(7)(C). The amount contributed by the employer under this subsection  
 23 may not exceed the stated amount.

24 (2) Notwithstanding any other provision of law, pursuant to an agreement under subsection (1)  
 25 of this section, the stated amounts shall be forwarded by the employer as annuity premiums to the  
 26 company or association with which it has entered into an annuity contract or to the regulated in-  
 27 vestment company or its transfer agent for the benefit of the employee.

28 (3) An employer may make nonelective employer contributions on behalf of an employee who  
 29 performs services for an educational institution as premiums for an annuity contract, or to a cus-  
 30 todial account for investment in the stock of regulated investment companies as defined in 26 U.S.C.  
 31 403(b)(7)(C), for the purpose of obtaining the advantages of 26 U.S.C. 403(b) or any equivalent pro-  
 32 vision of federal law. Employer contributions under this subsection are in addition to any employee  
 33 contributions under subsection (1) of this section.

34 (4) As used in this section:

35 (a) "Educational institution" means an educational institution that normally maintains a regular  
 36 faculty and curriculum and normally has a regularly organized body of students in attendance at the  
 37 place where its educational activities are carried on or an education service district.

38 (b) "Employer" means the State Board of [*Higher*] Education, any other state agency, a com-  
 39 munity college district, a school district, the Oregon Health and Science University or an education  
 40 service district employing an individual who performs services for an educational institution.

41 **SECTION 51.** ORS 243.850 is amended to read:

42 243.850. (1) An eligible football coach and the State Board of [*Higher*] Education may enter into  
 43 an agreement to provide that:

44 (a) The coach's salary will be reduced monthly by a stated amount that is not less than \$25 a  
 45 month, or the coach will forgo monthly a salary increase of a stated amount that is not less than

1 \$25 a month; and

2 (b) The State Board of [*Higher*] Education will contribute monthly an amount equal to the stated  
 3 amount determined under paragraph (a) of this subsection for the month to a designated qualified  
 4 football coaches plan. The amount contributed by the employer shall not exceed the stated amount.

5 (2) The amount by which an eligible football coach’s salary or wages is reduced by reason of the  
 6 salary reduction or forgoing of a salary increase authorized by subsection (1) of this section shall  
 7 continue to be included as regular compensation for the purpose of computing the retirement, pen-  
 8 sion and Social Security benefits earned by the coach, but that amount shall not be considered  
 9 current taxable income for the purpose of computing federal and state income taxes withheld on  
 10 behalf of that coach.

11 (3) For the purposes of this section:

12 (a) “Eligible football coach” means a staff member of the Oregon University System who pri-  
 13 marily coaches football as a full-time employee of a four-year university described in 26 U.S.C.  
 14 170(b)(1)(A)(ii).

15 (b) “Qualified football coaches plan” has the meaning given that term in 29 U.S.C. 1002(37).

16 **SECTION 52.** ORS 243.910 is amended to read:

17 243.910. As used in ORS 243.910 to 243.945:

18 (1) “Board” means the State Board of [*Higher*] Education for all public universities listed in ORS  
 19 352.002, and for the Oregon Health and Science University means the Oregon Health and Science  
 20 University Board of Directors.

21 (2) “Employees” means the persons appointed or employed by or under the authority of the  
 22 board who hold academic rank as determined by the board.

23 (3) “System” means the Public Employees Retirement System established by ORS 238.600.

24 **SECTION 53.** ORS 244.050, as amended by section 9, chapter 90, Oregon Laws 2012, and section  
 25 12 of this 2013 Act, is amended to read:

26 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon  
 27 Government Ethics Commission a verified statement of economic interest as required under this  
 28 chapter:

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

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

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

34 (d) The Deputy Attorney General.

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

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

39 (g) The following state officers:

40 (A) Adjutant General.

41 (B) Director of Agriculture.

42 (C) Manager of State Accident Insurance Fund Corporation.

43 (D) Water Resources Director.

44 (E) Director of Department of Environmental Quality.

45 (F) Director of Oregon Department of Administrative Services.

- 1 (G) State Fish and Wildlife Director.
- 2 (H) State Forester.
- 3 (I) State Geologist.
- 4 (J) Director of Human Services.
- 5 (K) Director of the Department of Consumer and Business Services.
- 6 (L) Director of the Department of State Lands.
- 7 (M) State Librarian.
- 8 (N) Administrator of Oregon Liquor Control Commission.
- 9 (O) Superintendent of State Police.
- 10 (P) Director of the Public Employees Retirement System.
- 11 (Q) Director of Department of Revenue.
- 12 (R) Director of Transportation.
- 13 (S) Public Utility Commissioner.
- 14 (T) Director of Veterans' Affairs.
- 15 (U) Executive director of Oregon Government Ethics Commission.
- 16 (V) Director of the State Department of Energy.
- 17 (W) Director and each assistant director of the Oregon State Lottery.
- 18 (X) Director of the Department of Corrections.
- 19 (Y) Director of the Oregon Department of Aviation.
- 20 (Z) Executive director of the Oregon Criminal Justice Commission.
- 21 (AA) Director of the Oregon Business Development Department.
- 22 (BB) Director of the Office of Emergency Management.
- 23 (CC) Director of the Employment Department.
- 24 (DD) Chief of staff for the Governor.
- 25 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 26 (FF) Director of the Housing and Community Services Department.
- 27 (GG) State Court Administrator.
- 28 (HH) Director of the Department of Land Conservation and Development.
- 29 (II) Board chairperson of the Land Use Board of Appeals.
- 30 (JJ) State Marine Director.
- 31 (KK) Executive director of the Oregon Racing Commission.
- 32 (LL) State Parks and Recreation Director.
- 33 (MM) Public defense services executive director.
- 34 (NN) Chairperson of the Public Employees' Benefit Board.
- 35 (OO) Director of the Department of Public Safety Standards and Training.
- 36 (PP) Chairperson of the Oregon Student Access Commission.
- 37 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 38 (RR) Director of the Oregon Youth Authority.
- 39 (SS) Director of the Oregon Health Authority.
- 40 (TT) Superintendent of Public Instruction.
- 41 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 42 (i) Every elected city or county official.
- 43 (j) Every member of a city or county planning, zoning or development commission.
- 44 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
- 45 cipal administrator of the city or county.

- 1 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.  
 2 (m) Every member of a governing body of a metropolitan service district and the executive of-  
 3 ficer thereof.
- 4 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 5 (o) The chief administrative officer and the financial officer of each common and union high  
 6 school district, education service district and community college district.
- 7 (p) Every member of the following state boards and commissions:
- 8 (A) Board of Geologic and Mineral Industries.  
 9 (B) Oregon Business Development Commission.  
 10 (C) State Board of Education.  
 11 (D) Environmental Quality Commission.  
 12 (E) Fish and Wildlife Commission of the State of Oregon.  
 13 (F) State Board of Forestry.  
 14 (G) Oregon Government Ethics Commission.  
 15 (H) Oregon Health Policy Board.  
 16 [(I) *State Board of Higher Education.*]  
 17 [(J)] (I) Oregon Investment Council.  
 18 [(K)] (J) Land Conservation and Development Commission.  
 19 [(L)] (K) Oregon Liquor Control Commission.  
 20 [(M)] (L) Oregon Short Term Fund Board.  
 21 [(N)] (M) State Marine Board.  
 22 [(O)] (N) Mass transit district boards.  
 23 [(P)] (O) Energy Facility Siting Council.  
 24 [(Q)] (P) Board of Commissioners of the Port of Portland.  
 25 [(R)] (Q) Employment Relations Board.  
 26 [(S)] (R) Public Employees Retirement Board.  
 27 [(T)] (S) Oregon Racing Commission.  
 28 [(U)] (T) Oregon Transportation Commission.  
 29 [(V)] (U) Wage and Hour Commission.  
 30 [(W)] (V) Water Resources Commission.  
 31 [(X)] (W) Workers' Compensation Board.  
 32 [(Y)] (X) Oregon Facilities Authority.  
 33 [(Z)] (Y) Oregon State Lottery Commission.  
 34 [(AA)] (Z) Pacific Northwest Electric Power and Conservation Planning Council.  
 35 [(BB)] (AA) Columbia River Gorge Commission.  
 36 [(CC)] (BB) Oregon Health and Science University Board of Directors.  
 37 [(DD)] (CC) Capitol Planning Commission.  
 38 [(EE) *Higher Education Coordinating Commission.*]  
 39 [(FF)] (DD) Oregon Growth Board.
- 40 (q) The following officers of the State Treasurer:
- 41 (A) Deputy State Treasurer.  
 42 (B) Chief of staff for the office of the State Treasurer.  
 43 (C) Director of the Investment Division.
- 44 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725  
 45 or 777.915 to 777.953.

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

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

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

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

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

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

23 **SECTION 54.** ORS 244.050, as amended by sections 9 and 29, chapter 90, Oregon Laws 2012,  
24 and section 13 of this 2013 Act, is amended to read:

25 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon  
26 Government Ethics Commission a verified statement of economic interest as required under this  
27 chapter:

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

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

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

33 (d) The Deputy Attorney General.

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

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

38 (g) The following state officers:

39 (A) Adjutant General.

40 (B) Director of Agriculture.

41 (C) Manager of State Accident Insurance Fund Corporation.

42 (D) Water Resources Director.

43 (E) Director of Department of Environmental Quality.

44 (F) Director of Oregon Department of Administrative Services.

45 (G) State Fish and Wildlife Director.

- 1 (H) State Forester.
- 2 (I) State Geologist.
- 3 (J) Director of Human Services.
- 4 (K) Director of the Department of Consumer and Business Services.
- 5 (L) Director of the Department of State Lands.
- 6 (M) State Librarian.
- 7 (N) Administrator of Oregon Liquor Control Commission.
- 8 (O) Superintendent of State Police.
- 9 (P) Director of the Public Employees Retirement System.
- 10 (Q) Director of Department of Revenue.
- 11 (R) Director of Transportation.
- 12 (S) Public Utility Commissioner.
- 13 (T) Director of Veterans' Affairs.
- 14 (U) Executive director of Oregon Government Ethics Commission.
- 15 (V) Director of the State Department of Energy.
- 16 (W) Director and each assistant director of the Oregon State Lottery.
- 17 (X) Director of the Department of Corrections.
- 18 (Y) Director of the Oregon Department of Aviation.
- 19 (Z) Executive director of the Oregon Criminal Justice Commission.
- 20 (AA) Director of the Oregon Business Development Department.
- 21 (BB) Director of the Office of Emergency Management.
- 22 (CC) Director of the Employment Department.
- 23 (DD) Chief of staff for the Governor.
- 24 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 25 (FF) Director of the Housing and Community Services Department.
- 26 (GG) State Court Administrator.
- 27 (HH) Director of the Department of Land Conservation and Development.
- 28 (II) Board chairperson of the Land Use Board of Appeals.
- 29 (JJ) State Marine Director.
- 30 (KK) Executive director of the Oregon Racing Commission.
- 31 (LL) State Parks and Recreation Director.
- 32 (MM) Public defense services executive director.
- 33 (NN) Chairperson of the Public Employees' Benefit Board.
- 34 (OO) Director of the Department of Public Safety Standards and Training.
- 35 (PP) Chairperson of the Oregon Student Access Commission.
- 36 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 37 (RR) Director of the Oregon Youth Authority.
- 38 (SS) Director of the Oregon Health Authority.
- 39 (TT) Superintendent of Public Instruction.
- 40 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 41 (i) Every elected city or county official.
- 42 (j) Every member of a city or county planning, zoning or development commission.
- 43 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
- 44 cipal administrator of the city or county.
- 45 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.

1 (m) Every member of a governing body of a metropolitan service district and the executive of-  
 2 ficer thereof.

3 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.

4 (o) The chief administrative officer and the financial officer of each common and union high  
 5 school district, education service district and community college district.

6 (p) Every member of the following state boards and commissions:

7 (A) Board of Geologic and Mineral Industries.

8 (B) Oregon Business Development Commission.

9 (C) State Board of Education.

10 (D) Environmental Quality Commission.

11 (E) Fish and Wildlife Commission of the State of Oregon.

12 (F) State Board of Forestry.

13 (G) Oregon Government Ethics Commission.

14 (H) Oregon Health Policy Board.

15 [*I*] *State Board of Higher Education.*]

16 [*J*] **(I)** Oregon Investment Council.

17 [*K*] **(J)** Land Conservation and Development Commission.

18 [*L*] **(K)** Oregon Liquor Control Commission.

19 [*M*] **(L)** Oregon Short Term Fund Board.

20 [*N*] **(M)** State Marine Board.

21 [*O*] **(N)** Mass transit district boards.

22 [*P*] **(O)** Energy Facility Siting Council.

23 [*Q*] **(P)** Board of Commissioners of the Port of Portland.

24 [*R*] **(Q)** Employment Relations Board.

25 [*S*] **(R)** Public Employees Retirement Board.

26 [*T*] **(S)** Oregon Racing Commission.

27 [*U*] **(T)** Oregon Transportation Commission.

28 [*V*] **(U)** Wage and Hour Commission.

29 [*W*] **(V)** Water Resources Commission.

30 [*X*] **(W)** Workers' Compensation Board.

31 [*Y*] **(X)** Oregon Facilities Authority.

32 [*Z*] **(Y)** Oregon State Lottery Commission.

33 [*AA*] **(Z)** Pacific Northwest Electric Power and Conservation Planning Council.

34 [*BB*] **(AA)** Columbia River Gorge Commission.

35 [*CC*] **(BB)** Oregon Health and Science University Board of Directors.

36 [*DD*] **(CC)** Capitol Planning Commission.

37 [*EE*] *Higher Education Coordinating Commission.*]

38 (q) The following officers of the State Treasurer:

39 (A) Deputy State Treasurer.

40 (B) Chief of staff for the office of the State Treasurer.

41 (C) Director of the Investment Division.

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

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

45 (2) By April 15 next after the date an appointment takes effect, every appointed public official

1 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-  
 2 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070  
 3 and 244.090.

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

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

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

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

21 **SECTION 55.** ORS 273.573 is amended to read:

22 273.573. (1) To aid and advise the State Parks and Recreation Director in the performance of the  
 23 functions related to the Natural Areas Program, the director may establish a natural areas advisory  
 24 committee.

25 (2) The advisory committee may assist the State Parks and Recreation Department:

26 (a) In the development of policy for the Natural Areas Program through the review and approval  
 27 of the Oregon Natural Areas Plan;

28 (b) By reviewing nominations for registration and the voluntary dedication of natural areas, and  
 29 instruments of dedication for such areas;

30 (c) In providing recommendations to the State Parks and Recreation Commission, State Land  
 31 Board, State Board of Forestry, State Fish and Wildlife Commission, State Board of [Higher] Edu-  
 32 cation and Oregon Transportation Commission regarding areas under their respective jurisdictions  
 33 that are appropriate for dedication; and

34 (d) In advising the State Parks and Recreation Commission in the adoption of rules that may  
 35 be considered necessary in carrying out ORS 273.563 to 273.591.

36 (3) Members of the advisory committee are not entitled to compensation, but in the discretion  
 37 of the director may be reimbursed from funds available to the department for actual and necessary  
 38 travel and other expenses incurred by them in the performance of their official duties in the manner  
 39 and amount provided in ORS 292.495.

40 **SECTION 56.** ORS 273.586 is amended to read:

41 273.586. (1) A private individual or organization that is the owner of any registered natural area  
 42 may voluntarily agree to dedicate that area as a state natural area by executing with the State  
 43 Parks and Recreation Department an instrument of dedication. The instrument of dedication shall  
 44 be effective upon its recording in the real property records of the office of the clerk of the county  
 45 in which any or all of the state natural area is located.

1 (2) Any public agency may dedicate lands under the provisions of ORS 273.563 to 273.591 fol-  
 2 lowing the providing of opportunity for adequate public notice and hearing by the agency. The  
 3 Oregon Transportation Commission, the State Fish and Wildlife Commission, the State Board of  
 4 Forestry, the State Board of [Higher] Education, the State Parks and Recreation Commission and the  
 5 State Land Board shall, with the advice and assistance of the department, establish procedures for  
 6 the dedication of state natural areas on land, the title of which is held by the State of Oregon, and  
 7 which is under that agency's management and control.

8 (3) The instrument of dedication shall contain any information or provisions as the private  
 9 owner, organization or agency and department consider necessary to complete the dedication.

10 (4) Dedication of a state natural area may be terminated as follows:

11 (a) The dedication of a state natural area by a public agency may be terminated following the  
 12 providing of opportunity for adequate public notice and hearing and a finding by that agency of an  
 13 imperative and unavoidable necessity, or a finding by that agency, with the approval of the depart-  
 14 ment, that the state natural area is no longer needed according to the guidelines of the Oregon  
 15 Natural Areas Plan.

16 (b) The dedication of a state natural area by a private individual or organization may be ter-  
 17 minated by the private individual or organization after the department is assured that there has  
 18 been compliance with the procedures required by the terms of the dedication instrument.

19 (c) The dedication of a state natural area may be terminated by the State Parks and Recreation  
 20 Commission upon the advice of the department if the area is no longer needed according to the  
 21 guidelines of the plan, or has permanently lost its natural character.

22 **SECTION 57.** ORS 273.785 is amended to read:

23 273.785. ORS 273.551 and 273.775 to 273.790 do not apply to:

24 (1) Soil, clay, stone, sand and gravel acquired or used by state agencies for the purpose of con-  
 25 structing or repairing roads or other state facilities, or the proceeds from those materials.

26 (2) Mineral or geothermal resource rights or proceeds from those rights acquired by the State  
 27 Fish and Wildlife Commission pursuant to an agreement with the federal government under 16 U.S.C.  
 28 669 to 669i (P.L. 75-415).

29 (3) Mineral or geothermal resource rights or proceeds from those rights if other disposition is  
 30 required by federal rules or regulations or any agreement entered into at the time of acquisition of  
 31 the mineral or geothermal resource rights by the state.

32 (4) Proceeds of mineral and geothermal resource rights acquired by the state pursuant to ORS  
 33 530.010 and 530.030, other than those distributed under ORS 530.110 (1)(c).

34 (5) Mineral or geothermal resource rights or proceeds from those rights acquired after January  
 35 1, 1974, for the state by the Department of Veterans' Affairs pursuant to ORS 88.720, 406.050 (2),  
 36 407.135 or 407.145. After consultation, the Department of State Lands and the Department of  
 37 Veterans' Affairs shall enter into an interagency agreement governing consultation between them  
 38 concerning mineral and geothermal resource values on properties acquired for the state by the De-  
 39 partment of Veterans' Affairs. The Department of Veterans' Affairs shall adopt rules relating to the  
 40 release of mineral and geothermal rights on such properties.

41 (6) Mineral or geothermal resource rights or proceeds from those rights given by a donor to any  
 42 public university or office, department or activity [*under the control of the State Board of Higher*  
 43 *Education*] **within the Oregon University System** that are acquired or held for the state by the  
 44 State Board of [Higher] Education pursuant to ORS chapters 351 and 567. In managing mineral or  
 45 geothermal resource leases, the State Board of [Higher] Education shall consult with the Department

1 of State Lands in accordance with an interagency agreement established by the department and the  
2 State Board of [*Higher*] Education governing consultation between the department and the State  
3 Board of [*Higher*] Education and governing management of the mineral or geothermal resources.

4 (7) Mineral or geothermal resource rights or proceeds from those rights acquired and held by  
5 the Department of Transportation. In managing mineral or geothermal resource leases, the Depart-  
6 ment of Transportation shall enter into an intergovernmental agreement with the Department of  
7 State Lands governing consultation between the departments and governing management of the  
8 mineral or geothermal resources.

9 **SECTION 58.** ORS 276.610 is amended to read:

10 276.610. There is established a fund in the State Treasury to be known as the State Building  
11 Fund which shall be used for the construction, alteration and repair of buildings required for use  
12 of institutions and activities under the jurisdiction of the Department of Corrections, the Depart-  
13 ment of Human Services, the Oregon Health Authority or the State Board of Education [*and the*  
14 *State Board of Higher Education*] and for the furnishing and equipping of buildings so constructed,  
15 altered or repaired.

16 **SECTION 59.** ORS 276.612 is amended to read:

17 276.612. The Department of Corrections, the Department of Human Services, the Oregon Health  
18 Authority and the State Board of Education each shall determine the buildings to be constructed,  
19 altered, repaired, furnished and equipped for the use of institutions and activities under their re-  
20 spective jurisdictions. [*The State Board of Higher Education shall determine the buildings to be*  
21 *constructed, altered, repaired, furnished and equipped for the use of public universities or offices, de-*  
22 *partments or activities under its jurisdiction.*]

23 **SECTION 60.** 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*] **public university listed in ORS 352.002** shall not be required to use state  
26 printing services controlled by the Director of the Oregon Department of Administrative Services  
27 or the designee of the director as required by ORS 282.020 (1).

28 (2) A state agency that gives to the director prior written notice of its intent to use other  
29 printing services shall not be required to use state printing services controlled by the director or  
30 the director's designee as required by ORS 282.020 (1), if the agency can demonstrate that these  
31 other printing services provide better value in the form of lower prices or better responsiveness  
32 than those services already provided by the Oregon Department of Administrative Services.

33 **SECTION 61.** ORS 283.310 is amended to read:

34 283.310. (1) The Oregon Department of Administrative Services shall control and regulate the  
35 acquisition, operation, use, maintenance and disposal of and access to motor vehicles used for:

36 (a) State business by state agencies of this state; or

37 (b) Official public business by a unit of local government or a state agency of another state, by  
38 an agency created by an interstate compact between this state and another state or states, by a  
39 United States governmental agency, or by an American Indian tribe or an agency of an American  
40 Indian tribe, pursuant to an intergovernmental agreement between the agency or agencies and the  
41 department, entered into in accordance with ORS chapter 190, for the provision of motor pool ve-  
42 hicles, supplies and services, or any of them.

43 (2) The state agency on whose behalf a motor vehicle is used must state in writing in advance  
44 of such use that the particular activity for which the vehicle is to be used advances the lawful  
45 policies of the agency.

1 (3) The State Board of [*Higher*] Education may not authorize or allow the use of any motor ve-  
 2 hicle to transport students to an event or activity not directly related to an officially sanctioned  
 3 program, as established under ORS 351.277, of a public university listed in ORS 352.002.

4 (4) The State Board of [*Higher*] Education, in conjunction with the Oregon Department of Ad-  
 5 ministrative Services, shall establish by rule vehicle operation standards and training to promote  
 6 safe vehicular travel practices in the conduct of all travel by employees, students and official vol-  
 7 unteers at all public universities in the Oregon University System.

8 **SECTION 62.** ORS 284.540 is amended to read:

9 284.540. (1) There is established the Governor's Council on Oregon's Economy.

10 (2) The members of the council are:

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

12 (b) The chairperson of the Oregon Transportation Commission;

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

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

15 **(d) The chairperson of the State Board of Education; and**

16 (e) Other persons designated by the Governor.

17 (3) The council shall meet quarterly to:

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

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

22 **NOTE:** Section 63 was deleted. Subsequent sections were not renumbered.

23 **SECTION 64.** ORS 284.706, as amended by sections 21 and 31, chapter 90, Oregon Laws 2012,  
 24 is amended to read:

25 284.706. (1) There is created the Oregon Innovation Council consisting of the following voting  
 26 members:

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

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

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

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

35 (e) A member of the Engineering and Technology Industry Council, appointed by the Engineer-  
 36 ing and Technology Industry Council.

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

38 (g) The Chancellor of the Oregon University System.

39 (h) The Commissioner for Community College Services.

40 (i) The State Treasurer.

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

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

45 (c) Members of the Legislative Assembly appointed to the council are nonvoting members and

1 may act in an advisory capacity only.

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

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

5 *[(b) The president of the State Board of Higher Education.]*

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

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

9 (4) The term of office of each appointed voting member of the council is three years, but an  
10 appointed member serves at the pleasure of the appointing authority. Before the expiration of the  
11 term of an appointed voting member, the appointing authority shall appoint a successor whose term  
12 begins on July 1 next following. An appointed member is eligible for reappointment. If there is a  
13 vacancy for any cause, the appointing authority shall make an appointment to become immediately  
14 effective for the remainder of the unexpired term.

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

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

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

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

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

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

26 (11) Members of the council who are members of the Legislative Assembly are entitled to com-  
27 pensation and expense reimbursement as provided in ORS 171.072.

28 (12) Members of the council who are not members of the Legislative Assembly are entitled to  
29 compensation and expenses incurred by them in the performance of their official duties in the man-  
30 ner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members  
31 of the council who are public officers shall be paid out of funds appropriated to the public agency  
32 that employs the member. Claims for compensation and expenses of members of the council who are  
33 not public officers shall be paid out of funds appropriated to the Oregon Business Development De-  
34 partment for that purpose.

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

39 **SECTION 65.** ORS 284.711 is amended to read:

40 284.711. (1) The Oregon Innovation Council shall provide advice to the Governor, the Legislative  
41 Assembly, research institutions, public agencies that provide economic development and the private  
42 sector on issues related to:

43 (a) Promoting agreements between research institutions and private industry that increase  
44 technology transfer and the commercialization of research;

45 (b) Promoting investment in specialized research facilities and signature research centers where

1 Oregon has a distinct or emerging advantage for creating new products and businesses;

2 (c) Stimulating seed and start-up capital investment and entrepreneurial capacity that will pro-  
3 mote economic growth in Oregon traded sector industries or Oregon growth businesses;

4 (d) Developing the entrepreneurial and management capacity critical to the competitiveness of  
5 Oregon traded sector industries or Oregon growth businesses in rapidly growing global markets;

6 (e) Enhancing the international competitiveness of Oregon traded sector industries or Oregon  
7 growth businesses; and

8 (f) Identifying workforce issues for occupations critical to the competitiveness of Oregon traded  
9 sector industries or Oregon growth businesses, including but not limited to scientific, engineering,  
10 information technology, business management and innovation-based economic development occupa-  
11 tions.

12 (2) The Oregon Innovation Council shall advise the Engineering and Technology Industry  
13 Council established in ORS 351.663 on how to coordinate the Engineering and Technology Industry  
14 Council's goals and policies with the state plan developed under ORS 284.715.

15 (3) The council, the Oregon Business Development Commission, the State Board of [*Higher*] Ed-  
16 ucation and the office of the State Treasurer shall coordinate policies and programs related to the  
17 duties of the council.

18 (4) Based on the state plan developed under ORS 284.715 and subject to the approval of the  
19 Oregon Business Development Department, the council may distribute moneys in the Oregon Inno-  
20 vation Fund by grant or loan or pursuant to contracts with research institutions, the private sector  
21 and public entities.

22 (5) The council may assess and charge fees for making grants or loans under ORS 284.742.

23 **SECTION 66.** ORS 291.002 is amended to read:

24 291.002. As used in ORS 291.001 to 291.034, 291.201 to 291.222, 291.232 to 291.260, 291.261,  
25 291.307 and 291.990, unless the context requires otherwise:

26 (1) "Classification of expenditures" means the major groups or categories of expenditures for the  
27 purpose of budget-making and accounting that are established as provided in ORS 291.206.

28 (2) "Dedicated fund" means a fund in the State Treasury, or a separate account or fund in the  
29 General Fund in the State Treasury, that by law is dedicated, appropriated or set aside for a limited  
30 object or purpose, but "dedicated fund" does not include a revolving fund or a trust fund.

31 (3) "Department" means the Oregon Department of Administrative Services.

32 (4) "Director" means the Director of the Oregon Department of Administrative Services.

33 (5) "Legislatively adopted budget" means the budget enacted by the Legislative Assembly during  
34 an odd-numbered year regular session.

35 (6) "Legislatively approved budget" means the legislatively adopted budget as modified by the  
36 Emergency Board meeting in an interim period or by the Legislative Assembly meeting in special  
37 session or in an even-numbered year regular session.

38 (7) "Revolving fund" means a fund in the State Treasury, established by law, from which is paid  
39 the cost of goods or services furnished to or by a state agency, and which is replenished through  
40 charges made for such goods or services or through transfers from other accounts or funds; and  
41 specifically includes funds derived from receipts by the State Board of [*Higher*] Education of tuition,  
42 fees, dormitory earnings, student activity receipts and sales of products and services incident to  
43 **higher** education functions.

44 (8) "State agency" or "agency" means every state officer, board, commission, department, insti-  
45 tution, branch or agency of the state government, whose costs are paid wholly or in part from funds

1 held in the State Treasury, except:

2 (a) The Legislative Assembly, the courts and their officers and committees;

3 (b) The Public Defense Services Commission; and

4 (c) The Secretary of State and the State Treasurer in the performance of the duties of their  
5 constitutional offices.

6 (9) "State officer" means any elected or appointed state officer, including members of boards and  
7 commissions, except the members and officers of the Legislative Assembly, the courts, the Secretary  
8 of State and the State Treasurer in the performance of the duties of their constitutional offices and  
9 the members of the Public Defense Services Commission.

10 (10) "Trust fund" means a fund in the State Treasury in which designated persons or classes of  
11 persons have a vested beneficial interest or equitable ownership, or which was created or estab-  
12 lished by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated  
13 objects or purposes.

14 **SECTION 67.** ORS 291.038 is amended to read:

15 291.038. (1) The planning, acquisition, installation and use of all information and telecommuni-  
16 cations technology by state government and agencies of state government shall be coordinated so  
17 that statewide plans and activities, as well as those of individual agencies, are addressed in the most  
18 integrated, economic and efficient manner. To provide policy direction for and coordination of in-  
19 formation technology for state government, the Director of the Oregon Department of Administra-  
20 tive Services shall chair and appoint not fewer than five agency executives to an Information  
21 Resources Management Council. The council membership shall include at least two members who  
22 represent the private sector and political subdivisions of the state.

23 (2) To facilitate accomplishment of the purpose set forth in subsection (1) of this section, the  
24 Oregon Department of Administrative Services shall adopt rules, policies and standards to plan for,  
25 acquire, implement and manage the state's information resources. In developing rules, policies and  
26 standards, the department shall consult with state agencies that have needs that information re-  
27 sources may satisfy. State agencies shall cooperate with the department in preparing and complying  
28 with rules, policies and standards. The rules, policies and standards must be formulated to promote  
29 electronic communication and information sharing among state agencies and programs, between  
30 state and local governments and with the public where appropriate.

31 (3) Rules, policies, plans, standards and specifications must be formulated to ensure that infor-  
32 mation resources fit together in a statewide system capable of providing ready access to information,  
33 computing or telecommunication resources. Plans and specifications the department adopts must be  
34 based on industry standards for open systems to the greatest extent possible. Before adopting rules  
35 described in subsection (2) of this section, the department shall present the proposed rules to the  
36 appropriate legislative committee. The department has the responsibility to review, oversee and en-  
37 sure that state agencies' planning, acquisition and implementation activities align with and support  
38 the statewide information resources management plan. The department is responsible for procuring  
39 information technology fairly, competitively and in a manner that is consistent with the  
40 department's rules.

41 (4)(a) The policy of the State of Oregon is that state government telecommunications networks  
42 should be designed to provide state-of-the-art services where economically and technically feasible,  
43 using shared, rather than dedicated, lines and facilities.

44 (b) The department shall, when procuring telecommunications network services, consider  
45 achieving the economic development and quality of life outcomes set forth in the Oregon

1 benchmarks.

2 (5)(a) The department, upon request, may furnish and deliver statewide integrated  
3 videoconferencing and statewide online access service to a public or private entity that primarily  
4 conducts activities for the direct good or benefit of the public or community at large in providing  
5 educational, economic development, health care, human services, public safety, library or other  
6 public services. The department shall adopt rules with respect to furnishing the service.

7 (b) The department shall establish the statewide integrated videoconferencing and statewide  
8 online access user fees, services, delivery, rates and long range plans in consultation with the  
9 Stakeholders Advisory Committee created pursuant to this section. The rates shall reflect the  
10 department's cost in providing the service.

11 (c) The department by rule shall restrict the department's furnishing or delivery of Internet ac-  
12 cess service to private entities when the service would directly compete with two or more local  
13 established providers of Internet access services within the local exchange telecommunications ser-  
14 vice area.

15 (d) The rates and services established and provided under this section are not subject to the  
16 Public Utility Commission's regulation or authority.

17 (6)(a) There is created the Stakeholders Advisory Committee, consisting of a minimum of nine  
18 members appointed by the Director of the Oregon Department of Administrative Services. In making  
19 appointments, the director shall give consideration to geographic balance and adequate represen-  
20 tation of the department's users and providers and the general public.

21 (b) The committee must consist of members who represent elementary or secondary education,  
22 higher education, community colleges, economic development, health care, human services and pub-  
23 lic safety. At least four members must reside in areas east of the Cascade Mountains.

24 (c) The term of office of each member is three years, but a member serves at the sole discretion  
25 of the director. The director shall appoint a successor to a member before the member's term ex-  
26 pires. A member is eligible for reappointment. If a position on the committee is vacant for any cause,  
27 the director shall make an appointment to the position that is immediately effective for the unex-  
28 pired term.

29 (d) A member of the committee is entitled to travel expenses pursuant to ORS 292.495. Members  
30 of the committee are not entitled to compensation.

31 (e) The director may establish additional advisory and technical committees as the director  
32 considers necessary to aid and advise the Stakeholders Advisory Committee in the performance of  
33 the committee's functions.

34 (f) The director may delegate to the State Chief Information Officer a duty, function or power  
35 that this subsection imposes upon the director.

36 (7) An organization or organizations recognized as tax exempt under section 501(c)(3) of the  
37 Internal Revenue Code that primarily conduct activities for the direct good or benefit of the public  
38 or community at large in providing educational, economic development, health care, human services,  
39 public safety, library or other public services and have formed an affiliation with one or more fed-  
40 eral, state or local governmental units within this state may apply to the department for designation  
41 as a community of interest. The application must be in the form prescribed by the department and  
42 contain information regarding the governmental affiliation relationship, the tax exempt status of  
43 each organization and the public benefit services to be provided. The department shall establish an  
44 application review and appeal process to ensure that designating the organizations as a community  
45 of interest for the purposes of including the organization in telecommunications contracts under

1 ORS 283.520 will result in providing educational, medical, library or other services for public benefit.

2 (8) This section does not apply to the State Board of *[Higher]* Education **in relation to higher**  
3 **education functions** or to any public university listed in ORS 352.002.

4 (9) As used in this section:

5 (a) "Information resources" means media, instruments and methods for planning, collecting,  
6 processing, transmitting and storing data and information, including telecommunications.

7 (b) "Information technology" includes, but is not limited to, present and future forms of hard-  
8 ware, software and services for data processing, office automation and telecommunications.

9 (c) "Internet access service" means electronic connectivity to the Internet and the services of  
10 the Internet.

11 (d) "Open systems" means systems that allow state agencies freedom of choice by providing a  
12 vendor-neutral operating environment where different computers, applications, system software and  
13 networks operate together easily and reliably.

14 (e) "State-of-the-art services" includes equipment, facilities and the capability to distribute dig-  
15 ital communication signals that transmit voice, data, video and images over a distance.

16 (f) "Telecommunications" means hardware, software and services for transmitting voice, data,  
17 video and images over a distance.

18 (g) "Statewide integrated videoconferencing" means a statewide electronic system capable of  
19 transmitting video, voice and data communications.

20 (h) "Statewide online access" means electronic connectivity to information resources such as  
21 computer conferencing, electronic mail, databases and Internet access.

22 **SECTION 68.** ORS 291.055 is amended to read:

23 291.055. (1) Notwithstanding any other law that grants to a state agency the authority to es-  
24 tablish fees, all new state agency fees or fee increases adopted during the period beginning on the  
25 date of adjournment sine die of a regular session of the Legislative Assembly and ending on the date  
26 of adjournment sine die of the next regular session of the Legislative Assembly:

27 (a) Are not effective for agencies in the executive department of government unless approved  
28 in writing by the Director of the Oregon Department of Administrative Services;

29 (b) Are not effective for agencies in the judicial department of government unless approved in  
30 writing by the Chief Justice of the Supreme Court;

31 (c) Are not effective for agencies in the legislative department of government unless approved  
32 in writing by the President of the Senate and the Speaker of the House of Representatives;

33 (d) Shall be reported by the state agency to the Oregon Department of Administrative Services  
34 within 10 days of their adoption; and

35 (e) Are rescinded on adjournment sine die of the next regular session of the Legislative Assem-  
36 bly as described in this subsection, unless otherwise authorized by enabling legislation setting forth  
37 the approved fees.

38 (2) This section does not apply to:

39 (a) Any tuition or fees charged by the State Board of *[Higher]* Education **for higher education**  
40 and the public universities listed in ORS 352.002.

41 (b) Taxes or other payments made or collected from employers for unemployment insurance re-  
42 quired by ORS chapter 657 or premium assessments required by ORS 656.612 and 656.614 or contri-  
43 butions and assessments calculated by cents per hour for workers' compensation coverage required  
44 by ORS 656.506.

45 (c) Fees or payments required for:

1 (A) Health care services provided by the Oregon Health and Science University, by the Oregon  
2 Veterans' Homes and by other state agencies and institutions pursuant to ORS 179.610 to 179.770.

3 (B) Assessments and premiums paid to the Oregon Medical Insurance Pool established by ORS  
4 735.614 and 735.625.

5 (C) Copayments and premiums paid to the Oregon medical assistance program.

6 (D) Assessments paid to the Department of Consumer and Business Services under ORS 743.951  
7 and 743.961.

8 (d) Fees created or authorized by statute that have no established rate or amount but are cal-  
9 culated for each separate instance for each fee payer and are based on actual cost of services pro-  
10 vided.

11 (e) State agency charges on employees for benefits and services.

12 (f) Any intergovernmental charges.

13 (g) Forest protection district assessment rates established by ORS 477.210 to 477.265 and the  
14 Oregon Forest Land Protection Fund fees established by ORS 477.760.

15 (h) State Department of Energy assessments required by ORS 469.421 (8) and 469.681.

16 (i) Any charges established by the State Parks and Recreation Director in accordance with ORS  
17 565.080 (3).

18 (j) Assessments on premiums charged by the Department of Consumer and Business Services  
19 pursuant to ORS 731.804 or fees charged by the Division of Finance and Corporate Securities of the  
20 Department of Consumer and Business Services to banks, trusts and credit unions pursuant to ORS  
21 706.530 and 723.114.

22 (k) Public Utility Commission operating assessments required by ORS 756.310 or charges paid  
23 to the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987.

24 (L) Fees charged by the Housing and Community Services Department for intellectual property  
25 pursuant to ORS 456.562.

26 (m) New or increased fees that are anticipated in the legislative budgeting process for an  
27 agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted  
28 budget or the legislatively approved budget for the agency.

29 (n) Tolls approved by the Oregon Transportation Commission pursuant to ORS 383.004.

30 (o) Convenience fees as defined in ORS 182.126 and established by the Oregon Department of  
31 Administrative Services under ORS 182.132 (3) and recommended by the Electronic Government  
32 Portal Advisory Board.

33 (3)(a) Fees temporarily decreased for competitive or promotional reasons or because of unex-  
34 pected and temporary revenue surpluses may be increased to not more than their prior level without  
35 compliance with subsection (1) of this section if, at the time the fee is decreased, the state agency  
36 specifies the following:

37 (A) The reason for the fee decrease; and

38 (B) The conditions under which the fee will be increased to not more than its prior level.

39 (b) Fees that are decreased for reasons other than those described in paragraph (a) of this sub-  
40 section may not be subsequently increased except as allowed by ORS 291.050 to 291.060 and 294.160.

41 **SECTION 69.** ORS 291.445 is amended to read:

42 291.445. (1) Before July 1 of each fiscal year, the Oregon Department of Administrative Services  
43 shall request from the appropriate state agency a certificate as prescribed in this section. The re-  
44 quest shall be made by letter to the agency.

45 (2) Each state agency authorized to issue general obligation bonds that are ordinarily to be re-

1 paid from other than General Fund appropriations shall, on or before August 15 of each fiscal year:

2 (a) Certify to the Director of the Oregon Department of Administrative Services that the  
3 amounts available or that will become available during the current year to the bond program debt  
4 service fund to pay bond principal and interest that has accrued or will accrue during the current  
5 year are sufficient and will be sufficient to pay bond program principal and interest scheduled for  
6 payment during the current year; or

7 (b) Certify to the Director of the Oregon Department of Administrative Services that the  
8 amounts available or that will become available during the current year to the bond program debt  
9 service fund will not be sufficient to pay bond program principal and interest scheduled for payment  
10 during the current year. A certificate issued under this paragraph shall specify the amount of the  
11 anticipated current year deficit. The Director of the Oregon Department of Administrative Services  
12 shall review and confirm the correctness of each certification made under this paragraph.

13 (3) On or before August 15 of each fiscal year, the administrative division of the Oregon De-  
14 partment of Administrative Services that has primary responsibility for accounting for each general  
15 obligation bond program in which the bond principal and interest is ordinarily to be repaid from  
16 General Fund appropriations shall:

17 (a) Certify to the Director of the Oregon Department of Administrative Services that the  
18 amounts available or that will become available during the current year from General Fund appro-  
19 priations to defray program bond principal and interest that has accrued or will accrue during the  
20 current year are sufficient and will be sufficient to pay program bond principal and interest sched-  
21 uled for payment during the current year; or

22 (b) Certify to the Director of the Oregon Department of Administrative Services that the  
23 amounts available or that will become available during the current year from General Fund appro-  
24 priations will not be sufficient to pay program bond principal and interest scheduled for payment  
25 during the current year. A certificate issued under this paragraph shall specify the amount of the  
26 anticipated current year deficit.

27 (4)(a) If a deficit in funds available to pay principal and interest in any general obligation bond  
28 program is certified and confirmed under subsection (2) or certified under subsection (3) of this  
29 section, the amount of the deficit, together with any deficit that is certified for any other general  
30 obligation bond program shall upon certification constitute a state tax levy on property that shall  
31 be apportioned among and charged to the several counties in that proportion which the total as-  
32 sessed value of all the taxable property in each county bears to the total assessed value of all the  
33 taxable property of the state as equalized.

34 (b) If any agency fails to make the certification under subsection (2) or (3) of this section with  
35 respect to any general obligation bond fund program, the Oregon Department of Administrative  
36 Services shall determine the amount of revenue and other funds that are available and the amount  
37 of taxes, if any, that should be levied in addition to the revenues and funds, to pay bond principal  
38 and interest under the program for the fiscal year in question. The additional amount so determined  
39 shall thereupon constitute a state tax levy on property that shall be apportioned, certified, collected  
40 and distributed as if determined and certified as a deficit by the agency. The Oregon Department  
41 of Administrative Services shall charge the agency for cost recovery for time spent on that agency's  
42 behalf.

43 (5) Immediately after the department has determined the amount of a state tax levy on property  
44 in accordance with subsection (4) of this section, a certificate of levy, signed by the director of the  
45 department, shall be filed in the office of the department. If no state levy is required for the fiscal

1 or tax year, a certificate so stating and signed by the director shall be filed in the office of the de-  
2 partment.

3 (6) If, for any reason, after the close of any regular session of the Legislative Assembly, it be-  
4 comes necessary to reduce General Fund appropriations, General Fund appropriations for a debt  
5 service fund of a general obligation bond program described under subsection (3) of this section may  
6 not be reduced.

7 (7) For purposes of this section:

8 (a) State agencies that are authorized to issue general obligation bonds ordinarily to be repaid  
9 from other than General Fund appropriations include but are not limited to:

10 (A) The Director of Veterans' Affairs, as authorized by Article XI-A of the Oregon Constitution  
11 and ORS chapter 407 (veterans loans).

12 (B) The State Board of [*Higher*] Education, as authorized by Article XI-F(1) of the Oregon Con-  
13 stitution and ORS 351.350 (building projects).

14 (C) The Department of Environmental Quality, as authorized by Article XI-H of the Oregon  
15 Constitution and ORS 468.195 to 468.260 (pollution control).

16 (D) The Water Resources Commission and the Water Resources Director, as authorized by Ar-  
17 ticle XI-I(1) of the Oregon Constitution and ORS 541.700 to 541.855 (water development).

18 (E) The Housing and Community Services Department, as authorized by Article XI-I(2) of the  
19 Oregon Constitution and ORS 456.515 to 456.725 and 458.505 to 458.515 (housing).

20 (F) The Director of the State Department of Energy, as authorized by Article XI-J of the Oregon  
21 Constitution and ORS 470.220 to 470.290 (small scale energy projects).

22 (G) Other agencies as required by the Oregon Department of Administrative Services by rule  
23 adopted using the criterion of this subsection.

24 (b) Each agency authorized to issue general obligation bonds that are ordinarily to be repaid  
25 from other than General Fund appropriations shall determine the amount of revenues or other funds  
26 that are available and the amount of taxes, if any, that should be levied for the ensuing year in the  
27 manner required under rules adopted by the Oregon Department of Administrative Services and  
28 make the certification required under subsection (2) of this section.

29 (8)(a) State agencies that are authorized to issue general obligation bonds that are ordinarily to  
30 be repaid from General Fund appropriations include but are not limited to:

31 (A) The State Board of Forestry and the State Forester, as authorized by Article XI-E of the  
32 Oregon Constitution and ORS 530.210 to 530.280 (state reforestation).

33 (B) The State Board of [*Higher*] Education, as authorized by Article XI-G of the Oregon Consti-  
34 tution and ORS 351.345 (higher education and community colleges).

35 (C) Other agencies as required by the Oregon Department of Administrative Services by rule  
36 adopted using the criterion of this subsection.

37 (b) Each agency authorized to issue general obligation bonds ordinarily to be repaid from Gen-  
38 eral Fund appropriations shall furnish any data required by the Oregon Department of Administra-  
39 tive Services to determine the amount of revenues or other funds that are available and the amount  
40 of taxes, if any, that should be levied for the ensuing year and the administrative division of the  
41 Oregon Department of Administrative Services that has primary responsibility for accounting shall  
42 make the determination for purposes of the making of the certification required under subsection (3)  
43 of this section.

44 **SECTION 70.** ORS 292.043 is amended to read:

45 292.043. (1) As used in this section:

1 (a) "Foundation" means:

2 (A) A tax exempt organization designated by a rule adopted by a state agency; or

3 (B) A tax exempt organization designated by the State Board of [*Higher*] Education to solicit  
4 contributions for the support of a public university listed in ORS 352.002.

5 (b) "Salary and wages" has the meaning given that term in ORS 292.014.

6 (2) Any state official authorized to disburse funds in payment of salaries or wages of the officers  
7 and employees of a state agency, or of the officers, teachers, instructors and other employees of the  
8 Oregon University System, is authorized, upon written request of the individual, to deduct each  
9 month from the salary or wages of the individual the amount of money designated by the individual  
10 for payment to a foundation.

11 (3) The individual may withdraw the authorization at any time if the individual so notifies such  
12 officer in writing.

13 (4) The moneys so deducted shall be paid over promptly to the foundation designated by the  
14 individual. Subject to any rules prescribed by a state agency or the State Board of [*Higher*] Educa-  
15 tion, the state official authorized to disburse the funds in payment of salaries and wages may pre-  
16 scribe any procedures necessary to carry out this section.

17 **SECTION 71.** ORS 292.044 is amended to read:

18 292.044. (1) As used in this section:

19 (a) "Employee" means officers, faculty, teachers, instructors and other employees of the Oregon  
20 University System as described in ORS 352.002.

21 (b) "Nonprofit organization" means an organization described in section 501(c)(3) of the Internal  
22 Revenue Code that is exempt from income tax under section 501(a) of the Internal Revenue Code.

23 (2) The Chancellor of the Oregon University System or a designee of the chancellor may approve  
24 a written request made by a public university or office, department or activity [*under the jurisdiction*  
25 *of the State Board of Higher Education*] **within the Oregon University System**, in which an em-  
26 ployee of the public university or office, department or activity may designate an amount from the  
27 salary or wages of the employee for payment to a qualifying nonprofit organization. A request made  
28 to the chancellor under this section must identify the nonprofit organization to whom payments  
29 would be made.

30 (3) Upon written approval of the chancellor or of a designee of the chancellor and a written  
31 request of an employee of the public university or office, department or activity to which the ap-  
32 proval applies, the state official within the Oregon University System authorized to disburse funds  
33 in payment of salaries or wages shall deduct from the salary or wages of the employee the amount  
34 of money designated by the employee for payment to the nonprofit organization.

35 (4) The moneys deducted from the salaries or wages under subsection (3) of this section shall  
36 be paid over promptly to the nonprofit organization.

37 (5) The Chancellor of the Oregon University System or a designee of the chancellor shall pre-  
38 scribe procedures for determining whether an organization qualifies as a nonprofit organization un-  
39 der this section.

40 **SECTION 72.** ORS 293.790 is amended to read:

41 293.790. (1) Under authority of section 6, Article XI of the Oregon Constitution, the state, sub-  
42 ject to subsection (2) of this section, may hold and dispose of the stock of any company, association  
43 or corporation, including stock already received, that is donated or bequeathed and the state, acting  
44 by and through the State Board of [*Higher*] Education, subject to subsection (2) of this section, may  
45 invest and reinvest in the stock of any company, association or corporation, any funds or moneys

1 of the State Board of [*Higher*] Education that:

2 (a) Are or have been donated or bequeathed for higher education purposes;

3 (b) Are the proceeds from the disposition of stock that is donated or bequeathed for higher ed-  
4 ucation purposes, including stock already received; or

5 (c) Are dividends paid with respect to stock that is donated or bequeathed for higher education  
6 purposes, including stock already received.

7 (2) The state, including any of its agencies having control of, or authority to invest and reinvest  
8 in, any stock described in subsection (1) of this section, in holding, disposing of or investing and  
9 reinvesting in such stock, shall be governed by ORS 130.750 to 130.775, notwithstanding the date of  
10 acquisition of such stock. Moneys received from the disposition of such stock, including dividends,  
11 shall be maintained separate and distinct from the General Fund, and those moneys, including in-  
12 terest earned thereon, are appropriated continuously for the purposes of the donation or bequest and  
13 of the investments and reinvestments authorized by subsection (1) of this section and by ORS  
14 351.130. Except as specifically authorized by law, the state or any of its agencies may not purchase  
15 stock.

16 (3)(a) This section does not apply to investment and reinvestment of moneys in the Public Em-  
17 ployees Retirement Fund, the Industrial Accident Fund, the Deferred Compensation Fund and the  
18 Education Stability Fund or to acquisition, retention, management and disposition of investments of  
19 those funds as provided in ORS 293.701 to 293.820.

20 (b) This section does not apply to investment or reinvestment of moneys or stock resulting from  
21 the holding and disposing of stock by the state as allowed under section 6 (2), Article XI of the  
22 Oregon Constitution.

23 **SECTION 73.** ORS 293.812 is amended to read:

24 293.812. As used in ORS 293.811 to 293.817:

25 (1) "Company" means any sole proprietorship, organization, firm, association, corporation, util-  
26 ity, partnership, venture, public franchise, franchisor, franchisee or its wholly owned subsidiary that  
27 exists for profit-making purposes or otherwise to secure economic advantage.

28 (2) "Doing business" means maintaining equipment, facilities, personnel or any other apparatus  
29 of business or commerce in Sudan, including the ownership or possession of real or personal prop-  
30 erty located in Sudan.

31 (3) "Investment" or "invest" means the commitment of funds or other assets to a company, in-  
32 cluding a loan or other extension of credit made to that company, or the ownership or control of a  
33 share or interest in that company or of a bond or other debt instrument issued by that company.

34 (4) "Subject investment funds" means:

35 (a) The Public Employees Retirement Fund referred to in ORS 238.660;

36 (b) The Industrial Accident Fund referred to in ORS 656.632;

37 (c) The Common School Fund referred to in ORS 327.405;

38 (d) The Oregon War Veterans' Fund referred to in ORS 407.495; and

39 (e) Investment funds of the State Board of [*Higher*] Education available for investment or rein-  
40 vestment by the Oregon Investment Council.

41 (5) "Sudan" means the Republic of the Sudan and any territory under the administration, legal  
42 or illegal, of Sudan, including but not limited to the Darfur region.

43 **SECTION 74.** ORS 294.311 is amended to read:

44 294.311. As used in ORS 294.305 to 294.565, unless the context requires otherwise:

45 (1) "Accrual basis" means the recording of the financial effects on a municipal corporation of

1 transactions and other events and circumstances that have cash consequences for the municipal  
2 corporation in the periods in which those transactions, events and circumstances occur, rather than  
3 only in the periods in which cash is received or paid by the municipal corporation.

4 (2) "Activity" means a specific and distinguishable service performed by one or more organiza-  
5 tional components of a municipal corporation to accomplish a function for which the municipal  
6 corporation is responsible.

7 (3) "Appropriation" means an authorization granted by the governing body to make expenditures  
8 and to incur obligations for specific purposes. An appropriation is limited to a single fiscal year for  
9 municipal corporations preparing annual budgets, or to the budget period for municipal corporations  
10 preparing biennial budgets.

11 (4) "Basis of accounting" means the cash basis, the modified accrual basis or the accrual basis.

12 (5) "Budget" means a plan of financial operation embodying an estimate of expenditures for a  
13 given period or purpose and the proposed means of financing the estimated expenditures.

14 (6) "Budget document" means the estimates of expenditures and budget resources as set forth  
15 on the estimate sheets, tax levy and the financial summary.

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

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

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

24 (10) "Current budget period" means the budget period in progress.

25 (11) "Current year" means the fiscal year in progress.

26 (12) "Encumbrance accounting" means the method of accounting under which outstanding  
27 encumbrances are recognized as reductions of appropriations and the related commitments are car-  
28 ried in a reserve for encumbrances until liquidated, either by replacement with an actual liability  
29 or by cancellation. This method of accounting may be used as a modification to the accrual basis  
30 of accounting in accordance with generally accepted accounting principles.

31 (13) "Encumbrances" means obligations in the form of purchase orders, contracts or salary  
32 commitments which are chargeable to an appropriation and for which a part of the appropriation  
33 is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

34 (14) "Ensuing budget period" means the budget period following the current budget period.

35 (15) "Ensuing year" means the fiscal year following the current year.

36 (16) "Expenditure" means, if the accounts are kept on the accrual basis or the modified accrual  
37 basis, decreases in net financial resources and may include encumbrances. If the accounts are kept  
38 on the cash basis, the term covers only actual disbursement, the drawing of the check or warrant  
39 for these purposes and not encumbrances, except that deferred employee compensation shall be in-  
40 cluded as a personnel service expenditure where an approved deferred employee compensation plan  
41 is in effect for a municipal corporation.

42 (17) "Fiscal year" means for municipal corporations with the power to impose ad valorem  
43 property taxes, the fiscal year commencing on July 1 and closing on June 30, and for all other mu-  
44 nicipal corporations, an accounting period of 12 months ending on the last day of any month.

45 (18) "Fund balance" means the excess of the assets of a fund over its liabilities and reserves

1 except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal pe-  
2 riod, it represents the excess of the fund's assets and estimated revenues for the period over its li-  
3 abilities, reserves and appropriations for the period.

4 (19) "General county resources" means resources from property taxes, state and federal shared  
5 revenue, beginning balances available for expenditure and interest not required to be allocated to  
6 specific programs or activities.

7 (20) "Governing body" means the city council, board of commissioners, board of directors,  
8 county court or other managing board of a municipal corporation including a board managing a  
9 municipally owned public utility or a dock commission.

10 (21) "Grant" means a donation or contribution of cash to a governmental unit by a third party.

11 (22) "Intergovernmental entity" means an entity created under ORS 190.010 (5). The term in-  
12 cludes any council of governments created prior to the enactment of ORS 190.010 (5).

13 (23) "Internal service fund" means a fund properly authorized to finance, on a cost reimburse-  
14 ment basis, goods or services provided by one organizational unit of a municipal corporation to  
15 other organizational units of the municipal corporation.

16 (24) "Liabilities" means probable future sacrifices of economic benefits, arising from present  
17 obligations of a municipal corporation to transfer assets or provide services to other entities in the  
18 future as a result of past transactions or events. The term does not include encumbrances.

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

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

27 (A) Inventories of material and supplies that may be considered expenditures either when pur-  
28 chased or when used; and

29 (B) Prepaid insurance and similar items that may be considered expenditures either when paid  
30 for or when consumed.

31 (26) "Municipal corporation" means any county, city, port, school district, union high school  
32 district, community college district and all other public or quasi-public corporations including a  
33 municipal utility or dock commission operated by a separate board or commission. "Municipal cor-  
34 poration" includes an intergovernmental entity or council of governments that proposes to impose  
35 or imposes ad valorem property taxes.

36 (27) "Net working capital" means the sum of the cash, cash equivalents, investments, accounts  
37 receivable expected to be converted to cash during the ensuing year or ensuing budget period, in-  
38 ventories, supplies and prepaid expenses less current liabilities and, if encumbrance accounting is  
39 adopted, reserve for encumbrances. The term is not applicable to the cash basis of accounting.

40 (28) "Object" means, as used in expenditure classification, articles purchased including, but not  
41 limited to, land, buildings, equipment and vehicles, or services obtained including, but not limited  
42 to, administrative services, clerical services, professional services, property services and travel, as  
43 distinguished from the results obtained from expenditures.

44 (29) "Object classification" means a grouping of expenditures on the basis of goods or services  
45 purchased, including, but not limited to, personnel services, materials, supplies and equipment.

1 (30) "Operating taxes" has the meaning given that term in ORS 310.055.

2 (31) "Organizational unit" means any administrative subdivision of a municipal corporation, es-  
3 pecially one charged with carrying on one or more functions or activities.

4 (32) "Population" means the number of inhabitants of a municipal corporation according to  
5 certified estimates of population made by the State Board of [*Higher*] Education.

6 (33) "Program" means a group of related activities aimed at accomplishing a major service or  
7 function for which the municipality is responsible.

8 (34) "Public utility" means those public utility operations authorized by ORS chapter 225.

9 (35) "Publish" or "publication" means any one or more of the following methods of giving notice  
10 or making information or documents available to members of the general public:

11 (a) Publication in one or more newspapers of general circulation within the jurisdictional  
12 boundaries of the municipal corporation.

13 (b) Posting through the United States Postal Service by first class mail, postage prepaid, to each  
14 street address within the jurisdictional boundaries of the municipal corporation and to each post  
15 office box and rural route number belonging to a resident within the jurisdictional boundaries of the  
16 municipal corporation.

17 (c) Hand delivery to each street address within the jurisdictional boundaries of the municipal  
18 corporation.

19 (36) "Receipts" means cash received unless otherwise qualified.

20 (37) "Reserve for encumbrances" means a reserve representing the segregation of a portion of  
21 a fund balance to provide for unliquidated encumbrances.

22 (38) "Revenue" means the gross receipts and receivables of a governmental unit derived from  
23 taxes, licenses, fees and from all other sources, but excluding appropriations, allotments and return  
24 of principal from investment of surplus funds.

25 (39) "Special revenue fund" means a fund properly authorized and used to finance particular  
26 activities from the receipts of specific taxes or other revenues.

27 **SECTION 75.** ORS 320.100 is amended to read:

28 320.100. (1) All moneys received from the taxes imposed under ORS 320.011 and 320.012, includ-  
29 ing penalties, shall be paid by the Department of Revenue in the following manner:

30 (a) Seventy-five percent (75%) of the moneys shall be credited, appropriated or remitted as fol-  
31 lows:

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

34 (B) Nine and seven-tenths percent (9.7%) is continuously appropriated to pay the expenses of  
35 state and local programs of the Oregon Youth Conservation Corps established under ORS 418.650  
36 to 418.663.

37 (C) Forty-seven and one-tenth percent (47.1%) thereof shall be remitted to the county treasurers  
38 of the several counties of the state. Each county shall receive such share of the moneys as its pop-  
39 ulation, determined by the State Board of [*Higher*] Education, bears to the total population of the  
40 counties of the state, as determined by the census last preceding such apportionment.

41 (b) Twenty-five percent (25%) of the moneys shall be continuously appropriated to pay the ex-  
42 penses of the state and local programs of the Oregon Youth Conservation Corps established under  
43 ORS 418.650 to 418.663.

44 (2) All revenues received under this section by the treasurers of the several counties shall be  
45 placed in the general fund of each county to be expended by the county courts or the board of

1 county commissioners of the several counties for general governmental expenses.

2 **SECTION 76.** ORS 321.185 is amended to read:

3 321.185. (1) There hereby is established in the State Treasury in the General Fund an account  
4 to be known as the Forest Research and Experiment Account, which account hereby is appropriated  
5 continuously to the State Board of [*Higher*] Education for the purposes of ORS 526.215 and 526.225.

6 (2) The Forest Research and Experiment Account shall consist of allocations from harvest taxes  
7 as provided in ORS 321.015 (1).

8 **SECTION 77.** ORS 329.489 is amended to read:

9 329.489. (1) Within the State of Oregon's kindergarten through grade 12 education system, pro-  
10 ficiency for students in American Sign Language shall be in accordance with rules adopted by the  
11 State Board of Education pursuant to ORS chapter 329 and any other applicable state or federal law.

12 (2) The State Board of Education is encouraged to continue to:

13 (a) Coordinate with [*the State Board of Higher Education and*] the Oregon School for the Deaf  
14 to develop curricula for American Sign Language courses;

15 (b) Implement programs to locate and prepare qualified teachers and interpreters of American  
16 Sign Language; and

17 (c) Assist public high schools in identifying local and regional needs and resources available for  
18 American Sign Language courses.

19 **SECTION 78.** ORS 337.521 is amended to read:

20 337.521. (1) The State Board of [*Higher*] Education may work with publishers, recognized na-  
21 tional organizations of publishers, representatives of post-secondary education institutions, the sys-  
22 tem described in ORS 192.517 and other interested parties to:

23 (a) Develop unified, statewide guidelines consistent with ORS 337.511 to 337.524;

24 (b) Administer ORS 337.511 to 337.524; and

25 (c) Review guidelines annually and revise the guidelines as necessary due to changes in tech-  
26 nology or other changes.

27 (2) The guidelines may address the following:

28 (a) The procedures and standards relating to the distribution of files and materials pursuant to  
29 ORS 337.511 to 337.524;

30 (b) Available electronic formats;

31 (c) Procedures for granting exceptions when it is determined that a publisher is not able to  
32 comply with the requirements of ORS 337.511 to 337.524 due to technical, economic or other prac-  
33 tical impediments; and

34 (d) Other matters deemed necessary or appropriate to carry out the purposes of ORS 337.511 to  
35 337.524.

36 (3) The State Board of [*Higher*] Education shall review the recommendations, published on or  
37 after July 1, 2007, of the Association of American Publishers' Alternative Formats Solutions Initi-  
38 ative, and determine whether the recommendations should be incorporated into ORS 337.511 to  
39 337.524.

40 **SECTION 79.** ORS 342.147 is amended to read:

41 342.147. (1) After considering recommendations of the State Board of Education, the Teacher  
42 Standards and Practices Commission shall establish by rule standards for approval of teacher edu-  
43 cation institutions and teacher education programs. Public teacher education institutions shall be  
44 approved for programs of more than four years' duration only if teacher education programs which  
45 are reasonably attainable in a four-year period are also available in the system of higher education

1 and are designed to culminate in a baccalaureate degree that qualifies its graduates for entry-level  
2 teaching licenses.

3 (2) The commission shall establish rules that allow teacher education programs leading to  
4 graduate degrees to commence prior to the student's completion of baccalaureate degree require-  
5 ments and that allow the combined use of undergraduate and graduate level course work in  
6 achieving program completion.

7 (3) Whenever any teacher education institution or program is denied approved status or has  
8 such status withdrawn, such denial or withdrawal must be treated as a contested case within the  
9 meaning of ORS chapter 183.

10 (4) Nothing in this section is intended to grant any authority to the commission relating to  
11 granting degrees or establishing degree requirements that are within the authority of the State  
12 Board of [Higher] Education **in relation to higher education** or any of the public universities listed  
13 in ORS 352.002, or that are within the authority of the governing board of any private institution  
14 of higher education.

15 **SECTION 80.** ORS 342.447 is amended to read:

16 342.447. (1) The State Board of [Higher] Education shall require each public teacher education  
17 program in this state to prepare a plan with specific goals, strategies and deadlines for the  
18 recruitment, admission, retention and graduation of minority teachers.

19 (2) The [state] board shall review the plans for the adequacy and feasibility of the plans and,  
20 after making necessary revisions, shall adopt the plans.

21 (3) The [state] board shall adopt rules governing:

22 (a) The contents of the plans;

23 (b) The [state] board's initial and biennial review process, including timetables for revising plans;  
24 and

25 (c) Other matters necessary for carrying out the provisions of ORS 342.433 to 342.449 and  
26 351.077.

27 **SECTION 81.** ORS 343.961 is amended to read:

28 343.961. (1) As used in this section:

29 (a) "Day treatment program" means a public or private program that provides treatment of  
30 children with a mental illness, an emotional disturbance or another mental health issue.

31 (b) "Eligible day treatment program" means a day treatment program with which the Oregon  
32 Health Authority contracts for long term care or treatment. "Eligible day treatment program" does  
33 not include residential treatment programs or programs that provide care or treatment to juveniles  
34 who are in detention facilities.

35 (c) "Eligible residential treatment program" means a residential treatment program with which  
36 the Oregon Health Authority, the Department of Human Services or the Oregon Youth Authority  
37 contracts for long term care or treatment. "Eligible residential treatment program" does not include  
38 psychiatric day treatment programs or programs that provide care or treatment to juveniles who  
39 are in detention facilities.

40 (d) "Residential treatment program" means a public or private residential program that provides  
41 treatment of children with a mental illness, an emotional disturbance or another mental health issue.

42 (e) "Student" means a child who is placed in an eligible day treatment program or eligible res-  
43 idential treatment program by a public or private entity or by the child's parent.

44 (2) The Department of Education shall be responsible for payment of the costs of education of  
45 students in eligible day treatment programs and eligible residential treatment programs by con-

1 tracting with the school district in which the eligible day treatment program or eligible residential  
 2 treatment program is located. The costs of education do not include transportation, care, treatment  
 3 or medical expenses.

4 (3)(a) The school district in which an eligible day treatment program or eligible residential  
 5 treatment program is located is responsible for providing the education of a student, including the  
 6 identification, location and evaluation of the student for the purpose of determining the student's  
 7 eligibility to receive special education and related services.

8 (b) A school district that is responsible for providing an education under this subsection may  
 9 provide the education:

10 (A) Directly or through another school district or an education service district; and

11 (B) In the facilities of an eligible day treatment program or eligible residential treatment pro-  
 12 gram, the facilities of a school district or the facilities of an education service district.

13 (c) When a student is no longer in an eligible day treatment program or eligible residential  
 14 treatment program, the responsibilities imposed by this subsection terminate and become the re-  
 15 sponsibilities of the school district where the student is a resident, as determined under ORS 339.133  
 16 and 339.134.

17 (4) A school district may request the Department of Education to combine several eligible day  
 18 treatment programs or eligible residential treatment programs into one contract with another school  
 19 district or an education service district.

20 (5) The Oregon Health Authority, the Department of Human Services or the Oregon Youth Au-  
 21 thority shall give the school district providing the education at an eligible day treatment program  
 22 or an eligible residential treatment program 14 days' notice, to the extent practicable, before a  
 23 student is dismissed from the program.

24 (6) The Department of Education may make advances to school districts responsible for provid-  
 25 ing an education to students under this section from funds appropriated for that purpose based on  
 26 the estimated agreed cost of educating the students per school year. Advances equal to 25 percent  
 27 of the estimated cost may be made on September 1, December 1 and March 1 of the current year.  
 28 The balance may be paid whenever the full determination of cost is made.

29 (7) School districts that provide the education described in this section on a year-round plan  
 30 may apply for 25 percent of the funds appropriated for that purpose on July 1, October 1, January  
 31 1, and 15 percent on April 1. The balance may be paid whenever the full determination of cost is  
 32 made.

33 (8) In addition to the payment methods described in this section, the Department of Education  
 34 may:

35 (a) [*Negotiate interagency agreements to*] Pay for the cost of education in day treatment programs  
 36 and residential treatment programs operated [*under the auspices of the State Board of Higher Edu-*  
 37 *cation*] **by a public university listed in ORS 352.002**; and

38 (b) Negotiate intergovernmental agreements to pay for the cost of education in day treatment  
 39 programs and residential treatment programs operated under the auspices of the Oregon Health and  
 40 Science University Board of Directors.

41 **SECTION 82.** ORS 344.259 is amended to read:

42 344.259. (1) The State Board of Education shall coordinate continuing education in lower divi-  
 43 sion, developmental, adult self-improvement, professional and technical education for agencies under  
 44 its regulatory authority. The State Board of [*Higher*] Education shall coordinate continuing educa-  
 45 tion in upper division and graduate education for public universities [*under its jurisdiction*] **listed**

1 **in ORS 352.002.**

2 (2) When significantly adverse impact is alleged by one or more of the agencies listed in this  
3 subsection, the affected parties jointly shall provide for written agreements. These agreements shall  
4 allocate responsibility for planning and providing continuing education or off-campus instruction in  
5 specific areas or by specific types. The agencies are:

6 (a) The State Board of Education.

7 [(b) *The State Board of Higher Education.*]

8 [(c)] (b) Community college districts.

9 [(d)] (c) Independent colleges.

10 [(e)] (d) Proprietary schools.

11 (3) In the event the affected parties fail to reach a written agreement within 120 days following  
12 receipt of written notice of the allegation, either party may request the Education and Workforce  
13 Policy Advisor to review and to recommend resolution.

14 (4) Nothing in this section prohibits the offering of upper division or graduate programs within  
15 30 miles of the campus of the Oregon University System university offering the program, or the of-  
16 fering of lower division programs within 30 miles of the campus offering the program in areas out-  
17 side a community college district. Such programs are entitled to the same college credit and  
18 financial support as programs offered on the campus of the university.

19 **SECTION 83.** ORS 348.010 is amended to read:

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

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

26 (a) All moneys made available to the State Board of [*Higher*] Education for student loan pur-  
27 poses by state appropriations and by the federal government under terms of the National Defense  
28 Education Act of 1958, as amended, under the terms of the Health Professions Educational Assist-  
29 ance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as amended;

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

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

32 (d) Earnings from investments of the account.

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

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

41 **SECTION 84.** ORS 348.205 is amended to read:

42 348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student  
43 Access Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 **SECTION 85.** ORS 348.210 is amended to read:

7 348.210. (1) In addition to any other scholarships provided by law, the Oregon Student Access  
 8 Commission may award scholarships at Eastern Oregon University to resident undergraduate stu-  
 9 dents applying for enrollment in the university or who are pursuing courses therein. The number  
 10 of students who receive scholarships under this subsection may not exceed two and one-half percent  
 11 of the number of students who are enrolled at the university. The scholarships shall be awarded  
 12 upon the basis of a record of high intellectual standing and deportment in the school or institution  
 13 where the applicant has received or is receiving preparatory training, the necessity for financial  
 14 assistance and other qualifications of such nature that the awarding of scholarships will operate not  
 15 only to the advantage of the applicant but to the people of Oregon. A scholarship awarded under  
 16 this subsection may not exceed in value the amount of the tuition and other fees, including the fees  
 17 that are levied against the recipient of the scholarship by the State Board of [*Higher*] Education at  
 18 the university.

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

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

26 **SECTION 86.** ORS 348.282 is amended to read:

27 348.282. As used in this section and ORS 348.283:

28 (1) “Armed Forces of the United States” means:

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

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

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

33 (2) “Public post-secondary institution” means:

34 (a) A public university [*under the direction of the State Board of Higher Education*] **listed in ORS**  
 35 **352.002**; and

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

37 (3) “Veteran” has the meaning given that term in ORS 408.225.

38 **SECTION 87.** ORS 348.603 is amended to read:

39 348.603. (1) The [*Higher Education Coordinating Commission*] **Department of Education** shall:

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

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

43 (c) Validate claims of degree possession;

44 (d) Terminate substandard or fraudulent degree activities;

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

1 (f) Except as provided in subsection (4) of this section, terminate the operation in or from  
 2 Oregon of post-secondary accrediting bodies that are not recognized by the United States Depart-  
 3 ment of Education or by the [commission] **Department of Education**; and

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

5 (2)(a) Following review of a proposed new publicly funded post-secondary program or location  
 6 that is not a career pathways certificate of completion program described in ORS 348.611, the  
 7 [commission] **Department of Education** shall recommend resolution to the appropriate governing  
 8 boards and mediate between the boards to seek a negotiated resolution if:

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

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

12 (b) If the boards do not resolve the issue raised under paragraph (a) of this subsection within  
 13 90 days of the date when the issue was recommended to the boards for mediation, the [commission]  
 14 **Department of Education** shall have final authority for approval or disapproval of the program  
 15 or location. If the boards do not resolve the issue, the [commission] **Department of Education** shall  
 16 approve or disapprove the program or location within 180 days of the date when the review began.

17 (c) If the boards do not resolve the issue, the [commission] **Department of Education** shall  
 18 approve the program or location if the [commission] **department** finds that the program or location  
 19 meets an unmet workforce need in the state.

20 (d) The [commission] **State Board of Education** shall establish by rule a fair and neutral  
 21 decision-making process in consultation with representatives designated by [*the State Board of Ed-*  
 22 *ucation, the State Board of Higher Education,*] associations representing Oregon independent col-  
 23 leges, associations representing Oregon career colleges, and the governing boards of otherwise  
 24 unrepresented post-secondary schools.

25 (3) The [commission] **State Board of Education**, by rule, may impose a fee on any school or  
 26 person requesting information from the [commission] **Department of Education**. The amount of the  
 27 fee shall be established to recover designated expenses incurred by the [commission] **Department**  
 28 **of Education** in carrying out the administration of ORS 348.594 to 348.615. Any fees collected under  
 29 this subsection shall be deposited in the Degree Authorization Account established under ORS  
 30 348.601.

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

35 **SECTION 88.** ORS 348.849 is amended to read:

36 348.849. (1) There is established the Oregon 529 College Savings Board to administer ORS  
 37 348.841 to 348.873.

38 (2) The board shall consist of:

39 (a) The State Treasurer or a designee of the State Treasurer;

40 (b) A member of the State Board of [*Higher*] Education **representing public universities**, to  
 41 be selected by the State Board of [*Higher*] Education;

42 (c) A representative of accredited private colleges and universities located in this state, who  
 43 shall be appointed by the State Treasurer; and

44 (d) Two public members, who by reason of their education and experience are qualified to serve,  
 45 and who shall be appointed by the State Treasurer.

1 (3) The State Treasurer shall designate the board chairperson from among the members of the  
2 board. The chairperson shall serve at the pleasure of the State Treasurer.

3 (4)(a) The board member who is a member of the State Board of *[Higher]* Education shall serve  
4 at the pleasure of the State Board of *[Higher]* Education but may not serve on the board following  
5 the end of the member's term on the State Board of *[Higher]* Education.

6 (b) The representative of private colleges and universities and the public members of the board  
7 shall serve at the pleasure of the State Treasurer for a term of office of three years. These members  
8 of the board may be reappointed to subsequent terms.

9 (5) The State Treasurer and the Oregon University System shall provide staff and assistance to  
10 the board in the administration of the Oregon 529 College Savings Network as directed by the board.

11 (6) A member of the board is entitled to compensation and expenses as provided in ORS 292.495.

12 (7) A majority of the members of the board constitutes a quorum for the transaction of business.

13 **SECTION 89.** ORS 348.890 is amended to read:

14 348.890. (1) The *[Higher Education Coordinating Commission]* **State Board of Education** shall  
15 provide policy direction to implement regional partnership proposals and any other joint program  
16 or activity approved by the *[State Board of Education and the State Board of Higher Education]*  
17 **board.**

18 (2) Notwithstanding ORS 351.063 (3), the Department of Community Colleges and Workforce  
19 Development and the Oregon University System may use appropriations from the General Fund to  
20 implement agreements approved by the *[Higher Education Coordinating Commission]* **State Board**  
21 **of Education** that provide direct aid to a student, or other incentives that encourage shared use  
22 of facilities, programs and other resources of public universities listed in ORS 352.002 and commu-  
23 nity colleges.

24 **SECTION 90.** ORS 348.900 is amended to read:

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

31 (2) Based on the needs assessment, the *[Higher Education Coordinating Commission]* **State**  
32 **Board of Education** shall inform the community colleges, public universities listed in ORS 352.002,  
33 Oregon Health and Science University and health care industry employers of the identified state-  
34 wide needs and invite the development of health care education programs that are responsive to  
35 those needs.

36 (3) When approving health care education programs, the State Board of Education[, *the State*  
37 *Board of Higher Education]* and the Oregon Health and Science University Board of Directors shall  
38 use the statewide needs assessment to evaluate whether a program fulfills statewide needs. If a  
39 board determines there is a statewide need, the board shall facilitate the:

40 (a) Coordination of new health care education programs and existing health care education  
41 programs that are similar to the new health care education programs to address the statewide need;  
42 and

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

1 (4) In the development and approval of health care education programs, community colleges,  
 2 public universities, Oregon Health and Science University, the State Board of Education[, *the State*  
 3 *Board of Higher Education*] and the Oregon Health and Science University Board of Directors shall  
 4 consider issues related to statewide access, student transferability between programs, course artic-  
 5 ulation and common student learning outcomes for health care education programs. The community  
 6 colleges, public universities, Oregon Health and Science University and [*boards*] **board** shall con-  
 7 tinue to provide and improve upon an effective articulation and transfer framework for students in  
 8 Oregon's post-secondary sectors.

9 **SECTION 91.** ORS 351.011 is amended to read:

10 351.011. The Oregon University System is established as a public university system, consisting  
 11 of the office of the Chancellor of the Oregon University System, the public universities listed in ORS  
 12 352.002 and any related offices, departments or activities. The State Board of [*Higher*] Education,  
 13 on behalf of the Oregon University System, shall exercise and carry out all of the powers, rights  
 14 and duties that are expressly conferred upon the board or that are implied by law or incident to  
 15 such powers, rights and duties. The Oregon University System is an instrumentality of the state and  
 16 a government entity performing governmental functions and exercising governmental powers.  
 17 Notwithstanding the status of the Oregon University System as an instrumentality of the state, the  
 18 Oregon University System is not eligible to request or receive legal services from the Attorney  
 19 General and the Department of Justice pursuant to ORS chapter 180, except as otherwise expressly  
 20 provided by law. The Oregon University System is not considered a unit of local or municipal gov-  
 21 ernment.

22 **SECTION 92.** ORS 351.047 is amended to read:

23 351.047. The State Board of [*Higher*] Education shall:

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

25 (2) Approve all academic programs offered at the public universities, and shall ensure that the  
 26 academic programs:

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

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

30 (c) Are allocated among the public universities [*in the Oregon University System*] to maximize  
 31 the achievement of statewide needs and requirements.

32 **SECTION 93.** ORS 351.052, as amended by section 7, chapter 104, Oregon Laws 2012, is  
 33 amended to read:

34 351.052. (1) For the purposes of this section, "performance compact" means an agreement be-  
 35 tween the State Board of [*Higher*] Education and the State of Oregon to achieve certain performance  
 36 targets in order to enhance the success of Oregon University System students in exchange for con-  
 37 sideration of the appropriations sought in a funding request submitted by the State Board of  
 38 [*Higher*] Education to the Oregon Department of Administrative Services.

39 (2) On or before September 1 of each even-numbered year, the State Board of [*Higher*] Education  
 40 shall submit the funding request and performance compact to the Oregon Department of Adminis-  
 41 trative Services for the Oregon University System.

42 (3) The Governor's biennial budget submitted to the Legislative Assembly may include the State  
 43 Board of [*Higher*] Education's funding request submitted to the Oregon Department of Administra-  
 44 tive Services for the Oregon University System. Any funding request approved by the Legislative  
 45 Assembly must specify that the moneys be appropriated to the Oregon Department of Administrative

1 Services for allocation to the Oregon University System.

2 (4) The funding request must include, in addition to the performance compact, a report on per-  
3 formance from the previous biennium's performance compact.

4 (5) The State Board of [*Higher*] Education shall, by rule, establish a framework for the devel-  
5 opment of a performance compact that must accompany the funding request to the Oregon Depart-  
6 ment of Administrative Services. The framework must address, among other issues, the issue of  
7 tuition affordability for students.

8 **SECTION 94.** ORS 351.054 is amended to read:

9 351.054. The State Board of [*Higher*] Education is authorized to:

10 (1) Request, as part of the funding request under ORS 351.052, appropriations for budgetary  
11 items, including but not limited to education and general operations, statewide public services, state  
12 funded debt service, capital improvements and other special initiatives and investments; and

13 (2) Allocate moneys, from funds appropriated to the board and other available moneys, among  
14 the office of the Chancellor of the Oregon University System, public universities listed in ORS  
15 352.002 and offices, departments and activities [*under the control of the board*] **within the Oregon**  
16 **University System.**

17 **SECTION 95.** ORS 351.057 is amended to read:

18 351.057. The State Board of [*Higher*] Education is not required to seek expenditure limitation  
19 approval from the Legislative Assembly to spend any available moneys, including but not limited to  
20 moneys from enrollment fees collected pursuant to ORS 351.063.

21 **SECTION 96.** ORS 351.060 is amended to read:

22 351.060. The State Board of [*Higher*] Education may:

23 (1) Control and provide for, subject to the conditions of this section, the custody and occupation  
24 of the grounds, buildings, books, papers and documents belonging to each and all of the public uni-  
25 versities and offices, departments or activities [*under the control of the State Board of Higher Edu-*  
26 *cation*] **within the Oregon University System.**

27 (2) Manage, control and apply all property of whatever nature given to or appropriated for the  
28 use, support or benefit of any or all of the public universities or offices, departments or activities  
29 [*under the control of the State Board of Higher Education*] **within the Oregon University System,**  
30 according to the terms and conditions of such gift or appropriation. Moneys received under this  
31 section shall be deposited in a designated account in the Oregon University System Fund established  
32 by ORS 351.506. Interest earned by the account shall be credited to the account.

33 (3) Design, acquire, erect, improve, repair, maintain, lease, renovate, demolish, equip, furnish and  
34 dispose of buildings, structures and lands necessary for carrying out its powers, rights and duties.

35 (4) Acquire, receive, hold, control, convey, sell, manage, operate, lease, lend, license, improve  
36 and develop any and all property, real or personal:

37 (a) Given to any of the public universities or offices, departments or activities [*under the control*  
38 *of the State Board of Higher Education*] **within the Oregon University System** by private donors,  
39 whether such gifts are made to the State Board of [*Higher*] Education or to the State of Oregon; or

40 (b) Acquired by any other method or from any source by the State Board of [*Higher*] Education  
41 for the benefit of any of the public universities or offices, departments or activities [*under the control*  
42 *of the board*] **within the Oregon University System,** except for any structure, equipment or asset  
43 encumbered by a certificate of participation.

44 (5) Exercise the power of eminent domain for the condemnation of property of any kind and all  
45 water rights, easements and appurtenances thereto that the State Board of [*Higher*] Education con-

1 siders necessary for carrying out the powers, rights and duties of the board.

2 (6) Take and hold mortgages on real and personal property acquired by way of gift or arising  
3 out of transactions entered into in accordance with the powers, rights and duties of the State Board  
4 of *[Higher]* Education.

5 (7) Institute, maintain and participate in suits and actions and other judicial proceedings, in the  
6 name of the State of Oregon, for the foreclosure of such mortgages or for the purpose of carrying  
7 into effect any and all of the powers, rights and duties of the State Board of *[Higher]* Education.  
8 Except as otherwise provided by ORS 30.260 to 30.300, the board has the authority to defend and  
9 indemnify its employees, officers and agents when they are acting in good faith within the course  
10 and scope of their duties for public purposes.

11 (8) Acquire, receive, hold, control, sell, manage, operate, lease, license or lend any goods, sup-  
12 plies, materials, equipment, services and information technology, for the use, support or benefit of  
13 any of the public universities or offices, departments or activities *[under the control of the State*  
14 *Board of Higher Education]* **within the Oregon University System.**

15 (9) With the approval of the State Treasurer, request that the Oregon Department of Adminis-  
16 trative Services enter into financing agreements in accordance with ORS 283.085 to 283.092 on be-  
17 half of the Oregon University System. The Oregon University System shall be considered a state  
18 agency for purposes of ORS 286A.730.

19 (10) Own, control and operate Oregon University System motor vehicles for use by public uni-  
20 versities and offices, departments and activities *[under the control of the State Board of Higher Ed-*  
21 *ucation]* **within the Oregon University System.** The **State Board of Education** shall, by rule,  
22 establish requirements governing the use and operation of Oregon University System motor vehicles.

23 (11) Hire or retain attorneys for the provision of legal services, including but not limited to  
24 general advice, representation in litigation and representation in appellate matters. The State Board  
25 of *[Higher]* Education shall reimburse the State Treasurer for legal fees incurred in connection with  
26 borrowings done at the request of the Oregon University System.

27 **SECTION 97.** ORS 351.062 is amended to read:

28 351.062. Except for the power to prescribe enrollment fees under ORS 351.063 and the power to  
29 adopt rules, the State Board of *[Higher]* Education may delegate any of the powers, duties or func-  
30 tions of the board to a committee of the board, the Chancellor of the Oregon University System or  
31 a president of a public university listed in ORS 352.002.

32 **SECTION 98.** ORS 351.063 is amended to read:

33 351.063. (1) The State Board of *[Higher]* Education shall set enrollment fees for each public  
34 university listed in ORS 352.002. Enrollment fees include tuition for education and services and any  
35 other charges found by the State Board of *[Higher]* Education to be necessary to carry out the ed-  
36 ucational program of the Oregon University System.

37 (2) The State Board of *[Higher]* Education shall, by rule, establish a process under which each  
38 public university may develop and submit proposed enrollment fees for board consideration. The  
39 process must provide for participation of enrolled students and the recognized student government  
40 of the public university.

41 (3) Each public university *[listed in ORS 352.002]* is authorized to offer fee remissions to its  
42 students, including remissions offered on the basis of need, from any authorized source of revenue.  
43 Moneys appropriated from the General Fund may not be used to fund fee remissions to students of  
44 the public university.

45 **SECTION 99.** ORS 351.065 is amended to read:

1       351.065. (1) The State Board of [*Higher*] Education may, for each public university or office, de-  
2       partment or activity [*under its control*] **within the Oregon University System**, adopt rules and  
3       specific orders by or through the president of each public university governing access to personnel  
4       records of the public university or office, department or activity that are less than 25 years old.

5       (2) Rules adopted under subsection (1) of this section shall require that personnel records be  
6       subjected to restrictions on access unless upon a finding by the president of the public university  
7       that the public interest in maintaining individual rights to privacy in an adequate educational en-  
8       vironment would not suffer by disclosure of such records. Access to such records may be limited to  
9       designated classes of information or persons, or to stated times and conditions, or to both, but can-  
10      not be limited for records more than 25 years old.

11      (3) No rule or order promulgated pursuant to this section shall deny to a faculty member full  
12      access to the member's personnel file or records kept by the board or its public universities or of-  
13      fices, departments or activities, except as provided in subsections (7) and (8) of this section.

14      (4) The number of files relating to the evaluation of a faculty member shall be limited to three,  
15      to be kept in designated, available locations.

16      (5) Any evaluation received by telephone shall be documented in each of the faculty member's  
17      files by means of a written summary of the conversation with the names of the conversants identi-  
18      fied.

19      (6) A faculty member shall be entitled to submit, for placement in the three files, evidence re-  
20      butting, correcting, amplifying or explaining any document contained therein and other material that  
21      the member believes might be of assistance in the evaluation process.

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

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

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

42      (10) After July 1, 1975, the board and its public universities, offices, departments or activities,  
43      when evaluating its employed faculty members, may not solicit or accept letters, documents or other  
44      materials, given orally or in written form, from individuals or groups who wish their identity kept  
45      anonymous or the information they provide kept confidential.

1 (11) No rule or order promulgated pursuant to this section limits the authority of the public  
2 universities, offices, departments or activities [*under the control of the board*] **within the Oregon**  
3 **University System** to prepare, without identification of individual persons who have not consented  
4 thereto, statistical or demographic reports from personnel records.

5 (12) Any category of personnel records specifically designated as confidential pursuant to valid  
6 rules or orders pursuant to this section is not a public record for the purposes of ORS 192.420.

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

13 **SECTION 100.** ORS 351.067 is amended to read:

14 351.067. (1) In carrying out its authority under ORS 351.070, the State Board of [*Higher*] Edu-  
15 cation may authorize receipt of compensation for any officer or employee of the Oregon University  
16 System from private or public resources, including, but not limited to, income from:

17 (a) Consulting;

18 (b) Appearances and speeches;

19 (c) Intellectual property conceived, reduced to practice or originated and therefore owned within  
20 the Oregon University System;

21 (d) Providing services or other valuable consideration for a private corporation, individual, or  
22 entity, whether paid in cash or in-kind, stock or other equity interest, or anything of value regard-  
23 less of whether there is a licensing agreement between the Oregon University System and the pri-  
24 vate entity; and

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

28 (2) The board may not authorize compensation, as described in subsection (1) of this section,  
29 that, in the board’s judgment, does not comport with the mission of a public university listed in ORS  
30 352.002 and the Oregon University System or substantially interferes with an officer’s or employee’s  
31 duties to the Oregon University System.

32 (3) Any compensation described and authorized under subsection (1) of this section is considered  
33 official compensation or reimbursement of expenses for purposes of ORS 244.040 and is not consid-  
34 ered an honorarium prohibited by ORS 244.042. If authorization or receipt of the compensation cre-  
35 ates a potential conflict of interest, the officer or employee shall report the potential conflict in  
36 writing in accordance with rules of the board. The disclosure is a public record subject to public  
37 inspection.

38 (4) The board shall adopt by rule standards governing employee outside employment and activ-  
39 ities, including potential conflict of interest, as defined by board rule and consistent with ORS  
40 244.020, and the public disclosure thereof, and procedures for reporting and hearing potential or  
41 actual conflict of interest complaints.

42 **SECTION 101.** ORS 351.070 is amended to read:

43 351.070. (1) The State Board of [*Higher*] Education shall, by rule, implement a personnel system  
44 for the Oregon University System and may engage in collective bargaining with the employees. All  
45 collective bargaining with any certified or recognized exclusive employee representative shall be

1 under the direction and supervision of the Chancellor of the Oregon University System. The board  
2 and the Oregon University System shall have payroll authority.

3 (2)(a) The board shall establish competitive procedures for the purchasing, procurement and  
4 contracting of goods, services and information technology, for the benefit of the Oregon University  
5 System and all the public universities and offices, departments and activities [*under the control of*  
6 *the board*] **within the Oregon University System**. The board may also establish exemptions from  
7 the competitive procedures when appropriate.

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

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

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

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

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

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

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

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

38 (f) Prescribe the qualifications for admission.

39 (4) Subject to such delegation as the board may decide to make to the public universities and  
40 offices, departments and activities [*under its control*] **within the Oregon University System**, the  
41 board, for each public university, office, department or activity [*under its control*] **within the**  
42 **Oregon University System**:

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

45 (b) Shall adopt rules and bylaws for the government thereof, including the faculty, teachers,

1 students and employees therein.

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

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

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

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

8 (A) Dependents of students.

9 (B) Staff.

10 (C) Faculty.

11 (g) Shall prescribe and collect charges.

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

17 (5) For each public university listed in ORS 352.002, the board shall provide opportunities for  
18 part-time students to obtain complete undergraduate degrees at unconventional times, which include  
19 but are not limited to early morning and noon hours, evenings and weekends. In administering these  
20 degree programs, the public university may use any educational facility available for the use of the  
21 public university.

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

25 **SECTION 102.** ORS 351.072 is amended to read:

26 351.072. (1) Notwithstanding ORS chapter 183, the following actions may be taken by the State  
27 Board of [*Higher*] Education **in relation to higher education** or **to** the public universities [*under*  
28 *its control*] **listed in ORS 352.002** without compliance with the rulemaking provisions of ORS chap-  
29 ter 183:

30 (a) Adoption of standards, regulations, policies or practices relating primarily to admissions,  
31 academic advancement, classroom grading policy, the granting of academic credits, granting of de-  
32 grees, scholarships and similar academic matters.

33 (b) Adoption of fees or fee schedules relating to charges for symposiums, conferences, short  
34 courses, food, books or other retail goods, prices of admission to athletic, entertainment or cultural  
35 events or advertising rates in student or university publications. However, student loan service  
36 charges, charges levied as penalties for prohibited conduct, general tuition, building fees, incidental  
37 fees, health service fees and residence hall and housing charges shall be adopted in accordance with  
38 the provisions of ORS chapter 183.

39 (2) Any standards, regulations, policies, practices or fees adopted under this section by the State  
40 Board of [*Higher*] Education or by any of the public universities [*under its control*] **listed in ORS**  
41 **352.002** shall be reduced to writing and made available to interested persons upon request.

42 **SECTION 103.** ORS 351.075, as amended by section 4, chapter 36, Oregon Laws 2012, is  
43 amended to read:

44 351.075. (1) The State Board of [*Higher*] Education shall appoint a chief executive officer **of the**  
45 **Oregon University System** who shall be known as the Chancellor of the Oregon University System.

1 (2) The chancellor shall:

2 (a) Serve at the pleasure of the board.

3 (b) Serve under the direction and control of the Chief Education Officer appointed under section  
4 2, chapter 519, Oregon Laws 2011, for matters related to the design and organization of the state's  
5 education system.

6 **SECTION 104.** ORS 351.075, as amended by sections 4 and 10, chapter 36, Oregon Laws 2012,  
7 is amended to read:

8 351.075. (1) The State Board of [*Higher*] Education shall appoint a chief executive officer **of the**  
9 **Oregon University System** who shall be known as the Chancellor of the Oregon University System.

10 (2) The chancellor shall serve at the pleasure of the board.

11 **SECTION 105.** ORS 351.077 is amended to read:

12 351.077. (1) Pursuant to ORS 342.447, the Chancellor of the Oregon University System shall en-  
13 sure the implementation of the plans developed for recruitment of minority teachers.

14 (2) The chancellor shall report biennially to the State Board of [*Higher*] Education and the  
15 Legislative Assembly on the implementation and results of the plans. The report may include rec-  
16 ommendations on ways in which the Legislative Assembly can assist in increasing the number of  
17 minority teachers.

18 **SECTION 106.** ORS 351.085 is amended to read:

19 351.085. The Chancellor of the Oregon University System shall exercise, under the direction of  
20 the State Board of [*Higher*] Education, the administrative and management authority necessary to  
21 carry out the policies and directives of the board with respect to the public universities and offices,  
22 departments and activities [*under the control of the board*] **within the Oregon University System**.  
23 In carrying out the duties of the chancellor, the chancellor shall:

24 (1) Serve as chief executive officer of the Oregon University System [*and administrative officer*  
25 *of the State Board of Higher Education*].

26 (2) Supervise the presidents of the public universities listed in ORS 352.002 and recommend the  
27 terms and conditions of their employment to the board, including but not limited to appointment,  
28 compensation and termination.

29 (3) Maintain a centralized service program for all public universities and offices, departments  
30 and activities [*under the control of the board*] **within the Oregon University System**, including but  
31 not limited to accounting, statistical services, capital construction, management analysis, legal ser-  
32 vices, academic affairs and educational research.

33 (4) Collect and compile information and statistics relative to the operation of the public uni-  
34 versities and offices, departments and activities [*under the control of the board*] **within the Oregon**  
35 **University System**.

36 (5) Prepare and submit to the board an annual operating budget for all public universities and  
37 offices, departments and activities [*under the control of the board*] **within the Oregon University**  
38 **System**, including but not limited to budget allocations to the public universities and offices, de-  
39 partments and activities.

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

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

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

1 chancellor.

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

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

8 (11) Keep a record of the transactions of the *[board]* **Oregon University System**.

9 (12) Have the custody of all books, papers, documents and other property belonging to the  
10 *[board]* **Oregon University System**.

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

13 (14) Provide for meetings of the presidents and principal executives of the public universities  
14 and offices, departments and activities *[under the control of the board]* **within the Oregon Univer-**  
15 **sity System**, at such times as the board may direct. The meetings shall be open to any member of  
16 the board.

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

19 **SECTION 107.** ORS 351.086, as amended by section 48, chapter 104, Oregon Laws 2012, is  
20 amended to read:

21 351.086. (1) Except as otherwise provided in this chapter and ORS chapter 352, the provisions  
22 of ORS chapters 182, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291 and 292 and ORS  
23 180.060, 180.160, 180.210, 180.220, 180.225 and 180.230 do not apply to the Oregon University System.

24 (2) Notwithstanding subsection (1) of this section, the provisions of ORS 182.100, 182.109,  
25 240.167, 276.073 to 276.090, 279A.065 (2), 279B.055 (3), 279C.380 (1)(a) and (3), 279C.600 to 279C.625,  
26 279C.800, 279C.810, 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860,  
27 279C.865, 279C.870, 283.085 to 283.092, 291.200, 291.201 to 291.222, 291.223, 291.224 (2) and (6),  
28 291.226, 291.272 to 291.278, 291.322 to 291.334, 291.405, 291.407, 291.445, 292.043 and 292.044 apply to  
29 the Oregon University System.

30 (3) Notwithstanding subsection (1) of this section, ORS 273.413 to 273.456 apply to any structure,  
31 equipment or asset owned by the Oregon University System that is encumbered by a certificate of  
32 participation.

33 (4) Notwithstanding subsection (6) of this section:

34 (a) The provisions of ORS chapters 35, 190, 192, 244 and 297 and ORS 30.260 to 30.460, 184.480,  
35 184.483, 184.486, 184.488, 200.005 to 200.025, 200.045 to 200.090, 200.100 to 200.120, 200.160 to 200.200,  
36 236.605 to 236.640, 243.650 to 243.782, 243.800, 243.820, 243.830, 243.850, 243.910 to 243.945, 307.090  
37 and 307.112 apply to the Oregon University System under the same terms as they apply to other  
38 public bodies other than the State of Oregon.

39 (b) The provisions of ORS chapter 286A and ORS 293.115, 293.117, 293.130, 293.169, 293.171,  
40 293.205 to 293.225, 293.250, 293.265 to 293.280, 293.285, 293.295, 293.321, 293.353, 293.375, 293.406,  
41 293.465 to 293.485, 293.490, 293.495, 293.525, 293.701 to 293.820, 293.875, 293.880 and 293.990 apply to  
42 the Oregon University System under the same terms as they apply to state agencies with moneys  
43 held by the State Treasurer, to the Oregon University System Fund established in ORS 351.506 and  
44 to any other moneys deposited with or held by the State Treasurer for the Oregon University Sys-  
45 tem.

1 (5) Notwithstanding subsections (1) and (6) of this section, the Oregon University System and its  
2 agents and employees remain subject to all statutes and administrative rules of this state that create  
3 rights, benefits or protections in favor of military veterans, service members and families of service  
4 members to the same extent as an agency of this state would be subject to such statutes and ad-  
5 ministrative rules.

6 (6)(a) Except as provided by paragraph (b) of this subsection, the Oregon University System, as  
7 a distinct governmental entity, is not subject to any provision of law enacted after January 1, 2011,  
8 with respect to any governmental entity, that is unique to governmental entities, unless the pro-  
9 vision specifically provides that it applies to the Oregon University System.

10 (b) To the same extent as state agencies that borrow through the State Treasurer or that have  
11 moneys held in the State Treasury, the Oregon University System is subject to any provision of law  
12 enacted after January 1, 2011, that relates to or affects the borrowings of the Oregon University  
13 System through the State Treasurer or the deposit, payment or investment of moneys held in the  
14 Oregon University System Fund or any other moneys held for the Oregon University System in the  
15 State Treasury.

16 (7) In carrying out the duties, functions and powers imposed by law upon the Oregon University  
17 System, the State Board of [*Higher*] Education or the Chancellor of the Oregon University System  
18 may contract with any public agency for the performance of such duties, functions and powers as  
19 the board or chancellor considers appropriate.

20 **SECTION 108.** ORS 351.087 is amended to read:

21 351.087. (1) The State Board of [*Higher*] Education shall establish policies for the operation of  
22 the Oregon University System, consistent with ORS 351.086.

23 (2) For the purpose of clarifying areas of oversight and in accordance with subsection (1) of this  
24 section, wherever the Oregon Department of Administrative Services would otherwise have author-  
25 ity over administrative matters concerning the performance, operating policies or structure of the  
26 Oregon University System, that authority shall be transferred to the State Board of [*Higher*] Edu-  
27 cation.

28 **SECTION 109.** ORS 351.088 is amended to read:

29 351.088. Notwithstanding ORS chapter 183, the State Board of [*Higher*] Education or any public  
30 university listed in ORS 352.002 may, by rule, establish adjudicative procedures that are consistent  
31 with federal and state constitutional requirements and other provisions of law. The adjudicative  
32 procedures shall be consistent with ORS 183.413 to 183.497 and 183.502 whenever the type of hearing  
33 or procedure required is substantially of the character that would necessitate the procedures re-  
34 quired by ORS 183.413 to 183.470.

35 **SECTION 110.** ORS 351.092 is amended to read:

36 351.092. Notwithstanding ORS 293.595, the State Board of [*Higher*] Education shall control and  
37 supervise the acquisition, installation and use of all data processing equipment to be used primarily  
38 for the purposes of the accounting records and accounting system of the Oregon University System.  
39 The board may authorize use of that equipment for other purposes to the extent that use for those  
40 other purposes does not conflict with use for the primary purpose of the Oregon University System's  
41 accounting records and accounting system.

42 **SECTION 111.** ORS 351.094 is amended to read:

43 351.094. (1) The State Board of [*Higher*] Education shall provide group insurance to employees  
44 of the Oregon University System through the Public Employees' Benefit Board or may elect to pro-  
45 vide alternative group health and welfare insurance benefit plans to employees of the Oregon Uni-

1 versity System if the same level of benefits is available at a lower cost than through the Public  
2 Employees' Benefit Board.

3 (2) For the purposes of ORS 243.555 to 243.575, if the State Board of [*Higher*] Education chooses  
4 not to participate in the benefit plans offered through the Public Employees' Benefit Board, the  
5 State Board of [*Higher*] Education may have the authority granted to the Public Employees' Benefit  
6 Board under ORS 243.555 to 243.575 for the administration of an appropriate expense reimbursement  
7 plan.

8 (3) The State Board of [*Higher*] Education shall offer one or more deferred compensation plans  
9 to employees of the Oregon University System. The Oregon University System shall, at the dis-  
10 cretion of the board, choose whether to offer its employees the state deferred compensation plan  
11 established under ORS 243.401 to 243.507 or another deferred compensation plan that the board  
12 elects to make available to the employees of the Oregon University System.

13 **SECTION 112.** ORS 351.096 is amended to read:

14 351.096. The State Board of [*Higher*] Education may purchase any insurance, operate a self-  
15 insurance program or otherwise arrange for the equivalent of insurance coverage of any nature.

16 **SECTION 113.** ORS 351.097 is amended to read:

17 351.097. (1) The payment of salary or compensation of the officers, teachers, instructors and  
18 other employees of the Oregon University System, where such salary or compensation is payable out  
19 of the State Treasury and is fixed by law or the State Board of [*Higher*] Education at a definite rate  
20 per hour, day, week, month or year, shall be made weekly, biweekly, semimonthly or monthly with  
21 any necessary adjustments, as provided in this section.

22 (2) With the approval of the board, the Chancellor of the Oregon University System shall make  
23 out, certify and transmit to the board at the end of each pay period a payroll, duly verified by the  
24 chancellor or other designated officer and approved by the proper auditing committee or officer,  
25 showing the names of the several officers, teachers, instructors and other employees during the  
26 preceding payroll period, the rate of compensation of each by the hour, day, week, month or year,  
27 the time employed, the amount due and any other facts the board requires. The board, if it approves  
28 the payroll, shall draw a warrant on the State Treasurer for the aggregate amount allowed in favor  
29 of the chancellor, who shall immediately pay over the moneys received to the several parties enti-  
30 tled thereto and take receipts therefor, which shall be transmitted to the board.

31 (3) Notwithstanding subsection (2) of this section and pursuant to ORS 293.330, the State Board  
32 of [*Higher*] Education may authorize the chancellor to designate a person employed by and located  
33 at each public university [*under the jurisdiction of the board*] **listed in ORS 352.002** to implement  
34 and administer the payroll system selected by the board to pay employees designated by the board.  
35 The person shall be under bond to the State of Oregon.

36 (4) When an employee receives payment of salary or compensation in an amount greater than  
37 the employee's entitlement, the amount of the overpayment may be deducted from salary or com-  
38 pensation earned by the employee. The deduction may be in such form and manner as the State  
39 Board of [*Higher*] Education may prescribe.

40 **SECTION 114.** ORS 351.105 is amended to read:

41 351.105. In order to carry out the duties described in ORS 352.008, the State Board of [*Higher*]  
42 Education, in consultation with the Oregon Health Authority and the Alcohol and Drug Policy  
43 Commission, shall adopt by rule, as a minimum, descriptions of the content of what shall be included  
44 in the policy and plan described in ORS 352.008.

45 **SECTION 115.** ORS 351.110 is amended to read:

1 351.110. All relationships and negotiations between the Legislative Assembly and its various  
2 committees and a public university listed in ORS 352.002 must be carried on through the office of  
3 the Chancellor of the Oregon University System. An employee representing any of the public uni-  
4 versities may not appear before the Legislative Assembly or any committee except upon the written  
5 authority of the State Board of [Higher] Education or the chancellor.

6 **SECTION 116.** ORS 351.117 is amended to read:

7 351.117. (1) If the State Board of [Higher] Education determines that enrollment is sufficient to  
8 make an American Sign Language class economically viable and if qualified instructors are avail-  
9 able, the board may offer to students courses for credit in American Sign Language at a public  
10 university. Such courses shall satisfy any second language elective requirement.

11 (2) The State Board of [Higher] Education is encouraged to continue to:

12 (a) [*Coordinate with the State Board of Education to*] Develop curricula for American Sign Lan-  
13 guage courses;

14 (b) Implement programs to locate and prepare qualified teachers and interpreters of American  
15 Sign Language; and

16 (c) Assist public universities in identifying local and regional needs and resources available for  
17 American Sign Language courses.

18 **SECTION 117.** ORS 351.130 is amended to read:

19 351.130. (1) The State Board of [Higher] Education shall encourage gifts and donations to the  
20 board and the Oregon University System. For purposes of the public universities listed in ORS  
21 352.002, the board, to encourage gifts and donations, shall faithfully devote the gifts or donations to  
22 the public university for which the gift or donation is intended.

23 (2) The Higher Education Donation Fund is established in the State Treasury, separate and  
24 distinct from the General Fund. Moneys in the Higher Education Donation Fund are continuously  
25 appropriated to the State Board of [Higher] Education for the purpose for which the moneys were  
26 donated. Moneys in the fund may be invested as provided in ORS 293.701 to 293.820, subject to the  
27 terms or restrictions of any gifts or donations. Any interest or other income derived from the in-  
28 vestment of the fund shall be credited to the fund.

29 (3) All gifts and donations received shall be used in accordance with the terms of the gift or  
30 donation. Gifts or donations may be deposited in the Oregon University System Fund established by  
31 ORS 351.506 or in the Higher Education Donation Fund. The board shall consider the amount, na-  
32 ture and purpose of, and any restriction placed on, gifts and donations, and determine whether to  
33 deposit the gift or donation in the Oregon University System Fund or the Higher Education Do-  
34 nation Fund. Gifts and donations may be split or transferred between the Oregon University System  
35 Fund and the Higher Education Donation Fund.

36 (4) The interest, income, dividends or profits received on any property or funds of the State  
37 Board of [Higher] Education or the Oregon University System derived from gifts and donations, in-  
38 cluding legacies, devises, bequests or endowments, are continuously appropriated to the use, main-  
39 tenance and support of the Oregon University System in the same manner as the principal or corpus  
40 of each such gift or donation in accordance with the terms of the gift or donation.

41 (5) As used in this section, "gifts or donations" includes funds donated to the State Board of  
42 [Higher] Education or the Oregon University System to which by agreement the donor receives  
43 consideration in return for the gift or donation or retains a reversionary interest but does not in-  
44 clude grant or contract funds received from government sources.

45 **SECTION 118.** ORS 351.140 is amended to read:

1 351.140. (1) The State Board of [*Higher*] Education may purchase such real property as in its  
 2 sole discretion may be necessary for the present or future development of any of the public univer-  
 3 sities and offices, departments and activities [*under its control*] **within the Oregon University**  
 4 **System**. The board may enter into contracts of purchase or agreements that the board deems nec-  
 5 essary in carrying out this authorization.

6 (2) The board may apply any funds coming into its hands, and applicable thereto, toward the  
 7 purchase of property authorized under this section. The board may also mortgage or pledge any  
 8 property so purchased, or its contracts to purchase, or in relation thereto, together with the income  
 9 from such property, to secure the payment of the purchase price thereof.

10 (3) The State Board of [*Higher*] Education is authorized, without seeking specific approval from  
 11 the Legislative Assembly, to purchase real property or undertake capital construction projects that  
 12 do not require the use of moneys appropriated from state funds or obtained through general obli-  
 13 gation bonds, for purposes consistent with the promotion and enhancement of public higher educa-  
 14 tion.

15 **SECTION 119.** ORS 351.150 is amended to read:

16 351.150. (1) As used in this section, “university lands” means lands granted to this state under  
 17 the Act of February 14, 1859 (11 Stat. 383), for the support and maintenance of the University of  
 18 Oregon.

19 (2) Legal title to all real property acquired by any of the public universities [*under the control*  
 20 *of the State Board of Higher Education*] **listed in ORS 352.022** shall be taken and held in the name  
 21 of the State of Oregon. Legal title to all real property heretofore or hereafter conveyed to any of  
 22 the public universities is deemed to be conveyed to and vested in the State of Oregon. Authorized  
 23 conveyances of all real property, other than university lands, acquired by or vested in the State of  
 24 Oregon for the use or benefit of any of the public universities shall be executed in the name of the  
 25 State of Oregon by [*the president and secretary of*] the board. Nothing in this section or in ORS  
 26 351.060 shall be considered as exempting such property from taxation.

27 (3) The Oregon University System shall have custody and control of and shall care for all real  
 28 property used for public university purposes. Management, maintenance and preservation of all real  
 29 property used for public university purposes is the responsibility of the Oregon University System.

30 **SECTION 120.** ORS 351.155 is amended to read:

31 351.155. Notwithstanding the applicable provisions of ORS 279.835 to 279.855, 279A.140 to  
 32 279A.155, 279A.250 to 279A.290, 279A.990, 279B.200 to 279B.240, 279B.270, 279B.275, 279B.280,  
 33 279C.360, 279C.365, 279C.370, 279C.375, 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545,  
 34 279C.600 to 279C.625, 279C.650 to 279C.670 and 279C.800 to 279C.870, the State Board of [*Higher*]  
 35 Education may, in the management of all forestlands under its control and supervision, sell the for-  
 36 est products on such lands in the same manner as is provided in ORS 530.059, and for that purpose  
 37 the board shall have the same powers with respect to experimental or research projects in the field  
 38 of forestland management or for forest product utilization on forestlands under its control as the  
 39 State Forester has pursuant to the provisions of ORS 530.050 and 530.059.

40 **SECTION 121.** ORS 351.160 is amended to read:

41 351.160. (1) The State Board of [*Higher*] Education may undertake the construction of any  
 42 building or structure for higher education when the board conservatively estimates that the Oregon  
 43 University System will have sufficient revenues to pay the operating costs and any indebtedness for  
 44 the building or structure. For purposes of this section, “revenues” includes all funds available to the  
 45 board except amounts appropriated by the Legislative Assembly from the General Fund. The board

1 may enter into contracts for the acquisition, erection, improvement, repair, equipping and furnishing  
2 of buildings and structures for dormitories, housing, boarding, off-street motor vehicle parking fa-  
3 cilities and other purposes for higher education pursuant to Article XI-F(1) of the Oregon Constitu-  
4 tion, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505.

5 (2) The board may also undertake the acquisition or construction of those buildings and struc-  
6 tures that the Legislative Assembly has determined will benefit higher education institutions or ac-  
7 tivities, and may enter into contracts with persons, firms or corporations for the acquisition,  
8 erection, improvement, repair, equipping and furnishing of such buildings and structures pursuant  
9 to Article XI-G of the Oregon Constitution and ORS 351.345.

10 **SECTION 122.** ORS 351.165 is amended to read:

11 351.165. No later than March 1 of each odd-numbered year, the State Board of [*Higher*] Educa-  
12 tion shall submit a report to the Legislative Assembly concerning the status of all previously ap-  
13 proved Oregon University System capital construction projects that have not been completed or  
14 have been completed within the preceding 24-month period. The report shall include the project title,  
15 funding sources, the amount of the original appropriation or expenditure limitation, the amount of  
16 unexpected funds, the construction status and the anticipated completion date.

17 **SECTION 123.** ORS 351.170 is amended to read:

18 351.170. (1) The State Board of [*Higher*] Education may establish rates, charges and fees for use  
19 of buildings, structures and projects [*under its control*] **within the Oregon University System**. The  
20 rates and charges shall be sufficient, in the judgment of the board and with other available revenues,  
21 as defined in ORS 351.160, to pay the operating costs and any indebtedness for the buildings,  
22 structures and projects.

23 (2) The board shall charge and collect from each regular student a building fee at a rate not to  
24 exceed \$45 for each regular term, for not less than three terms in each regular academic year, and  
25 not to exceed \$67.50 if instruction is on a semester basis, or an equivalent rate of charge when in-  
26 struction is on a different basis. The board is authorized to maintain adequate accounts for bonds  
27 outstanding. The fee shall be in addition to tuition and other fees charged to students and shall be  
28 deposited in the appropriate subaccount of the account maintained in the Oregon University System  
29 Fund under ORS 351.460.

30 **SECTION 124.** ORS 351.180 is amended to read:

31 351.180. The State Board of [*Higher*] Education may cause the buildings, structures or projects  
32 referred to in ORS 351.160 and 351.170 and the equipment and furnishings therein and the  
33 appurtenances thereto to be insured against fire and other hazards in such sums as will protect the  
34 holders of the outstanding bonds issued to finance the cost thereof. Such insurance shall be in lieu  
35 of that afforded by the Insurance Fund, without right of insurers, in the event of loss, to subrogation  
36 to or contribution from said fund.

37 **SECTION 125.** ORS 351.190 is amended to read:

38 351.190. The State Board of [*Higher*] Education may obtain, by donation, purchase, agreement  
39 or condemnation, the title to any land authorized to be acquired by ORS 351.345, 351.350 and  
40 351.450. Condemnation proceedings instituted by the board shall be conducted in accordance with  
41 ORS chapter 35.

42 **SECTION 126.** ORS 351.203 is amended to read:

43 351.203. (1) The State Board of [*Higher*] Education shall cooperate with the Education and  
44 Workforce Policy Advisor in the development of a state comprehensive education plan including  
45 post-secondary education and in review of the board's programs and budget. The board shall submit

1 in timely fashion to the advisor such data as is appropriate in a form prescribed by the advisor.

2 (2) The board shall cooperate with the mediation process administered by the [*Higher Education*  
3 *Coordinating Commission*] **Department of Education** pursuant to ORS 348.603 and, if a negotiated  
4 resolution cannot be reached by mediation, comply with the decisions [*of the commission*] regarding  
5 proposed new post-secondary programs and proposed new post-secondary locations, including those  
6 proposed by Oregon Health and Science University [*in cooperation with the State Board of Higher*  
7 *Education*] under ORS 353.440.

8 **SECTION 127.** ORS 351.205 is amended to read:

9 351.205. The State Board of [*Higher*] Education may allow interchange of members of the facul-  
10 ties of public universities listed in ORS 352.002 with faculty members of comparable institutions of  
11 other states or countries for a period of one year. Such exchange service shall, for all purposes, be  
12 deemed continued service with the Oregon public university covered, with salary paid to the absent  
13 faculty member accordingly. Salary for the visiting faculty member shall not be paid by the Oregon  
14 public university covered.

15 **SECTION 128.** ORS 351.210 is amended to read:

16 351.210. (1) The State Board of [*Higher*] Education may sell or otherwise dispose of any worn  
17 out, obsolete or otherwise unsuitable equipment, goods, supplies, material or information technology,  
18 the disposal of which would in the board's judgment be to the financial benefit of the public uni-  
19 versities [*under the board's control*] **listed in ORS 352.002**. This section does not apply to any  
20 equipment, goods, supplies, material or information technology encumbered by a certificate of par-  
21 ticipation.

22 (2) The proceeds from any sales or disposals made pursuant to authority granted in this section  
23 shall be deposited in a designated account in the Oregon University System Fund established by  
24 ORS 351.506 and may be expended by the board for any purpose authorized by law in the same  
25 manner as the board is authorized to make other expenditures.

26 **SECTION 129.** ORS 351.220 is amended to read:

27 351.220. The State Board of [*Higher*] Education may acquire by gift or by purchase interests in  
28 intellectual property of any kind, whether patentable or copyrightable or not, including patents,  
29 copyrights, inventions, discoveries, processes and ideas. The board may also agree to aid in the  
30 development of property acquired pursuant to ORS 351.220 to 351.250 and to pay an assignor of any  
31 interest in intellectual property a share of any moneys received on account of the board's ownership  
32 or management of the property.

33 **SECTION 130.** ORS 351.230 is amended to read:

34 351.230. The State Board of [*Higher*] Education may manage, develop or dispose of, by assign-  
35 ment, sale, lease, license or other action deemed advisable by the board, property acquired under  
36 ORS 351.220, and may contract with any person or agency, board, commission or department of this  
37 or any other state or with the federal government regarding the management, development or dis-  
38 position thereof. The board may make gratuitous assignments of such property to any trust or fund,  
39 the sole beneficiary of which is the board or any of the public universities or offices, departments  
40 or activities [*under its control*] **within the Oregon University System**, subject to the share, if any,  
41 agreed to be paid to the assignor. The board may reassign such property to the inventor, author or  
42 discoverer.

43 **SECTION 131.** ORS 351.240 is amended to read:

44 351.240. The State Board of [*Higher*] Education may determine the terms and conditions of any  
45 transaction authorized by ORS 351.220 to 351.250 and need not require competitive bids in con-

1 nection therewith. No formal publicity or advertising is required regarding property for the devel-  
 2 opment of which the board wishes to contract, but the board shall make reasonable efforts to  
 3 disseminate such information in appropriate research and industrial circles.

4 **SECTION 132.** ORS 351.250 is amended to read:

5 351.250. Moneys received by the board as a result of ownership or management of property ac-  
 6 quired under ORS 351.220 to 351.250 or of transactions regarding such property shall be credited to  
 7 a designated account in the Oregon University System Fund established by ORS 351.506 and shall  
 8 only be applied by the State Board of [*Higher*] Education to payment of the agreed share, if any, to  
 9 assignors, and for the advancement of research or for the acquisition and development of intellectual  
 10 property, or both. Interest earned by the account shall be credited to the account.

11 **SECTION 133.** ORS 351.260 is amended to read:

12 351.260. The State Board of [*Higher*] Education may establish and maintain planning facilities  
 13 and undertake planning work for the provision of, or related to, local planning services and may:

14 (1) Upon the request of the governing body of any municipality, county, Indian reservation or  
 15 of a regional or joint planning agency in the state, provide planning assistance to such municipality,  
 16 county, Indian reservation or planning agency (including surveys, land use studies, urban renewal  
 17 plans, technical services and other planning work) and make or assist in making a study or report  
 18 upon any planning problem of such municipality, county, Indian reservation or planning agency.

19 (2) Agree with such governing body or planning agency as to the amount to be paid to the board  
 20 for such service.

21 (3) Apply for and accept grants from the federal government and other sources in connection  
 22 with any such planning work.

23 (4) Contract with respect thereto.

24 **SECTION 134.** ORS 351.267 is amended to read:

25 351.267. (1) The State Board of [*Higher*] Education shall give individual, written notice of rea-  
 26 sonable assurance of continued employment to all employees who are to perform services in the  
 27 same or a similar capacity during a subsequent academic year or term or in the period immediately  
 28 following a recess period. Such notice shall be given by June 15 of each year for employees em-  
 29 ployed as of that date and as of the date of hire for employees employed subsequent to June 15.

30 (2) Academic staff members on annual or indefinite tenure and all other employees on regular  
 31 status are considered to have been given notice for the purposes of this section.

32 (3) No liability shall accrue from failure to give the notice required by subsection (1) of this  
 33 section or from the timing or contents thereof on the part of the board. However, the board shall  
 34 enforce the provisions of subsection (1) of this section.

35 **SECTION 135.** ORS 351.277 is amended to read:

36 351.277. (1) The State Board of [*Higher*] Education shall establish by rule procedures to identify  
 37 officially sanctioned programs for purposes of ORS 283.310 (3).

38 (2) As used in this section, "officially sanctioned program" is a program identified by the state  
 39 board through the procedures established pursuant to subsection (1) of this section.

40 **SECTION 136.** ORS 351.282 is amended to read:

41 351.282. Except for risk management and insurance functions, the State Board of [*Higher*] Edu-  
 42 cation and the Oregon University System shall assume responsibility, in accordance with agreements  
 43 entered into with the Department of Justice and the State Treasurer, for the indemnity and defense  
 44 of their officers, agents and employees or other persons designated by the board or the system to  
 45 carry out or further their missions with regard to claims asserted and actions commenced as of

1 January 1, 2012.

2 **SECTION 137.** ORS 351.284 is amended to read:

3 351.284. For risk management and insurance functions, the State Board of *[Higher]* Education  
4 and the Oregon University System shall assume responsibility, in accordance with agreements en-  
5 tered into with the Oregon Department of Administrative Services regarding its risk management  
6 function and the manager of the Insurance Fund established in ORS 278.425, for the indemnity and  
7 defense of their officers, agents and employees or other persons designated by the board or the  
8 system to carry out or further their missions with regard to claims asserted and actions commenced  
9 as of July 1, 2012.

10 **SECTION 138.** ORS 351.287 is amended to read:

11 351.287. Except as otherwise provided by law, all liabilities, known and unknown, of the State  
12 Board of *[Higher]* Education and the Oregon University System existing on or arising after January  
13 1, 2012, or, for liabilities related to risk management or insurance functions, arising after July 1,  
14 2012, are the sole responsibility of the board and system. Damages, costs and other expenses arising  
15 out of and related to liabilities of the board and the system after January 1, 2012, shall be payable  
16 from the Oregon University System Fund or from insurance purchased, a self-insurance program  
17 established or another insurance equivalent arranged for under ORS 351.096.

18 **SECTION 139.** ORS 351.310 is amended to read:

19 351.310. (1) The State Board of *[Higher]* Education shall control the use, distribution and dis-  
20 bursement of all funds, appropriations and taxes now or hereafter in possession, levied and collected,  
21 received or appropriated for the use, benefit, support and maintenance of the public universities  
22 listed in ORS 352.002 and offices, departments and activities *[under the control of the board]* **within**  
23 **the Oregon University System**, including the authorization of individuals to sign vouchers for the  
24 disbursement of funds for the various public universities, offices, departments and activities.

25 (2) All moneys, except moneys appropriated from the State Treasury for expenditure within a  
26 specified period of time, heretofore or hereafter received by or on behalf of the board, or any public  
27 university or office, department or activity *[under the control of the board]* **within the Oregon**  
28 **University System**, that are not otherwise appropriated by law, hereby are appropriated contin-  
29 uously to the State Board of *[Higher]* Education for the purposes for which such moneys were do-  
30 nated, granted or received, in accordance with any applicable law governing the use of such moneys.

31 **SECTION 140.** ORS 351.320 is amended to read:

32 351.320. The State Board of *[Higher]* Education may prorate all expenses not otherwise provided  
33 for, incurred under authority of ORS *[351.040, 351.045,]* 351.100, 351.110, 351.130 and 351.310 to the  
34 public universities *[under its control]* **listed in ORS 352.002**, and pay the same from the funds  
35 available for the general expenses of those universities.

36 **SECTION 141.** ORS 351.340 is amended to read:

37 351.340. All sums of money provided by law for the support and maintenance of the public uni-  
38 versities listed in ORS 352.002 and offices, departments and activities *[under the control of the State*  
39 *Board of Higher Education]* **within the Oregon University System** may be used for the payment  
40 of salaries of instructors and employees, current expenses, construction of additional buildings,  
41 purchase of lands, purchase of equipment, purchase of library books and periodicals, purchase of  
42 laboratory supplies and apparatus and making necessary repairs and, in general, for the payment  
43 of all such expenses connected with the management of the public universities and offices, depart-  
44 ments and activities, as the **State Board of Education** may from time to time determine. However,  
45 such moneys in the instruction budget of the board shall not be used to support hobby or recreation

1 courses.

2 **SECTION 142.** ORS 351.345 is amended to read:

3 351.345. In order to provide funds for the purposes specified in Article XI-G of the Oregon  
4 Constitution, the State Board of [*Higher*] Education may request the State Treasurer to issue bonds  
5 in accordance with the provisions of ORS chapter 286A.

6 **SECTION 143.** ORS 351.350 is amended to read:

7 351.350. In order to provide funds for the purposes specified in Article XI-F(1), Oregon Consti-  
8 tution, the State Board of [*Higher*] Education may request the State Treasurer to issue bonds in  
9 accordance with the provisions of ORS chapter 286A.

10 **SECTION 144.** ORS 351.353 is amended to read:

11 351.353. (1) The State Board of [*Higher*] Education may undertake the construction of an off-  
12 street motor vehicle parking facility in Portland, Oregon, for higher education pursuant to Article  
13 XI-F(1), Oregon Constitution, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505. The parking  
14 facility shall be for the use of the students and staff members of the board. The board shall establish  
15 the rates, charges and fees for use of the parking facility in accordance with the provisions of ORS  
16 351.170.

17 (2) Bonds may be sold to finance the facility described in this section, in an amount authorized  
18 and under the conditions prescribed by ORS 351.350.

19 **SECTION 145.** ORS 351.356 is amended to read:

20 351.356. (1) As used in this section:

21 (a) "Bond" means a bond issued under Article XI-F(1) of the Oregon Constitution.

22 (b) "Credit enhancement device" means a letter of credit, line of credit, bond insurance policy,  
23 standby purchase agreement, surety bond or other device or facility used to enhance the  
24 creditworthiness, liquidity or marketability of a bond.

25 (c) "Financial agreement" means an agreement for exchange of interest rates, as defined in ORS  
26 286A.001, a credit enhancement device or an agreement made in connection with a credit enhance-  
27 ment device, that is executed for one or more bonds.

28 (2) The State of Oregon, acting through the State Board of [*Higher*] Education or the State  
29 Treasurer, may:

30 (a) Enter into financial agreements.

31 (b) Identify, segregate, pledge and agree to pay amounts due under financial agreements entered  
32 into under this section from:

33 (A) The revenues described in section 2, Article XI-F(1) of the Oregon Constitution; or

34 (B) The unexpended proceeds of the bonds for which financial agreements are executed.

35 (c) To the extent permitted by Article XI-F(1) of the Oregon Constitution, issue bonds to secure  
36 the state's obligation to make payments under a financial agreement. If a bond is issued under this  
37 paragraph, the bond amount shall count toward the limit described in section 1, Article XI-F(1) of  
38 the Oregon Constitution, only to the extent that it increases the amount the state is obligated to  
39 pay under other bonds.

40 **SECTION 146.** ORS 351.460 is amended to read:

41 351.460. (1) The State Board of [*Higher*] Education shall maintain an account within the Oregon  
42 University System Fund established by ORS 351.506 to provide for the payment of the principal of  
43 and the interest upon:

44 (a) The bonds issued under authority of Article XI-F(1) of the Oregon Constitution and ORS  
45 351.350;

1 (b) The bonds issued under authority of Article XI-G of the Oregon Constitution and ORS  
2 351.345; and

3 (c) Amounts due under financial agreements entered into under ORS 351.356.

4 (2) The account maintained under this section comprises one subaccount for each of the pur-  
5 poses of the account identified in subsection (1) of this section.

6 (3) Income and interest derived from moneys in the subaccounts of the account maintained under  
7 this section are credited to the appropriate subaccount.

8 (4) The sources of moneys for the account maintained under this section are:

9 (a) All moneys received from ad valorem taxes levied pursuant to ORS 291.445;

10 (b) All moneys that the Legislative Assembly may provide in lieu of ad valorem taxes;

11 (c) The revenues transferred to the account maintained under this section pursuant to sub-  
12 section (6) of this section;

13 (d) All moneys received as accrued interest upon bonds sold;

14 (e) All earnings from investments of the account;

15 (f) Net proceeds of the sale of refunding bonds; and

16 (g) All moneys that the State of Oregon has agreed to hold in the account to pay amounts due  
17 under financial agreements entered into under ORS 351.356.

18 (5) The board may credit the account maintained under this section with moneys received from  
19 either a sale or interfund transfer of buildings, structures, land or other projects. When the  
20 buildings, structures, land or other projects are sold or the use of the buildings, structures, land or  
21 other projects is rededicated so that a transfer from one subaccount to another subaccount is ap-  
22 propriate, the moneys received shall be credited to the appropriate subaccount.

23 (6)(a) The board shall transfer revenues to the account maintained under this section in amounts  
24 sufficient to pay, when due, the principal of and the interest and any premium upon the bonds issued  
25 under authority of Article XI-F(1) of the Oregon Constitution. Revenues not required for the account  
26 as described in this subsection shall be transferred to other accounts and subaccounts within the  
27 Oregon University System Fund that are designated by the Chancellor of the Oregon University  
28 System. The portion of student building fees that are imposed under ORS 351.170 to provide the  
29 funds with which to amortize the principal of and pay the interest on bonds issued under Article  
30 XI-F(1) of the Oregon Constitution shall be applied only to pay those bonds.

31 (b) For purposes of this subsection, "revenues" includes all funds available to the board except:

32 (A) Amounts appropriated by the Legislative Assembly from the General Fund; and

33 (B) Lottery funds allocated for debt service.

34 (7)(a) The board may not use the account maintained under this section for any purpose other  
35 than the purposes for which the account was created.

36 (b) Notwithstanding paragraph (a) of this subsection, if the balance in any subaccount exceeds  
37 the amount required to pay debt service during a fiscal period, the board may transfer the surplus  
38 in the subaccount to other accounts in the Oregon University System Fund. This paragraph does  
39 not apply to any surplus consisting of General Fund moneys appropriated for debt service or lottery  
40 funds allocated for debt service. Any surplus consisting of General Fund moneys appropriated for  
41 debt service shall revert to the General Fund as provided in ORS 293.190.

42 **SECTION 147.** ORS 351.476 is amended to read:

43 351.476. (1) At the request of the Chancellor of the Oregon University System, the State Treas-  
44 urer may issue, as provided in ORS chapter 286A, higher education revenue bonds from time to time,  
45 the net proceeds of which must be used to:

1 (a) Finance projects that the State Board of *[Higher]* Education determines will assist the  
2 Oregon University System in carrying out its statutory powers;

3 (b) Refund bonds issued for the projects; and

4 (c) Pay bond-related costs.

5 (2)(a) Before pledging all or a portion of higher education revenues, pursuant to ORS 286A.102,  
6 to secure higher education revenue bonds, higher education credit enhancement devices or agree-  
7 ments for exchange of interest rates related to such revenue bonds or credit enhancement devices,  
8 the chancellor shall reserve sufficient funds each biennium to satisfy any payment or reserve re-  
9 quirements relating to:

10 (A) General obligation bonds or certificates of participation issued for the benefit of the Oregon  
11 University System;

12 (B) Credit enhancement devices or agreements for exchange of interest rates entered into in  
13 connection with obligations related to general obligation bonds or certificates of participation issued  
14 for the benefit of the Oregon University System; and

15 (C) Loans to the Oregon University System funded by state general obligation bonds.

16 (b) Pursuant to ORS 286A.010, the Oregon University System shall provide cash flow projections  
17 and other information requested by the State Treasurer to determine the sufficiency of higher edu-  
18 cation revenues to satisfy the requirements of paragraph (a) of this subsection and any proposed  
19 revenue bonds.

20 (c) For purposes of the issuance of bonds and ORS chapter 286A, the Oregon University System  
21 shall be considered a related agency as defined in ORS 286A.001 (9).

22 (d) The chancellor shall identify the specific higher education revenues that will be pledged to  
23 secure each series of higher education revenue bonds and specify the status of the lien of each  
24 pledge.

25 (3) The chancellor may enter into covenants, pursuant to ORS 286A.025 (4)(c), on behalf of the  
26 State of Oregon for the benefit of holders of higher education revenue bonds, providers of credit  
27 enhancement for higher education revenue bonds and counterparties to agreements for exchange of  
28 interest rates to:

29 (a) Adjust the rates, charges or fees that produce higher education revenues so that higher ed-  
30 ucation revenues equal or exceed specified levels during specified periods.

31 (b) Create only those pledges or liens on higher education revenues that are permitted by the  
32 covenants authorized by this section.

33 (c) Budget and apply higher education revenues, or otherwise allow higher education revenues  
34 to be applied, in amounts that, when added to other moneys lawfully available for the purpose, will  
35 be sufficient:

36 (A) To pay in full and when due the principal, interest and premium on outstanding higher ed-  
37 ucation revenue bonds;

38 (B) To pay amounts due in connection with agreements for exchange of interest rates and credit  
39 enhancement devices for higher education revenue bonds; and

40 (C) To maintain the balance required by covenants in any debt service reserves established for  
41 the higher education revenue bonds.

42 (4) The chancellor shall operate the properties of the Oregon University System in compliance  
43 with the higher education revenue bond covenants until all higher education revenue bonds are paid  
44 or defeased.

45 (5) Higher education revenue bonds are not a general obligation of the State of Oregon, and

1 neither the full faith and credit nor the taxing power of the State of Oregon may be pledged to se-  
2 cure or pay the higher education revenue bonds.

3 (6) The State Treasurer and the Oregon University System do not have an obligation to pay  
4 bond-related costs except as provided in ORS 351.473 to 351.485. A holder of higher education re-  
5 venue bonds issued under this section does not have the right to compel the exercise of the taxing  
6 power of the State of Oregon to pay bond-related costs.

7 (7) As long as any higher education revenue bonds issued under this section are outstanding,  
8 covenants related to the higher education revenue bonds are deemed to be contracts between the  
9 State of Oregon and holders of the higher education revenue bonds. The State of Oregon may not  
10 give force or effect to a statute or initiative or referendum measure approved by the electors of this  
11 state if doing so would unconstitutionally impair existing covenants made with the holders of exist-  
12 ing higher education revenue bonds or would unconstitutionally impair other obligations or agree-  
13 ments regarding the security of higher education revenue bonds to which the moneys deposited in  
14 the accounts established by ORS 351.479, 351.482 and 351.485 are pledged and assigned.

15 (8) The principal, interest and any premium and any issuance costs on a financing agreement  
16 under ORS 283.085 to 283.092, any general obligation bond, any revenue bond and any related credit  
17 enhancement device or interest rate exchange agreement shall be paid from the sources specified in  
18 the laws and documents authorizing the financing agreement, bond, credit enhancement device or  
19 interest rate exchange agreement. The Oregon University System shall pay any other expenses and  
20 liabilities, including but not limited to legal expenses, costs of settling claims, judgments, federal  
21 arbitrage rebates and penalties and expenses arising from an inquiry, audit or other action by a  
22 federal or state regulatory body, unless the expense or liability results solely from the negligence  
23 or willful misconduct of a state agency.

24 (9) Pursuant to ORS chapter 180, on behalf of the State Treasurer or any other state agency,  
25 the Attorney General shall appear, commence, prosecute or defend any action, suit, matter, cause  
26 or proceeding arising from any financing agreement under ORS 283.085 to 283.092, any bond issued  
27 for the benefit of the Oregon University System and any related credit enhancement device or in-  
28 terest rate exchange agreement.

29 **SECTION 148.** ORS 351.505 is amended to read:

30 351.505. The State Board of [*Higher*] Education may, in its discretion, accept financial assistance  
31 and grants, either in the form of money or labor, from the United States or any of its agencies,  
32 subject to the terms and conditions thereof, regardless of any laws of this state in conflict with the  
33 regulations of the federal government with respect thereto, and may also accept from others any  
34 donation or grant of land or gift of money or other valuable gift or thing, for any of the purposes  
35 contemplated by Article XI-F(1) and Article XI-G of the Oregon Constitution, ORS 351.160 to 351.190,  
36 351.345 to 351.460, 351.500 and 351.505. Unless enjoined by the terms or conditions of any such gift  
37 or grant, the board may convert the same, or any of them, into money, through sale or disposal  
38 thereof.

39 **SECTION 149.** ORS 351.506 is amended to read:

40 351.506. (1) The Oregon University System Fund is established in the State Treasury, separate  
41 and distinct from the General Fund. Any interest or other investment income derived from moneys  
42 in the Oregon University System Fund is credited to the fund.

43 (2) Except for moneys otherwise designated by statute or federal law, all moneys received by the  
44 State Board of [*Higher*] Education **for higher education** or the Oregon University System shall be  
45 paid into the State Treasury and credited to the Oregon University System Fund. All moneys in the

1 fund are continuously appropriated to the State Board of [*Higher*] Education for purposes authorized  
2 by law.

3 (3) The moneys in the Oregon University System Fund may be invested as provided in ORS  
4 293.701 to 293.820.

5 (4) The board may establish accounts and subaccounts within the Oregon University System  
6 Fund when the board determines that accounts or subaccounts are necessary or desirable. Except  
7 when otherwise specified by a statute establishing an account, the board may credit any interest  
8 or income derived from moneys in the fund to any account or subaccount within the fund.

9 (5) The board shall keep a record of all moneys deposited into the Oregon University System  
10 Fund. The record shall indicate by separate cumulative accounts and subaccounts the sources from  
11 which the moneys are derived and the individual activity or program against which each withdrawal  
12 is charged.

13 **SECTION 150.** ORS 351.590 is amended to read:

14 351.590. (1) An account in the Oregon University System Fund established by ORS 351.506 is  
15 designated for the purpose of receiving all revenue from incidental fees, optional fees, health ser-  
16 vices fees and all operating revenue from intercollegiate athletics, student unions and educational  
17 activities.

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

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

26 **SECTION 151.** ORS 351.615 is amended to read:

27 351.615. Moneys set aside by higher education auxiliary activities for repair and alteration of  
28 buildings and replacement of equipment shall be credited to an account designated for that purpose  
29 in the Oregon University System Fund established by ORS 351.506. Income and interest derived from  
30 moneys in the account are credited to the account for distribution to the several auxiliary activities  
31 in accord with rules adopted by the State Board of [*Higher*] Education. The moneys in the account  
32 may be used only for the repair and alteration of auxiliary enterprise buildings and replacement of  
33 equipment as designated by the board, after hearing any recommendations by recognized student  
34 governments.

35 **SECTION 152.** ORS 351.627 is amended to read:

36 351.627. (1) An account in the Oregon University System Fund established by ORS 351.506 is  
37 designated for the purpose of capital construction.

38 (2) The account designated by this section consists of moneys credited to the account, including  
39 moneys from the Administrative Services Economic Development Fund. Interest earned on moneys  
40 in the account is credited to the account.

41 (3) A building, facility or project to be funded from the account designated by this section may  
42 not be commenced and an expenditure for the building, facility or project may not be made or in-  
43 curred except for land purchases and architectural or engineering planning until a plan for the  
44 building, facility or project has been submitted by the State Board of [*Higher*] Education to and  
45 approved by the Emergency Board.

1       **SECTION 153.** ORS 351.633 is amended to read:

2       351.633. Any contract entered into by the State Board of [*Higher*] Education to be paid from the  
3 account designated by ORS 351.627 for which there are insufficient funds in the account at the time  
4 the contract is entered into must contain a provision authorizing cancellation of the contract if the  
5 funds do not become available.

6       **SECTION 154.** ORS 351.638 is amended to read:

7       351.638. (1) An account in the Oregon University System Fund established by ORS 351.506 is  
8 designated for the purpose of attracting new, outstanding faculty members to the public universities  
9 listed in ORS 352.002. This purpose includes payment of costs incurred in relocating new faculty,  
10 retraining necessary teaching assistants for new faculty, acquisition of equipment such as laboratory  
11 equipment and facilities to support research by new faculty, payment of other costs incurred in re-  
12 cruiting new faculty and payment of costs associated with committing salary supplements to newly  
13 recruited faculty over a period of more than one year.

14       (2) The State Board of [*Higher*] Education shall seek funds from private sources for deposit to  
15 the credit of the account designated by this section.

16       **SECTION 155.** ORS 351.642, as amended by section 7, chapter 106, Oregon Laws 2012, is  
17 amended to read:

18       351.642. (1) As used in this section:

19       (a) “Active member of the Armed Forces of the United States” includes officers and enlisted  
20 personnel of the Armed Forces of the United States who:

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

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

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

27       (b) “Armed Forces of the United States” includes:

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

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

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

32       (c) “Dependent children” includes any children of an active member of the Armed Forces of the  
33 United States, of an active member of the commissioned corps of the National Oceanic and Atmo-  
34 spheric Administration or of a member of the Public Health Service of the United States Department  
35 of Health and Human Services detailed by proper authority for duty with the Army or Navy of the  
36 United States, who:

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

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

40       (2) Active members of the Armed Forces of the United States, active members of the commis-  
41 sioned corps of the National Oceanic and Atmospheric Administration and members of the Public  
42 Health Service of the United States Department of Health and Human Services detailed by proper  
43 authority for duty with the Army or Navy of the United States, and their spouses and dependent  
44 children, are considered residents of this state for the purpose of admission and for the purpose of  
45 determining fees and tuition to be paid by such individuals while attending any public university

1 *[that is under the control of the State Board of Higher Education]* **listed in ORS 352.002.**

2 (3) The State Board of *[Higher]* Education may contract with the Armed Forces of the United  
3 States to furnish educational service in the public universities to active members of the Armed  
4 Forces of the United States.

5 (4) The State Board of *[Higher]* Education shall determine the number of such students that  
6 should be accepted and shall make final decisions on admission of individual applicants.

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

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

12 **SECTION 156.** ORS 351.643, as amended by section 8, chapter 106, Oregon Laws 2012, is  
13 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (4) The State Board of [*Higher*] Education shall adopt rules for the administration of this sec-  
 5 tion.

6 (5) As used in this section, “member of the military” means a person who is a member of:

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

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

10 **SECTION 157.** ORS 351.644 is amended to read:

11 351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b) shall be based on:

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

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

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

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

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

22 (B) As a monetary payment.

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

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

29 (4) A personal representative of a student who elected to claim the credit by the method de-  
 30 scribed in subsection (1)(c)(A) of this section may claim a monetary payment upon presenting evi-  
 31 dence to the public university that the student died while serving on active duty.

32 (5) The State Board of [*Higher*] Education shall adopt rules for the administration of this sec-  
 33 tion, including rules that determine the amount of credit and the method by which the credit is  
 34 prorated.

35 **SECTION 158.** ORS 351.646 is amended to read:

36 351.646. A public university listed in ORS 352.002 shall give credit for education and training  
 37 obtained by a person while serving in the Armed Forces of the United States, as defined in ORS  
 38 351.642. The education and training for which credit may be given must meet the standards adopted  
 39 by the State Board of [*Higher*] Education by rule.

40 **SECTION 159.** ORS 351.647 is amended to read:

41 351.647. The Legislative Assembly finds that:

42 (1) It is in the interest of this state and its people that Oregon residents have access to the  
 43 post-secondary institutions in the Northwest which best provide for the educational needs of those  
 44 students;

45 (2) The people of Oregon and their post-secondary institutions benefit through the provision of

1 access to Oregon colleges and universities for students from the state of Washington and from the  
2 enhanced economic and cultural well-being of the northwest region;

3 (3) The state should reduce or eliminate the nonresident tuition barriers which might exist be-  
4 tween the states of Oregon and Washington to restrict or inhibit enrollment of residents of one of  
5 these states in a community college or public college or university in the other state;

6 (4) The general policy statement on reduction of admission and tuition barriers between the  
7 states of Oregon and Washington shall not apply to students at the Oregon Health and Science  
8 University, where enrollment priority shall continue to be given to qualified Oregon residents; and

9 (5) The State Board of [*Higher*] Education [*and the Higher Education Coordinating Commission*]  
10 shall develop plans to carry out the intent of this policy within the appropriations available, and  
11 shall report to the appropriate legislative review agency before implementing the plan.

12 **SECTION 160.** 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 waive tuition for any course audited by an Oregon resident 65 years of age or older  
15 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 for implementation of this section, including rules re-  
23 lating to registration, admission and fees.

24 **SECTION 161.** ORS 351.663 is amended to read:

25 351.663. (1) The Engineering and Technology Industry Council is established. A majority of the  
26 council members are representatives of high technology companies in Oregon. The council shall be  
27 consulted on the work plans and resource allocations for engineering education.

28 (2) The council shall establish criteria and measurements that will be used for determining in-  
29 vestments made from the account designated by ORS 351.666.

30 (3) The criteria and measurements established by the council include:

31 (a) Responding to the urgent engineering educational needs of Oregon's fast growing high tech-  
32 nology industry, especially in the Portland metropolitan area.

33 (b) Increasing this state's faculty and program capacity to meet the graduate level, professional  
34 education needs of engineers working in Oregon's high technology industry through investments in  
35 public and private institutions.

36 (c) Creating additional opportunities for Oregonians to pursue education in electrical engineer-  
37 ing, computer engineering and other engineering disciplines critical to the advancement of Oregon's  
38 high technology industry.

39 (d) Investing relatively scarce state financial resources to:

40 (A) Address the high technology industry's most demonstrated and pressing needs;

41 (B) Produce the greatest amount of educational benefits with the least short-term and long-term  
42 costs to the public;

43 (C) Avoid duplicating existing public or private resources; and

44 (D) Leverage existing and future private resources for the public benefit.

45 (e) Making all investments in public and private institutions through performance-based con-

1 tracts with measurable outcomes in order to ensure strong linkage between the most urgent engi-  
2 neering education needs and implemented solutions.

3 (f) Maximizing the leverage of state investment funds to build faculty and program capacity and  
4 share existing and new faculty and program resources.

5 (4) Priority is given to investments where private financial resources from Oregon high tech-  
6 nology companies or individuals with significant interests in the growth of high technology in  
7 Oregon are made available to augment public funds.

8 (5) The council must submit biennial performance reviews of all investments made to improve  
9 engineering education with public funds in public and private institutions. The reviews must be  
10 submitted to the Chancellor of the Oregon University System and the State Board of [*Higher*] Edu-  
11 cation.

12 **SECTION 162.** ORS 351.666 is amended to read:

13 351.666. (1) An account in the Oregon University System Fund established by ORS 351.506 is  
14 designated for the purpose of investments in engineering education. Interest earned on moneys in  
15 the account is credited to the account.

16 (2) The State Board of [*Higher*] Education shall use the moneys in the account designated by  
17 this section solely for the purpose of investing in engineering education. The board shall follow the  
18 criteria and measurements established by the Engineering and Technology Industry Council in al-  
19 locating moneys for investments in engineering education.

20 **SECTION 163.** ORS 351.668 is amended to read:

21 351.668. The State Board of [*Higher*] Education shall use the money from the account designated  
22 by ORS 351.666 solely for the purpose of investing in engineering education. The board shall follow  
23 the criteria and measurements established by the Engineering and Technology Industry Council in  
24 allocating money for investments in engineering education.

25 **SECTION 164.** ORS 351.692 is amended to read:

26 351.692. The State Board of [*Higher*] Education shall adopt policies that prescribe the require-  
27 ments for a venture grant program and the requirements that a grant applicant must meet in order  
28 to receive grant moneys from a university venture development fund, including requirements:

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

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

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

40 **SECTION 165.** ORS 351.697 is amended to read:

41 351.697. (1) Each university in the Oregon University System and Oregon Health and Science  
42 University may elect to establish a university venture development fund as provided in this section  
43 for the purpose of facilitating the commercialization of university research and development. A  
44 university shall direct that the university venture development fund be administered, in whole or in  
45 part, by the university or by the university's affiliated foundation.

- 1 (2) The purposes of a university venture development fund are to provide:
- 2 (a) Capital for university entrepreneurial programs;
- 3 (b) Opportunities for students to gain experience in applying research to commercial activities;
- 4 (c) Proof-of-concept funding for transforming research and development concepts into commer-
- 5 cially viable products and services;
- 6 (d) Entrepreneurial opportunities for persons interested in transforming research into viable
- 7 commercial ventures that create jobs in this state; and
- 8 (e) Tax credits for contributors to university research commercialization activities.
- 9 (3) Each university that elects to establish a university venture development fund shall:
- 10 (a) Notify the Department of Revenue of the establishment of the fund;
- 11 (b) Either directly or through its affiliated foundation, solicit contributions to the fund and re-
- 12 ceive, manage and disburse moneys contributed to the fund;
- 13 (c) Subject to ORS 315.521 (1), 351.692 (3) and 353.445 (3), issue tax credit certificates to con-
- 14 tributors to the fund in the amount of the contributions;
- 15 (d) Establish a grant program that meets the requirements for a venture grant program under
- 16 policies adopted by the State Board of *[Higher]* Education under ORS 351.692 or under policies
- 17 adopted by the Oregon Health and Science University Board of Directors under ORS 353.445; and
- 18 (e) Subject to available moneys from the fund, provide qualified grant applicants with moneys
- 19 for the purpose of facilitating the commercialization of university research and development.
- 20 (4) Except as provided in subsection (5) of this section, moneys in a university venture devel-
- 21 opment fund shall be disbursed only as directed by a university.
- 22 (5) A university or its affiliated foundation may charge its customary administrative assessment
- 23 to manage its university venture development fund in an amount not to exceed three percent of the
- 24 fund's average balance during the fiscal year of the university or its affiliated foundation. The ad-
- 25 ministrative assessment may be paid from the assets in the fund. Except as authorized by law, no
- 26 other fees or indirect costs shall be charged against the university venture development fund or any
- 27 associated grants or other disbursements from the fund.
- 28 (6) A university that has established a university venture development fund shall monitor the
- 29 use of grants made from the fund and identify the income realized by the university as the result
- 30 of the use of the grants. Income consists of cash realized from royalties, milestone and license fee
- 31 payments and cash from the sale of equity. The university shall cause the transfer of 20 percent of
- 32 the income realized from the grants to the General Fund, but not to exceed the amount of the tax
- 33 credits issued by the university as a result of contributions to its university venture development
- 34 fund. Immediately upon deposit of the transferred amount into the General Fund, the university may
- 35 issue new tax credits to equal the transferred amount.
- 36 (7) A university that has established a university venture development fund shall report annually
- 37 to the Legislative Assembly or, if the Legislative Assembly is not in session, to the interim legisla-
- 38 tive committees on revenue. The report shall be at the end of the fiscal year of the university or
- 39 of its affiliated foundation and provide information for that fiscal year. The university shall include
- 40 in the report the following information pertaining to its university venture development fund:
- 41 (a) The amount of donations received for the fund;
- 42 (b) The amount of income received from the fund;
- 43 (c) The amount of disbursements and grants paid from the fund;
- 44 (d) The amount of income and royalties received from disbursements from the fund; and
- 45 (e) The amount of moneys transferred from the fund to the General Fund.

1       **SECTION 166.** ORS 351.708 is amended to read:

2       351.708. The State Board of Education [*and the State Board of Higher Education*] shall establish  
 3 baselines and conduct annual reviews of each public institution of higher education with respect to  
 4 the employment of full-time faculty and of faculty working less than full-time. Each public institution  
 5 of higher education shall provide the necessary data for the board's report prior to September 1 of  
 6 each year. The [*boards*] **board** shall report the results of the reviews to the Legislative Assembly  
 7 and the Governor's office prior to October 1 of each year. The reviews shall include:

8       (1) Examination of data related to the ratio of courses taught by the following faculty catego-  
 9 ries:

- 10       (a) Full-time faculty;
- 11       (b) Part-time faculty; and
- 12       (c) Graduate assistants;
- 13       (2) The pay differential for the faculty categories; and
- 14       (3) The health care and other benefits provided for each faculty category.

15       **SECTION 167.** ORS 351.735, as amended by section 1, chapter 104, Oregon Laws 2012, is  
 16 amended to read:

17       351.735. (1) The Higher Education Coordinating Commission shall advise the Oregon Education  
 18 Investment Board on state goals and associated achievement compacts for the state post-secondary  
 19 education system, including community colleges and public universities listed in ORS 352.002, and  
 20 for the Oregon Student Access Commission.

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

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

- 27       (A) Increasing the educational attainment of the population;
- 28       (B) Increasing this state's global economic competitiveness and the quality of life of its citizens;
- 29       (C) Ensuring affordable access for qualified Oregon students at each college or public university;
- 30       and
- 31       (D) Ensuring that public higher education in this state is provided in a cost-effective manner.

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

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

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

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

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

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

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

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

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

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

6 (C) Ongoing operations for community colleges;

7 (D) Needed new facilities or programs; and

8 (E) Capital improvements.

9 (e) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of  
10 student financial assistance programs, including the Oregon Opportunity Grant program under ORS  
11 348.260.

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

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

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

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

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

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

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

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

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

25 (D) Reciprocity agreements with other states.

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

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

31 **SECTION 168.** ORS 351.735, as amended by sections 1 and 3, chapter 104, Oregon Laws 2012,  
32 is amended to read:

33 351.735. [(1) *The Higher Education Coordinating Commission shall advise the Oregon Education*  
34 *Investment Board on state goals and associated achievement compacts for the state post-secondary ed-*  
35 *ucation system, including community colleges and public universities listed in ORS 352.002, and for the*  
36 *Oregon Student Access Commission.*]

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

39 **(1) The State Board of Education shall:**

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

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

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

- 1 (C) Ensuring affordable access for qualified Oregon students at each college or public university;  
 2 and
- 3 (D) Ensuring that public higher education in this state is provided in a cost-effective manner.
- 4 (b) Evaluate and recommend changes to statutory goals and missions described for community  
 5 colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiving rec-  
 6 ommendations from the appropriate governing board. The appropriate governing board shall have  
 7 decision-making authority over program offerings to implement established goals and missions.
- 8 (c) Develop a finance model for higher education aligned with the goals in the system strategic  
 9 plan, including:
- 10 (A) Recommended biennial appropriations to institutions, including a component specifically tied  
 11 to institutional contributions to state educational priorities;
- 12 (B) Recommended limits regarding the setting of tuition rates at public universities listed in  
 13 ORS 352.002 in accordance with criteria set by the State Board of *[Higher]* Education, with the goal  
 14 of encouraging tuition affordability for students;
- 15 (C) Tuition rates set by each community college governing board for community colleges in this  
 16 state;
- 17 (D) Recommended biennial appropriations for student financial aid; and
- 18 (E) Recommended biennial appropriations for any future statewide higher education initiatives.
- 19 (d) Each biennium, recommend to the Oregon Education Investment Board a consolidated higher  
 20 education budget request consistent with the finance model, including appropriations for:
- 21 (A) Ongoing operations of the Oregon Student Access Commission;
- 22 (B) Ongoing operations for the Oregon University System;
- 23 (C) Ongoing operations for community colleges;
- 24 (D) Needed new facilities or programs; and
- 25 (E) Capital improvements.
- 26 (e) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of  
 27 student financial assistance programs, including the Oregon Opportunity Grant program under ORS  
 28 348.260.
- 29 (f) Approve and authorize degrees for the Oregon University System.
- 30 (g) Authorize degrees to be offered in this state in accordance with ORS 348.594 to 348.615, and  
 31 adopt any rules to implement that authority.
- 32 *[(3)]* **(2)** In addition to the duties described in *[subsections (1) and (2)]* **subsection (1)** of this  
 33 section, the *[Higher Education Coordinating Commission]* **State Board of Education** shall:
- 34 (a) Develop and recommend policies to ensure or improve access to higher education by under-  
 35 served populations.
- 36 (b) Recommend and encourage student success and completion initiatives.
- 37 (c) Develop and recommend policies to improve the coordination of the provision of educational  
 38 services, including:
- 39 (A) Transfers and other movements throughout the higher education system;
- 40 (B) Accelerated college credit programs for high school students;
- 41 (C) Applied baccalaureate and other transfer degrees; and
- 42 (D) Reciprocity agreements with other states.
- 43 (d) Review research efforts among the public universities of this state to improve economic de-  
 44 velopment in this state.
- 45 (e) Coordinate education initiatives with the State Workforce Investment Board, the Department

1 of Community Colleges and Workforce Development, local workforce investment boards, the Oregon  
2 Health and Science University and independent institutions of post-secondary education.

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

4 **SECTION 169.** ORS 351.735, as amended by sections 1, 3 and 5, chapter 104, Oregon Laws 2012,  
5 is amended to read:

6 351.735. The [*Higher Education Coordinating Commission*] **State Board of Education** shall:

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

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

14 (a) Increasing the educational attainment of the population;

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

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

17 and

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

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

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

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

27 (b) Recommended limits regarding the setting of tuition rates at public universities listed in ORS  
28 352.002 in accordance with criteria set by the State Board of [*Higher*] Education, with the goal of  
29 encouraging tuition affordability for students;

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

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

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

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

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

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

38 (c) Ongoing operations for community colleges;

39 (d) Needed new facilities or programs; and

40 (e) Capital improvements.

41 (6) 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 (7) Approve and authorize degrees for the Oregon University System.

45 (8) 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 (9) Develop and recommend policies to ensure or improve access to higher education by under-  
3 served populations.

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

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

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

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

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

10 (d) Reciprocity agreements with other states.

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

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

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

17 **SECTION 170.** ORS 351.810 is amended to read:

18 351.810. The State Board of [*Higher*] Education, the Oregon Health and Science University and  
19 the Oregon members of the Western Interstate Commission for Higher Education are authorized to  
20 take any action necessary to achieving the ends of the Western Regional Higher Education Com-  
21 pact.

22 **SECTION 171.** ORS 351.820 is amended to read:

23 351.820. (1) Prior to June 1 of each even-numbered year the Oregon members of the Western  
24 Interstate Commission for Higher Education shall determine the quotas of Oregon students for whom  
25 various kinds of educational service should be purchased in out-of-state institutions during the next  
26 biennium and shall recommend to the State Board of [*Higher*] Education and the Oregon Health and  
27 Science University Board of Directors the amount to be included in its biennial budget to cover the  
28 cost of such educational service for students enrolled in their respective institutions.

29 (2) The State Board of [*Higher*] Education and the Oregon Health and Science University Board  
30 of Directors shall negotiate contracts with the Western Interstate Commission for Higher Education  
31 for educational service of the kind and amount indicated by the quotas determined under subsection  
32 (1) of this section. The board shall make payments required by such contracts out of the money ap-  
33 propriated to it for that purpose.

34 (3) The State Board of [*Higher*] Education may also contract with higher education institutions,  
35 or others, which are not members of the Western Interstate Commission for Higher Education, to  
36 furnish educational services to students who are residents of the State of Oregon in those areas of  
37 higher education where the educational institutions of the State of Oregon are unable to provide the  
38 desired professional educational opportunities.

39 **SECTION 172.** ORS 351.830 is amended to read:

40 351.830. (1) Any Oregon resident desiring to take advantage of the Western Regional Higher  
41 Education Compact may make application to the State Board of [*Higher*] Education for out-of-state  
42 educational service. From such applicants the board shall select students to fill the quotas deter-  
43 mined under ORS 351.820.

44 (2) The board and the Oregon members of the Western Interstate Commission for Higher Edu-  
45 cation shall jointly establish criteria to be observed by the board in making such selections.

1 (3) The board shall certify the names of the students selected to the Western Interstate Com-  
 2 mission for Higher Education and to the out-of-state institution to which each student desires ad-  
 3 mission.

4 **SECTION 173.** ORS 351.840 is amended to read:

5 351.840. (1) The State Board of [*Higher*] Education and the Oregon Health and Science Univer-  
 6 sity Board of Directors may contract with the Western Interstate Commission for Higher Education  
 7 to furnish educational service in their respective Oregon public universities to out-of-state students.

8 (2) The State Board of [*Higher*] Education and the Oregon Health and Science University Board  
 9 of Directors shall determine the number of out-of-state students that should be accepted into their  
 10 respective universities, and shall make final decisions on admission of individual applicants.

11 (3) Payments made by the commission under such contracts shall be deposited in and credited  
 12 to a designated account in the Oregon University System Fund established by ORS 351.506 for stu-  
 13 dents enrolled in public universities [*under the jurisdiction of the State Board of Higher Education*]  
 14 **listed in ORS 352.002** in the same manner that fees and tuition payments for resident students are  
 15 deposited and credited. The estimated amount of the payments must be considered by the **State**  
 16 **Board of Education** in making its biennial budgetary requests. Payments made by the commission  
 17 under such contracts must be deposited with the Oregon Health and Science University for students  
 18 who enroll in that university under the terms of such contracts.

19 **SECTION 174.** ORS 351.870 is amended to read:

20 351.870. (1) The Legislative Assembly finds and declares that basic research is fundamental to  
 21 the continuation and expansion of applied research and is thus a necessary ingredient in economic  
 22 growth. The Legislative Assembly further finds that basic research is itself an important activity  
 23 which should be promoted.

24 (2) It is the policy of this state that basic research is an appropriate and necessary activity of  
 25 our public universities. Further, the State of Oregon has an obligation with other states and the  
 26 federal government to encourage and finance basic research if the state and nation are to be active  
 27 participants in a future which will require ever increasing levels of knowledge and understanding.

28 (3) The Legislative Assembly acknowledges that a characteristic of basic research is that no  
 29 defined result can be guaranteed and asserts that only through scholarly investigation can knowl-  
 30 edge be advanced to be later developed and applied.

31 (4) The Legislative Assembly believes that moneys for basic research should be regularly ap-  
 32 propriated and that such moneys should be used for support of qualified investigators and funding  
 33 of research projects.

34 (5) The Legislative Assembly intends that in implementing the policy on basic research or any  
 35 other research policy, the State Board of [*Higher*] Education, in keeping with the principle of aca-  
 36 demic freedom, shall ensure open and free inquiry and publication in all public universities [*under*  
 37 *its jurisdiction*] **listed in ORS 352.002**.

38 **SECTION 175.** ORS 351.875 is amended to read:

39 351.875. (1) An account in the Oregon University System Fund established by ORS 351.506 is  
 40 designated to provide grants for research.

41 (2) The account designated by this section may consist of moneys from any public or private  
 42 source. Interest earned on the account is credited to the account.

43 (3) The account designated by this section shall be administered by the State Board of [*Higher*]  
 44 Education according to policies and procedures adopted pursuant to ORS 351.880 and 351.885.

45 (4) Expenditures from the account designated by this section shall take the form of grants for

1 a time certain and may extend beyond the biennium in which the expenditure is made. Grants may  
2 not be used for capital construction.

3 **SECTION 176.** ORS 351.880 is amended to read:

4 351.880. For the purpose of recommending policies and procedures for the administration of the  
5 account designated by ORS 351.875, the State Board of [*Higher*] Education shall establish a Council  
6 for Research Policy Recommendations.

7 **SECTION 177.** ORS 351.885 is amended to read:

8 351.885. (1) With the advice and recommendations of the Council for Research Policy Recom-  
9 mendations established by ORS 351.880, the State Board of [*Higher*] Education shall adopt policies  
10 and procedures for the administration of the account designated by ORS 351.875.

11 (2) The policies and procedures shall give consideration to:

12 (a) The promotion of basic research of the highest caliber at public universities within the  
13 Oregon University System;

14 (b) The identification of areas of inquiry that should be supported so as to recognize both the  
15 intrinsic value and extrinsic economic value of basic research;

16 (c) The capacity of each public university to decide where basic research moneys could best be  
17 spent within that public university;

18 (d) Administrative and accounting requirements that place upon the public university receiving  
19 moneys from the account designated by ORS 351.875 a minimum burden sufficient to guarantee an  
20 appropriate degree of public accountability; and

21 (e) Methods of ensuring nondiscriminatory access to the account designated by ORS 351.875.

22 **SECTION 178.** ORS 352.004 is amended to read:

23 352.004. The president of each public university within the Oregon University System is also  
24 president of the faculty. The president is also the executive and governing officer of the public  
25 university, except as otherwise provided by statute or action of the State Board of [*Higher*] Educa-  
26 tion. Subject to the supervision of the board, the president of the public university has authority to  
27 control and give general directions to the practical affairs of the public university.

28 **SECTION 179.** ORS 352.010 is amended to read:

29 352.010. The president and professors constitute the faculty of each of the public universities  
30 listed in ORS 352.002 and as such have the immediate government and discipline of the public uni-  
31 versity and the students therein, except as otherwise provided by statute or action of the State  
32 Board of [*Higher*] Education. The faculty may, subject to the supervision of the board under ORS  
33 351.070, prescribe the course of study to be pursued in the public university and the textbooks to  
34 be used.

35 **SECTION 180.** ORS 352.021 is amended to read:

36 352.021. (1) As used in this section, "internment camp" means a relocation center to which  
37 persons were ordered evacuated by Presidential Executive Order 9066, signed on February 19, 1942.

38 (2) A person who meets the requirements of subsection (4) of this section may request a public  
39 university listed in ORS 352.002 to award the person an honorary post-secondary degree.

40 (3) A representative of a deceased person who meets the requirements of subsection (4) of this  
41 section may request a public university to award an honorary post-secondary degree on behalf of the  
42 deceased person.

43 (4) Notwithstanding the requirements for a post-secondary degree established by a public uni-  
44 versity or by the State Board of [*Higher*] Education, a public university that receives a request un-  
45 der subsection (2) or (3) of this section may award an honorary post-secondary degree to a person,

1 or on behalf of a deceased person, who:

2 (a) Was a student at the public university in 1942; and

3 (b) Did not graduate from the public university because the person was ordered to an internment  
4 camp.

5 **SECTION 181.** ORS 352.035 is amended to read:

6 352.035. The State Board of [*Higher*] Education may open, establish, lay out and dedicate to the  
7 public use such streets through the lands situated within the corporate limits of the City of Eugene,  
8 owned by or belonging to the University of Oregon, upon such terms and conditions as may be  
9 agreed upon by the State Board of [*Higher*] Education and the common council of the City of  
10 Eugene. When such streets are so opened, laid out and established, they hereby are declared to be  
11 dedicated to the public use and are further declared to be public streets of the City of Eugene.

12 **SECTION 182.** ORS 352.051 is amended to read:

13 352.051. The State Board of [*Higher*] Education shall adopt rules necessary to carry out the  
14 provisions of ORS 352.048 to 352.053.

15 **SECTION 183.** ORS 352.230 is amended to read:

16 352.230. (1) Oregon State University is designated and permanently adopted as the agricultural  
17 college of the state and shall provide, in accordance with the objectives sought by Congress in the  
18 establishment of state agricultural colleges, instruction in agriculture and the mechanic arts. The  
19 university is also a Sea Grant College dedicated to education and research in the marine sciences.

20 (2) The State Board of [*Higher*] Education is authorized to enter into agreements with its  
21 counterpart in the State of Idaho and with the Board of Regents of Washington State University for  
22 cooperative development of the program in Veterinary Medicine.

23 **SECTION 184.** ORS 352.360 is amended to read:

24 352.360. (1) The State Board of [*Higher*] Education may enact such regulations as the board  
25 deems convenient or necessary to provide for the policing, control and regulation of traffic and  
26 parking of vehicles on the property of any public university listed in ORS 352.002. The regulations  
27 may provide for the registration of vehicles, the designation of parking areas and the assessment  
28 and collection of reasonable fees and charges for parking. The board may require that before a  
29 quarterly or yearly parking privilege for any vehicle is granted to any full-time or part-time student  
30 to use board property, the student must show that the vehicle is operated by a student holding a  
31 valid driver license, that the vehicle is currently registered and that the student driving the vehicle  
32 is insured under a motor vehicle liability insurance policy that meets the requirements described  
33 under ORS 806.080 or that the student or owner of the vehicle has provided the Department of  
34 Transportation with other satisfactory proof of compliance with the financial responsibility re-  
35 quirements of this state.

36 (2) The regulations enacted pursuant to subsection (1) of this section shall be enforced admin-  
37 istratively under procedures adopted by the board for each public university. Administrative and  
38 disciplinary sanctions may be imposed upon students, faculty and staff for violation of the regu-  
39 lations, including but not limited to, a reasonable monetary penalty which may be deducted from  
40 student deposits, and faculty or staff salaries or other funds in the possession of the public univer-  
41 sity. The board shall provide opportunity for hearing for the determination of controversies in con-  
42 nection with imposition of fines or penalties. The board may prescribe procedures for such hearings  
43 despite the provisions of ORS 183.413 to 183.470. Persons other than students, faculty or staff may  
44 voluntarily submit to the hearing procedures prescribed by the board, and shall be bound by the  
45 results of the hearing. The powers granted to the board by this section are supplemental to the ex-

1 isting powers of the board with respect to the government of activities of students, faculty and staff  
 2 and the control and management of property [*under its jurisdiction*] **within the Oregon University**  
 3 **System.**

4 (3) The regulations enacted pursuant to subsection (1) of this section may also be enforced by  
 5 the impoundment of vehicles, and a reasonable fee may be enacted for the cost of impoundment and  
 6 storage, if any, prior to the release of the vehicles to their owners.

7 (4) All fees and charges for parking privileges and violations are deposited in a designated ac-  
 8 count in the Oregon University System Fund established by ORS 351.506 for the purpose of defraying  
 9 the costs of constructing bicycle racks and bicycle lanes and of traffic control, enforcement of traffic  
 10 and parking regulations and maintenance and operation of parking facilities and for the purpose of  
 11 acquiring and constructing additional parking facilities for vehicles at the various public universi-  
 12 ties and offices, departments and activities [*under the control of the board*] **within the Oregon**  
 13 **University System.** Fees and charges may also be credited to the account in the Oregon University  
 14 System Fund designated by ORS 351.460. Parking fees shall be established at levels no greater than  
 15 those required to finance the construction, operation and maintenance of parking facilities on the  
 16 same campus of the public university for which the parking is provided. Notwithstanding ORS  
 17 351.072, parking fees or changes in fees shall be adopted by rule of the board subject to the proce-  
 18 dure for rules adopted in ORS chapter 183.

19 (5) Every peace officer may enforce the regulations made by the board under subsection (1) of  
 20 this section. The board, for the purpose of enforcing its rules and regulations governing traffic  
 21 control, may appoint peace officers who have the same authority as other peace officers as defined  
 22 in ORS 133.005.

23 (6) The board and any municipal corporation or any department, agency or political subdivision  
 24 of this state may enter into agreements or contracts with each other for the purpose of providing  
 25 a uniform system of enforcement of the rules and regulations of the board enacted pursuant to  
 26 subsection (1) of this section.

27 (7) In proceedings brought to enforce regulations enacted pursuant to subsection (1) of this  
 28 section, it shall be sufficient to charge the defendant by an unsworn written notice in accordance  
 29 with the provisions of ORS 221.333. In any case in which the defendant is not subject to and does  
 30 not voluntarily submit to the hearing procedures prescribed under subsection (2) of this section,  
 31 proceedings to enforce regulations enacted pursuant to subsection (1) of this section shall be  
 32 brought in the name of the board in a circuit court, a justice court or a city court for offenses  
 33 committed within the territorial jurisdiction of such court. Such courts shall have concurrent juris-  
 34 diction over offenses committed within their respective jurisdictions. All fines, penalties and court  
 35 costs recovered shall be paid to the clerk of the court involved and shall be disposed of as provided  
 36 in ORS 153.640 to 153.680.

37 **SECTION 185.** ORS 352.383 is amended to read:

38 352.383. (1) The State Board of [*Higher*] Education may, at the request of a public university  
 39 [*under its control*] **listed in ORS 352.002**, authorize the university to establish a police department  
 40 and commission one or more employees as police officers. A police department established under this  
 41 section has all of the authority and immunity of a municipal police department of this state.

42 (2) Police officers commissioned under this section:

43 (a) May enforce criminal laws and any administrative rules and policies adopted by the board  
 44 or the commissioning university; and

45 (b) Have all the authority and immunity of a peace officer or police officer of this state.

1 (3) When a university establishes a police department and commissions one or more employees  
2 as police officers, the president of the university, in cooperation with the chief of the police de-  
3 partment, shall establish a process by which the university will receive and respond to complaints  
4 involving the policies of the police department and the conduct of the police officers.

5 (4) The board may:

6 (a) Enter into an agreement, or authorize a university under its control to enter into an agree-  
7 ment, with a municipal corporation or any department, agency or political subdivision of this state  
8 for the provision of mutual aid by their respective police officers.

9 (b) Adopt rules to carry out the provisions of this section.

10 **SECTION 186.** ORS 352.385 is amended to read:

11 352.385. (1) The State Board of [*Higher*] Education may, at the request of a public university  
12 [*under its control*] **listed in ORS 352.002**, authorize the university to commission one or more of its  
13 employees as special campus security officers. The total number of special campus security officers  
14 commissioned at the public universities in the Oregon University System may not exceed 50. Special  
15 campus security officers shall have stop and frisk authority as set forth in ORS 131.605 to 131.625  
16 and probable cause arrest authority and the accompanying immunities as set forth in ORS 133.310  
17 and 133.315 when acting in the scope of their employment as defined by the State Board of  
18 [*Higher*] Education. Special campus security officers shall not be authorized to carry firearms as  
19 police officers and, except as provided in subsection (3) of this section, shall not be considered police  
20 officers for purposes of ORS 181.610, 238.005, 243.005 or 243.736.

21 (2) The Department of Public Safety Standards and Training shall train special campus security  
22 officers at the expense of the State Board of [*Higher*] Education.

23 (3) The State Board of [*Higher*] Education, acting by and through its special campus security  
24 officers, is a criminal justice agency for purposes of rules adopted pursuant to ORS 181.730 (3).

25 **SECTION 187.** ORS 352.390 is amended to read:

26 352.390. (1) The State Board of [*Higher*] Education shall cause to have prepared and submitted  
27 to the Legislative Assembly a program and time schedule for the establishment of regional services  
28 institutes at appropriate public universities. The program shall include academic curriculum and  
29 practical training appropriate to train students in various aspects of economic and community ser-  
30 vices planning, with particular emphasis on economic services planning for areas of the state that  
31 have common geographic, economic and social characteristics but that do not have sufficient popu-  
32 lation to qualify as metropolitan statistical areas.

33 (2) In carrying out its duties under subsection (1) of this section, the board shall consult with  
34 the Oregon Business Development Department and shall rely on the department for technical advice  
35 and, as necessary, technical services. The board shall also consult with community colleges, the  
36 Oregon State University Extension Service, economic development districts and special districts  
37 providing community and economic development services in the region in order to prepare curric-  
38 ulum and programs with particular emphasis on streamlining existing programs, avoiding duplication  
39 and overlap of programs, better utilizing students and resources and identifying needs in the region  
40 that are currently unaddressed.

41 (3) In preparing programs for establishing regional services institutes, the board shall give pri-  
42 ority to establishing institutes at Eastern Oregon University and Southern Oregon University. The  
43 board may also direct the hiring of an institute director and other staff as may be from time to time  
44 required.

45 **SECTION 188.** ORS 352.510 is amended to read:

1       352.510. The interest that may accrue on an account arising from the sale of lands for public  
2 universities that were donated to the state by Act of Congress of February 14, 1859, may be depos-  
3 ited in and credited to an account in the Oregon University System Fund established by ORS 351.506  
4 for the purpose of the maintenance, use and support of the University of Oregon. No part of the  
5 interest may be expended otherwise than in the payment of the salaries of the president, professors  
6 and teachers of the University of Oregon and other current expenses of the University of Oregon.  
7 If at the close of any fiscal year an amount equal to or greater than \$500 of the interest remains  
8 unexpended after the full payment of the salaries and expenses for the fiscal year, the amount shall  
9 be added to and become a part of the principal of the account. The State Board of [*Higher*] Educa-  
10 tion or the faculty or other officers of the University of Oregon may not pledge the faith or credit  
11 of the University of Oregon in excess of the interest annually accruing on the account, together  
12 with the receipts from tuitions and other sources during the current year.

13       **SECTION 189.** ORS 352.530 is amended to read:

14       352.530. The Department of State Lands shall pay the interest received on loans from the ac-  
15 count designated by ORS 352.510 to the State Board of [*Higher*] Education semiannually.

16       **SECTION 190.** ORS 352.580 is amended to read:

17       352.580. The Department of State Lands shall pay the interest received on loans from the ac-  
18 count designated by ORS 352.560 to the State Board of [*Higher*] Education semiannually.

19       **SECTION 191.** ORS 352.610 is amended to read:

20       352.610. (1) Oregon State University shall execute the trust created by the last will and  
21 testament of John T. Apperson, deceased. The university shall administer the trust fund provided for  
22 and designated in the will as the J. T. Apperson Agricultural College Educational Fund.

23       (2) Oregon State University may accept, receive, own, hold, sell and dispose of any and all real  
24 and personal property given, devised or bequeathed to the State Land Board by John T. Apperson  
25 in trust for the purpose of creating the J. T. Apperson Agricultural College Educational Fund. The  
26 university shall manage and use it in accordance with the directions contained in the will of John  
27 T. Apperson, deceased, for the purpose of defraying the expenses and assisting in the education at  
28 Oregon State University of deserving young men and women who are residents of Oregon and are  
29 unable to bear the expense of a collegiate course at that institution.

30       (3) All necessary expenses incurred by Oregon State University in connection with the admin-  
31 istration of the trust fund shall be payable out of the fund. The State Board of [*Higher*] Education  
32 or the university, if authority is delegated under ORS 351.070, may adopt any necessary rules for  
33 the transaction of business related to and the carrying out of this section and ORS 352.620.

34       **SECTION 192.** ORS 353.040 is amended to read:

35       353.040. (1) There is established an Oregon Health and Science University Board of Directors  
36 consisting of 10 members. The directors, except for the president of the university, shall be ap-  
37 pointed by the Governor and shall be confirmed by the Senate in the manner prescribed in ORS  
38 171.562 and 171.565.

39       (2) Except for the president of the university, the term of office of each nonstudent member is  
40 four years. The term of office of the student member is two years. Before the expiration of the term  
41 of a member, the Governor shall appoint a successor whose term begins on October 1 next following.  
42 A member is eligible for reappointment for one additional term. If there is a vacancy for any cause,  
43 the Governor shall make an appointment to become effective immediately for the unexpired term.  
44 The board shall nominate a slate of candidates whenever a vacancy occurs or is announced and  
45 shall forward the recommended candidates to the Governor for consideration. To assist the Gover-

1 nor in appointing the student member, the duly organized and recognized entity of student govern-  
2 ment shall submit a list of nominees to the Governor for consideration.

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

4 (a) One representative who is a [*nonstudent*] member of the State Board of [*Higher*] Education.

5 (b) Seven representatives who, in the discretion of the Governor, have experience in areas re-  
6 lated to the university missions or that are important to the success of Oregon Health and Science  
7 University, including but not limited to higher education, health care, scientific research, engineer-  
8 ing and technology and economic and business development.

9 (c) One representative who is a student enrolled at the university.

10 (d) The president of the university, who shall be an ex officio voting member.

11 (4) Directors must be citizens of the United States. Except for the president of the university,  
12 no voting member may be an employee of the university.

13 (5) The board shall select one of its members as chairperson and another as vice chairperson for  
14 such terms and with such duties and powers as the board considers necessary for performance of  
15 the functions of those offices. The board shall adopt bylaws concerning how a quorum shall be  
16 constituted and when a quorum shall be necessary.

17 (6) The board shall meet at least once every three months at Oregon Health and Science Uni-  
18 versity. The board shall meet at such other times and places specified by the chairperson or by a  
19 majority of the members of the board.

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

23 **SECTION 193.** ORS 353.050 is amended to read:

24 353.050. Except as otherwise provided in this chapter, the Oregon Health and Science University  
25 Board of Directors, or university officials acting under the authority of the board, shall exercise all  
26 the powers of the Oregon Health and Science University and shall govern the university. In carrying  
27 out its powers, rights and privileges, the university shall be a governmental entity performing gov-  
28 vernmental functions and exercising governmental powers. The university or the board may either  
29 within or outside the state:

30 (1) Determine or approve policies for the organization, administration and development of the  
31 university.

32 (2) Appoint and employ any instructional, administrative, professional, trade, occupational and  
33 other personnel as are necessary or appropriate to carry out the missions of the university, and  
34 prescribe their compensation and terms of office or employment.

35 (3) Make any and all contracts and agreements, enter into any partnership, joint venture or  
36 other business arrangement, create and participate fully in the operation of any business structure,  
37 including but not limited to the development of business structures for health care delivery systems  
38 and networks with any public or private government, nonprofit or for-profit person or entity that in  
39 the judgment of the university or the board is necessary or appropriate to carry out the university's  
40 missions and goals.

41 (4) Acquire, purchase, receive, hold, control, convey, sell, manage, operate, lease, license, lend,  
42 invest, improve, develop, use, dispose of and hold title to real and personal property of any nature,  
43 including intellectual property, in its own name.

44 (5) Sue in its own name and be sued, plead and be impleaded in all actions, suits or proceedings  
45 in any forum brought by or against it by any and all private or state, local, federal or other public

1 entities, agencies or persons.

2 (6) Encourage gifts and donations for the benefit of the university, and subject to the terms of  
3 the gift, retain, invest and use such gifts as deemed appropriate by the university or the board.

4 (7) Acquire, receive, hold, keep, pledge, control, convey, manage, use, lend, expend and invest  
5 all funds, appropriations, gifts, bequests, stock and revenue from any source to the university.

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

8 (9) Erect, construct, improve, develop, repair, maintain, equip, furnish, lease, lend, convey, sell,  
9 manage, operate, use, dispose of and hold title to buildings, structures and lands for the university.

10 (10) Purchase any and all insurance, operate a self-insurance program or otherwise arrange for  
11 the equivalent of insurance coverage of any nature and the indemnity and defense of its officers,  
12 agents and employees or other persons designated by the university to carry out or further the  
13 missions of the university.

14 (11) Create, develop, supervise, control and adopt academic programs, including standards,  
15 qualifications, policies or practices relating to admissions, curriculum, academic advancement,  
16 grading policy, student conduct, credits and scholarships and the granting of academic degrees,  
17 certificates and other forms of recognition.

18 (12) Authorize, create, eliminate, establish, operate, reorganize, reduce or expand any program,  
19 school, institute, health care facility or other unit of operation.

20 (13) Establish, charge, collect and use charges for enrollment into the university, including  
21 charges such as tuition for education and general services, incidental fees and such other charges  
22 found by the university to be necessary to carry out its educational programs. Fees realized in ex-  
23 cess of amounts allocated and exceeding required reserves shall be considered surplus incidental  
24 fees and shall be allocated for programs under the control of the board and found to be advanta-  
25 geous to the cultural or physical development of students of the university upon the recommendation  
26 of the recognized student government of the university.

27 (14) Establish, charge, collect and use charges and fees for university services and the use of  
28 university facilities.

29 (15) Impose charges, fines, fees and such other regulations considered convenient or necessary  
30 to control and regulate traffic and parking of vehicles to the same extent allowed the State Board  
31 of [Higher] Education. This authority includes the authority to enforce the regulations of the uni-  
32 versity in a court to the extent allowed the State Board of [Higher] Education in enforcing the state  
33 board's regulations as provided in ORS 352.360 (7).

34 (16) Commission special campus security officers to be known as university police. University  
35 police commissioned under this subsection have all the powers and authority given by statute to  
36 peace officers and police officers of this state. University police shall complete training necessary  
37 for certification as police officers at an academy operated or authorized by the Department of Public  
38 Safety Standards and Training at the expense of the Oregon Health and Science University Board  
39 of Directors. University police are not authorized to carry firearms as police officers and are not  
40 police officers for purposes of ORS 238.005, 243.005 or 243.736. The university is a criminal justice  
41 agency for purposes of ORS 181.715 and 181.720 and a law enforcement unit within the meaning of  
42 ORS 181.610 (12).

43 (17) Enforce and recover for payment to the university any fines that are authorized by this  
44 chapter.

45 (18) Adopt, amend or repeal bylaws, administrative rules, regulations and orders applicable to

1 the matters that are the subject of this chapter.

2 (19) Contract with any state agency for the performance of such duties, functions and powers  
3 as is appropriate. A state agency shall not charge the university for such services an amount that  
4 is greater than the actual cost of the services.

5 (20) Purchase, receive, subscribe for or otherwise acquire, own, hold, vote, use, sell, mortgage,  
6 lend, pledge, invest in or otherwise dispose of and deal in or with the shares, stock or other equity  
7 or interests in or obligations of any other entity. Separate funds may be established for such in-  
8 vestments. The State of Oregon shall have no proprietary or other interest in such investments or  
9 such funds.

10 (21) Make available, by lease or otherwise, or control access to any health care facilities or  
11 services or other of its properties and assets to such persons, firms, partnerships, associations or  
12 corporations and on such terms as considered appropriate, charge and collect rent or other fees or  
13 charges therefor and terminate or deny any such access or any such lease or other agreement for  
14 such reasons as considered appropriate and as may be consistent with its obligations under any such  
15 lease or other agreement.

16 (22) Contract for the operation of any department, section, equipment or holdings of the uni-  
17 versity and enter into any agreements with any person, firm or corporation for the management by  
18 said person, firm or corporation on behalf of the university of any of its properties or for the more  
19 efficient or economical performance of clerical, accounting, administrative and other functions re-  
20 lating to its health care facilities.

21 (23) Select and appoint faculty as medical and dental staff members and others licensed to  
22 practice the healing arts, delineate and define the privileges granted each such individual, adopt and  
23 direct a plan for faculty clinical income and set the terms and conditions of that plan (including  
24 such modifications to any such existing plan as considered necessary or appropriate upon expiration  
25 of the term of such plan), and determine the extent to which and the terms upon which each such  
26 individual may provide teaching, research, consulting or other services at the university or any  
27 other health care facility.

28 (24) Enter into affiliation, cooperation, territorial, management or other similar agreements with  
29 other public or private universities or health care providers for the sharing, division, allocation or  
30 furnishing of services on an exclusive or a nonexclusive basis, referral of patients, management of  
31 facilities, formation of health care delivery systems and other similar activities.

32 (25) Perform any other acts that in the judgment of the board or university are requisite, nec-  
33 essary or appropriate in accomplishing the purposes described in or carrying out the powers granted  
34 by this chapter.

35 (26) Exercise these powers, notwithstanding that as a consequence of the exercise of such pow-  
36 ers, the university engages in activities that might otherwise be deemed anticompetitive within the  
37 contemplation of state or federal antitrust laws.

38 **SECTION 194.** ORS 353.108 is amended to read:

39 353.108. (1) Legal title to real property and facilities acquired by the State of Oregon prior to  
40 July 1, 1995, and utilized by Oregon Health and Science University shall remain with the State of  
41 Oregon. However, the university shall have the exclusive care, custody and control of such real  
42 property and facilities pursuant to an exclusive leasehold interest in the real property and facilities  
43 for a term of 99 years. The term of the leasehold shall begin on July 1, 1995, and shall renew au-  
44 tomatically and perpetually for consecutive 99-year terms.

45 (2) Notwithstanding any other provisions of Oregon law concerning the authority of state

1 agencies to lease real property and facilities, the Oregon Department of Administrative Services  
 2 acting on behalf of the State of Oregon shall execute a ground lease for all real property and fa-  
 3 cilities utilized by the university consistent with the provisions of this section.

4 (3) The ground lease shall not be subject to any termination unless:

5 (a) The State of Oregon causes all outstanding obligations of the university to be defeased under  
 6 the terms of any applicable master indenture or financing agreement; and

7 (b) There are no other conditions placed on the university.

8 (4) Upon execution of the ground lease, the university shall pay the State of Oregon the sum  
 9 of \$99 in consideration for the ground lease.

10 (5) The ground lease executed under this section shall supersede the lease entered into between  
 11 the State of Oregon and the university in December 1995, with respect to the real property and fa-  
 12 cilities, including but not limited to provisions in the lease relating to or setting forth:

13 (a) Purported limitations on the authority of the State Board of *[Higher]* Education to bind the  
 14 State of Oregon;

15 (b) The term of the lease and the absence of any renewal provisions; and

16 (c) Any circumstances under which the lease may be terminated.

17 (6) The university shall manage and maintain all real property and facilities utilized by the  
 18 university. Real property and facilities of the State of Oregon leased to the university pursuant to  
 19 this section shall not be sold by the university but may be encumbered by the university. Such real  
 20 property and facilities shall only be encumbered by the State of Oregon in accordance with state law  
 21 and in a manner that would not impair the financial condition of the university or the rights of the  
 22 holders of any obligations of the university issued or incurred under any master indenture or other  
 23 financing agreement.

24 **SECTION 195.** ORS 353.330 is amended to read:

25 353.330. (1) Nothing in chapter 162, Oregon Laws 1995, shall be construed in any way to impair  
 26 the obligations or agreements of the State of Oregon or the State Board of *[Higher]* Education with  
 27 respect to bonds, certificates of participation, financing agreements or other agreements for the  
 28 borrowing of money issued prior to July 1, 1995, by the State of Oregon *[on behalf of the State Board*  
 29 *of Higher Education]* for equipment or projects for Oregon Health and Science University. The uni-  
 30 versity and the Oregon University System shall take all actions necessary to ensure full compliance  
 31 with all indentures, resolutions, declarations, agreements and other documents issued with respect  
 32 to the bonds, certificates of participation, financing agreements or other agreements for the bor-  
 33 rowing of money issued prior to July 1, 1995, by the State of Oregon *[on behalf of the State Board*  
 34 *of Higher Education]* for equipment or projects for the university. The Oregon University System  
 35 and the university shall establish, in a written agreement that shall be subject to the approval of  
 36 the State Treasurer, the responsibility of the university for the payment to the Oregon University  
 37 System of moneys sufficient to pay when due all principal, interest and any other charges on bonds,  
 38 certificates of participation, financing agreements or other agreements for the borrowing of money  
 39 issued prior to July 1, 1995, by the State of Oregon *[on behalf of the State Board of Higher*  
 40 *Education]* for equipment or projects for the university.

41 (2) Holders of obligations issued by the university on or after July 1, 1995, may be paid pari  
 42 passu with the obligations issued by the State of Oregon *[on behalf of the State Board of Higher*  
 43 *Education]* for equipment or projects for the university prior to July 1, 1995, from the rents, reven-  
 44 ues, receipts, appropriations or other income of the university, but only to the extent that:

45 (a) Such holders have no rights, liens or other interests with respect to such rents, revenues,

1 receipts, appropriations or other income of the university that are senior or superior to the rights  
 2 granted to the holders of obligations issued prior to July 1, 1995, by the State of Oregon [*on behalf*  
 3 *of the State Board of Higher Education*] for equipment or projects for the university; and

4 (b) The State Board of [*Higher*] Education, the Oregon Department of Administrative Services  
 5 or the State of Oregon, acting for the benefit of such holders of obligations, is granted a lien or  
 6 other security interest in the rents, revenues, receipts, appropriations or other income of the uni-  
 7 versity that is not junior to and is at least *pari passu* with any lien or other security interest  
 8 granted to the holders of obligations issued by the university.

9 (3) Any expenses, including legal expenses, judgments, liabilities and federal arbitrage and re-  
 10 bate penalties arising from the actions of the university, if incurred with respect to bonds, certif-  
 11 icates of participation, financing agreements or other agreements for the borrowing of money issued  
 12 prior to July 1, 1995, by the State of Oregon [*on behalf of the State Board of Higher Education*] for  
 13 equipment or projects for the university, shall be paid when due by the university, subject to the  
 14 university's right to reasonably contest such charges, judgments, liabilities or penalties. The uni-  
 15 versity shall assist the Controller of the Oregon University System in making any necessary calcu-  
 16 lations and filing any necessary reports related to arbitrage and rebate on such indebtedness.

17 (4) Any amounts deposited with the State Treasurer, the Controller of the Oregon University  
 18 System, the Oregon Department of Administrative Services or its designated agents in any debt  
 19 service in reserve accounts for the debt service associated with any bonds, certificates of partic-  
 20 ipation, financing agreements or other agreements for the borrowing of money issued prior to July  
 21 1, 1995, by the State of Oregon [*on behalf of the State Board of Higher Education*] for equipment or  
 22 projects for the university shall remain with the State Treasurer, the Controller of the Oregon  
 23 University System, the Oregon Department of Administrative Services or its designated agents until  
 24 such time as the bonds, certificates of participation, financing agreements or other agreements for  
 25 the borrowing of money for which such reserve accounts have been established have been retired  
 26 or defeased. The university shall be credited with the investment earnings on such reserve accounts.

27 **SECTION 196.** ORS 353.370 is amended to read:

28 353.370. In addition to, and not in limitation of, the means of satisfying state general obligation  
 29 bond obligations under ORS 291.445, Oregon Health and Science University, promptly upon the dis-  
 30 covery of any shortfall in moneys available to the university for the payment when due of amounts  
 31 under any bonds, certificates of participation, financing agreements or other agreements for the  
 32 borrowing of moneys issued prior to July 1, 1995, by the State of Oregon [*on behalf of the State*  
 33 *Board of Higher Education*] for equipment or projects for the university, shall notify in writing the  
 34 Legislative Assembly, or if the Legislative Assembly is not in session, the Emergency Board, of the  
 35 existence and amount of the shortfall. The Legislative Assembly or the Emergency Board, as the  
 36 case may be, may provide funds to satisfy the payment of any such amount. By enacting this pro-  
 37 vision, the Legislative Assembly acknowledges its current intention to provide, from funds other  
 38 than those appropriated or otherwise made available to the Oregon University System, funds to pay  
 39 such amount. However, except as may be required by the Oregon Constitution or ORS 291.445, nei-  
 40 ther the Legislative Assembly nor the Emergency Board shall have any legal obligation to provide  
 41 funds under this section.

42 **SECTION 197.** ORS 353.440 is amended to read:

43 353.440. The Legislative Assembly finds that:

44 (1) Public universities in the Oregon University System and other educational sectors have ac-  
 45 ademic programs that are related to or integrated with the programs of Oregon Health and Science

1 University.

2 (2) It is in the best interest of the state that a coordinated approach be taken to these related  
3 and integrated academic programs.

4 (3) In order to best ensure the continued harmony of such academic programs, the Oregon  
5 Health and Science University and the Oregon University System shall coordinate such programs  
6 and shall advise each other of the following proposed changes to such academic programs:

7 (a) Creation or significant revision, such as a merger or closure, of degree programs;

8 (b) Creation or significant revision, such as a merger or closure, of schools; and

9 (c) Creation or significant revision of major academic policies.

10 (4) The Oregon Health and Science University and the [*Higher Education Coordinating Com-*  
11 *mission*] **State Board of Education** shall coordinate and advise each other of the following types  
12 of proposed changes to their related or integrated academic programs:

13 (a) Coordination of strategic plans for achieving higher education goals;

14 (b) Seeking advice and input from each other on modifications to statutory educational missions;

15 (c) Working to develop a statewide educational data system;

16 (d) Collaborating as necessary on the creation of any new degree programs; and

17 (e) Notifying each other and commenting on tuition rate changes.

18 (5) In order to further the coordination described by this section, Oregon Health and Science  
19 University officers shall maintain a role in the appropriate committees of the State Board of  
20 [*Higher*] Education[, *the Higher Education Coordinating Commission*] and the Oregon University  
21 System.

22 **SECTION 198.** ORS 354.090 is amended to read:

23 354.090. The State Board of [*Higher*] Education is declared the managing agency of the FM radio  
24 station KTEC, licensed to the Oregon Institute of Technology, and as such shall prescribe rules and  
25 regulations in conformity with the regulations and laws of the United States Government relating  
26 to educational FM radio stations. By such rules and regulations the State Board of [*Higher*] Edu-  
27 cation shall make the facilities of the radio station available in the training programs of the Oregon  
28 Institute of Technology.

29 **SECTION 199.** ORS 357.004 is amended to read:

30 357.004. As used in ORS 357.001 to 357.200, unless the context requires otherwise:

31 (1) "Depository library" means a library that is designated as such under ORS 357.095.

32 (2)(a) "Issuing agency" means state government, as that term is defined in ORS 174.111.

33 (b) "Issuing agency" does not include the State Board of [*Higher*] Education or any public uni-  
34 versity or office, department or activity [*under the control of the board*] **within the Oregon Uni-**  
35 **versity System.**

36 (3)(a) "Public document" means informational matter produced for public distribution or access  
37 regardless of format, medium, source or copyright, originating in or produced with the imprint of,  
38 by the authority of or at the total or partial expense of any state agency. "Public document" in-  
39 cludes informational matter produced on computer diskettes, CD-ROMs, computer tapes, the Internet  
40 or in other electronic formats.

41 (b) "Public document" does not include:

42 (A) Correspondence, forms, interoffice or intraoffice memoranda;

43 (B) Legislative bills;

44 (C) Oregon Revised Statutes or any edition thereof; or

45 (D) Reports and publications of the Oregon Supreme Court, the Oregon Court of Appeals and

1 the Oregon Tax Court.

2 **SECTION 200.** ORS 358.575 is amended to read:

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

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

6 (b) Heritage interests reflected in community institutions, libraries, museums, architecture, ar-  
7 chaeology and historic preservation.

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

9 (a) One member designated by the Director of the Department of Land Conservation and De-  
10 velopment;

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

12 (c) One member designated by the [*State Board of Higher Education*] **Chancellor of the Oregon**  
13 **University System;**

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

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

16 (f) The Executive Director of the Oregon Historical Society or a designee of the executive di-  
17 rector;

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

19 (h) The Coordinator of the State Historical Records Advisory Board or a designee of the coor-  
20 dinator; and

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

22 **SECTION 201.** ORS 366.785 is amended to read:

23 366.785. As used in ORS 366.785 to 366.820, unless the context requires otherwise:

24 (1) "Year" means a calendar year.

25 (2) "City" means only cities of this state which are regularly operating as such through elected  
26 governmental officers.

27 (3) "Population" means population as given in the latest determination of the State Board of  
28 [*Higher*] Education, except that for a city of more than 100,000 population according to the latest  
29 such determination, the term means 74 percent of the number of population given for the city in the  
30 determination for computation of its share for 1964, 78 percent for computation of its share for 1965,  
31 82 percent for 1966, 86 percent for 1967, 90 percent for 1968, 94 percent for 1969, 98 percent for 1970;  
32 and for 1971 and subsequent years computation shall be made on the basis of full number of popu-  
33 lation.

34 **SECTION 202.** ORS 390.235 is amended to read:

35 390.235. (1)(a) A person may not excavate or alter an archaeological site on public lands, make  
36 an exploratory excavation on public lands to determine the presence of an archaeological site or  
37 remove from public lands any material of an archaeological, historical, prehistorical or  
38 anthropological nature without first obtaining a permit issued by the State Parks and Recreation  
39 Department.

40 (b) If a person who obtains a permit under this section intends to curate or arrange for alternate  
41 curation of an archaeological object that is uncovered during an archaeological investigation, the  
42 person must submit evidence to the State Historic Preservation Officer that the Oregon State Mu-  
43 seum of Anthropology and the appropriate Indian tribe have approved the applicant's curatorial fa-  
44 cilities.

45 (c) No permit shall be effective without the approval of the state agency or local governing body

1 charged with management of the public land on which the excavation is to be made, and without the  
2 approval of the appropriate Indian tribe.

3 (d) The State Parks and Recreation Director, with the advice of the Oregon Indian tribes and  
4 Executive Officer of the Commission on Indian Services, shall adopt rules governing the issuance  
5 of permits.

6 (e) Disputes under paragraphs (b) and (c) of this subsection shall be resolved in accordance with  
7 ORS 390.240.

8 (f) Before issuing a permit, the State Parks and Recreation Director shall consult with:

9 (A) The landowning or land managing agency; and

10 (B) If the archaeological site in question is associated with a prehistoric or historic native In-  
11 dian culture:

12 (i) The Commission on Indian Services; and

13 (ii) The most appropriate Indian tribe.

14 (2) The State Parks and Recreation Department may issue a permit under subsection (1) of this  
15 section under the following circumstances:

16 (a) To a person conducting an excavation, examination or gathering of such material for the  
17 benefit of a recognized scientific or educational institution with a view to promoting the knowledge  
18 of archaeology or anthropology;

19 (b) To a qualified archaeologist to salvage such material from unavoidable destruction; or

20 (c) To a qualified archaeologist sponsored by a recognized institution of higher learning, private  
21 firm or an Indian tribe as defined in ORS 97.740.

22 (3) Any archaeological materials, with the exception of Indian human remains, funerary objects,  
23 sacred objects and objects of cultural patrimony, recovered by a person granted a permit under  
24 subsection (2) of this section shall be under the stewardship of the State of Oregon to be curated  
25 by the Oregon State Museum of Anthropology unless:

26 (a) The Oregon State Museum of Anthropology with the approval from the appropriate Indian  
27 tribe approves the alternate curatorial facilities selected by the permittee;

28 (b) The materials are made available for nondestructive research by scholars; and

29 (c)(A) The material is retained by a recognized scientific, educational or Indian tribal institution  
30 for whose benefit a permit was issued under subsection (2)(a) of this section;

31 (B) The State Board of [*Higher*] Education with the concurrence of the appropriate Indian tribe  
32 grants approval for material to be curated by an educational facility other than the institution that  
33 collected the material pursuant to a permit issued under subsection (2)(a) of this section; or

34 (C) The sponsoring institution or firm under subsection (2)(c) of this section furnishes the  
35 Oregon State Museum of Anthropology with a complete catalog of the material within six months  
36 after the material is collected.

37 (4) The Oregon State Museum of Anthropology shall have the authority to transfer permanent  
38 possessory rights in subject material to an appropriate Indian tribe.

39 (5) Except for sites containing human remains, funerary objects and objects of cultural  
40 patrimony as defined in ORS 358.905, or objects associated with a prehistoric Indian tribal culture,  
41 the permit required by subsection (1) of this section or by ORS 358.920 shall not be required for  
42 forestry operations on private lands for which notice has been filed with the State Forester under  
43 ORS 527.670.

44 (6) As used in this section:

45 (a) "Private firm" means any legal entity that:

1 (A) Has as a member of its staff a qualified archaeologist; or

2 (B) Contracts with a qualified archaeologist who acts as a consultant to the entity and provides  
3 the entity with archaeological expertise.

4 (b) "Qualified archaeologist" means a person who has the following qualifications:

5 (A) A post-graduate degree in archaeology, anthropology, history, classics or other germane  
6 discipline with a specialization in archaeology, or a documented equivalency of such a degree;

7 (B) Twelve weeks of supervised experience in basic archaeological field research, including both  
8 survey and excavation and four weeks of laboratory analysis or curating; and

9 (C) Has designed and executed an archaeological study, as evidenced by a Master of Arts or  
10 Master of Science thesis, or report equivalent in scope and quality, dealing with archaeological field  
11 research.

12 (7) Violation of the provisions of subsection (1)(a) of this section is a Class B misdemeanor.

13 **SECTION 203.** ORS 461.543 is amended to read:

14 461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery  
15 Account is continuously appropriated to and shall be used by the State Board of [*Higher*] Education  
16 to fund sports programs at public universities listed in ORS 352.002. Seventy percent of the revenues  
17 in the fund shall be used to fund nonrevenue producing sports and 30 percent shall be used for re-  
18 venue producing sports. Of the total amount available in the fund, at least 50 percent shall be made  
19 available for women's athletics.

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

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

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

26 (3) As used in subsections (1) to (3) of this section, "revenue producing sport" is a sport that  
27 produces net revenue over expenditures during a calendar year or if its season extends into two  
28 calendar years, produces net revenue over expenditures during the season.

29 (4) An amount equal to one percent of the moneys transferred to the Administrative Services  
30 Economic Development Fund from the State Lottery Fund shall be allocated from the Administrative  
31 Services Economic Development Fund to the Sports Lottery Account.

32 (5) The amounts received by the Sports Lottery Account shall be allocated as follows:

33 (a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but  
34 not to exceed \$8 million annually, adjusted annually pursuant to the Consumer Price Index, as de-  
35 fined in ORS 327.006.

36 (b) Twelve percent for the purpose of scholarships, to be distributed equally between scholar-  
37 ships based on academic merit and scholarships based on need, as determined by rule of the board,  
38 but not to exceed \$1,090,909 annually.

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

41 **SECTION 204.** ORS 468A.245 is amended to read:

42 468A.245. The Oregon Global Warming Commission shall develop an outreach strategy to edu-  
43 cate Oregonians about the scientific aspects and economic impacts of global warming and to inform  
44 Oregonians of ways to reduce greenhouse gas emissions and ways to prepare for the effects of global  
45 warming. The commission, at a minimum, shall work with state and local governments, the State

1 Department of Energy, the Department of Education, [*the State Board of Higher Education*] **the**  
2 **Oregon University System** and businesses to implement the outreach strategy.

3 **SECTION 205.** ORS 471.580 is amended to read:

4 471.580. (1) As used in this section:

5 (a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in  
6 a beverage based on the standard drink measurement used by the Centers for Disease Control and  
7 Prevention.

8 (b) "Education provider" means:

9 (A) A community college, as defined in ORS 341.005, offering a food or beverage career program  
10 approved by the State Board of Education;

11 (B) A career school, as defined in ORS 345.010, offering a food or beverage career program ap-  
12 proved by the Oregon Student Assistance Commission or the State Board of Education;

13 (C) An institution of higher education listed in ORS 352.002 offering a food or beverage career  
14 program approved by the State Board of [*Higher*] Education; or

15 (D) A private and independent institution of higher education, as defined in ORS 352.720, offer-  
16 ing a food or beverage career program that qualifies for payment under ORS 352.740.

17 (c) "Food or beverage career program" means a course of study designed to qualify a person for  
18 a career in the food service industry or alcoholic beverage industry, including but not limited to a  
19 course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant manage-  
20 ment.

21 (2) The charging or payment of tuition or a special fee for enrollment in a class that is part of  
22 a food or beverage career program or in a workshop or seminar concerning matters related to food  
23 or beverage industry workforce training, offered by an education provider, that includes the con-  
24 sumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other ex-  
25 change of consideration for, alcoholic beverages.

26 (3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve  
27 alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess  
28 and consume alcoholic beverages on a licensed or unlicensed premises that the education provider  
29 uses for educational purposes if:

30 (a) The person is enrolled as a student in a required or elective class that is part of a food or  
31 beverage career program offered by the education provider;

32 (b) The alcoholic beverages are served to, and possessed and consumed by, the person for edu-  
33 cational purposes as part of the class curriculum or a workshop or seminar concerning food or  
34 beverage workforce training;

35 (c) The service, possession and consumption of the alcoholic beverages are supervised by a fac-  
36 ulty or staff member of the education provider who is 21 years of age or older;

37 (d) The person does not purchase the alcoholic beverages; and

38 (e) The amount served to the person for consumption purposes during any two-hour class,  
39 workshop or seminar period does not exceed two ounces of alcohol equivalence.

40 (4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another  
41 person who is 18, 19 or 20 years of age on premises that an education provider uses for educational  
42 purposes if:

43 (a) The person served is enrolled as a student in a required or elective class that is part of a  
44 food or beverage career program offered by the education provider;

45 (b) The alcoholic beverages are served to, and consumed by, the person for educational purposes

1 as part of the class curriculum or, with the approval of the education provider, as part of a work-  
2 shop or seminar concerning food or beverage workforce training;

3 (c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff  
4 member of the education provider who is 21 years of age or older;

5 (d) The person served does not purchase the alcoholic beverages; and

6 (e) The amount served to the person for consumption purposes during any two-hour class period  
7 does not exceed two ounces of alcohol equivalence.

8 (5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is  
9 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed  
10 premises that an education provider uses for educational purposes if:

11 (a) The person is enrolled as a student in a required or elective class that is part of a food or  
12 beverage career program offered by the education provider;

13 (b) The person possesses and consumes the alcoholic beverages for educational purposes as part  
14 of the class curriculum or, with the approval of the education provider, as part of a workshop or  
15 seminar concerning food or beverage workforce training;

16 (c) The person possesses and consumes the alcoholic beverages under the supervision of a fac-  
17 ulty or staff member of the education provider who is 21 years of age or older;

18 (d) The person does not purchase the alcoholic beverages; and

19 (e) The amount consumed by the person during any two-hour class, workshop or seminar period  
20 does not exceed two ounces of alcohol equivalence.

21 (6) Notwithstanding ORS 471.410, a person who exercises control over private real property may  
22 allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is  
23 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this  
24 section.

25 (7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a  
26 licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older  
27 in accordance with this chapter or the ability of a person 21 years of age or older to possess or  
28 consume alcoholic beverages in accordance with this chapter.

29 **SECTION 206.** ORS 471.580, as amended by section 44, chapter 104, Oregon Laws 2012, is  
30 amended to read:

31 471.580. (1) As used in this section:

32 (a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in  
33 a beverage based on the standard drink measurement used by the Centers for Disease Control and  
34 Prevention.

35 (b) "Education provider" means:

36 (A) A community college, as defined in ORS 341.005, offering a food or beverage career program  
37 approved by the State Board of Education;

38 (B) A career school, as defined in ORS 345.010, offering a food or beverage career program ap-  
39 proved by the Oregon Student Assistance Commission or the [*Higher Education Coordinating Com-*  
40 *mission*] **Department of Education**;

41 (C) An institution of higher education listed in ORS 352.002 offering a food or beverage career  
42 program approved by the State Board of [*Higher*] Education; or

43 (D) A private and independent institution of higher education, as defined in ORS 352.720, offer-  
44 ing a food or beverage career program that qualifies for payment under ORS 352.740.

45 (c) "Food or beverage career program" means a course of study designed to qualify a person for

1 a career in the food service industry or alcoholic beverage industry, including but not limited to a  
2 course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant manage-  
3 ment.

4 (2) The charging or payment of tuition or a special fee for enrollment in a class that is part of  
5 a food or beverage career program or in a workshop or seminar concerning matters related to food  
6 or beverage industry workforce training, offered by an education provider, that includes the con-  
7 sumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other ex-  
8 change of consideration for, alcoholic beverages.

9 (3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve  
10 alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess  
11 and consume alcoholic beverages on a licensed or unlicensed premises that the education provider  
12 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 alcoholic beverages are served to, and possessed and consumed by, the person for edu-  
16 cational purposes as part of the class curriculum or a workshop or seminar concerning food or  
17 beverage workforce training;

18 (c) The service, possession and consumption of the alcoholic beverages are supervised by 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 served to the person for consumption purposes during any two-hour class,  
22 workshop or seminar period does not exceed two ounces of alcohol equivalence.

23 (4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another  
24 person who is 18, 19 or 20 years of age on premises that an education provider uses for educational  
25 purposes if:

26 (a) The person served is enrolled as a student in a required or elective class that is part of a  
27 food or beverage career program offered by the education provider;

28 (b) The alcoholic beverages are served to, and consumed by, the person for educational purposes  
29 as part of the class curriculum or, with the approval of the education provider, as part of a work-  
30 shop or seminar concerning food or beverage workforce training;

31 (c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff  
32 member of the education provider who is 21 years of age or older;

33 (d) The person served does not purchase the alcoholic beverages; and

34 (e) The amount served to the person for consumption purposes during any two-hour class period  
35 does not exceed two ounces of alcohol equivalence.

36 (5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is  
37 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed  
38 premises that an education provider uses for educational purposes if:

39 (a) The person is enrolled as a student in a required or elective class that is part of a food or  
40 beverage career program offered by the education provider;

41 (b) The person possesses and consumes the alcoholic beverages for educational purposes as part  
42 of the class curriculum or, with the approval of the education provider, as part of a workshop or  
43 seminar concerning food or beverage workforce training;

44 (c) The person possesses and consumes the alcoholic beverages under the supervision of a fac-  
45 ulty or staff member of the education provider who is 21 years of age or older;

1 (d) The person does not purchase the alcoholic beverages; and

2 (e) The amount consumed by the person during any two-hour class, workshop or seminar period  
3 does not exceed two ounces of alcohol equivalence.

4 (6) Notwithstanding ORS 471.410, a person who exercises control over private real property may  
5 allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is  
6 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this  
7 section.

8 (7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a  
9 licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older  
10 in accordance with this chapter or the ability of a person 21 years of age or older to possess or  
11 consume alcoholic beverages in accordance with this chapter.

12 **SECTION 207.** ORS 471.810 is amended to read:

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

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

22 (b) Twenty percent to the cities of the state in such shares as the population of each city bears  
23 to the population of the cities of the state, as determined by the State Board of [*Higher*] Education  
24 last preceding such apportionment, under ORS 190.510 to 190.610;

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

28 (d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and  
29 this section.

30 (2) The commission shall direct the Oregon Department of Administrative Services to transfer  
31 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health  
32 Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS  
33 430.380.

34 (3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding  
35 month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute  
36 the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d)  
37 and (2) of this section and the amounts that would have been paid or transferred under subsections  
38 (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct  
39 the Oregon Department of Administrative Services to pay or transfer amounts equal to the differ-  
40 ences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to  
41 the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

42 (4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal  
43 year an amount less than the amount distributed to the city or county in accordance with ORS  
44 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the  
45 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census.

1 If the population declined, the per capita distribution to the city or county shall be not less than  
2 the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to  
3 maintain the level of distribution under this subsection shall be paid from funds credited under  
4 subsection (1)(a) of this section.

5 **SECTION 208.** ORS 526.215 is amended to read:

6 526.215. To aid in the economic development of the State of Oregon, the State Board of  
7 [*Higher*] Education shall institute and carry on research and experimentation to develop the maxi-  
8 mum yield from the forestlands of Oregon, to obtain the fullest utilization of the forest resource, and  
9 to study air and water pollution as it relates to the forest products industries.

10 **SECTION 209.** ORS 526.225 is amended to read:

11 526.225. (1) The State Board of [*Higher*] Education shall establish a Forest Research Laboratory  
12 at Oregon State University and shall cooperate with individuals, corporations, associations and  
13 public agencies wherever and whenever advisable to further the purposes of ORS 526.215, and may  
14 enter into any necessary agreements therefor.

15 (2) In order that there may be close coordination between the research and experimentation  
16 programs and the wise management and use of Oregon's forests for the production of goods and  
17 services that benefit all its citizens, the State Board of [*Higher*] Education shall appoint a Forest  
18 Research Laboratory Advisory Committee composed of 15 members. Nine members shall be individ-  
19 uals who are actively and principally engaged in timber management on forestlands, harvesting or  
20 the processing of forest products, one of whom shall be from a small woodland owner's association,  
21 three members shall be individuals who are the heads of state and federal public forestry agencies  
22 and three members shall be individuals from the public at large. No individual who is a public  
23 member may have any relationship or pecuniary interest that would interfere with that individual  
24 representing the public interest. The advisory committee shall render practical counsel in the fields  
25 of forest management and use and forest harvest and utilization as they relate to the economic and  
26 social well-being of the people of Oregon.

27 **SECTION 210.** ORS 542.710 is amended to read:

28 542.710. (1) The Oregon University System, under the direction of the State Board of [*Higher*]  
29 Education acting through the Agricultural Experiment Station of Oregon State University, is au-  
30 thorized to conduct a test stream and watershed study in order to ascertain in a scientific manner  
31 the interrelation between all factors operating in watersheds upon maximum resource productivity  
32 of the area for the greatest public benefit.

33 (2) In conducting the study the Oregon University System, under the direction of the State  
34 Board of [*Higher*] Education acting through the Agricultural Experiment Station of Oregon State  
35 University, may:

36 (a) Enlist the cooperation of other state agencies concerned with fields under study and may  
37 reimburse such agencies for use made of facilities and personnel.

38 (b) Acquire the services of other persons as necessary for the purposes of this section.

39 **SECTION 211.** ORS 542.720 is amended to read:

40 542.720. For purposes of ORS 542.710, the State Board of [*Higher*] Education may accept assist-  
41 ance and grants in the form of real or personal property, money, labor, equipment or technical as-  
42 sistance from the United States or any of its agencies, political subdivisions or from other persons  
43 subject to the conditions imposed thereon regardless of conflicting state law and may, unless en-  
44 joined by the terms of the grant or donation, convert the same into money to be used for the pur-  
45 poses of ORS 542.710.

1       **SECTION 212.** ORS 561.364 is amended to read:

2       561.364. (1) In order to eliminate unnecessary duplication of effort and expense, there shall be  
3 the fullest cooperation between Oregon State University and the State Department of Agriculture,  
4 including the interchange of statistical information between the university and the department.

5       (2) If, in the interest of economy and efficiency, either temporary or permanent, it appears ad-  
6 visable to have any of the laboratory or statistical work of the department performed by Oregon  
7 State University, the Director of Agriculture and the director of the experiment station shall work  
8 out a cooperative plan of operation and shall agree upon such a division of the funds available for  
9 such work as may meet with the approval of the Governor and the State Board of [*Higher*] Educa-  
10 tion.

11       **SECTION 213.** ORS 566.210 is amended to read:

12       566.210. (1) The State Board of [*Higher*] Education may hold institutes for the instruction of  
13 citizens of this state in the various branches of agriculture at such times and at such places as the  
14 board may direct. The board shall make such rules and regulations as it deems proper for organizing  
15 and conducting the institutes, and shall employ an agent or agents to perform such work in con-  
16 nection therewith as it deems best.

17       (2) The course of instruction at the institutes shall be so arranged as to present to those in at-  
18 tendance results of the most recent investigations in theoretical and practical agriculture.

19       **SECTION 214.** ORS 567.025 is amended to read:

20       567.025. The State Board of [*Higher*] Education, acting through the Oregon agricultural exper-  
21 iment station, shall use moneys in the Gorse Control Account established in ORS 567.030 to defray  
22 the expenses of research, including salaries of investigators, supplies and apparatus, traveling ex-  
23 penses, and other expenses necessary in conducting the research, and publication of reports and  
24 bulletins upon results of the research for investigating problems relating to gorse with special re-  
25 ference to determining methods of controlling gorse.

26       **SECTION 215.** ORS 567.030 is amended to read:

27       567.030. There is established a Gorse Control Account in the General Fund for the purposes  
28 described in ORS 567.025. All funds made available for the purposes of ORS 567.025 shall be credited  
29 to the Gorse Control Account and are continuously appropriated to the State Board of [*Higher*]  
30 Education for the purposes of ORS 567.025.

31       **SECTION 216.** ORS 567.035 is amended to read:

32       567.035. (1) The State Board of [*Higher*] Education, acting through the Oregon agricultural ex-  
33 periment station, shall take the action necessary to eradicate and control *anacharis densa* and other  
34 algae, including all detrimental weeds and grasses which are found growing in the waters, lakes and  
35 streams of this state.

36       (2) In administering this section the board, acting through the Oregon agricultural experiment  
37 station, may cooperate with the United States Government, and may utilize the services of, and co-  
38 operate with any state or private agency or agencies, and may accept and expend funds therefrom  
39 in carrying out its duties imposed by this section.

40       **SECTION 217.** ORS 567.205 is amended to read:

41       567.205. (1) In order to investigate and demonstrate the conditions under which useful plants  
42 may be grown on dry, arid or nonirrigated lands of this state and to determine the kinds of plants  
43 best adapted for growth on these lands, there is established in the manner provided for in ORS  
44 567.205 to 567.240, an experiment station in this state for such purpose.

45       (2) The experiment station shall be located on such part of dry, arid or nonirrigated lands of this

1 state as shall be selected by the State Board of [*Higher*] Education acting in cooperation with a  
2 representative of the United States Department of Agriculture.

3 **SECTION 218.** ORS 567.210 is amended to read:

4 567.210. The station shall be under the management and control of the State Board of [*Higher*]  
5 Education as a branch station of Oregon State University.

6 **SECTION 219.** ORS 567.220 is amended to read:

7 567.220. The State Board of [*Higher*] Education shall cause to be prepared and published full and  
8 complete annual reports of the work undertaken and accomplished by the station, and an edition  
9 of such number of copies as the board shall determine shall be published annually and distributed  
10 free of charge. The cost of such publication and distribution shall be deemed a part of the general  
11 expense of the station.

12 **SECTION 220.** ORS 567.230 is amended to read:

13 567.230. The county court of the county in which the experimental station may be located may  
14 acquire by purchase or lease sufficient suitable land to be selected by the State Board of [*Higher*]  
15 Education, acting in cooperation with a representative of the United States Department of Agricul-  
16 ture. In case the land is acquired by purchase, the purchase price shall be paid from the general  
17 funds of the county upon the order of the county court by a warrant, in the manner in which other  
18 claims against the county are paid. In case the site for the station is acquired by lease, the lease  
19 shall be made in favor of the State of Oregon for such term of years and upon such conditions as  
20 shall be required by the State Board of [*Higher*] Education, and the rent shall be paid out of the  
21 county treasury of the county in which the station is located by warrant drawn upon the county  
22 treasury by an order of the county court.

23 **SECTION 221.** ORS 567.235 is amended to read:

24 567.235. The county court of the county in which the station is located is authorized and di-  
25 rected to place upon the land acquired as provided in ORS 567.230 such buildings and other im-  
26 provements, including a well, as may be required by the State Board of [*Higher*] Education. The  
27 expenses incurred thereby shall be paid in the manner provided by ORS 567.230 for payment of the  
28 purchase price or rent of the land.

29 **SECTION 222.** ORS 567.255 is amended to read:

30 567.255. In order to investigate and demonstrate the conditions under which useful plants, grains  
31 and fruits may be grown on submersible lands, reclaimed swamp lands and logged-off lands in this  
32 state and to determine the kinds of plants, grains and fruits best adapted for growth on such lands,  
33 there is established an agricultural experimental station in Clatsop County in such place as may be  
34 selected by the State Board of [*Higher*] Education. The station shall be known as the John Jacob  
35 Astor Agricultural Experiment Station.

36 **SECTION 223.** ORS 567.260 is amended to read:

37 567.260. The Astor experiment station shall be under the control and management of the State  
38 Board of [*Higher*] Education as a branch of Oregon State University.

39 **SECTION 224.** ORS 567.270 is amended to read:

40 567.270. The State Board of [*Higher*] Education shall cause to be prepared and published at least  
41 once every two years a full and complete report of the work undertaken and accomplished by the  
42 Astor experiment station. The reports shall be distributed free of charge. The cost of the publication  
43 and distribution shall be deemed a part of the general expense of the station.

44 **SECTION 225.** ORS 567.275 is amended to read:

45 567.275. The State Board of [*Higher*] Education may cooperate in the special work of the Astor

1 experiment station with the United States Department of Agriculture, or of any bureau or officer  
2 thereof, and may enter into any necessary agreement therefor with said department, or any bureau  
3 or office thereof.

4 **SECTION 226.** ORS 567.325 is amended to read:

5 567.325. The State Board of [*Higher*] Education may cooperate in work in any special field of  
6 the experiment station with the federal government or any department, bureau, or office thereof, and  
7 may enter into any necessary agreement therefor with said government, department, bureau or of-  
8 fice.

9 **SECTION 227.** ORS 567.330 is amended to read:

10 567.330. The State Board of [*Higher*] Education shall cause to be prepared and published at least  
11 once every two years, full and complete reports of the work undertaken and accomplished by the  
12 station. The reports shall be distributed free of charge. The cost of such publication and distribution  
13 shall be deemed part of the general expenses of the station.

14 **SECTION 228.** ORS 567.405 is amended to read:

15 567.405. In order to investigate and demonstrate methods for improving agricultural and live-  
16 stock conditions in the range areas in southeastern Oregon, an agricultural experiment station is  
17 established and shall be located in Harney County in such place as may be selected by the State  
18 Board of [*Higher*] Education.

19 **SECTION 229.** ORS 567.410 is amended to read:

20 567.410. The station shall be under the control and management of the State Board of [*Higher*]  
21 Education through its director of the Oregon agricultural experiment station, as a branch station  
22 of the Oregon agricultural experiment station.

23 **SECTION 230.** ORS 567.430 is amended to read:

24 567.430. The State Board of [*Higher*] Education shall cause to be prepared and published at least  
25 once every two years a full and completed report of the work undertaken and accomplished by the  
26 Harney County station. The reports shall be distributed free of charge and the cost of such publi-  
27 cation and distribution shall be deemed a part of the general expense of the station.

28 **SECTION 231.** ORS 567.455 is amended to read:

29 567.455. To study and carry on investigations in horticultural, pathological and other agricul-  
30 tural problems as affects the interests of this state, there is established an agricultural experimental  
31 area in Hood River and Wasco Counties to be operated as the Mid-Columbia Experiment Station  
32 under the control and management of the State Board of [*Higher*] Education through the Agricul-  
33 tural Experiment Station of Oregon State University.

34 **SECTION 232.** ORS 567.475 is amended to read:

35 567.475. The State Board of [*Higher*] Education shall cause to be prepared and published once  
36 every two years a full and complete report of the work accomplished by the station. The report shall  
37 be distributed free of charge. The cost of such publication and distribution shall be deemed a part  
38 of the general expense of the station.

39 **SECTION 233.** ORS 567.480 is amended to read:

40 567.480. The State Board of [*Higher*] Education may cooperate in the special work of the station  
41 with the United States Department of Agriculture or any office or bureau thereof, and may enter  
42 into any agreement therefor with said department, bureau or office.

43 **SECTION 234.** ORS 567.505 is amended to read:

44 567.505. There is established a branch agricultural experiment station of Oregon State Univer-  
45 sity in southern Oregon, located in such part of southern Oregon as may be determined by the State

1 Board of *[Higher]* Education.

2 **SECTION 235.** ORS 567.510 is amended to read:

3 567.510. The station shall be under the management and control of the State Board of *[Higher]*  
4 Education as a branch station of Oregon State University.

5 **SECTION 236.** ORS 567.515 is amended to read:

6 567.515. The State Board of *[Higher]* Education shall cause to be prepared and published at least  
7 once every two years a full and complete report of the work undertaken and accomplished by the  
8 station. The reports shall be distributed free of charge. The cost of such publication and distribution  
9 shall be deemed a part of the general expenses of the station.

10 **SECTION 237.** ORS 567.520 is amended to read:

11 567.520. The State Board of *[Higher]* Education may cooperate in work in any special field of  
12 the station with the federal government or any department, bureau or office thereof, and may enter  
13 into any necessary agreement therefor with said government, department, bureau or office.

14 **SECTION 238.** ORS 567.575 is amended to read:

15 567.575. All revenues derived from the land and experiment station not necessarily used in  
16 connection with the experiment station may be used by the State Board of *[Higher]* Education in the  
17 improvement of the property referred to in this section and ORS 567.580 in repairing structures  
18 thereon, for the use and benefit of the experiment station generally and for conducting agricultural  
19 experiments in eastern Oregon and not otherwise.

20 **SECTION 239.** ORS 567.580 is amended to read:

21 567.580. The station shall at all times be under the exclusive management and control of the  
22 State Board of *[Higher]* Education and shall be deemed a branch of the experiment station of Oregon  
23 State University.

24 **SECTION 240.** ORS 576.035 is amended to read:

25 576.035. The State Board of *[Higher]* Education, acting through the Federal Cooperative Exten-  
26 sion Service of Oregon State University, shall cooperate with the Agriculture Marketing Service of  
27 the United States Department of Agriculture and with the appropriate offices of adjoining states to  
28 establish and maintain a food product market news service in the Klamath Basin and provide such  
29 services for the central Oregon and Malheur areas.

30 **SECTION 241.** ORS 659.850 is amended to read:

31 659.850. (1) As used in this section, "discrimination" means any act that unreasonably differen-  
32 tiates treatment, intended or unintended, or any act that is fair in form but discriminatory in oper-  
33 ation, either of which is based on race, color, religion, sex, sexual orientation, national origin,  
34 marital status, age or disability. "Discrimination" does not include enforcement of an otherwise  
35 valid dress code or policy, as long as the code or policy provides, on a case-by-case basis, for rea-  
36 sonable accommodation of an individual based on the health and safety needs of the individual.

37 (2) A person may not be subjected to discrimination in any public elementary, secondary or  
38 community college education program or service, school or interschool activity or in any higher  
39 education program or service, school or interschool activity where the program, service, school or  
40 activity is financed in whole or in part by moneys appropriated by the Legislative Assembly.

41 (3) The State Board of Education [*and the State Board of Higher Education*] shall establish rules  
42 necessary to ensure compliance with subsection (2) of this section in the manner required by ORS  
43 chapter 183.

44 **SECTION 242.** ORS 659.855 is amended to read:

45 659.855. (1) Any public elementary or secondary school determined by the Superintendent of

1 Public Instruction or any community college determined by the Commissioner for Community Col-  
2 lege Services to be in noncompliance with provisions of ORS 659.850 and this section shall be sub-  
3 ject to appropriate sanctions, which may include withholding of all or part of state funding, as  
4 established by rule of the State Board of Education.

5 (2) Any public university listed in ORS 352.002 determined by the Chancellor of the Oregon  
6 University System to be in noncompliance with provisions of ORS 659.850 and this section shall be  
7 subject to appropriate sanctions, which may include withholding of all or part of state funding, as  
8 established by rule of the State Board of *[Higher]* Education.

9 (3) Any public charter school determined by the sponsor of the school or the superintendent to  
10 be in noncompliance with the provisions of ORS 659.850 and this section shall be subject to appro-  
11 priate sanctions, which may include the withholding of all or part of state funding by the sponsor  
12 or superintendent, as established by rule of the State Board of Education.

13 **SECTION 243.** ORS 659.860 is amended to read:

14 659.860. (1) Any person claiming to be aggrieved by unlawful discrimination as prohibited by  
15 ORS 659.850 may file a civil action in circuit court for equitable relief or, subject to the terms and  
16 conditions of ORS 30.265 to 30.300, damages, or both. The court may order such other relief as may  
17 be appropriate. Damages shall be \$200 or actual damages, whichever is greater.

18 (2) The action authorized by this section shall be filed within one year of the filing of a griev-  
19 ance.

20 (3) No action shall be filed unless, within 180 days of the alleged discrimination, a grievance has  
21 been filed with the school district board, public charter school governing body, community college  
22 board of education or State Board of *[Higher]* Education.

23 (4) No action may be filed until 90 days after filing a grievance unless only injunctive relief is  
24 sought pursuant to ORCP 79. The right to temporary or preliminary injunctive relief shall be inde-  
25 pendent of the right to pursue any administrative remedy available to complainants pursuant to ORS  
26 659.850.

27 (5) No action may be filed if the school district board, public charter school governing body,  
28 community college board of education or State Board of *[Higher]* Education has obtained a concil-  
29 iation agreement with the person filing the grievance or if a final determination of a grievance has  
30 been made except as provided in ORS 183.480.

31 (6) Notwithstanding the filing of a grievance, pursuant to subsection (3) of this section, any  
32 person seeking to maintain an action under this section shall also file a notice of claim within 180  
33 days of the alleged discrimination as required by ORS 30.275.

34 (7) The court shall award reasonable attorney fees to a prevailing plaintiff in any action under  
35 this section. The court may award reasonable attorney fees and expert witness fees incurred by a  
36 defendant who prevails in the action if the court determines that the plaintiff had no objectively  
37 reasonable basis for asserting a claim or no objectively reasonable basis for appealing an adverse  
38 decision of a trial court.

39 (8) Nothing in this section is intended to reduce the obligations of the education agencies under  
40 this section and ORS 659.850 and 659.855.

41 **SECTION 244.** ORS 815.080 is amended to read:

42 815.080. (1) A person commits the offense of providing a safety belt, harness equipment or a child  
43 safety system that does not comply with standards if the person does any of the following:

44 (a) Sells or offers for sale a new motor vehicle that is not equipped with safety belts, safety  
45 harnesses or child safety systems that comply with and are installed in compliance with the rules

1 adopted by the Department of Transportation under ORS 815.055. This paragraph applies only to  
 2 motor vehicles that are primarily designed for transportation of individuals and that have seating  
 3 for one or more passengers side-by-side with the operator. This paragraph requires only that the  
 4 vehicle be equipped with one seat belt or harness for the operator and one for at least one of the  
 5 passengers seated beside the operator.

6 (b) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other  
 7 device for attaching or securing safety belts, safety harnesses or child safety system if the belt,  
 8 harness, child safety system, anchor or device does not comply with the rules adopted by the de-  
 9 partment under ORS 815.055. This paragraph applies only to belts, harnesses, child safety systems,  
 10 anchors or devices for use or installation on a vehicle that is primarily designed for transportation  
 11 of individuals.

12 (c) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other  
 13 device for attaching or securing safety belts, safety harnesses or child safety systems if the belt,  
 14 harness, child safety system, anchor or device is not marked as required under federal safety stan-  
 15 dards and if the mark is not legible when the belt, harness, child safety system, anchor or other  
 16 device is used or installed on a vehicle. This paragraph applies only to belts, harnesses, child safety  
 17 systems, anchors or devices for use or installation on a vehicle that is primarily designed for  
 18 transportation of individuals.

19 (d) Installs any safety belt, safety harness, child safety system, anchor or other device for at-  
 20 taching or securing safety belts, safety harnesses or child safety systems on a vehicle that is pri-  
 21 marily designed for the transportation of individuals except in compliance with rules adopted by the  
 22 department under ORS 815.055.

23 (2) This section does not apply to school buses or school activity vehicles that are subject to  
 24 equipment standards adopted by the State Board of Education [*or the State Board of Higher Educa-*  
 25 *tion*] under ORS 820.100.

26 (3) The offense described in this section, providing a safety belt, harness equipment or a child  
 27 safety system that does not comply with standards, is a Class C traffic violation.

28 **SECTION 245.** ORS 820.100 is amended to read:

29 820.100. (1) The State Board of Education shall adopt and enforce such reasonable standards  
 30 relating to school bus and school activity vehicle construction and school bus and school activity  
 31 vehicle equipment **used in relation to elementary and secondary schools** as the board deems  
 32 necessary for safe and economical operation, except that the board may not authorize the use of  
 33 school buses manufactured before April 1, 1977.

34 (2) The State Board of [*Higher*] Education may adopt and enforce separate rules of the type  
 35 described under this section for school buses and school activity vehicles that are [*under the board's*  
 36 *jurisdiction*] **used for community colleges and institutes of higher education**, except that the  
 37 board may not authorize the use of school buses manufactured before April 1, 1977.

38 (3) The State Board of Education shall adopt and enforce standards for school bus stop arms  
 39 authorized by ORS 820.105.

40 (4) Rules adopted under this section:

41 (a) Must be consistent with requirements established by statute or by rule adopted under stat-  
 42 utory authority that relate to the same subject.

43 (b) Shall be consistent with minimum uniform national standards, if such standards exist.

44 (c) May include different requirements for different classes or types of school buses or school  
 45 activity vehicles.

1 (d) May include any exemptions determined appropriate under ORS 820.150.

2 **SECTION 246.** ORS 820.110 is amended to read:

3 820.110. (1) The State Board of Education shall adopt and enforce rules to establish requirements  
4 of operation, qualifications or special training of drivers and special accident reports for school  
5 buses and school activity vehicles **used for elementary and secondary schools.**

6 (2) The State Board of [*Higher*] Education may adopt and enforce separate rules of the type  
7 described under this section for school buses and school activity vehicles that are [*under its juris-*  
8 *isdiction*] **used for community colleges and institutes of higher education.**

9 (3) The rules adopted under this section:

10 (a) Are subject to ORS 820.190 and 820.200 and to any other statute or regulation relating to  
11 the operation of vehicles, qualifications of drivers and accident reports.

12 (b) Must be consistent with requirements established by statute or by rule adopted under stat-  
13 utory authority that relate to the same subject.

14 (c) May include different requirements for different classes or types of school buses or school  
15 activity vehicles.

16 (d) May include any exemptions determined appropriate under ORS 820.150.

17 (4) If the Department of Transportation suspends, cancels or revokes any driving privileges of  
18 a person who holds a school bus endorsement under ORS 807.035 (5), the Department of Transpor-  
19 tation shall notify the Department of Education of the suspension, cancellation or revocation.

20 **SECTION 247.** ORS 820.120 is amended to read:

21 820.120. (1) The State Board of Education shall adopt and enforce rules to provide for the in-  
22 spection of school buses and school activity vehicles [*to assure*] **used for elementary and second-**  
23 **ary schools to ensure** that the vehicles are in compliance with requirements under rules  
24 established under ORS 820.100 and 820.110, as applicable, and that the vehicles are safe for opera-  
25 tion. The rules may include intervals of inspections.

26 (2) The State Board of [*Higher*] Education may adopt and enforce separate rules of the type  
27 described under this section for school buses and school activity vehicles that are [*under its juris-*  
28 *isdiction*] **used for community colleges and institutes of higher education.**

29 (3) The rules adopted under this section:

30 (a) Are subject to any other statute or regulation relating to the safety of vehicles for operation  
31 and the inspection of vehicles.

32 (b) May include different requirements for different classes or types of school buses or school  
33 activity vehicles.

34 (c) May include any exemptions determined appropriate under ORS 820.150.

35 **SECTION 248.** ORS 820.130 is amended to read:

36 820.130. The Department of Transportation shall issue registration for a school bus when noti-  
37 fied that the vehicle conforms to applicable rules under ORS 820.100 to 820.120 and that the vehicle  
38 is safe for operation on the highways. Notification required by this section shall be from[:]

39 [(1)] the State Board of Education or its authorized representative. [*regarding vehicles under its*  
40 *regulatory authority.*]

41 [(2)] *The State Board of Higher Education or its authorized representative regarding vehicles under*  
42 *its jurisdiction.*]

43 **SECTION 249.** ORS 820.150 is amended to read:

44 820.150. (1) The State Board of Education, by rule, may establish classes or types of vehicles  
45 that are not considered school buses or school activity vehicles for purposes of the Oregon Vehicle

1 Code or classes of school buses or school activity vehicles **used for elementary and secondary**  
 2 **schools** that are not subject to regulation under the Oregon Vehicle Code either partially or com-  
 3 pletely.

4 (2) The State Board of [*Higher*] Education may adopt separate rules of the type described under  
 5 this section for vehicles that are [*under its jurisdiction*] **used for community colleges and insti-**  
 6 **tutes of higher education.**

7 (3) Rules adopted under this section are subject to the following:

8 (a) Any exemption, either partial or total, established under this section may be based upon  
 9 passenger capacity, on limited use or on any other basis the State Board of Education [*or the State*  
 10 *Board of Higher Education*] considers appropriate.

11 (b) No exemption, either partial or total, shall be established under this section for any vehicle  
 12 that is marked with or displays the words “school bus.”

13 (c) Any vehicle determined not to be a school bus under this section is not a school bus within  
 14 the definition established under ORS 801.460. Partial exemptions established for vehicles under this  
 15 section may include removal of the vehicle from any provisions relating to school buses under the  
 16 vehicle code.

17 (d) Any vehicle determined not to be a school activity vehicle under this section is not a school  
 18 activity vehicle within the definition established under ORS 801.455. Partial exemptions established  
 19 for vehicles under this section may include removal of the vehicle from any provisions relating to  
 20 school activity vehicles under the vehicle code.

21 (e) In considering any rules under this section, the [*boards*] **board** shall consider the need to  
 22 assure student safety.

23 **SECTION 250.** ORS 825.017 is amended to read:

24 825.017. Except as provided in ORS 825.026 and 825.030, this chapter does not apply to the per-  
 25 sons or vehicles described in this section. The exemption under this section applies to the following  
 26 persons and vehicles:

27 (1) Vehicles being used by, or under contract with, any school board, district or person respon-  
 28 sible for the administration of elementary or secondary school activities, and engaged exclusively  
 29 in transporting students or combinations of students and other persons to or from school, to or from  
 30 authorized school activities or other activities sponsored by the State Board of [*Higher*] Education,  
 31 or for purposes provided under ORS 332.427. This exemption shall not be affected by the charging  
 32 of a fee to cover the costs of the transportation.

33 (2) Vehicles being used in a taxicab operation if the vehicle:

34 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed five;

35 (b) Carries passengers for hire where the destination and route traveled may be controlled by  
 36 a passenger and the fare is calculated on the basis of any combination of an initial fee, distance  
 37 traveled or waiting time; and

38 (c) Is transporting persons or property, or both, between points in Oregon.

39 (3) Vehicles being used for the transportation of property by private carrier by means of a single  
 40 vehicle or combination of vehicles with a combined weight that does not exceed 8,000 pounds.

41 (4) Vehicles being used in operating implements of husbandry.

42 (5) Vehicles being used as a hearse or ambulance.

43 (6) Vehicles being used over any private road or thoroughfare.

44 (7) Vehicles being used on any road, thoroughfare or property, other than a state highway,  
 45 county road or city street, for the removal of forest products as defined in ORS 321.005, or the

1 product of forest products converted to a form other than logs at or near the harvesting site, or  
2 when used for the construction or maintenance of the road, thoroughfare or property, pursuant to  
3 a written agreement or permit authorizing the use, construction or maintenance of the road,  
4 thoroughfare or property, with:

- 5 (a) An agency of the United States;
- 6 (b) The State Board of Forestry;
- 7 (c) The State Forester; or
- 8 (d) A licensee of an agency named in this subsection.

9 (8) Vehicles being used on any county road for the removal of forest products as defined in ORS  
10 321.005, or the products of forest products converted to a form other than logs at or near the har-  
11 vesting site, if:

12 (a) The use is pursuant to a written agreement entered into with the State Board of Forestry,  
13 the State Forester or an agency of the United States, authorizing the owner of the motor vehicle  
14 to use the road and requiring the owner to pay for or to perform the construction or maintenance  
15 of the county road, including any operator of a motor vehicle retained to transport logs, poles and  
16 piling for the owners who are exempt under this section;

17 (b) The board, officer or agency that entered into the agreement or granted the permit, by con-  
18 tract with the county court or board of county commissioners, has assumed the responsibility for the  
19 construction or maintenance of the county road; and

20 (c) Copies of the agreements or permits required by this subsection are filed with the Director  
21 of Transportation.

22 (9) Vehicles being used in the transportation of persons for hire if the operation:

23 (a) Is performed by a nonprofit entity;

24 (b) Is not in competition with a regular route full-service scheduled carrier of persons that is  
25 subject to the provisions of this chapter or a service provided by a mass transit district formed un-  
26 der ORS chapter 267;

27 (c) Is performed by use of vehicles operating in compliance with ORS 820.020 to 820.070; and

28 (d) Is approved by the Department of Transportation as complying with paragraphs (a) to (c) of  
29 this subsection.

30 (10) Vehicles being used in transporting persons with disabilities, with or without their super-  
31 visors or assistants, to or from rehabilitation facilities or child care services if the motor vehicle is  
32 a passenger motor vehicle with a seating capacity of not more than 12 passengers. The exemption  
33 provided by this subsection applies only when the motor vehicle is operated by or under contract  
34 with any person responsible for the administration of rehabilitation facilities as defined in ORS  
35 344.710 to 344.730 or child care services provided by a facility licensed under ORS 657A.030 and  
36 657A.250 to 657A.450.

37 (11) Vehicles owned or operated by the United States or by any governmental jurisdiction within  
38 the United States except when owned or operated as a carrier of property for hire.

39 (12) Vehicles owned or operated by a mass transit district created under ORS chapter 267.

40 (13) Vehicles owned or operated by, or under contract with, a person responsible for the con-  
41 struction or reconstruction of a highway under contract with the Department of Transportation or  
42 with an agency of the United States when operated within the immediate construction project as  
43 described in the governmental agency contract during the construction period.

44 (14) Vehicles owned or operated by, or under contract with, a charitable organization when ex-  
45 clusively engaged in performing transportation, either one way or round trip, necessary to the op-

1 eration of the charitable organization. As used in this subsection, “charitable organization” means  
 2 an organization that has no capital stock and no provision for making dividends or profits, but de-  
 3 rives its funds principally from public and private charity and holds them in trust for the promotion  
 4 of the welfare of others and not for profit. Any organization claiming an exemption under this sub-  
 5 section shall file an affidavit with the department stating that it is organized and operated in ac-  
 6 cordance with the requirements of this subsection.

7 (15) Vehicles with a maximum speed that does not exceed 35 miles per hour that are designed  
 8 for off-road use and that are operated on the public highways in any one calendar year a number  
 9 of miles that does not exceed 15 percent of the total number of miles the vehicle is operated for that  
 10 calendar year.

11 (16) Passenger vehicles with a passenger seating capacity that does not exceed five when used  
 12 in the transportation of new telephone books.

13 (17) A vehicle that is used in a limousine service operation in which the destination and route  
 14 traveled may be controlled by the passenger and the fare is calculated on the basis of any combi-  
 15 nation of initial fee, distance traveled and waiting time if the vehicle:

16 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed eight;

17 (b) Carries passengers for hire between points in Oregon; and

18 (c) Operates on an irregular route basis.

19 (18) Fire trucks and rescue vehicles that are designated as emergency vehicles by the Depart-  
 20 ment of Transportation under ORS 801.260, while involved in emergency and related operations.

21 (19) A person who provides services related to the packing or loading of household goods if the  
 22 person does not:

23 (a) Provide or operate a motor vehicle for the movement of the household goods; and

24 (b) Act as an agent for any person who does provide or operate a motor vehicle for the move-  
 25 ment of the household goods.

26 **SECTION 251.** Section 5, chapter 904, Oregon Laws 2009, is amended to read:

27 **Sec. 5.** The State Board of [*Higher*] Education shall determine the capital renewal, code com-  
 28 pliance and safety projects to be undertaken with moneys made available under section 6 (1)(a) [*of*  
 29 *this 2009 Act*], **chapter 904, Oregon Laws 2009**, on the basis of the board’s determination of the  
 30 most critical capital renewal, code compliance and safety needs. In determining the capital renewal,  
 31 code compliance and safety needs, the board shall give priority to projects that protect the health  
 32 and safety of occupants and maintain the structural integrity of facilities.

33 **SECTION 252.** Section 10, chapter 904, Oregon Laws 2009, as amended by section 7, chapter  
 34 99, Oregon Laws 2010, and section 3, chapter 15, Oregon Laws 2011, is amended to read:

35 **Sec. 10.** (1) Pursuant to Article XI-G of the Oregon Constitution and ORS 351.345 and ORS  
 36 chapter 286A, the State Board of [*Higher*] Education may sell, with the approval of the State  
 37 Treasurer, general obligation bonds of the State of Oregon of the kind and character and within the  
 38 limits prescribed by Article XI-G of the Oregon Constitution, as the board determines, but in no  
 39 event may the board sell more than the aggregate principal sum of \$139,900,479 par value for the  
 40 biennium beginning July 1, 2009. The moneys realized from the sale of the bonds shall be appro-  
 41 priated and may be expended for the purposes set forth in section 2 (3)(h), chapter 845, Oregon Laws  
 42 2001, section 2 (6)(h) and (p), chapter 787, Oregon Laws 2005, section 2 (4)(a) and (L), (5)(h) and (6)(g)  
 43 and (h), chapter 761, Oregon Laws 2007, and section 6 (1)(b) and (d), (2)(a), (3), (4)(b), (c) and (d),  
 44 (5)(a), (6)(b) and (7)(a), chapter 904, Oregon Laws 2009, and for payment for capitalized interest and  
 45 costs incidental to issuance of the bonds.

1 (2) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
2 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
3 Constitution in section 6 (1)(b), chapter 904, Oregon Laws 2009, are matched pursuant to section 14,  
4 chapter 904, Oregon Laws 2009.

5 (3) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
6 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
7 Constitution in section 6 (1)(d), chapter 904, Oregon Laws 2009, are matched pursuant to section 15,  
8 chapter 904, Oregon Laws 2009.

9 (4) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
10 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
11 Constitution in section 6 (2)(a), chapter 904, Oregon Laws 2009, are matched pursuant to section 16,  
12 chapter 904, Oregon Laws 2009.

13 (5) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
14 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
15 Constitution in section 6 (3), chapter 904, Oregon Laws 2009, are matched pursuant to section 18,  
16 chapter 904, Oregon Laws 2009.

17 (6) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
18 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
19 Constitution in section 6 (4)(b), chapter 904, Oregon Laws 2009, are matched pursuant to section 19,  
20 chapter 904, Oregon Laws 2009.

21 (7) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
22 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
23 Constitution in section 6 (4)(c), chapter 904, Oregon Laws 2009, are matched pursuant to section 20,  
24 chapter 904, Oregon Laws 2009.

25 (8) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
26 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
27 Constitution in section 6 (4)(d), chapter 904, Oregon Laws 2009, are matched pursuant to section 21,  
28 chapter 904, Oregon Laws 2009.

29 (9) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
30 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
31 Constitution in section 6 (5)(a), chapter 904, Oregon Laws 2009, are matched pursuant to section 22,  
32 chapter 904, Oregon Laws 2009.

33 (10) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
34 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
35 Constitution in section 6 (6)(b), chapter 904, Oregon Laws 2009, are matched pursuant to section 23,  
36 chapter 904, Oregon Laws 2009.

37 (11) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds  
38 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon  
39 Constitution in section 6 (7)(a), chapter 904, Oregon Laws 2009, are matched pursuant to section 24,  
40 chapter 904, Oregon Laws 2009.

41 **SECTION 253.** Section 11, chapter 904, Oregon Laws 2009, is amended to read:

42 **Sec. 11.** Notwithstanding the expenditure limitations established under sections 6 and 12 [of this  
43 2009 Act], **chapter 904, Oregon Laws 2009**, the State Board of [Higher] Education may increase any  
44 limit for expenditures from other revenues, including federal funds, prescribed by sections 6 and 12  
45 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, for a specific project, if the expenditure limi-

1 tation for bonds issued pursuant to Article XI-F(1) or XI-G of the Oregon Constitution for the project  
2 is reduced by the board in the same amount.

3 **SECTION 254.** Section 12, chapter 904, Oregon Laws 2009, is amended to read:

4 **Sec. 12.** (1) Notwithstanding the expenditure limitations established under section 6 [*of this 2009*  
5 *Act*], **chapter 904, Oregon Laws 2009**, and subject to subsection (3) of this section, the State Board  
6 of [*Higher*] Education may expend amounts that exceed the expenditure limitations established under  
7 section 6 (1) to (7) [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, for bonds issued pursuant  
8 to Article XI-F(1) of the Oregon Constitution by the following percentage amounts:

9 (a) For a project with a combined approved General Fund appropriation and total expenditure  
10 limitation of \$500,000 to \$999,999 under section 6 [*of this 2009 Act*], **chapter 904, Oregon Laws**  
11 **2009**, up to 12 percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1) of  
12 the Oregon Constitution.

13 (b) For a project with a combined approved General Fund appropriation and total expenditure  
14 limitation of \$1,000,000 to \$4,999,999 under section 6 [*of this 2009 Act*], **chapter 904, Oregon Laws**  
15 **2009**, up to eight percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1)  
16 of the Oregon Constitution.

17 (c) For a project with a combined approved General Fund appropriation and total expenditure  
18 limitation of \$5,000,000 to \$9,999,999 under section 6 [*of this 2009 Act*], **chapter 904, Oregon Laws**  
19 **2009**, up to five percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1)  
20 of the Oregon Constitution.

21 (d) For a project with a combined approved General Fund appropriation and total expenditure  
22 limitation of \$10,000,000 or more under section 6 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**,  
23 up to three percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1) of the  
24 Oregon Constitution.

25 (2) Notwithstanding the expenditure limitations established under section 6 [*of this 2009 Act*],  
26 **chapter 904, Oregon Laws 2009**, and subject to subsection (3) of this section, the State Board of  
27 [*Higher*] Education may expend amounts that exceed the expenditure limitations established under  
28 section 6 (1) to (7) [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, for other revenues, including  
29 federal funds, by the following percentage amounts:

30 (a) For a project with a combined approved General Fund appropriation and total expenditure  
31 limitation of \$500,000 to \$999,999 under section 6 [*of this 2009 Act*], **chapter 904, Oregon Laws**  
32 **2009**, up to 12 percent of the expenditure limitation for other revenues, including federal funds.

33 (b) For a project with a combined approved General Fund appropriation and total expenditure  
34 limitation of \$1,000,000 to \$4,999,999 under section 6 [*of this 2009 Act*], **chapter 904, Oregon Laws**  
35 **2009**, up to eight percent of the expenditure limitation for other revenues, including federal funds.

36 (c) For a project with a combined approved General Fund appropriation and total expenditure  
37 limitation of \$5,000,000 to \$9,999,999 under section 6 [*of this 2009 Act*], **chapter 904, Oregon Laws**  
38 **2009**, up to five percent of the expenditure limitation for other revenues, including federal funds.

39 (d) For a project with a combined approved General Fund appropriation and total expenditure  
40 limitation of \$10,000,000 or more under section 6 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**,  
41 up to three percent of the expenditure limitation for other revenues, including federal funds.

42 (3) The total amount by which the expenditure limitations established under section 6 [*of this*  
43 *2009 Act*], **chapter 904, Oregon Laws 2009**, are exceeded under subsections (1) and (2) of this sec-  
44 tion may not be greater than the sum of the amounts established under section 6 (8) [*of this 2009*  
45 *Act*], **chapter 904, Oregon Laws 2009**.

1 (4) Notwithstanding the expenditure limitations established under section 6 [of this 2009 Act],  
 2 **chapter 904, Oregon Laws 2009**, and subsection (3) of this section, the State Board of [Higher]  
 3 Education may expend an additional amount in excess of the expenditure limitations established  
 4 under section 6 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, to pay the cost of accrued and  
 5 unpaid interest attributable to short term borrowing under Article XI-F(1) of the Oregon Constitu-  
 6 tion for a project listed in section 6 (1) to (7) [of this 2009 Act], **chapter 904, Oregon Laws 2009**,  
 7 if the short term borrowing has been refunded by another borrowing. The amount of such accrued  
 8 and unpaid interest shall not exceed the amount established under section 6 (9) [of this 2009 Act],  
 9 **chapter 904, Oregon Laws 2009**, and may be treated as an allowable project cost related to the  
 10 acquisition of land, improvements to land and acquisition, planning, constructing, altering, repairing,  
 11 furnishing and equipping of buildings, facilities and other projects within the Oregon University  
 12 System that may be paid from bond proceeds and other revenues, including federal funds, collected  
 13 or received by the Oregon University System.

14 **SECTION 255.** Section 13, chapter 904, Oregon Laws 2009, is amended to read:

15 **Sec. 13.** Notwithstanding ORS 351.345 and section 6 [of this 2009 Act], **chapter 904, Oregon**  
 16 **Laws 2009**, the State Board of [Higher] Education may issue bonds for a project listed in section 6  
 17 (1)(b) and (d), (2), (3), (4)(b), (c) and (d), (5)(a), (6)(b) and (7)(a) [of this 2009 Act], **chapter 904, Oregon**  
 18 **Laws 2009**:

19 (1) If the total amount from other revenues, including federal funds, identified for the project in  
 20 the expenditure limitation in section 6 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, has been  
 21 received by the State Board of [Higher] Education; or

22 (2) After reporting to the Emergency Board or the Joint Committee on Ways and Means, if the  
 23 total amount from other revenues, including federal funds, identified for the project in the expendi-  
 24 ture limitation in section 6 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, has not been re-  
 25 ceived by the State Board of [Higher] Education.

26 **SECTION 256.** Section 8, chapter 615, Oregon Laws 2011, is amended to read:

27 **Sec. 8.** The State Board of [Higher] Education shall determine the capital renewal, code com-  
 28 pliance and safety projects to be undertaken with moneys made available under section 9 (1)(a) [of  
 29 this 2011 Act], **chapter 615, Oregon Laws 2011**, on the basis of the board's determination of the  
 30 most critical capital renewal, code compliance and safety needs. In determining the capital renewal,  
 31 code compliance and safety needs, the board shall give priority to projects that protect the health  
 32 and safety of occupants and maintain the structural integrity of facilities. Capital renewal, code  
 33 compliance and safety projects do not include acquisition of buildings, structures or land.

34 **SECTION 257.** Section 12, chapter 615, Oregon Laws 2011, is amended to read:

35 **Sec. 12.** Pursuant to Article XI-G of the Oregon Constitution, and ORS 286A.025 to 286A.095  
 36 and 351.345, the State Board of [Higher] Education may sell, with the approval of the State Treas-  
 37 urer, general obligation bonds of the State of Oregon of the kind and character and within the limits  
 38 prescribed by Article XI-G of the Oregon Constitution, as the board determines, but in no event may  
 39 the board sell more than the aggregate principal sum of \$17,608,000 par value for the biennium be-  
 40 ginning July 1, 2011. The moneys realized from the sale of the bonds shall be appropriated and may  
 41 be expended for the purposes set forth in section 6 (1)(d), (2)(a), (3), (4)(b) and (6)(b), chapter 904,  
 42 Oregon Laws 2009, and for payment for capitalized interest and costs incidental to issuance of the  
 43 bonds.

44 **SECTION 258.** Section 13, chapter 615, Oregon Laws 2011, is amended to read:

45 **Sec. 13.** Notwithstanding the expenditure limitations established under section 9 [of this 2011

1 *Act*], **chapter 615, Oregon Laws 2011**, the State Board of [*Higher*] Education may increase any limit  
 2 for expenditures from other revenues, including federal funds, prescribed by section 9 [*of this 2011*  
 3 *Act*], **chapter 615, Oregon Laws 2011**, for a specific project, if the expenditure limitation for bonds  
 4 issued pursuant to Article XI-F(1) of the Oregon Constitution, for the same project is reduced by the  
 5 board in the same amount.

6 **SECTION 259.** Section 14, chapter 615, Oregon Laws 2011, is amended to read:

7 **Sec. 14.** (1) Notwithstanding the expenditure limitations established in section 9 [*of this 2011*  
 8 *Act*], **chapter 615, Oregon Laws 2011**, and subject to subsection (2) of this section, the State Board  
 9 of [*Higher*] Education may expend amounts that exceed the expenditure limitations established under  
 10 section 9 (1) to (8) [*of this 2011 Act*], **chapter 615, Oregon Laws 2011**, for other revenues, including  
 11 federal funds, by the following percentage amounts:

12 (a) For a project with a total expenditure limitation of \$500,000 to \$999,999 under section 9 (1)  
 13 to (8) [*of this 2011 Act*], **chapter 615, Oregon Laws 2011**, up to 12 percent of the expenditure limi-  
 14 tation for other revenues, including federal funds.

15 (b) For a project with a total expenditure limitation of \$1,000,000 to \$4,999,999 under section 9  
 16 (1) to (8) [*of this 2011 Act*], **chapter 615, Oregon Laws 2011**, up to eight percent of the expenditure  
 17 limitation for other revenues, including federal funds.

18 (c) For a project with a total expenditure limitation of \$5,000,000 to \$9,999,999 under section 9  
 19 (1) to (8) [*of this 2011 Act*], **chapter 615, Oregon Laws 2011**, up to five percent of the expenditure  
 20 limitation for other revenues, including federal funds.

21 (d) For a project with a total expenditure limitation of \$10,000,000 or more under section 9 (1)  
 22 to (8) [*of this 2011 Act*], **chapter 615, Oregon Laws 2011**, up to three percent of the expenditure  
 23 limitation for other revenues, including federal funds.

24 (2) The total amount by which the expenditure limitations established in section 9 (1) to (8) [*of*  
 25 *this 2011 Act*], **chapter 615, Oregon Laws 2011**, are exceeded under this section may not be greater  
 26 than the sum of the amounts established under section 9 (9) [*of this 2011 Act*], **chapter 615, Oregon**  
 27 **Laws 2011**.

28 **SECTION 260.** Section 3, chapter 797, Oregon Laws 2001, is amended to read:

29 **Sec. 3.** Subject to available funding, if a building evaluated under section 2 (4) [*of this 2001*  
 30 *Act*], **chapter 797, Oregon Laws 2001**, is found by a board to pose an undue risk to life safety  
 31 during a seismic event, the State Board of [*Higher*] Education, local school district board, community  
 32 college board or education service district board, as appropriate, shall develop a plan for seismic  
 33 rehabilitation of the building or for other actions to reduce the risk. For a board that is subject to  
 34 ORS 291.224, the board's plan to rehabilitate or take other action to reduce the seismic risk of a  
 35 building must be included in the capital construction program of the board. A board that is subject  
 36 to ORS 291.224 shall rank the relative benefit of projects to reduce seismic risk in comparison with  
 37 other life safety and code requirement projects. Subject to availability of funding, all seismic reha-  
 38 bilitations or other actions to reduce seismic risk must be completed before January 1, 2032. If the  
 39 building is listed on a national or state register of historic places or properties or is designated as  
 40 a landmark by local ordinance, the plan for seismic rehabilitation or other action shall be developed  
 41 in a manner that gives consideration to preserving the character of the building.

42 **SECTION 261.** Section 1, chapter 96, Oregon Laws 2012, is amended to read:

43 **Sec. 1.** (1) [*The Higher Education Coordinating Commission shall work with the State Board of*  
 44 *Higher Education,*] **The State Board of Education shall work with** community college districts and  
 45 independent for-profit and not-for-profit institutions of higher education to carry out the following

1 goals:

2 (a) Increase the number of students who receive academic credit for prior learning and the  
3 number of students who receive academic credit for prior learning that counts toward their major  
4 or toward earning their degree, certificate or credential, while ensuring that credit is awarded only  
5 for high quality course-level competencies;

6 (b) Increase the number and type of academic credits accepted for prior learning in institutions  
7 of higher education, while ensuring that credit is awarded only for high quality course-level com-  
8 petencies;

9 (c) Develop transparent policies and practices in awarding academic credit for prior learning to  
10 be adopted by the governing boards of public universities, community colleges and independent in-  
11 stitutions of higher education;

12 (d) Improve prior learning assessment practices across all institutions of higher education;

13 (e) Create tools to develop faculty and staff knowledge and expertise in awarding academic  
14 credit for prior learning and to share exemplary policies and practices among institutions of higher  
15 education;

16 (f) Develop articulation agreements when patterns of academic credit for prior learning are  
17 identified for particular programs and pathways; and

18 (g) Develop outcome measures to track progress on the goals outlined in this section.

19 (2) The *[Higher Education Coordinating Commission]* **State Board of Education** shall appoint  
20 an advisory committee to coordinate implementation of the goals in subsection (1) of this section.

21 The committee shall include:

22 (a) A member recommended for appointment by the State Board of *[Higher]* Education repre-  
23 senting public universities in this state.

24 (b) A member recommended for appointment by the State Board of Education representing  
25 community colleges in this state.

26 (c) A member representing independent not-for-profit institutions of higher education located in  
27 this state.

28 (d) A member representing for-profit institutions of higher education offering degree programs  
29 to students in this state.

30 (e) A member representing the business community.

31 (f) A member representing the labor community.

32 (g) A member who is a student at a two-year or four-year institution of higher education located  
33 in this state.

34 (h) Other members appointed by the *[Higher Education Coordinating Commission]* **State Board**  
35 **of Education** based upon a demonstrated interest in and knowledge of prior learning programs.

36 (3) The *[Higher Education Coordinating Commission]* **State Board of Education** shall submit an  
37 annual report to the Legislative Assembly no later than December 31 of each calendar year, in the  
38 manner prescribed by ORS 192.245, reporting on progress toward meeting the goals set forth in  
39 subsection (1) of this section.

40 (4) For the purposes of this section, “prior learning” means the knowledge and skills gained  
41 through work and life experience, through military training and experience and through formal and  
42 informal education and training from institutions of higher education in the United States and in  
43 other nations.

44 **SECTION 262.** Section 14, chapter 36, Oregon Laws 2012, is amended to read:

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

1 (a) “Achievement compact” means an agreement entered into between the Oregon Education  
2 Investment Board and the governing body of an education entity as described in this section.

3 (b) “Education entity” means:

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

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

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

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

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

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

12 (c) “Governing body of an education entity” means:

13 (A) For a school district, the school district board.

14 (B) For an education service district, the board of directors of the education service district.

15 (C) For a community college district or a community college service district, the board of edu-  
16 cation of the community college district.

17 (D) For the Oregon University System, the State Board of [*Higher*] Education.

18 (E) For a public university of the Oregon University System, the president of the university.

19 (F) For the Oregon Health and Science University, the Oregon Health and Science University  
20 Board of Directors.

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

24 (b) Governing bodies of education entities identified in subsection (1)(b)(A) to (C) of this section  
25 shall enter into achievement compacts as part of the budgeting process under ORS 294.305 to 294.565  
26 and shall submit achievement compacts to the board prior to July 1 of each year.

27 (c) The board shall specify a process for adoption and a timeline for submission of achievement  
28 compacts for education entities identified in subsection (1)(b)(D) to (F) of this section.

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

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

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

35 (A) A description of goals for outcomes that are consistent with the educational goals identified  
36 in ORS 329.015, the findings described in ORS 351.003 and the mission of education provided in ORS  
37 351.009.

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

40 (i) Completion rates for:

41 (I) Critical stages of learning and programs of study;

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

43 (III) Achieving the high school and post-secondary education goals established in ORS 351.009  
44 and a projection of the progress needed to achieve those goals by 2025;

45 (ii) Validations of the quality of knowledge and skills acquired by students of the education en-

1 tity; and

2 (iii) The relevance of the knowledge and skills acquired by the students of the education entity  
3 and the means by which those skills and knowledge will contribute to the workforce, the economy  
4 and society as described in state policy.

5 (C) Other information suggested by the governing body of an education entity and approved by  
6 the board.

7 (c) Notwithstanding the terms described in paragraph (b) of this subsection, for an achievement  
8 compact entered into by an education entity identified in subsection (1)(b)(F) of this section, the  
9 terms of the achievement compact shall be limited to the enrollment of, and attainment of degrees  
10 by, Oregon residents in programs for which the state provides funding.

11 (4)(a) The governing body of each education entity shall identify a target number and percentage  
12 of students for achievement of the outcomes, measures of progress and goals specified in the  
13 achievement compact for the fiscal year.

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

19 (5) As part of the process of entering into an achievement compact, the governing body of an  
20 education entity shall ensure that open communications are provided to parents, students, teachers  
21 or faculty, employees, exclusive bargaining representatives and community representatives for the  
22 purposes of explaining and discussing the outcomes, measures of progress, goals and targets speci-  
23 fied in the achievement compact for the fiscal year. The open communications must be provided  
24 during each education entity's public budget process.

25 (6) The board shall specify the format of the achievement compacts and provide model achieve-  
26 ment compacts to the governing body of each education entity.

27 (7) The board may adopt a timeline and method for governing bodies of education entities to  
28 provide the board with a report at the end of a fiscal year that describes the achievements made  
29 by the education entities during the fiscal year. The report:

30 (a) Must include disaggregated data for each disadvantaged student group specified by the  
31 board; and

32 (b) May state achievements in numbers and percentages and in relation to the outcomes, meas-  
33 ures of progress, goals and targets specified in the achievement compact for the fiscal year.

34 **SECTION 263.** Section 9, chapter 79, Oregon Laws 2012, is amended to read:

35 **Sec. 9.** Notwithstanding the expenditure limitations established under section 7 [*of this 2012*  
36 *Act*], **chapter 79, Oregon Laws 2012**, and section 9, chapter 615, Oregon Laws 2011, the State  
37 Board of [*Higher*] Education may increase the limit for expenditures from other revenues, including  
38 federal funds, prescribed by section 9 (8)(b), chapter 615, Oregon Laws 2011, for the Natural Sciences  
39 Laboratory Annex project at Western Oregon University, if the expenditure limitation for bonds is-  
40 sued pursuant to Article XI-F(1) of the Oregon Constitution for the same project is reduced by the  
41 board in the same amount.

42  
43 **HIGHER EDUCATION COORDINATING COMMISSION ABOLISHED**

44  
45 **SECTION 264.** (1) **The Higher Education Coordinating Commission is abolished. On March**

1 15, 2016, the tenure of office of the members of the Higher Education Coordinating Commis-  
2 sion ceases.

3 (2) All the duties, functions and powers of the Higher Education Coordinating Commis-  
4 sion are imposed upon, transferred to and vested in the State Board of Education.

5 **SECTION 265.** (1) The executive officer of the Higher Education Coordinating Commission  
6 shall:

7 (a) Deliver to the Superintendent of Public Instruction all records and property within  
8 the jurisdiction of the Higher Education Coordinating Commission that relate to the duties,  
9 functions and powers transferred by section 264 of this 2013 Act; and

10 (b) Transfer to the Superintendent of Public Instruction those employees engaged pri-  
11 marily in the exercise of the duties, functions and powers transferred by section 264 of this  
12 2013 Act.

13 (2) The Superintendent of Public Instruction shall take possession of the records and  
14 property, and shall take charge of the employees and employ them in the exercise of the  
15 duties, functions and powers transferred by section 264 of this 2013 Act, without reduction  
16 of compensation but subject to change or termination of employment or compensation as  
17 provided by law.

18 (3) The Governor shall resolve any dispute relating to transfers of records, property and  
19 employees under this section, and the Governor's decision is final.

20 **SECTION 266.** (1) The unexpended balances of amounts authorized to be expended by the  
21 Higher Education Coordinating Commission for the biennium beginning July 1, 2015, from  
22 revenues dedicated, continuously appropriated, appropriated or otherwise made available for  
23 the purpose of administering and enforcing the duties, functions and powers transferred by  
24 section 264 of this 2013 Act are transferred to and are available for expenditure by the State  
25 Board of Education for the biennium beginning July 1, 2015, for the purpose of administering  
26 and enforcing the duties, functions and powers transferred to the State Board of Education  
27 by section 264 of this 2013 Act.

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

31 **SECTION 267.** The transfer of duties, functions and powers to the State Board of Edu-  
32 cation by section 264 of this 2013 Act does not affect any action, proceeding or prosecution  
33 involving or with respect to such duties, functions and powers begun before and pending at  
34 the time of the transfer, except that the State Board of Education is substituted for the  
35 Higher Education Coordinating Commission in the action, proceeding or prosecution.

36 **SECTION 268.** (1) Nothing in this 2013 Act relieves a person of a liability, duty or obli-  
37 gation accruing under or with respect to the duties, functions and powers transferred by  
38 section 264 of this 2013 Act. The State Board of Education may undertake the collection or  
39 enforcement of any such liability, duty or obligation.

40 (2) The rights and obligations of the Higher Education Coordinating Commission legally  
41 incurred under contracts, leases and business transactions executed, entered into or begun  
42 before March 15, 2016, are transferred to the State Board of Education. For the purpose of  
43 succession to these rights and obligations, the State Board of Education is a continuation  
44 of the Higher Education Coordinating Commission and not a new authority.

45 **SECTION 269.** Notwithstanding the transfer of duties, functions and powers by section

1 264 of this 2013 Act, the rules of the Higher Education Coordinating Commission in effect on  
2 March 15, 2016, continue in effect until superseded or repealed by rules of the State Board  
3 of Education. References in rules of the Higher Education Coordinating Commission or an  
4 officer or employee of the Higher Education Coordinating Commission are considered to be  
5 references to the State Board of Education, when used in reference to the duties, functions  
6 and powers described in section 264 of this 2013 Act.

7 **SECTION 270.** Whenever, in any uncodified law or resolution of the Legislative Assembly  
8 or in any rule, document, record or proceeding authorized by the Legislative Assembly, ref-  
9 erence is made to the Higher Education Coordinating Commission or an officer or employee  
10 of the Higher Education Coordinating Commission, the reference is considered to be a ref-  
11 erence to the State Board of Education, when used in reference to the duties, functions and  
12 powers described in section 264 of this 2013 Act.

13 **SECTION 271.** For the purpose of harmonizing and clarifying statutory law, the Legisla-  
14 tive Counsel may substitute for words designating the “Higher Education Coordinating  
15 Commission” or its officers, wherever they occur in statutory law, words designating the  
16 “State Board of Education” or its officers, when used in reference to the duties, functions  
17 and powers described in section 264 of this 2013 Act.

18 **SECTION 272.** During the period between the effective date of the amendment to the  
19 Oregon Constitution proposed by Senate Joint Resolution 4 (2013), and March 15, 2016, the  
20 State Board of Education may take such action as is essential in order that the duties,  
21 functions and powers that are transferred as described in section 264 of this 2013 Act may  
22 be completed to the extent that the members of the State Board of Education may carry out  
23 their required functions beginning on March 16, 2016.

24 **SECTION 273.** ORS 340.310, as amended by section 10, chapter 104, Oregon Laws 2012, is  
25 amended to read:

26 340.310. (1) The [*Higher Education Coordinating Commission*] **State Board of Education** shall  
27 develop statewide standards for dual credit programs to be implemented by public high schools,  
28 community colleges and state institutions of higher education within the Oregon University System.  
29 The standards must establish the manner by which:

30 (a) A student may, upon completion of a course, earn course credit both for high school and for  
31 a community college or state institution of higher education within the Oregon University System;  
32 and

33 (b) Teachers of courses that are part of a dual credit program will work together to determine  
34 the quality of the program and to ensure the alignment of the content, objectives and outcomes of  
35 individual courses.

36 (2) Each public high school, community college and state institution of higher education within  
37 the Oregon University System that provides a dual credit program must implement the statewide  
38 standards developed under subsection (1) of this section.

39 (3) Each school district, community college and state institution of higher education within the  
40 Oregon University System that provides a dual credit program shall submit an annual report to the  
41 [*Higher Education Coordinating Commission*] **State Board of Education** on the academic perform-  
42 ance of students enrolled in a dual credit program. The [*Higher Education Coordinating*  
43 *Commission*] **State Board of Education** shall establish the required contents of the report, which  
44 must provide sufficient information to allow the [*commission*] **board** to determine the quality of the  
45 dual credit program.

1       **SECTION 274.** ORS 341.009 is amended to read:

2       341.009. The Legislative Assembly finds that:

3       (1) The community college is an educational institution that is intended to fill the institutional  
4 gap in education by offering broad, comprehensive programs in academic subjects and in career and  
5 technical education subjects. It is primarily designed to provide associate or certificate degree pro-  
6 grams for some, serve a transitional purpose for others who will continue baccalaureate or other  
7 college work, provide the ability to enter the workforce immediately and serve to determine future  
8 educational needs for other students. It can provide means for continuation of academic education,  
9 career and technical education or the attainment of entirely new skills as demands for old skills and  
10 old occupations are supplanted by new technologies. It may also provide the means to coordinate  
11 courses and programs with high schools to accommodate successful transition to college degree  
12 programs.

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

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

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

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

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

26       (7) There should be close cooperation between those directing the community college program  
27 and those responsible for higher education, so that lower-division college transfer programs of the  
28 community college will provide adequate preparation for entering baccalaureate degree granting  
29 programs, and so that students will be able to transfer with a minimum of difficulty.

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

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

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

43       (11) The State Board of Education should be responsible for coordinating the community college  
44 program of the state and should have general supervisory responsibilities for that program. [*With*  
45 *the advice of the Higher Education Coordinating Commission,*] The State Board of Education should

1 prepare estimates and make the requests for legislative appropriations for a reasonable and con-  
 2 sistent basis of support and establish standards for the distribution of that support.

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

7 (13) The governing board of the community college should be charged with the policy-making  
 8 function. With respect to educational programming, the governing board should in cooperation with  
 9 the State Board of Education:

10 (a) Identify educational needs of the district; and

11 (b) Bring together the resources necessary to meet the needs.

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

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

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

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

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

33 **SECTION 275.** ORS 341.430, as amended by section 11, chapter 104, Oregon Laws 2012, is  
 34 amended to read:

35 341.430. (1) As used in this section:

36 (a) "Associate transfer degree" means an associate degree that is awarded by a community  
 37 college and that is intended to allow a student to apply the credits earned for the degree toward a  
 38 baccalaureate degree.

39 (b) "Community college" means a community college operated under ORS chapter 341.

40 (c) "State institution of higher education" means a state institution of higher education listed  
 41 in ORS 352.002.

42 (d) "Transfer program" means a one-year program that is designed to allow a student to apply  
 43 the credits earned through the program toward a baccalaureate degree.

44 (2) The [*Higher Education Coordinating Commission*] **State Board of Education** shall develop  
 45 standards related to the ability of students to apply credits earned through courses of study at

1 community colleges to baccalaureate degrees awarded by state institutions of higher education. The  
 2 standards shall be known as the “Transfer Student Bill of Rights and Responsibilities.”

3 (3) The standards developed under this section may include:

4 (a) Admission standards to state institutions of higher education for students who have earned  
 5 an associate transfer degree.

6 (b) The maximum number of credits that students who have earned an associate transfer degree  
 7 would need to complete prior to receiving various types of baccalaureate degrees at state insti-  
 8 tutions of higher education.

9 (c) The maximum number of credits that students who have completed a transfer program would  
 10 need to complete prior to receiving various types of baccalaureate degrees at state institutions of  
 11 higher education.

12 (d) A process by which a community college would award an associate degree to a student upon  
 13 completion of necessary credits, regardless of whether the student applied to receive the degree or  
 14 whether the student earned the credits for the degree at a community college or a state institution  
 15 of higher education.

16 (e) Any other issues identified by the [*Higher Education Coordinating Commission*] **State Board**  
 17 **of Education** that relate to courses of study at community colleges and the ability of a student to  
 18 transfer credits to a community college or a state institution of higher education, to be admitted to  
 19 a state institution of higher education or to earn a degree at a community college or a state insti-  
 20 tution of higher education.

21 (f) Requirements that students must meet in order to benefit from the standards described in  
 22 paragraphs (a) to (e) of this subsection.

23 (4) Each community college and state institution of higher education shall submit annual reports  
 24 to the [*Higher Education Coordinating Commission*] **State Board of Education** related to:

25 (a) The number of students who attend a community college and then a state institution of  
 26 higher education, or a state institution of higher education and then a community college.

27 (b) The number of students who attend one community college and then a different community  
 28 college.

29 (c) The number of students who transfer from a community college to a state institution of  
 30 higher education and who have an associate transfer degree or have completed a transfer program.

31 (d) The average number of credits students have when they transfer from a community college  
 32 to a state institution of higher education.

33 (e) The average number of credits students have when they attend one community college and  
 34 then a different community college.

35 (f) The average number of credits that a student earning an associate transfer degree completed  
 36 at a community college.

37 (g) The average number of credits students who have transferred from a community college to  
 38 a state institution of higher education must earn prior to receiving a baccalaureate degree compared  
 39 to the average number of credits students who did not transfer from a community college must earn  
 40 prior to receiving a baccalaureate degree.

41 **SECTION 276.** ORS 341.455, as amended by section 40, chapter 104, Oregon Laws 2012, is  
 42 amended to read:

43 341.455. (1) A community college may give credit for courses or programs taken in a career  
 44 school. The courses or programs for which credit may be given must meet the standards adopted  
 45 by the [*Higher Education Coordinating Commission*] **State Board of Education** under ORS 345.325,

1 must be taken at a career school domiciled in this state and must be approved for credit by the  
2 Commissioner for Community College Services.

3 (2) A community college may charge a transcribing fee to a student for courses taken at a ca-  
4 reer school and accepted by the community college under subsection (1) of this section. Such a fee  
5 is to be set by the [*commission*] **board** and is to be consistent with other student fees.

6 (3) Time spent by students on such courses shall not be considered as clock hours of instruction  
7 in determining full-time equivalency for purposes of ORS 341.626.

8 **SECTION 277.** ORS 341.527 is amended to read:

9 341.527. (1) Community colleges in Oregon shall admit students from other states at the same  
10 tuition rate assessed against Oregon residents who are residents of the community college district  
11 if:

12 (a) The state in which the student resides agrees to pay and pays its per capita state aid for  
13 comparable students in the state to the community college;

14 (b) The state in which the students reside agrees to permit and permits one-for-one full-time  
15 enrollment exchange arrangements that allow an equal number of Oregon residents to be admitted  
16 to community colleges or comparable institutions in the state at the same tuition rate assessed  
17 against residents of the state and community colleges or comparable institutions in the state in  
18 which the students reside agree to admit and admit approved Oregon residents without assessing  
19 nonresident tuition; or

20 (c) The board of the community college determines out-of-state residents are essential to pro-  
21 viding the critical mass to offer programs that would otherwise be unavailable to Oregon residents.

22 (2) The Department of Community Colleges and Workforce Development shall enter into agree-  
23 ments with such other states as are willing to agree to the provisions of this section to establish  
24 reimbursement procedures or one-for-one exchange procedures.

25 (3) In cases described in subsection (1)(a) of this section, the Department of Community Colleges  
26 and Workforce Development shall pay from funds available therefor to the state that agrees to pay  
27 and does pay its per capita state aid to eligible Oregon community colleges to the credit of the  
28 community college or comparable institution educating the Oregon resident an amount equal to the  
29 amount that would be available under ORS 341.626 if the Oregon resident were enrolled in a com-  
30 munity college in this state. From these same funds, the Department of Community Colleges and  
31 Workforce Development shall pay to the Oregon community colleges admitting approved one-for-one  
32 exchange students as provided by subsection (1)(b) of this section, from other states, an amount  
33 equal to the amount that would be available under ORS 341.626 as if the enrolled one-for-one stu-  
34 dents were Oregon residents. The Department of Community Colleges and Workforce Development  
35 shall not reimburse Oregon community colleges who admit students from other states under sub-  
36 section (1)(c) of this section.

37 (4) If a state that has entered into the agreement to pay the per capita state aid to eligible  
38 Oregon community colleges as described in subsections (1) and (2) of this section does not make any  
39 payment agreed to, the agreement terminates after the affected community college notifies the  
40 [*Higher Education Coordinating Commission*] **State Board of Education** of the lack of payment. The  
41 termination is effective 30 days after the State Board **of Education** notifies the appropriate agency  
42 of the other state that the agreement is terminated if no payment is received by the end of the ac-  
43 ademic period for which tuition is assessed and no payment is received at that time. The agreement  
44 may be reinstated by mutual consent of the parties.

45 (5) The [*Higher Education Coordinating Commission*] **State Board of Education** shall adopt

1 rules governing attendance in community colleges or comparable institutions in other states for  
2 purposes of the reimbursement authorized under subsections (1) and (2) of this section to assure that  
3 Oregon residents shall not be the object of such reimbursement if they can obtain the same educa-  
4 tion within the state without undue hardship.

5 **SECTION 278.** ORS 344.557 is amended to read:

6 344.557. (1) The Department of Human Services may refer a person for vocational training only  
7 to the following schools or programs:

8 (a) A school that has accreditation recognized by the United States Department of Education.

9 (b) A school that has been approved by the [*Higher Education Coordinating Commission*] **De-**  
10 **partment of Education** to offer and confer degrees in Oregon.

11 (c) A community college.

12 (d) A public university listed in ORS 352.002.

13 (e) The Oregon Health and Science University.

14 (f) A career school licensed under ORS 345.010 to 345.450.

15 (g) An apprenticeship program that is registered with the State Apprenticeship and Training  
16 Council.

17 (2) This section does not apply to vocational rehabilitation training.

18 **SECTION 279.** ORS 345.010, as amended by section 20, chapter 104, Oregon Laws 2012, is  
19 amended to read:

20 345.010. As used in ORS 345.010 to 345.450 and 345.992 to 345.997:

21 (1) "Agent" means a person employed by or for a career school for the purpose of procuring  
22 students, enrollees or subscribers by solicitation in any form, made at a place or places other than  
23 the school office or place of business of such school.

24 (2) "Barbering" has the meaning given that term in ORS 690.005.

25 (3) "Career school" or "school" means any private proprietary professional, technical, home  
26 study, correspondence, business or other school instruction, organization or person that offers any  
27 instruction or training for the purpose or purported purpose of instructing, training or preparing  
28 persons for any profession.

29 (4) "Esthetics" has the meaning given in ORS 690.005.

30 (5) "Hair design" has the meaning given in ORS 690.005.

31 (6) "License" means the authority the career school has been granted to operate under ORS  
32 345.010 to 345.450.

33 (7) "Nail technology" has the meaning given in ORS 690.005.

34 (8) "Registration" means the approval by the [*Higher Education Coordinating Commission*] **De-**  
35 **partment of Education** of a teacher or agent to instruct in or to represent the school.

36 **SECTION 280.** ORS 345.015, as amended by section 21, chapter 104, Oregon Laws 2012, is  
37 amended to read:

38 345.015. ORS 345.010 to 345.450 do not apply to:

39 (1) Instruction or training solely avocational or recreational in nature or to institutions offering  
40 such education exclusively.

41 (2) Instruction or training sponsored or offered by a bona fide trade, business, professional or  
42 fraternal organization or by a business solely for the organization's membership or the business's  
43 employees.

44 (3) Instruction or training sponsored, offered or contracted by organizations, institutions or  
45 agencies, if the instruction or training is advertised or promoted to be in the nature of professional

1 self-improvement or personal self-improvement and the instruction or training is not:

2 (a) Advertised or promoted as leading to or fulfilling the requirements for licensing, certifi-  
3 cation, accreditation or education credentials; or

4 (b) Leading to an occupation, employment or other activity for which a person may reasonably  
5 expect financial compensation.

6 (4) Courses offered in hospitals that meet standards prescribed by the American Medical Asso-  
7 ciation or national accrediting associations for nursing.

8 (5) Courses, instruction or training offered for a limited number of hours, as defined by rule of  
9 the *[Higher Education Coordinating Commission]* **State Board of Education**.

10 (6) Schools offering only courses of an advanced training or continuing educational nature when  
11 offered solely to licensed practitioners and people previously qualified or employed in the profession  
12 for which a course is being offered.

13 (7) Schools that the *[Higher Education Coordinating Commission]* **Department of Education**  
14 determines are adequately regulated by other means that guarantee the school meets the standards  
15 of ORS 345.325.

16 (8) Schools offering only review instruction to prepare a student to take an examination to enter  
17 a profession, where the student has completed prior training related to the profession.

18 (9) Schools described in ORS 348.597 and, except as provided in ORS 345.017, schools approved  
19 by the *[Higher Education Coordinating Commission]* **Department of Education** to confer or offer  
20 to confer academic degrees under ORS 348.606.

21 (10) Any parochial or denominational institution providing instruction or training relating solely  
22 to religion and that does not grant degrees.

23 **SECTION 281.** ORS 345.017, as amended by section 22, chapter 104, Oregon Laws 2012, is  
24 amended to read:

25 345.017. When a school that is licensed under ORS 345.010 to 345.450 is approved by the *[Higher*  
26 *Education Coordinating Commission]* **Department of Education** to confer or offer to confer an ac-  
27 ademic degree under ORS 348.606 and the school continues to offer a course or program that does  
28 not lead to an academic degree:

29 (1) The school must continue to be licensed as a career school and meet the requirements of  
30 ORS 345.010 to 345.450 until:

31 (a) All courses or programs offered by the school are approved by the *[commission]* **Department**  
32 **of Education**; and

33 (b) All students who were first enrolled in the school when the school was licensed as a career  
34 school have:

35 (A) Completed the course or program for which the student contracted with the career school;  
36 or

37 (B) Terminated enrollment in the career school for any reason.

38 (2) A student who is enrolled in a course or program for which a school must be licensed under  
39 ORS 345.010 to 345.450 is eligible for moneys from the Tuition Protection Fund established under  
40 ORS 345.110 if the student:

41 (a) Qualifies for moneys under rules adopted by the *[Higher Education Coordinating*  
42 *Commission]* **State Board of Education** under ORS 345.110; and

43 (b) Was first admitted to the school when the school was licensed as a career school under ORS  
44 345.010 to 345.450.

45 (3) When a course or program that did not lead to an academic degree is approved by the

1 [Higher Education Coordinating Commission] **Department of Education** to lead to an academic de-  
 2 gree, the regulatory authority for that course or program transfers to the [commission] **department**  
 3 upon the approval.

4 **SECTION 282.** ORS 345.020, as amended by section 23, chapter 104, Oregon Laws 2012, is  
 5 amended to read:

6 345.020. (1) The [Higher Education Coordinating Commission] **Department of Education** shall  
 7 administer ORS 345.010 to 345.450 and 345.992 to 345.997 and shall enforce all laws and rules re-  
 8 lating to the licensing of career schools and agents.

9 (2) The [commission] **department** may establish procedures whereby schools become eligible to  
 10 participate in federal student assistance programs if approved by the United States Department of  
 11 Education.

12 (3) [Members and] Employees of the [commission] **Department of Education** may not have fi-  
 13 nancial interests in any career school and may not act as agents or employees thereof.

14 **SECTION 283.** ORS 345.030, as amended by section 24, chapter 104, Oregon Laws 2012, is  
 15 amended to read:

16 345.030. (1) A person may not open, conduct or do business as a career school in this state  
 17 without obtaining a license under ORS 345.010 to 345.450.

18 (2) Except as provided in subsection (8) of this section, the [Higher Education Coordinating  
 19 Commission] **Department of Education** may issue a license to conduct a career school only after  
 20 the applicant has presented proof satisfactory to the [commission] **department** that the applicant  
 21 complies with applicable standards adopted under ORS 345.325 and 670.280. For the purpose of this  
 22 subsection, ORS 670.280 applies to individuals who hold positions of authority or control in the op-  
 23 eration of the school and to its faculty members and agents.

24 (3) A career school licensed in any other state must be licensed in this state before establishing  
 25 a physical presence in this state such as offices or agents, or both, for the purpose of solicitation  
 26 of students.

27 (4) In determining whether to issue a license to a career school, the [commission] **department**  
 28 may consider the prior history of the applicant in operating other career schools. The prior history  
 29 of operating other career schools includes, but is not limited to:

30 (a) Conduct by the applicant that is cause for probation of a licensee or for suspension or re-  
 31 vocation of a license as provided in ORS 345.120 (2);

32 (b) Failure to comply with ORS 345.010 to 345.450 or rules adopted under ORS 345.010 to  
 33 345.450; and

34 (c) The history of the applicant in operating career schools in other states.

35 (5) The [commission] **department** may not issue a license to or renew the license of a career  
 36 school until the applicant provides all of the following to the [commission] **department**:

37 (a) A financial statement, certified true and accurate and signed by the owner of the school;

38 (b) Proof of compliance with the tuition protection policy established by the [commission] **de-**  
 39 **partment** pursuant to ORS 345.110; and

40 (c) Fingerprints of individuals as described in subsection (6) of this section.

41 (6)(a) Except as provided in paragraph (c) of this subsection, an applicant for an initial issuance  
 42 of a license or a renewal of a license must provide to the [commission] **department** the fingerprints  
 43 of faculty members and agents of the school and individuals who hold positions of authority or  
 44 control in the operation of the school if the career school will be enrolling or does enroll persons  
 45 under 18 years of age.

1 (b) In addition to requirements provided under paragraph (a) of this subsection, the  
2 [commission] **department** may require a career school to provide the fingerprints of any agents of  
3 the school who will have contact with persons under 18 years of age on behalf of the career school.

4 (c) An applicant is not required to provide fingerprints under paragraph (a) or (b) of this sub-  
5 section if the [commission] **department** has conducted a state or nationwide criminal records check  
6 on the person within the three years preceding the date of the application.

7 (d) Fingerprints acquired under this subsection may be used only for the purpose of requesting  
8 a state or nationwide criminal records check under ORS 181.534.

9 (7) Notwithstanding ORS 345.325 (10), the [commission] **department** may place a school on pro-  
10 bation or deny, suspend or revoke a license if the [commission] **department** finds that an individual  
11 who holds a position of authority or control in the operation of the school was convicted of a crime  
12 listed in ORS 342.143.

13 (8) The [commission] **department** may issue a conditional license to a career school that meets  
14 the requirements of subsection (5) of this section but that does not comply with the applicable  
15 standards adopted by rule under ORS 345.325. A conditional license issued under this subsection is  
16 effective for a period prescribed by the [commission] **department**, which may not exceed 90 days.

17 (9)(a) Except as provided in paragraph (b) of this subsection, a career school license is  
18 nontransferable. The licensee must give 30 days of notice to the [commission] **department** when  
19 transferring ownership of a career school.

20 (b) The [commission] **department** may transfer a career school license or allow the ownership  
21 of a career school to transfer with less than 30 days of notice if:

22 (A) The owner of the school dies, is incapacitated or is incarcerated; or

23 (B) Other circumstances render the owner unable to operate the career school.

24 (10) Each career school shall display its license in a prominent place.

25 **SECTION 284.** ORS 345.040, as amended by section 25, chapter 104, Oregon Laws 2012, is  
26 amended to read:

27 345.040. (1) A person may not act in this state as an agent for a career school domiciled within  
28 or outside this state, unless the [*Higher Education Coordinating Commission*] **Department of Edu-**  
29 **cation** has approved the agent's registration as a part of the school's license under ORS 345.010 to  
30 345.450. No person shall act as an agent for a career school unless and until the career school has  
31 obtained a license.

32 (2) For the purposes of licensing and student protection, persons acting as agents for a career  
33 school domiciled within or outside this state are employees of the school and shall be included under  
34 the school's bonding or student protection policy, or both. Agents shall perform their duties and  
35 conduct their business in accordance with ORS 345.010 to 345.450.

36 (3) An agent shall be a person who has attained the age of 18 years, is of good moral character  
37 and is otherwise competent and qualified to safeguard and protect the interests of the public.

38 **SECTION 285.** ORS 345.060, as amended by section 26, chapter 104, Oregon Laws 2012, is  
39 amended to read:

40 345.060. (1) Every agent for a career school not domiciled in this state shall be held to have  
41 appointed the [*executive officer of the Higher Education Coordinating Commission*] **Superintendent**  
42 **of Public Instruction** as agent to accept service of all summonses, pleadings, writs and processes  
43 in all actions or proceedings brought against the applicant in this state. Service upon the executive  
44 officer shall be taken and held in all courts to be as valid and binding as if personal service thereof  
45 had been made upon the applicant within this state.

(2) When any summons, pleading, writ or process is served on the executive officer, service shall be by duplicate copies. One of the duplicates shall be filed in the office of the executive officer and the other immediately forwarded by certified mail to the agent thereby affected or therein named, at the agent's last-known post-office address. If service is of a summons, the plaintiff therein also shall cause the agent to be served therewith in a manner provided by ORCP 7.

**SECTION 286.** ORS 345.070, as amended by section 27, chapter 104, Oregon Laws 2012, is amended to read:

345.070. The employing school shall issue an identification credential to each agent registered under ORS 345.010 to 345.450 in the form and size prescribed by the *[Higher Education Coordinating Commission]* **Department of Education**. Each agent shall carry the credential at all times while engaged as an agent of the school.

**SECTION 287.** ORS 345.080, as amended by section 28, chapter 104, Oregon Laws 2012, is amended to read:

345.080. (1) Before issuing any licenses under ORS 345.010 to 345.450, the *[Higher Education Coordinating Commission]* **Department of Education** shall collect the following nonrefundable, annual license fees:

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<u>In-State Schools</u>	
<u>Tuition Income Range</u>	<u>Fee</u>
\$ 0 - 15,000	\$ 450
15,001 - 50,000	600
50,001 - 125,000	750
125,001 - 250,000	1,050
250,001 - 500,000	1,350
500,001 - 750,000	1,650
750,001 - 1,000,000	1,950
Over 1,000,000	2,250
<u>Out-of-State Schools</u>	
<u>Tuition Income Range</u>	<u>Fee</u>
\$ 0 - 50,000	\$ 1,350
50,001 - 250,000	1,650
250,001 - 500,000	1,950
500,001 - 750,000	2,250
750,001 - 1,000,000	2,550
Over 1,000,000	2,850

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(2) The *[commission]* **State Board of Education** may adopt, by rule, fees for teacher registration and fees for providing copies of student transcripts maintained by the *[commission]* **Department of Education**.

(3) The *[commission]* **State Board of Education** may adopt, by rule, fees for conducting a state or nationwide criminal background check under ORS 181.534 and may collect fees for each criminal records check. Fees collected as provided by this subsection are in addition to any other fees collected by the *[commission]* **Department of Education**.

1 (4) All fees collected under this section shall be paid to the credit of the [*commission*] **depart-**  
 2 **ment**. Such moneys are continuously appropriated to the [*commission*] **department** and shall be  
 3 used for the administration of the licensing program under ORS 345.010 to 345.450.

4 **SECTION 288.** ORS 345.110, as amended by section 29, chapter 104, Oregon Laws 2012, is  
 5 amended to read:

6 345.110. (1) The Tuition Protection Fund is established separate and distinct from the General  
 7 Fund. Interest earned by the fund shall be credited to the fund. Proceeds of the fund are contin-  
 8 uously appropriated to the [*Higher Education Coordinating Commission*] **Department of Education**  
 9 to protect students when a career school ceases to provide educational services and for adminis-  
 10 trative expenses incurred under subsection (5) of this section.

11 (2) The [*commission*] **department** shall maintain and administer the fund and shall adopt by rule  
 12 procedures governing the administration and maintenance of the fund, including requirements re-  
 13 lating to contributions to and claims against the fund.

14 (3) Each career school shall pay to the Tuition Protection Fund an initial capitalization deposit  
 15 in amounts and within time limits established by rule of the [*commission*] **State Board of**  
 16 **Education**. Thereafter, each school shall make installment payments based on a matrix adopted by  
 17 rule of the [*commission*] **board**. In establishing the amount and frequency of payments, the [*commis-*  
 18 *sion*] **board** may consider the enrollment and financial condition of each school and such other fac-  
 19 tors as the [*commission*] **board** considers appropriate. The [*commission*] **Department of Education**  
 20 may deny, suspend or revoke the license of a school which fails to make payments or fails to con-  
 21 form to other requirements of this section or rules adopted by the [*commission*] **State Board of**  
 22 **Education** under this section.

23 (4) The [*commission*] **Department of Education** shall deposit moneys received under this sec-  
 24 tion with the State Treasurer in the Tuition Protection Fund.

25 (5) The [*commission*] **Department of Education** may disburse moneys from the fund by checks  
 26 or orders drawn upon the State Treasurer in conformance with rules of the [*commission*] **State**  
 27 **Board of Education** and only for tuition protection purposes, including the [*commission's*]  
 28 **department's** costs in administering and maintaining the fund.

29 (6) The [*commission*] **department** may enter into contracts to carry out the purposes of the fund.  
 30 The provisions of ORS 279.835 to 279.855 and ORS chapters 279A and 279B do not apply to contracts  
 31 entered into under this subsection.

32 **SECTION 289.** ORS 345.115, as amended by section 30, chapter 104, Oregon Laws 2012, is  
 33 amended to read:

34 345.115. (1) The enrollment agreement entered into between a person and a career school for the  
 35 purpose of obtaining instruction or training shall contain a schedule for the refund of tuition, de-  
 36 posits and fees when the person does not complete the course or program of instruction or training  
 37 which was the subject of the contract. No action or suit may be brought by a career school or its  
 38 assigns if the enrollment agreement does not contain this refund schedule. This provision shall not  
 39 limit the career school's right to defend any action or suit brought by any person on a contract  
 40 which does not contain such a schedule.

41 (2) The refund schedule required by subsection (1) of this section shall be established by the  
 42 [*Higher Education Coordinating Commission*] **State Board of Education** in consultation with the  
 43 advisory committee appointed under ORS 345.330. In establishing the refund schedule, the [*commis-*  
 44 *sion*] **board** shall consider:

45 (a) The reasonable, obligated and fixed costs of the career school, including but not limited to

1 rent, personnel and nonreturnable supplies.

2 (b) The method of instruction.

3 (c) The reasonable value of services performed prior to cancellation of the course or program.

4 (3) The [commission] **board** may establish varying refund schedules when the difference in ser-  
5 vices performed necessitates separate schedules.

6 (4) Nothing in this section is intended to prevent a career school from requiring an advance  
7 deposit of tuition on behalf of the person intending to enroll in a course or program offered by or  
8 through the career school. However, the advance deposit shall be limited to 20 percent of the total  
9 tuition and fees, excluding federal and state financial aid, unless the [commission] **board** determines  
10 by rule that larger advance deposits are appropriate.

11 (5) A school shall be considered in default of the enrollment agreement when a course or pro-  
12 gram is discontinued or canceled or the school closes prior to completion of contracted services.  
13 When a school is in default, student tuition may be refunded on a pro rata basis if the  
14 [commission] **Department of Education** determines that the school has made provision for students  
15 enrolled at the time of default to complete a comparable program at another institution at no addi-  
16 tional tuition cost to the student beyond the original contract with the defaulting school. If the  
17 school does not make such provision, a total refund of all tuition and fees shall be made to the  
18 students.

19 **SECTION 290.** ORS 345.117, as amended by section 31, chapter 104, Oregon Laws 2012, is  
20 amended to read:

21 345.117. Any enrollment agreement used within this state as a contract for instruction between  
22 a career school and a student shall have printed or stamped upon it: "Any inquiry a student may  
23 have regarding this contract may be made in writing to the school (name and address), or to the  
24 [Higher Education Coordinating Commission] **Department of Education** (current address)."

25 **SECTION 291.** ORS 345.120, as amended by section 32, chapter 104, Oregon Laws 2012, is  
26 amended to read:

27 345.120. (1) On the written complaint of any person, the [Higher Education Coordinating Com-  
28 mission] **Department of Education** shall, and on the [commission's] **department's** own motion may,  
29 investigate the actions of any career school or agent, or any person who assumes to act in either  
30 capacity within this state.

31 (2) As a result of the investigation, and in addition to any penalty that may be imposed under  
32 ORS 345.992, the [commission] **department** may place a licensee on probation or may suspend or  
33 revoke any license issued under ORS 345.010 to 345.450 when the licensee has:

34 (a) Obtained a license by misrepresentation.

35 (b) Violated ORS 345.010 to 345.450 or any applicable rule.

36 (c) Ceased to engage in the business authorized by the license.

37 (d) Willfully used or employed any method, act or practice declared unlawful by ORS 646.608.

38 (3) When notice of suspension or revocation is issued, the licensee shall be notified and, upon  
39 request, shall be granted a contested case hearing under ORS 183.310 (2).

40 (4) A licensee placed on probation must be formally notified by the [commission] **department**  
41 that it has deficiencies that must be corrected within a time specified in the notice.

42 (5) A licensee whose license is suspended is prohibited from advertising, recruiting or enrolling  
43 students but may remain in operation to complete training of students enrolled on the effective date  
44 of the suspension.

45 (6) A licensee whose license has been revoked is not authorized to continue in operation on and

1 after the effective date of the revocation.

2 **SECTION 292.** ORS 345.325, as amended by section 33, chapter 104, Oregon Laws 2012, is  
3 amended to read:

4 345.325. The [*Higher Education Coordinating Commission*] **State Board of Education** shall adopt  
5 by rule minimum standards for the licensing of career schools under ORS 345.010 to 345.450 that  
6 are reasonably calculated to ensure that:

7 (1) The quality and content of each course or program of instruction can achieve its stated ob-  
8 jective;

9 (2) The facilities, instructional equipment and materials are sufficient to enable students to  
10 achieve the program goals and are adequate for the purposes of the program;

11 (3) The directors, administrators and instructors are properly qualified;

12 (4) Prior to an applicant signing an enrollment agreement, the school provides the applicant  
13 with a catalog or brochure that includes an accurate description of the program for which the ap-  
14 plicant is enrolling, total costs of tuition and fees and other information specified by rule;

15 (5) Upon satisfactory completion of instruction and training, the student is given appropriate  
16 educational credentials;

17 (6) Adequate records and standard transcripts are maintained;

18 (7) The career school is maintained and operated in compliance with all applicable ordinances  
19 and laws;

20 (8) The career school is financially sound and capable of fulfilling its commitments to students;

21 (9) Neither the career school nor its agents engage in advertising, sales, collection, credit or  
22 other practices of any type which are unlawful under ORS 646.608;

23 (10) The directors, administrators, supervisors and instructors of the school are of good reputa-  
24 tion and character, except that a school shall not be placed on probation or a license shall not be  
25 denied, suspended or revoked because a faculty member has been convicted of a crime except as  
26 authorized under ORS 670.280;

27 (11) Any student housing owned, maintained or approved by the career school is appropriate,  
28 safe and adequate;

29 (12) The school has a written placement assistance plan; and

30 (13) A license application from a new school or an application for approval of a new program  
31 from an existing school shall include labor market information that identifies the need for the new  
32 school or program.

33 **SECTION 293.** ORS 345.330, as amended by section 34, chapter 104, Oregon Laws 2012, is  
34 amended to read:

35 345.330. (1) The [*Higher Education Coordinating Commission*] **State Board of Education** shall  
36 appoint a representative advisory committee consisting of 11 members who shall serve for terms of  
37 three years ending June 30. Of the membership of the committee:

38 (a) Seven members shall be persons affiliated with career schools as owners, directors, admin-  
39 istrators, instructors or representatives, but not more than one member shall represent an out-of-  
40 state career school.

41 (b) Four members shall be persons who are not eligible under paragraph (a) of this subsection.  
42 At least one of these members shall have graduated from a career school.

43 (2) The advisory committee appointed under subsection (1) of this section shall:

44 (a) Make recommendations to the [*commission*] **board** concerning the need for professional and  
45 technical instructional and training facilities, the types of instruction and training needed and by

1 whom these can best be provided.

2 (b) Recommend standards for career schools as provided in ORS 345.325 which are consistent  
3 with the purposes of such schools.

4 (c) Investigate and present findings to the [*commission*] **board** on the administration and opera-  
5 tion of laws relating to career schools. However, the investigations and findings of the advisory  
6 committee do not affect the authority of the [*commission*] **Department of Education** to issue, deny,  
7 suspend or revoke the license of any career school.

8 (d) Consult with the [*commission*] **board** in determining the refund schedule under ORS 345.115.

9 (e) Make recommendations to the [*commission*] **board** concerning rule development for ORS  
10 345.010 to 345.450 and 345.992 to 345.997.

11 (3) Members of the advisory committee are entitled to compensation and expenses as provided  
12 in ORS 292.495 from funds appropriated to the [*commission*] **department** for purposes of adminis-  
13 tering ORS 345.010 to 345.450.

14 **SECTION 294.** ORS 345.340, as amended by section 35, chapter 104, Oregon Laws 2012, is  
15 amended to read:

16 345.340. Consistent with the requirements of ORS 345.325, the advisory committee shall recom-  
17 mend to the [*Higher Education Coordinating Commission*] **State Board of Education** minimum  
18 standards for the operation of career schools. In making its recommendations, the committee shall  
19 consider changes in technological, economic and social conditions which affect employment needs,  
20 opportunities and skills.

21 **SECTION 295.** ORS 345.400, as amended by section 36, chapter 104, Oregon Laws 2012, is  
22 amended to read:

23 345.400. In addition to the other requirements of ORS 345.010 to 345.450, the rules adopted by  
24 the [*Higher Education Coordinating Commission*] **State Board of Education** to regulate schools  
25 teaching hair design, barbering, esthetics or nail technology:

26 (1) May include rules the [*commission*] **board** considers necessary to protect the economic or  
27 physical health and safety of the public and of the students attending the school including compli-  
28 ance with ORS 345.110.

29 (2) Shall include rules that set standards for teachers teaching in schools licensed to teach hair  
30 design, barbering, esthetics or nail technology pursuant to ORS 345.010 to 345.450.

31 (3) Shall require the schools to teach, and require for graduation from the school, courses that  
32 meet the following minimum standards:

33 (a)(A) A minimum hourly training requirement for:

34 (i) Hair design, 1,450 hours;

35 (ii) Barbering, 1,100 hours;

36 (iii) Esthetics, 250 hours; and

37 (iv) Nail technology, 350 hours; and

38 (B) In addition to the programs listed in this subsection, a student is also required to success-  
39 fully complete the following requirements once:

40 (i) Safety and sanitation, 150 hours; and

41 (ii) Career development, 100 hours.

42 (b) A student competency-based training requirement for hair design, barbering, esthetics or nail  
43 technology, if the school has developed written requirements for graduation that are approved by  
44 the [*commission*] **board**.

45 **SECTION 296.** ORS 345.430, as amended by section 37, chapter 104, Oregon Laws 2012, is

1 amended to read:

2 345.430. At the request of the Board of Cosmetology, the [*Higher Education Coordinating Com-*  
3 *mission*] **Department of Education** shall determine whether a person from out-of-state or out-of-  
4 country seeking a certificate in hair design, barbering, esthetics or nail technology is qualified to  
5 take the test of the Board of Cosmetology. A determination shall be made by an evaluation of aca-  
6 demic transcripts, apprenticeship records and work experience documentation. If documentation is  
7 not available, the [*commission*] **department** may refer the person to a career school for evaluation  
8 and recommendation.

9 **SECTION 297.** ORS 345.450, as amended by section 38, chapter 104, Oregon Laws 2012, is  
10 amended to read:

11 345.450. (1) In addition to the fees required by ORS 345.080, before issuing any license under  
12 ORS 345.010 to 345.450 to a school teaching hair design, barbering, esthetics or nail technology, and  
13 annually thereafter, the [*Higher Education Coordinating Commission*] **Department of Education**  
14 shall collect a nonrefundable annual inspection fee of \$100.

15 (2) The inspection fee collected under subsection (1) of this section shall be transferred to the  
16 Oregon Health Licensing Agency for inspections performed under ORS 345.440.

17 **SECTION 298.** ORS 345.995, as amended by section 39, chapter 104, Oregon Laws 2012, is  
18 amended to read:

19 345.995. (1) After consultation with the advisory committee established under ORS 345.330, the  
20 [*Higher Education Coordinating Commission*] **State Board of Education** shall adopt by rule a  
21 schedule or schedules establishing the amount of civil penalty that may be imposed for a particular  
22 violation of ORS 345.010 to 345.450. No civil penalty shall exceed \$500 per violation. The [*commis-*  
23 *sion*] **board** shall consult with the Attorney General before adopting the schedule of penalties for  
24 violations of ORS 345.120 (2)(d).

25 (2) In imposing a penalty for violation of ORS 345.010 to 345.450 pursuant to the schedule or  
26 schedules authorized by this section, the [*commission*] **board** shall consider the following factors:

27 (a) The past history of the person incurring a penalty in taking all feasible steps or procedures  
28 necessary or appropriate to correct any violation.

29 (b) Any prior violations of ORS 345.010 to 345.450 or rules adopted pursuant thereto.

30 (c) The economic and financial conditions of the person incurring a penalty.

31 (3) The penalty imposed under this section may be remitted or mitigated upon such terms and  
32 conditions as the [*commission*] **board** considers proper and consistent with the public welfare.

33 (4) The [*commission*] **board** may impose penalties which may be remitted or mitigated on condi-  
34 tion that a particular violation not continue or occur after a certain period not to exceed 15 days.

35 **SECTION 299.** ORS 348.040, as amended by section 41, chapter 104, Oregon Laws 2012, is  
36 amended to read:

37 348.040. As used in ORS 348.040 to 348.070, unless the context requires otherwise:

38 (1) "Eligible student" means a person who is a resident of this state, as determined by the  
39 Oregon Student Access Commission, at the time of application for a loan under ORS 348.040 to  
40 348.070:

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

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

45 (c) Who can show the necessity for financial assistance in order to continue the applicant's ed-

1 ucation.

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

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

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

6 (c) Career school that is approved by the [*Higher Education Coordinating Commission*] **Depart-**  
7 **ment of Education**;

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

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

10 (f) Institution that is, in the opinion of the [*commission*] **department**, comparable to such insti-  
11 tutions, colleges, centers or schools.

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

14 **SECTION 300.** ORS 348.070, as amended by section 42, chapter 104, Oregon Laws 2012, is  
15 amended to read:

16 348.070. To assist the Oregon Student Access Commission and the Department of State Lands  
17 in determining the qualification of schools, the [*Higher Education Coordinating Commission*] **De-**  
18 **partment of Education** shall maintain a listing of career schools offering professional and technical  
19 training that meets the occupational needs of the student.

20 **SECTION 301.** ORS 348.520 is amended to read:

21 348.520. The Oregon Student Access Commission shall:

22 (1) Make available to qualified persons financial aid from financial sources available to the  
23 commission.

24 (2) Determine qualifications of persons to receive financial aid.

25 (3) Maintain reports and records on persons applying for and receiving financial aid from the  
26 commission.

27 (4) Withhold any financial aid if the recipient thereof fails to maintain the standards established  
28 for receipt of that aid.

29 (5) Recommend to the Legislative Assembly not less than once every biennium matters relating  
30 to the establishment, administration, modification, transfer, reduction or cancellation of financial  
31 aid.

32 (6) Prior to implementing changes to the Oregon Opportunity Grant program, report to the  
33 [*Higher Education Coordinating Commission*] **State Board of Education** and the Legislative As-  
34 sembly or the Emergency Board any proposed change:

35 (a) That increases or decreases the total amount awarded as Oregon Opportunity Grants that  
36 was approved as part of the budget enacted by the Legislative Assembly for the Oregon Student  
37 Access Commission; and

38 (b) To the methodology used to determine the student share, family share or state share under  
39 ORS 348.205.

40 (7) Encourage the establishment of financial aid programs by private agencies.

41 (8) Collect and disseminate information pertaining to all types of available financial aid.

42 (9) Review the administrative practices and evaluate the effectiveness of all public and private  
43 post-secondary financial aid programs in Oregon.

44 (10) Disburse state appropriations for financial aid in such a manner as to maximize its role in  
45 cooperative coordination of financial aid programs.

1        **SECTION 302.** ORS 348.597 is amended to read:

2        348.597. (1) Except as provided in subsection (2) of this section, ORS 348.594 to 348.615 apply to  
3 all schools that operate in this state.

4        (2) ORS 348.594 to 348.615 do not apply to:

5        (a) An Oregon community college;

6        (b) A public university listed in ORS 352.002;

7        (c) The Oregon Health and Science University;

8        (d) A school, or a separately accredited campus of a school, if the school:

9        (A) Is a nonprofit school that is exempt from federal income tax under section 501(c)(3) of the  
10 Internal Revenue Code;

11        (B) Conferred degrees in this state under the same control for at least five consecutive years;  
12 and

13        (C) Is accredited by a regional accrediting association or its national successor;

14        (e) A school that, on July 14, 2005, was a school that met the criteria and followed procedures  
15 to obtain a religious exemption adopted by rule by the Oregon Student Access Commission and that  
16 offered only degrees with approved titles in theology or religious occupations; or

17        (f) A school that is exempt from ORS 348.594 to 348.615 under ORS 348.604.

18        (3) The [*Higher Education Coordinating Commission*] **Department of Education** shall issue a  
19 separate license to issue degrees to each school that meets the requirements for exemption from  
20 evaluation by the office set forth in subsection (2)(d) of this section. The license shall remain in ef-  
21 fect if the school continues to meet the requirements of subsection (2)(d) of this section.

22        **SECTION 303.** ORS 348.601 is amended to read:

23        348.601. The Degree Authorization Account is established separate and distinct from the General  
24 Fund. All moneys received by the [*Higher Education Coordinating Commission*] **Department of Ed-  
25 ucation** under ORS 348.603, 348.606 and 348.609 shall be deposited into the account and are con-  
26 tinuously appropriated to the [*Higher Education Coordinating Commission*] **Department of  
27 Education** to carry out the duties, functions and powers of the [*commission*] **department** under ORS  
28 348.594 to 348.615.

29        **SECTION 304.** ORS 348.604 is amended to read:

30        348.604. Upon application from a school, as defined in ORS 348.594, the [*Higher Education Co-  
31 ordinating Commission*] **Department of Education** shall grant an exemption from ORS 348.594 to  
32 348.615 to the school if the school:

33        (1) Is, or is operated by, a nonprofit corporation;

34        (2) Offers only associate, bachelor's or master's degrees with titles in theology or religious oc-  
35 cupations, or, if the school also offers doctoral degrees, offers doctoral degrees in theology or reli-  
36 gious occupations that have been approved by a federally recognized accrediting organization;

37        (3) Teaches students with faculty members who:

38        (a) Hold degrees:

39        (A) From a school that, at the time of the conferral of the degrees, was accredited by a federally  
40 recognized accrediting organization, held an exemption under this section, or was a school that, on  
41 July 14, 2005, met the criteria and followed procedures to obtain a religious exemption adopted by  
42 rule by the Oregon Student Access Commission and that offered only degrees with approved titles  
43 in theology or religious occupations;

44        (B) That are at least one level above the degree level of the program in which the faculty  
45 members teach or that are the terminal degrees in the field in which the faculty members teach; and

- 1 (C) That are not honorary degrees; or  
 2 (b) Possess sufficient compensatory qualifications to substitute for academic degrees in the fields  
 3 in which the faculty members teach;  
 4 (4) Offers a curriculum:  
 5 (a) Of a duration and level that is comparable to the curriculums offered by schools that are  
 6 not exempt under this section; and  
 7 (b) That, with higher degrees, increases the difficulty of the work expected of students;  
 8 (5) Requires students to complete academic assignments and to demonstrate learning appropriate  
 9 to the curriculum;  
 10 (6) Awards credit toward degrees proportionate to the work done by students;  
 11 (7) Offers admission:  
 12 (a) To a student:  
 13 (A) With a high school diploma or an equivalent credential; or  
 14 (B) Who completed the equivalent of a high school education through home study; and  
 15 (b) Based on evidence that the student can reasonably expect to complete a degree and benefit  
 16 from the education offered;  
 17 (8) Provides or arranges for faculty members and students to have access to information that  
 18 supports instruction and stimulates research or independent study in all areas of the curriculum;  
 19 (9) Provides accurate and appropriate credit transcripts to students of the school and accurate  
 20 and appropriate diplomas to graduates of the school;  
 21 (10) Charges tuition by the credit hour or other fixed rate for instruction during an academic  
 22 term and does not charge tuition or fees for the award of a degree or charge a single fee for an  
 23 entire degree program;  
 24 (11) Provides the oversight required by the [commission] **department** over a faculty member or  
 25 administrator who has:  
 26 (a) Been convicted of a felony; or  
 27 (b) Violated a state or federal law related to the operation of a school;  
 28 (12) Provides facilities that permit private communication between faculty members and stu-  
 29 dents;  
 30 (13) Provides a number of faculty members that is adequate for the number of students enrolled;  
 31 (14) Provides clear and accurate information to students about the school's expectations of stu-  
 32 dents in the school's courses;  
 33 (15) Ensures that a student who is pursuing a degree is making continuous progress toward the  
 34 degree;  
 35 (16) Before a student enrolls in the school, informs the student that a school to which the stu-  
 36 dent might transfer retains the discretion whether to accept the transfer of credits earned at the  
 37 school;  
 38 (17) Provides official transcripts of faculty members to the [commission] **department**; and  
 39 (18) Pays the fee imposed by ORS 348.607.  
 40 **SECTION 305.** ORS 348.605 is amended to read:  
 41 348.605. (1) A school that obtains an exemption under ORS 348.604 or that, on July 14, 2005,  
 42 met the criteria and followed procedures to obtain a religious exemption adopted by rule by the  
 43 Oregon Student Access Commission and that offered only degrees with approved titles in theology  
 44 or religious occupations may not:  
 45 (a) Award more than 25 percent of the credit toward a degree for noninstructional activities,

1 such as challenge examinations and professional or life experiences;

2 (b) Represent that the school is:

3 (A) Approved by the State of Oregon; or

4 (B) Accredited by an organization unless the organization is recognized as an accreditor by the  
5 United States Department of Education; or

6 (c) Pay a faculty member a commission or otherwise base a faculty member's compensation on  
7 the faculty member's recruitment of students to the school.

8 (2) A school that obtains an exemption under ORS 348.604 or that, on July 14, 2005, met the  
9 criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon  
10 Student Access Commission and that offered only degrees with approved titles in theology or reli-  
11 gious occupations shall:

12 (a) Preserve official transcripts for all faculty members and students;

13 (b) Notify the [*Higher Education Coordinating Commission*] **Department of Education** if a fac-  
14 ulty member or administrator at the school has:

15 (A) Been convicted of a felony; or

16 (B) Violated a state or federal law related to the operation of a school;

17 (c) Place in any course catalog that is available to students or to the public a notice that states:  
18 "(Name of school) has been granted exempt status by the State of Oregon to offer theological and/or  
19 religious occupations degrees.";

20 (d) If the school closes, return to students tuition payments for the current term on a prorated  
21 basis;

22 (e) If the school provides placement services to a student, describe the placement services  
23 clearly and accurately to the student and avoid giving unrealistic expectations of placement to the  
24 student; and

25 (f) If an administrator claims to possess an academic degree:

26 (A) Ensure that the administrator possesses the academic degree that the administrator claims  
27 to possess; and

28 (B) Require that the degree is from a school that, at the time of the conferral of the degree,  
29 was accredited by a federally recognized accrediting organization, held an exemption under this  
30 section, or was a school that, on July 14, 2005, met the criteria and followed procedures to obtain  
31 a religious exemption adopted by rule by the Oregon Student Access Commission and offered only  
32 degrees with approved titles in theology or religious occupations.

33 **SECTION 306.** ORS 348.606 is amended to read:

34 348.606. (1) A school may not confer or offer to confer any academic degree upon a person, or  
35 provide services purporting to lead to a degree in whole or in part, without first obtaining approval  
36 from the [*Higher Education Coordinating Commission*] **Department of Education**. The  
37 [*commission*] **State Board of Education** shall adopt by rule standards and procedures for the ap-  
38 proval of schools.

39 (2)(a) The [*commission*] **State Board of Education**, by rule, may impose a fee on any school  
40 applying for approval to confer or offer to confer a degree upon a person or to provide academic  
41 credit applicable to a degree. The fee is nonrefundable.

42 (b) The amount of the fee shall be established to recover designated expenses incurred by the  
43 [*commission*] **Department of Education** in carrying out the administration of ORS 348.594 to  
44 348.615, and may not exceed the following amounts adjusted for inflation annually, beginning on July  
45 1, 2007, pursuant to the increase, if any, from the preceding year in the U.S. City Average Consumer

1 Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of  
2 the United States Department of Labor:

3 (A) For a doctoral degree, \$5,500.

4 (B) For a master's degree, \$4,150.

5 (C) For a bachelor's degree, \$4,150.

6 (D) For an associate degree, \$2,750.

7 (E) For a certificate or for any partial degree program, \$1,000.

8 (c) In addition to the base fee described in paragraph (b) of this subsection, the [*commission*]  
9 **State Board of Education** may assess the actual costs related to the use of experts to evaluate  
10 programs leading to professional licensure by the state, if such costs exceed 10 percent of the base  
11 fee.

12 (d) Any fees collected under this subsection shall be deposited in the Degree Authorization Ac-  
13 count established under ORS 348.601.

14 **SECTION 307.** ORS 348.607 is amended to read:

15 348.607. (1) The [*Higher Education Coordinating Commission*] **State Board of Education** may,  
16 by rule, impose a fee on a school that applies for an exemption under ORS 348.604. The amount of  
17 the fee may not exceed the lesser of:

18 (a) The actual cost to the [*commission*] **Department of Education** of determining the school's  
19 compliance with the requirements for an exemption under ORS 348.604; or

20 (b) Fifty percent of the fee that the [*commission*] **department** would impose on the school under  
21 ORS 348.606 (2) if the school were applying for approval to offer a bachelor's degree.

22 (2) Except as provided in ORS 348.604 or 348.608 or section 6, chapter 546, Oregon Laws 2005,  
23 the [*commission*] **State Board of Education** may not impose requirements for a religious exemption  
24 from ORS 348.594 to 348.615.

25 **SECTION 308.** ORS 348.608 is amended to read:

26 348.608. (1) Each year, on a date prescribed by the [*Higher Education Coordinating*]  
27 **Commission**] **State Board of Education**, a school that obtains an exemption under ORS 348.604 or  
28 a school that, on July 14, 2005, met the criteria and followed procedures to obtain a religious ex-  
29 emption adopted by rule by the Oregon Student Access Commission and that offered only degrees  
30 with approved titles in theology or religious occupations, shall submit to the commission a statement  
31 that reads: "(Name of School) hereby certifies that the school remains in compliance with all con-  
32 ditions for a religious exemption from ORS 348.594 to 348.615."

33 (2) A school that obtains an exemption under ORS 348.604 or a school that, on the July 14, 2005,  
34 met the criteria and followed procedures to obtain a religious exemption adopted by rule by the  
35 Oregon Student Access Commission and that offered only degrees with approved titles in theology  
36 or religious occupations remains exempt unless the commission suspends or revokes the exemption.

37 (3) The commission may suspend or revoke an exemption if:

38 (a) After the notice and opportunity to cure provided in subsection (4) of this section, a school  
39 fails to provide the statement required by subsection (1) of this section;

40 (b) The commission has received a complaint from a student or former student of the school that  
41 the school is failing to comply with a condition for exemption under ORS 348.604, the commission  
42 determines that the complaint is valid, the school has been provided with notice and opportunity to  
43 cure as required by subsection (4) of this section and the school fails to comply with the condition  
44 listed in the notice; or

45 (c) After the notice and opportunity to cure provided in subsection (4) of this section, a school

1 is in violation of ORS 348.605.

2 (4) The commission shall provide notice of and 90 days to cure a school's:

3 (a) Failure to provide the statement required by subsection (1) of this section;

4 (b) Failure to maintain compliance with a condition for exemption under ORS 348.604 if the  
5 commission has received a complaint from a student or former student of the school that the school  
6 is failing to comply with a condition for exemption under ORS 348.604 and the commission has de-  
7 termined the complaint is valid; or

8 (c) Violation of ORS 348.605.

9 (5) A school may appeal the denial, suspension or revocation of an exemption to the commission.

10 (6) A school may appeal the commission's decision that a faculty member does not possess suf-  
11 ficient compensatory qualifications to substitute for an academic degree in the field in which the  
12 faculty member teaches.

13 (7) The commission shall conduct an appeal under this section as a contested case under ORS  
14 chapter 183.

15 (8)(a) If a school appeals the denial, suspension or revocation of an exemption and the commis-  
16 sion upholds the denial, suspension or revocation, the commission shall provide the school 90 days  
17 to cure the grounds for the denial, suspension or revocation. If the school does not cure the grounds  
18 for the denial, suspension or revocation within 90 days after the commission upholds the denial,  
19 suspension or revocation, then the denial, suspension or revocation becomes effective 90 days after  
20 the issuance of the decision on the appeal by the commission.

21 (b) If a school does not appeal the denial, suspension or revocation of an exemption to the  
22 commission and the school does not cure the grounds for the denial, suspension or revocation within  
23 the period of time to appeal the decision to the commission, then the denial, suspension or revoca-  
24 tion becomes effective upon the expiration of the period of time to appeal.

25 **SECTION 309.** ORS 348.609 is amended to read:

26 348.609. (1) A person may not claim or represent that the person possesses any academic degree  
27 unless the degree has been awarded to or conferred upon the person by a school that:

28 (a) Has accreditation recognized by the United States Department of Education or the foreign  
29 equivalent of such accreditation;

30 (b) Has been approved by the [*Higher Education Coordinating Commission*] **Department of Ed-**  
31 **ucation** to offer and confer degrees in Oregon;

32 (c) Is described in ORS 348.597; or

33 (d) Is located in the United States and has been found by the [*commission*] **department** to meet  
34 standards of academic quality comparable to those of an institution located in the United States that  
35 has accreditation, recognized by the United States Department of Education, to offer degrees of the  
36 type and level claimed by the person.

37 (2)(a) A person who has been awarded a degree from a school other than a school described in  
38 subsection (1) of this section may claim or represent that the person possesses an academic degree  
39 if:

40 (A) The person has been awarded a degree from a school that has the legal authority to issue  
41 degrees in the jurisdiction where the degree is issued; and

42 (B) The claim or representation is accompanied by a disclaimer that states: "(Name of school)  
43 does not have accreditation recognized by the United States Department of Education and has not  
44 been approved by the [*Higher Education Coordinating Commission*] **Department of Higher Educa-**  
45 **tion.**"

1 (b) A disclaimer allowed under this subsection shall be made in any resume, letterhead, business  
2 card, announcement or advertisement in which the person is claiming or representing to have an  
3 academic degree from a school that does not meet the requirements of subsection (1) of this section.

4 (c) A person may not use a disclaimer described in this subsection for a degree received from  
5 a diploma mill.

6 (d) This subsection does not alter any requirement for obtaining a license, admission into a  
7 school, teaching or employment or for other areas in which a degree from an accredited school is  
8 required.

9 (3) The [commission] **State Board of Education** shall adopt, by rule, standards and procedures  
10 for responding to complaints about degree claims and for validation of degree claims. Failure of a  
11 person to provide documentation of a claimed degree shall be prima facie evidence that the claim  
12 of such person to such degree is a violation of this section.

13 (4) The [commission] **State Board of Education**, by rule, may impose a fee on any school or  
14 person requesting validation of degree claims. The amount of the fee shall be established to recover  
15 designated expenses incurred by the [commission] **Department of Education** in carrying out the  
16 administration of ORS 348.594 to 348.615. Any fees collected under this subsection shall be deposited  
17 in the Degree Authorization Account established under ORS 348.601.

18 (5)(a) The [commission] **department** may cause a civil suit to be instituted in the circuit court  
19 for legal or equitable remedies, including injunctive relief, to ensure compliance with this section.  
20 The [commission] **department** may recover attorney fees and court costs for any such action.

21 (b) The [commission] **State Board of Education** shall adopt a schedule of civil penalties for  
22 violations of this section. A civil penalty shall not exceed \$1,000 per violation.

23 (c) In addition to any action or penalty provided by law, any person who violates this section  
24 shall incur a civil penalty in an amount prescribed by the schedule adopted by the [commission]  
25 **State Board of Education**. Any civil penalty imposed under this subsection shall be imposed in the  
26 manner provided in ORS 183.745. All penalties recovered under this subsection shall be paid into  
27 the State Treasury and credited to the General Fund.

28 (6) The provisions of this section do not apply to a person who is a graduate of a veterinary  
29 college, or a veterinary department of a university or college, of good standing and repute, as de-  
30 termined by the Oregon State Veterinary Medical Examining Board.

31 **SECTION 310.** ORS 348.611 is amended to read:

32 348.611. (1) As used in this section:

33 (a) "Career pathways certificate of completion program" means a certification program that:

34 (A) Is offered at a community college;

35 (B) Provides a specified proficiency in specific skills to meet an identified employment need;

36 (C) Is provided in a grouping of 12 to 44 quarter credits, or an equivalent number of credits;

37 (D) Is wholly contained within an associate degree program or a similar certification program  
38 of 45 or more quarter credits, or an equivalent number of credits, that was reviewed and approved  
39 as provided by ORS 348.603 (2); and

40 (E) Satisfies the requirements for a career pathways certificate of completion program, as pre-  
41 scribed by the Department of Community Colleges and Workforce Development.

42 (b) "Program authority" means:

43 (A) The governing body of a community college; or

44 (B) The designee of the governing body of a community college that has authority related to the  
45 offering of a career pathways certificate of completion program at the community college.

1 (2)(a) At least 30 business days prior to a community college seeking final approval from the  
 2 State Board of Education to offer a new career pathways certificate of completion program, the  
 3 program authority shall provide notice of intent to offer the program to the Department of Com-  
 4 munity Colleges and Workforce Development. The notice of intent must be in the form required by  
 5 the department and may be provided electronically.

6 (b) Upon receiving a notice of intent described in paragraph (a) of this subsection, the depart-  
 7 ment shall immediately provide electronic notice to any private institution that may be affected by  
 8 the offering of a new career pathways certificate of completion program.

9 (3) A private institution that objects to the offering of a career pathways certificate of com-  
 10 pletion program must provide a notice of objection to the program authority within 12 business days  
 11 of receiving the notice of intent under subsection (2) of this section.

12 (4) If a program authority receives a notice of objection as provided by subsection (3) of this  
 13 section, the program authority must:

14 (a) Within three business days after the last date by which a private institution may provide a  
 15 notice of objection, offer all private institutions that provided a notice of objection the opportunity  
 16 to participate in a meeting described in subsection (5) of this section; and

17 (b) Postpone the seeking of final approval from the State Board of Education for the career  
 18 pathways certificate of completion program until the requirements of subsection (6) of this section  
 19 have been satisfied.

20 (5)(a) A community college that provided a notice of intent under subsection (2) of this section  
 21 and a private institution that provided a notice of objection under subsection (3) of this section shall  
 22 participate in a meeting for the purpose of avoiding detrimental duplication or a significantly ad-  
 23 verse impact by:

24 (A) Identifying opportunities for collaboration in programs;

25 (B) Forming agreements or partnerships for offering programs; or

26 (C) Developing ideas for modifying programs.

27 (b) The program authority or the private institution may invite the [*Higher Education Coordi-*  
 28 *nating Commission*] **Department of Education** or any other third party to join a meeting or to act  
 29 as a mediator of a meeting.

30 (6) A program authority may seek final approval from the State Board of Education for a pro-  
 31 gram following a postponement described in subsection (4) of this section if:

32 (a) An agreement is reached between the program authority and all of the private institutions  
 33 that participated in the meeting described in subsection (5) of this section; or

34 (b) The program authority and the private institutions that participated in the meeting described  
 35 in subsection (5) of this section are unable to reach an agreement within 15 business days.

36 (7) Notwithstanding the timelines prescribed by subsections (3), (4) and (6) of this section, the  
 37 program authority and the private institutions may mutually agree to adjust the timelines.

38 **SECTION 311.** ORS 348.612 is amended to read:

39 348.612. The [*Higher Education Coordinating Commission*] **Department of Education** may re-  
 40 voke or suspend any approval given to a school under ORS 348.606 for proper cause after a hearing.  
 41 Such hearing shall be held only after the school has been given 20 days' notice in writing of the time  
 42 and place of such hearing. Hearings shall be held in accordance with the rules of the  
 43 [*commission*] **State Board of Education** adopted under ORS 348.530.

44 **SECTION 312.** ORS 348.615 is amended to read:

45 348.615. If the [*Higher Education Coordinating Commission*] **Department of Education** refuses

1 to grant approval to a school to confer degrees or revokes the approval to confer degrees, the re-  
2 fusals or revocations shall be subject to the right of review by an action brought in the circuit court  
3 of the county in which the school is located. Such review shall be tried as an action not triable by  
4 right to a jury.

5 **SECTION 313.** ORS 348.910 is amended to read:

6 348.910. (1) As used in this section, "applied baccalaureate degree" means a bachelor's degree  
7 designed to incorporate applied associate courses and degrees with additional coursework empha-  
8 sizing higher-order thinking skills and advanced technical knowledge and skills.

9 (2) The [*Higher Education Coordinating Commission*] **State Board of Education** shall develop  
10 a plan for offering applied baccalaureate degree programs at community colleges and public uni-  
11 versities listed in ORS 352.002. The [*commission*] **board** shall consider the following types of pro-  
12 grams for the purpose of offering some of these types and the possibility of combinations of these  
13 types:

14 (a) A career ladder program that requires a substantial number of upper level courses in the  
15 same technical area of study as the student's applied associate degree;

16 (b) An inverse program that reverses the traditional curriculum sequence by adding general  
17 education courses in the student's third and fourth years to the associate degree courses taken in  
18 the student's first and second years;

19 (c) A management ladder program that combines associate degree requirements with applied  
20 management skills coursework; and

21 (d) A work experience program that combines general education and technical coursework with  
22 direct, supervised work experience in a relevant field.

23 (3) The plan must include the following elements:

24 (a) The method by which the applied baccalaureate degree programs will be created, including  
25 any necessary accreditation by the relevant accrediting agency;

26 (b) The criteria for approving the degree and course options offered by public universities listed  
27 in ORS 352.002 and community colleges;

28 (c) The articulation agreements between community colleges and public universities listed in  
29 ORS 352.002 necessary to ensure that the applied baccalaureate degree programs are as widely  
30 available as possible;

31 (d) The resources required to implement the applied baccalaureate degree program;

32 (e) The timeline necessary to implement the applied baccalaureate degree program; and

33 (f) A recommendation as to whether community colleges should be allowed to offer applied  
34 baccalaureate degrees.

35 **SECTION 314.** ORS 351.653 is amended to read:

36 351.653. (1) In addition to any interstate agreements entered into under ORS 351.647, the Gov-  
37 ernor shall encourage interstate agreements with Washington, Idaho and California. Such agree-  
38 ments shall be in accordance with ORS 190.410 to 190.440 and shall:

39 (a) Provide for full-time equivalent reimbursement to this state for any students from another  
40 state who enroll in an Oregon public post-secondary institution pursuant to the agreement;

41 (b) Provide that only students who reside in counties that share a common border with this state  
42 may participate in any program developed pursuant to such an agreement; and

43 (c) Provide that the county government or other similar county-wide public organization of any  
44 county involved in the agreement shall provide or arrange to provide a portion of the costs of at-  
45 tendance for participating students.

1 (2) Any public post-secondary institution entering into an interstate agreement under this sec-  
2 tion shall send a copy of the agreement to the Governor and the [*Higher Education Coordinating*  
3 *Commission*] **State Board of Education**.

4 (3) The provisions of this section shall not apply to interstate agreements entered into pursuant  
5 to ORS 351.647.

6 **SECTION 315.** ORS 353.080 is amended to read:

7 353.080. Oregon Health and Science University shall file with the Legislative Assembly, [*the*  
8 *Higher Education Coordinating Commission*] **the State Board of Education** and the Governor, not  
9 later than April 15 of each year, a report of the university's activities and operations for the pre-  
10 ceding year.

11 **SECTION 316.** ORS 418.658, as amended by section 43, chapter 104, Oregon Laws 2012, is  
12 amended to read:

13 418.658. (1) The program director of the Oregon Youth Conservation Corps shall establish a  
14 separate program known as the Oregon Community Stewardship Corps. In addition to the estab-  
15 lished purposes of the Oregon Youth Conservation Corps, the purpose of the Oregon Community  
16 Stewardship Corps is to promote community service activities throughout the state for a broad cross  
17 section of Oregon disadvantaged and at-risk youth through programs that also include appropriate  
18 educational and job training opportunities for participants.

19 (2) In addition to projects submitted under ORS 418.660 (1), projects of the Oregon Community  
20 Stewardship Corps may include, but shall not be limited to:

- 21 (a) Child care services.
- 22 (b) Elderly and disabled care services.
- 23 (c) Literacy education programs.
- 24 (d) Recycling and other waste reduction services.

25 (3) The Oregon Community Stewardship Corps shall offer employment and educational opportu-  
26 nities of at least three but not more than 12 months' duration for selected participants.

27 (4) Under rules adopted by the [*Higher Education Coordinating Commission*] **State Board of**  
28 **Education**, participants who successfully complete any 12-month program under this section shall  
29 be eligible for \$1,500 in tuition vouchers that can be used at any career school or post-secondary  
30 educational institution that is qualified to receive assistance through the Oregon Student Access  
31 Commission.

32 (5) All Oregonians who are at least 13 years of age and under 25 years of age are eligible to  
33 participate in the program. To ensure that Oregon Community Stewardship Corps participants rep-  
34 resent a broad cross section of Oregonians, special emphasis shall be given to recruiting school  
35 dropouts and other disadvantaged and at-risk youth, according to criteria established by the Oregon  
36 Youth Conservation Corps Advisory Committee.

37 (6) To the extent practicable, the program director shall enlist state and federal agencies, local  
38 government, nonprofit organizations and private businesses, and any combination of such entities,  
39 to act as sponsors for programs administered under this section. Selection of sponsors shall be based  
40 on criteria that include the following:

41 (a) The availability of other resources on a matching basis, including contributions from private  
42 sources, other federal, state and local agencies, and moneys available through the federal Workforce  
43 Investment Act of 1998 (29 U.S.C. 2801 et seq.);

44 (b) The provision of related educational and job training programs to participants, including but  
45 not limited to school and college coursework, General Educational Development (GED) tests equiv-

1 agency training, project-related education and professional training;

2 (c) Assurances that proposed projects will not displace existing employees or duplicate existing  
3 private or government programs; and

4 (d) Assurances that proposed projects are devoted to the enhancement of the community and are  
5 not based in maintenance activities and that these projects meet an identified need.

6 (7) In consultation with the advisory committee and the Commissioner for Community College  
7 Services, the program director shall make grants for programs administered under this section.

8 **SECTION 317.** ORS 678.425 is amended to read:

9 678.425. The Oregon Center for Nursing and the Oregon Healthcare Workforce Institute may  
10 serve in advisory capacities to the State Workforce Investment Board, [*the Higher Education Coor-*  
11 *ordinating Commission*] **the State Board of Education** and other related entities. The Oregon Center  
12 for Nursing may advise on education and workforce development issues affecting nursing. The  
13 Oregon Healthcare Workforce Institute may advise on education and workforce development issues  
14 affecting doctors, dentists and other allied health professionals. The Oregon Center for Nursing and  
15 the Oregon Healthcare Workforce Institute may work together to develop comprehensive solutions  
16 to the healthcare workforce shortages in Oregon.

17 **SECTION 318.** ORS 690.225, as amended by section 45, chapter 104, Oregon Laws 2012, is  
18 amended to read:

19 690.225. (1) In addition to any other duties prescribed by law, the Oregon Health Licensing  
20 Agency shall provide for the inspection of facilities and schools licensed to teach practitioner skills  
21 under ORS 345.010 to 345.450.

22 (2) Inspections conducted under this section shall determine whether the facilities comply with  
23 the health, safety, infection control and licensing rules of the Board of Cosmetology and whether the  
24 schools comply with the health, safety and infection control requirements under ORS 345.010 to  
25 345.450 and rules of the agency. A report of the results of the inspection shall be submitted to the  
26 [*Higher Education Coordinating Commission*] **Department of Education**.

27 **SECTION 319.** ORS 696.182, as amended by section 46, chapter 104, Oregon Laws 2012, is  
28 amended to read:

29 696.182. (1) The Real Estate Agency, with advice from real estate professionals and educators,  
30 shall prescribe rules for certifying real estate continuing education providers.

31 (2) The agency shall include in the rules that an applicant for certification under this section  
32 must be:

33 (a) A main or branch office, with a registered business name as provided under ORS 696.026,  
34 of a licensed real estate property manager or principal real estate broker;

35 (b) A licensed title or escrow company conducting business in this state;

36 (c) A real estate trade association or a trade association in a related field;

37 (d) A real estate multiple listing service;

38 (e) An attorney admitted to practice in this state;

39 (f) A private career school licensed by the [*Higher Education Coordinating Commission*] **De-**  
40 **partment of Education** and approved by the agency to provide the basic real estate broker's or  
41 property manager's educational courses required under ORS 696.022;

42 (g) An accredited community college, an accredited public university listed in ORS 352.002 or  
43 a private and independent institution of higher education as defined in ORS 352.720;

44 (h) A distance learning provider as provided by rule of the agency; or

45 (i) Another provider approved by the Real Estate Board.

1 (3) The Real Estate Agency may provide continuing education without being certified under this  
 2 section.

3 (4) The agency, in consultation with real estate professionals and educators, shall provide by  
 4 rule:

5 (a) A broad list of course topics that are eligible for continuing education credit required by  
 6 ORS 696.174; and

7 (b) Learning objectives for each course topic.

8 (5) The list of course topics developed by the agency under subsection (4) of this section must  
 9 allow for changes in the real estate profession.

10 (6) The minimum length of each course is one hour. A continuing education provider or course  
 11 instructor may allow a break of no more than 10 minutes for each hour of instruction.

12  
 13 **OREGON EDUCATION INVESTMENT BOARD**

14  
 15 **SECTION 320.** Section 11, chapter 519, Oregon Laws 2011, as amended by section 2, chapter  
 16 37, Oregon Laws 2012, is amended to read:

17 **Sec. 11.** (1) On March 15, 2016, the Chief Education Officer of the Oregon Education Investment  
 18 Board shall deliver to the [*Chancellor of the Oregon University System*] **Superintendent of Public**  
 19 **Instruction** all records and property within the jurisdiction of the Chief Education Officer that re-  
 20 late to the duties, functions and powers of the Oregon Education Investment Board. The [*Chancellor*  
 21 *of the Oregon University System*] **Superintendent of Public Instruction** shall take possession of the  
 22 records and property.

23 (2) On March 15, 2016, the Chief Education Officer shall deliver to the Early Learning System  
 24 Director all records and property within the jurisdiction of the Chief Education Officer that relate  
 25 to the duties, functions and powers of the Early Learning Council. The Early Learning System Di-  
 26 rector shall take possession of the records and property.

27 (3) The Governor shall resolve any dispute between the Chief Education Officer and the  
 28 [*Chancellor of the Oregon University System*] **Superintendent of Public Instruction**, or the Chief  
 29 Education Officer and the Early Learning System Director, relating to transfers of records and  
 30 property under this section, and the Governor's decision is final.

31  
 32 **MISCELLANEOUS**

33  
 34 **SECTION 321.** ORS 351.015, 351.020, 351.040, 351.045, 351.049, 351.064, 351.715, 351.718,  
 35 351.722, 351.725, 351.728, 351.732 and 351.738 and section 2, chapter 637, Oregon Laws 2011, are  
 36 repealed.

37 **SECTION 322.** (1) Sections 17 to 24 and 264 to 272 of this 2013 Act, the amendments to  
 38 statutes and session laws by sections 26 to 263 and 273 to 320 of this 2013 Act and the repeals  
 39 of statutes and session law by sections 6, 16 and 321 of this 2013 Act become operative March  
 40 15, 2016.

41 (2) The State Board of Education may take any action before the operative date specified  
 42 in subsection (1) of this section that is necessary to enable the board to exercise, on or after  
 43 the operative date specified in subsection (1) of this section, the duties, functions and powers  
 44 of the board transferred by the provisions of sections 17 and 264 of this 2013 Act.

45 **SECTION 323.** The unit captions used in this 2013 Act are provided only for the conven-

1 ience of the reader and do not become part of the statutory law of this state or express any  
2 legislative intent in the enactment of this 2013 Act.

3 SECTION 324. This 2013 Act does not take effect unless the amendment to the Oregon  
4 Constitution proposed by Senate Joint Resolution 4 (2013) is approved by the people at the  
5 next regular general election held throughout this state.

6 SECTION 325. This 2013 Act takes effect July 1, 2015.  
7 \_\_\_\_\_