

A-Engrossed Senate Bill 270

Ordered by the Senate April 22
Including Senate Amendments dated April 22

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

SUMMARY

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

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

[Establishes process by which other universities in Oregon University System may establish institutional boards.]

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

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

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

Establishes Special Committee on Regional and Technical Universities to make recommendations to Legislative Assembly on future governance at regional and technical universities and shared services operations among Oregon's public universities.

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

Becomes operative on July 1, 2014.

Declares emergency, effective on passage.

A BILL FOR AN ACT

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Relating to the establishment of institutional boards for public universities in the Oregon University System; creating new provisions; amending ORS 21.007, 30.264, 30.864, 33.710, 36.145, 36.150, 36.155, 174.117, 184.631, 192.501, 238.005, 238.200, 238.215, 238A.005, 243.107, 243.800, 243.820, 243.850, 243.910, 244.050, 270.110, 276.610, 276.612, 279A.025, 287A.001, 291.055, 291.357, 292.043, 292.044, 297.250, 307.090, 307.095, 307.110, 307.112, 340.310, 341.440, 343.961, 344.259, 344.753, 348.010, 348.205, 348.282, 348.283, 348.470, 348.603, 348.890, 348.900, 351.011, 351.015, 351.020, 351.047, 351.052, 351.054, 351.062, 351.063, 351.065, 351.067, 351.070, 351.085, 351.094, 351.105, 351.110, 351.155, 351.165, 351.205, 351.300, 351.310, 351.340, 351.509, 351.511, 351.517, 351.518, 351.519, 351.521, 351.538, 351.539, 351.590, 351.626, 351.628, 351.638, 351.642, 351.643, 351.644, 351.646, 351.658, 351.692, 351.695, 351.697, 351.718, 351.735, 352.002, 352.006, 352.010, 352.012, 352.043, 352.046, 352.066, 352.068, 352.071, 352.074, 352.245, 352.360, 353.440, 357.004, 408.095, 408.506, 430.651, 471.580, 659.850, 659.855, 659.860, 660.358, 820.100, 820.110, 820.120, 820.130, 820.140, 820.150, 820.160 and 820.180 and section 3, chapter 797, Oregon Laws 2001, sections 13, 14, 15 and 17, chapter 761, Oregon Laws 2007, sections 22 and 24, chapter 904, Oregon Laws 2009, and section 14, chapter 36, Oregon Laws 2012; repealing ORS 352.035, 352.048, 352.049, 352.051, 352.052 and 352.053; and declaring an emergency.

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

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

2
3 **ESTABLISHMENT AND INDEPENDENCE OF GOVERNING BOARDS**

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

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

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

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

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

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

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

15 (2) The Legislative Assembly also finds that:

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

18 (b) Even with universities with governing boards, shared services may continue to be
19 shared among universities.

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

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

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

26 (1) "Governing board" means a governing board established by a university under section
27 3 of this 2013 Act that manages the affairs of the university by exercising and carrying out
28 all of the powers, rights and duties that are expressly conferred upon the board by law, or
29 that are implied by law or are incident to such powers, rights and duties.

30 (2) "State bonds" means "bonds" as defined in ORS 286A.001 that are issued by the State
31 Treasurer.

32 (3) "University with a governing board" means a public university listed in section 3 of
33 this 2013 Act that has established a governing board.

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

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

42 (2) A university with a governing board is an independent public body with statewide
43 purposes and missions and without territorial boundaries. A university with a governing
44 board shall exercise and carry out all of the powers, rights and privileges, within and outside
45 this state, that are expressly conferred upon the university with a governing board, or that

1 are implied by law or are incident to such powers, rights and duties.

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

4 (a) University of Oregon;

5 (b) Portland State University; and

6 (c) Oregon State University, if the president of Oregon State University notifies the
7 Governor that the university will become a university with a governing board in the manner
8 set forth in section 168 or 168b of this 2013 Act.

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

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

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

17 **SECTION 4.** Upon a request to the Governor by the president of Eastern Oregon Uni-
18 versity, Oregon Institute of Technology, Southern Oregon University or Western Oregon
19 University to establish a governing board for the university, or upon a request made by the
20 president of Oregon State University after January 1, 2014, to establish such a board, the
21 Higher Education Coordinating Commission shall:

22 (1) Evaluate and determine whether:

23 (a) There is clear evidence of support for a governing board by the university community;

24 (b) The university has the capacity and capability to be governed by a governing board;
25 and

26 (c) A governing board of the university will function in accordance with the findings set
27 forth in section 1 of this 2013 Act.

28 (2) Make recommendations to the Legislative Assembly as to whether, in addition to the
29 public universities with governing boards listed in section 3 of this 2013 Act, a governing
30 board should be established for the university.

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

35 (2) The evaluation must include:

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

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

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

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

45 (2)(a) Except as provided in subsection (3) of this section, the Governor shall appoint all

1 of the 11 to 15 members of the governing board, subject to confirmation by the Senate in the
2 manner provided in ORS 171.562 and 171.565.

3 (b) The governing board must include one person who is a student enrolled at the uni-
4 versity.

5 (c) The governing board must include one person who is a member of the faculty of the
6 university. The faculty member shall be a nonvoting member of the governing board.

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

9 (4)(a) The term of office for each appointed nonstudent member of the governing board
10 is four years.

11 (b) The term of office of each student member of the governing board is two years.

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

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

17 (e) Vacancies shall be filled by appointment by the Governor for the remainder of the
18 unexpired term.

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

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

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

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

30 (2) The governing board shall adopt a mission statement for the university, and shall
31 forward the statement to the Higher Education Coordinating Commission for approval.

32 (3) A university with a governing board shall submit any significant change in the
33 university's academic programs to the Higher Education Coordinating Commission for ap-
34 proval. The commission shall establish, by rule, what constitutes a significant change to a
35 university's academic program. The commission shall further ensure that approved pro-
36 grams:

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

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

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

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

44 (4)(a) On or before May 1 of each even-numbered year, a university with a governing
45 board shall submit to the Higher Education Coordinating Commission a funding request ap-

1 plicable to the biennium beginning on July 1 of the following year.

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

4 (c) The Governor's biennial budget submitted to the Legislative Assembly may include
5 funding requests from public universities, including universities with governing boards. An
6 appropriation made by the Legislative Assembly must specify that the moneys be appropri-
7 ated to the Higher Education Coordinating Commission for distribution to public universities
8 listed in ORS 352.002.

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

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

18 (b) The governing board shall prescribe the president's compensation and terms and
19 conditions of employment.

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

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

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

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

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

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

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

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

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

3 (A) The Higher Education Coordinating Commission; or

4 (B) The Legislative Assembly.

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

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

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

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

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

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

22 (d) Establish, collect and use charges, fines and fees for services, facilities, operations
23 and programs.

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

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

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

34 (h) Take, hold, grant and dispose of mortgages and other security interests on real and
35 personal property.

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

45 (j) Acquire, purchase, purchase on a contractual basis, borrow, receive, own, hold, con-

1 trol, convey, sell, manage, operate, lease, lease-purchase, license, lend, invest in, improve,
2 develop, use, expend and dispose of real property.

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

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

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

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

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

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

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

26 (r) Enforce and recover any fees, charges and fines, including but not limited to manda-
27 tory enrollment fees.

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

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

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

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

38 **SECTION 12.** (1) Legal title to all real property acquired by a university with a governing
39 board shall be taken and held in the name of the State of Oregon, acting by and through the
40 governing board. Legal title to all real property conveyed to a university with a governing
41 board is considered to be conveyed to and vested in the State of Oregon, acting by and
42 through the governing board. Authorized conveyances of all real property, other than uni-
43 versity lands, acquired by or vested in the State of Oregon for the use or benefit of the
44 university must be executed in the name of the State of Oregon, acting by and through the
45 governing board, by the chairperson of the governing board.

1 (2) The governing board has custody and control of and shall care for all real property
2 used for university purposes. Management, maintenance, disposal and preservation of all
3 real property used for university purposes, whether the real property is acquired before or
4 after the establishment of a governing board, is the responsibility of the governing board.
5 Real property taken and held under this section may only be encumbered by the State of
6 Oregon in accordance with state law and in a manner that would not impair the financial
7 condition of the university or the rights of the holders of any obligations of the university
8 issued or incurred under any master indenture or other financing agreement.

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

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

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

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

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

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

27 (c) Commission special campus security officers who, when acting in the scope of their
28 employment, shall have stop and frisk authority as set forth in ORS 131.605 to 131.625 and
29 probable cause arrest authority and the accompanying immunities as set forth in ORS
30 133.310 and 133.315. Special campus security officers may not be authorized to carry firearms
31 as police officers and, except as provided in subsection (2) of this section, may not be con-
32 sidered police officers for purposes of ORS 181.610, 238.005, 243.005 or 243.736.

33 (2) A university with a governing board, acting by and through its special campus secu-
34 rity officers, is a criminal justice agency for purposes of rules adopted pursuant to ORS
35 181.730 (3).

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

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

42 (3) Subject to the authority of the Secretary of State to audit public accounts, a univer-
43 sity with a governing board may conduct an independent audit if the governing board con-
44 siders the audit advisable. Subject to ORS 297.250, the independent audit is subject to the
45 exclusive discretion and control of the university. The independent audit is subject to dis-

1 closure pursuant to ORS 192.410 to 192.505.

2 **SECTION 15.** (1) All moneys collected or received by a university with a governing board,
3 placed to the credit of the governing board and remaining unexpended and unobligated on the
4 date that the board is established, and all moneys collected or received by a university with
5 a governing board after the date that the governing board is established, may be:

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

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

13 (2) Upon a request by the State Treasurer, a university with a governing board shall en-
14 ter into a written agreement with the state that provides for the State Treasurer to receive,
15 hold, keep, manage and invest any amounts under the control of the university that the
16 State Treasurer determines should be held by the State Treasurer to provide for payment
17 of state bonds and other state obligations that are to be paid from appropriations described
18 in section 8 (5) of this 2013 Act, revenues of the university or other moneys under the control
19 of the university. The agreement may, at the request of the State Treasurer, require the
20 university to pay the costs incurred by the State Treasurer in connection with entering into
21 and carrying out the agreement.

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

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

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

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

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

36 (2) Notwithstanding subsection (1) of this section, the provisions of ORS 30.260 to 30.460,
37 33.710, 33.720, 200.005 to 200.025, 200.045 to 200.090, 236.605 to 236.640, 276.080, 279.835, 279.840,
38 279.850 and 297.040 and ORS chapters 35, 190, 192 and 244 apply to a university with a gov-
39 erning board under the same terms as they apply to public bodies other than the state.

40 (3) Except as otherwise provided by law, the provisions of ORS 35.550 to 35.575, 180.060,
41 180.210 to 180.235, 184.305 to 184.345, 190.480, 190.490, 200.035, 243.696, 357.805 to 357.895 and
42 656.017 (2) and ORS chapters 182, 183, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291,
43 292, 293, 294, 295 and 297 do not apply to a university with a governing board.

44 (4) Notwithstanding subsections (1) and (3) of this section, ORS 240.167, 279C.600 to
45 279C.625, 279C.800, 279C.810, 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855,

1 279C.860, 279C.865, 279C.870 and 292.043 apply to a university with a governing board under
2 the same terms as they apply to public bodies other than the state.

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

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

8 (7) ORS 351.065, 351.067, 351.642, 351.643, 351.644, 351.646, 351.656, 351.658, 352.012 and
9 352.375 apply to a university with a governing board, except that the board or university shall
10 exercise the responsibilities and authorities of the State Board of Higher Education or the
11 Oregon University System.

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

16 (9) ORS 351.692, 351.695 and 351.697 apply to a governing board, except that the board has
17 the responsibilities and authorities with respect to the university it governs that the State
18 Board of Higher Education and the Oregon University System have with respect to the public
19 universities identified in ORS 351.011. A university with a governing board may not issue a
20 tax credit certificate under ORS 351.692, 351.695 and 351.697 that will cause the university to
21 owe the General Fund more than \$2.4 million at any one time under ORS 351.692, 351.695 and
22 351.697.

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

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

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

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

39
40 **BONDING AUTHORITY OF GOVERNING BOARDS**

41
42 **SECTION 19.** As used in sections 19 to 23 of this 2013 Act:

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

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

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

3 **(A) Redeeming revenue bonds.**

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

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

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

11 **(d) Capitalized interest for the revenue bonds.**

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

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

15 **(2) “Credit enhancement device” means an agreement or contractual relationship be-**
16 **tween a university with a governing board and a bank, trust company, insurance company,**
17 **surety bonding company, pension fund or other financial institution or entity providing ad-**
18 **ditional credit on or security for a revenue bond.**

19 **(3) “For the benefit of a university with a governing board” means, in relation to state**
20 **bonds:**

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

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

29 **(4) “Obligation” means:**

30 **(a) A revenue bond;**

31 **(b) The commitment of a university with a governing board in connection with a credit**
32 **enhancement device; or**

33 **(c) An agreement for exchange of interest rates.**

34 **(5) “Operative document” means a bond declaration, trust agreement, indenture, security**
35 **agreement or other document in which a university with a governing board makes a pledge.**

36 **(6) “Pledge” means:**

37 **(a) To create a lien on revenue or property.**

38 **(b) A lien created on revenue or property.**

39 **(7) “Revenue” means tuition, fees, charges, rents, revenues, interest, dividends, receipts**
40 **and other income of a university with a governing board, except moneys received by the**
41 **university from taxes collected by the State of Oregon.**

42 **(8) “Revenue bond”:**

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

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

2 **SECTION 20.** (1) A university with a governing board may elect to remain eligible to re-
3 ceive proceeds of state bonds. If a university with a governing board requests the State
4 Treasurer to issue state bonds for the benefit of the university with a governing board that
5 are authorized under Article XI-F(1) or XI-Q of the Oregon Constitution or ORS 283.085 to
6 283.092, and the state bonds are intended to be repaid in whole or in part by university re-
7 venues or other moneys under the control of the university, the State Treasurer must review
8 and approve all plans to issue revenue bonds of the university and to execute other obli-
9 gations related to the revenue bonds.

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

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

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

18 (3) A university with a governing board that issues revenue bonds of the university, or
19 executes other obligations related to the revenue bonds, without the approval of the State
20 Treasurer as provided in subsection (2) of this section is not eligible to receive proceeds of
21 the state bonds described in subsection (1) of this section and that are intended to be repaid
22 in whole or in part by university revenues or other moneys under the control of the uni-
23 versity on or after the effective date of this 2013 Act.

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

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

29 (b) Are authorized under ORS 286A.035 and issued on or after the effective date of this
30 2013 Act for the benefit of a university with a governing board.

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

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

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

36 (2) For the purposes of ORS chapter 287A, a university with a governing board is a public
37 body.

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

40 (4) A university with a governing board:

41 (a) May grant leases of real property held by a trustee or lender for a term that ends
42 on the date on which all amounts due under the operative documents have been paid, or
43 provision for payment has been made, or for a term of up to 20 years after the last scheduled
44 payment under the operative documents, whichever is sooner. The leases may grant the
45 trustee or lender the right to evict the university and exclude the university from possession

1 of the real property for the term of the lease if the university fails to pay when due the
2 amounts scheduled to be paid under the operative documents or otherwise defaults under the
3 operative documents. Upon default, the trustee or lender may sublease the real property to
4 third parties and apply any rents to payments scheduled to be made under the operative
5 documents.

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

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

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

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

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

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

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

20 (B) Pay to the State Treasurer pursuant to a schedule described in section 23 of this 2013
21 Act.

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

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

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

31 (3) The State Treasurer and the Oregon University System shall promptly provide a uni-
32 versity that acquires a governing board with a schedule of outstanding state bonds and other
33 obligations for which the university must pay, including the payment dates and amounts, or
34 methods for determining the amounts. The schedule must include amounts sufficient to pay
35 principal, interest and premium, if any, on the state bonds, and to pay administrative and
36 other costs of the State of Oregon that are related to the state bonds or other obligations.
37 If the State Treasurer issues state bonds for the benefit of a university with a governing
38 board on or after the effective date of this 2013 Act that are intended to be repaid in whole
39 or in part by university revenues or other moneys under the control of the university, the
40 schedule shall be amended to include such state bonds and the amounts to be paid by the
41 university. In the absence of manifest error, the schedule provided by the State Treasurer
42 and the Oregon University System to a university with a governing board is binding on the
43 university. The university with a governing board shall pay the amounts specified in the
44 schedule provided by the State Treasurer and the Oregon University System on or before the
45 dates specified in the schedule from the first legally available revenue of the university.

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

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

15 (6) The principal, interest, premium, if any, and any issuance costs of state bonds issued
16 before, on or after the effective date of this 2013 Act for the benefit of a university with a
17 governing board, and any related credit enhancement device or interest rate exchange
18 agreement, shall be paid from the sources identified in the laws and operative documents
19 authorizing the state bonds. The university with a governing board for which the state bonds
20 were issued shall pay any other expenses and liabilities, including, but not limited to, legal
21 expenses arising from an inquiry, audit or other action by a federal or state regulatory body,
22 unless the expense or liability results solely from the negligence or willful misconduct of a
23 state agency.

24 (7) Pursuant to ORS chapter 180, on behalf of the State Treasurer or any other state
25 agency, the Attorney General shall appear, commence, prosecute or defend any action, suit,
26 matter, cause or proceeding arising from any state bond issued for the benefit of a university
27 with a governing board and any related credit enhancement device or interest rate exchange
28 agreement. As soon as practicable after a governing board is established by a university
29 pursuant to section 3 of this 2013 Act, the university with a governing board and the State
30 Treasurer shall enter into an agreement that addresses reimbursement of reasonable costs
31 and expenses associated with the legal representation of the State Treasurer in connection
32 with state bonds issued for the benefit of the university with a governing board before, on
33 or after the effective date of this 2013 Act and any other topic necessary for the Department
34 of Justice to provide legal representation to the State Treasurer in connection with state
35 bonds issued for the benefit of the university with a governing board and to provide repre-
36 sentation related to funds and accounts or services provided under section 15 of this 2013
37 Act.

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

43
44 **STATUTORY AMENDMENTS**
45

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

2 352.002. [*The Oregon University System established in ORS 351.011 consists of the following public*
3 *universities under the jurisdiction of the State Board of Higher Education*] **The following are es-**
4 **tablished as public universities in the State of Oregon:**

- 5 (1) University of Oregon.
- 6 (2) Oregon State University.
- 7 (3) Portland State University.
- 8 (4) Oregon Institute of Technology.
- 9 (5) Western Oregon University.
- 10 (6) Southern Oregon University.
- 11 (7) Eastern Oregon University.

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

13 351.011. (1) The Oregon University System is established as a public university system, consist-
14 ing of the office of the Chancellor of the Oregon University System[, *the public universities listed in*
15 *ORS 352.002 and any related offices, departments or activities.*] **and the following public universi-**
16 **ties, and any related offices, departments or activities:**

- 17 **(a) Oregon State University.**
- 18 **(b) Oregon Institute of Technology.**
- 19 **(c) Western Oregon University.**
- 20 **(d) Southern Oregon University.**
- 21 **(e) Eastern Oregon University.**

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

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

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

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

32 351.011. (1) The Oregon University System is established as a public university system, consist-
33 ing of the office of the Chancellor of the Oregon University System and the following public uni-
34 versities, and any related offices, departments or activities:

- 35 [*(a) Oregon State University.*]
- 36 [*(b)*] **(a)** Oregon Institute of Technology.
- 37 [*(c)*] **(b)** Western Oregon University.
- 38 [*(d)*] **(c)** Southern Oregon University.
- 39 [*(e)*] **(d)** Eastern Oregon University.

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

43 (3) The Oregon University System is an instrumentality of the state and a government entity
44 performing governmental functions and exercising governmental powers. Notwithstanding the status
45 of the Oregon University System as an instrumentality of the state, the Oregon University System

1 is not eligible to request or receive legal services from the Attorney General and the Department
2 of Justice pursuant to ORS chapter 180, except as otherwise expressly provided by law.

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

4 **SECTION 27. (1) The amendments to ORS 351.011 by section 26 of this 2013 Act become**
5 **operative only if the president of Oregon State University notifies the Governor that the**
6 **university will become a university with a governing board in the manner set forth in section**
7 **168 or 168b of this 2013 Act.**

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

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

11 287A.001. As used in this chapter:

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

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

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

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

20 (3) "Bond":

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

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

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

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

25 (6) "Credit enhancement device":

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

29 (b) Does not mean a bond.

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

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

36 (9) "General obligation bond" means exempt bonded indebtedness, as defined in ORS 310.140,
37 that is secured by a commitment to levy ad valorem taxes outside the limits of sections 11 and 11b,
38 Article XI of the Oregon Constitution.

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

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

1 (12) "Pledge" means:

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

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

4 (13) "Public body" means:

5 (a) A county of this state;

6 (b) A city of this state;

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

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

9 (e) Oregon Health and Science University;

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

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

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

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

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

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

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

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

25 348.010. (1) An account in the Oregon University System Fund established under ORS 351.506
26 is designated for the purpose of granting student loans under the terms established by the National
27 Defense Education Act of 1958, as amended, under the terms of the Health Professions Educational
28 Assistance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as
29 amended.

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

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

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

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

38 (d) Earnings from investments of the account.

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

45 (4) Income and interest derived from moneys in the account designated by this section are

1 credited to the account.

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

3 348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student
4 Access Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45 (b) The commission shall establish a minimum amount that a student may receive as a state

1 share. If the commission determines that the amount of the state share of a student is below the
2 minimum amount, the student may not receive the state share.

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

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

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

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

14 348.282. As used in this section and ORS 348.283:

15 (1) “Armed Forces of the United States” means:

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

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

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

20 (2) “Public post-secondary institution” means:

21 (a) A public university [*under the direction of the State Board of Higher Education*] **listed in ORS**
22 **352.002**; and

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

24 (3) “Veteran” has the meaning given that term in ORS 408.225.

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

26 348.283. (1) There is established within the Oregon Student Access Commission the Oregon
27 Troops to Teachers program. Through the program, the commission shall pay for all of the resident
28 tuition charges of a veteran imposed by a public post-secondary institution, provided the veteran:

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

30 (b) Is a resident of Oregon; and

31 (c) Agrees to teach:

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

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

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

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

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

43 348.470. The Legislative Assembly finds and declares that:

44 (1) It is the policy of this state to encourage cooperation between [*the Oregon University*
45 *System*] **public universities listed in ORS 352.002** and community colleges on issues affecting stu-

1 dents who transfer between the two segments; and

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

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

5 348.603. (1) The Higher Education Coordinating Commission shall:

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

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

9 (c) Validate claims of degree possession;

10 (d) Terminate substandard or fraudulent degree activities;

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

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

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

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

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

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

23 (b) If the boards do not resolve the issue raised under paragraph (a) of this subsection within
24 90 days of the date when the issue was recommended to the boards for mediation, the commission
25 shall have final authority for approval or disapproval of the program or location. If the boards do
26 not resolve the issue, the commission shall approve or disapprove the program or location within
27 180 days of the date when the review began.

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

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

36 (3) The commission, by rule, may impose a fee on any school or person requesting information
37 from the commission. The amount of the fee shall be established to recover designated expenses in-
38 curred by the commission in carrying out the administration of ORS 348.594 to 348.615. Any fees
39 collected under this subsection shall be deposited in the Degree Authorization Account established
40 under ORS 348.601.

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

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

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

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

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

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

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

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

26 (a) Coordination of new health care education programs and existing health care education
 27 programs that are similar to the new health care education programs to address the statewide need;
 28 and

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

32 (4) In the development and approval of health care education programs, community colleges,
 33 public universities, Oregon Health and Science University, the State Board of Education, the State
 34 Board of Higher Education, **the governing board of a public university with a governing board**
 35 **listed in section 3 of this 2013 Act** and the Oregon Health and Science University Board of Di-
 36 rectors shall consider issues related to statewide access, student transferability between programs,
 37 course articulation and common student learning outcomes for health care education programs. The
 38 community colleges, public universities, Oregon Health and Science University and boards shall
 39 continue to provide and improve upon an effective articulation and transfer framework for students
 40 in Oregon's post-secondary sectors.

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

42 351.015. The Oregon University System shall be conducted under the control of a board of 15
 43 directors, to be known as the State Board of Higher Education. Except as otherwise provided by
 44 law, the board has sole authority to govern, set policy and otherwise manage the affairs of the
 45 public universities listed in ORS [352.002] **351.011**. The board shall consist of:

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

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

5 [(3)] (2) One member of the faculty at **Oregon State University**, Eastern Oregon University,
6 Oregon Institute of Technology, Southern Oregon University or Western Oregon University.

7 [(4)] (3) [*Eleven*] **Twelve** members of the general public who are not students or faculty members
8 at the time of appointment.

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

10 351.015. The Oregon University System shall be conducted under the control of a board of 15
11 directors, to be known as the State Board of Higher Education. Except as otherwise provided by
12 law, the board has sole authority to govern, set policy and otherwise manage the affairs of the
13 public universities listed in ORS 351.011. The board shall consist of:

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

16 (2) One member of the faculty at [*Oregon State University,*] Eastern Oregon University, Oregon
17 Institute of Technology, Southern Oregon University or Western Oregon University.

18 (3) Twelve members of the general public who are not students or faculty members at the time
19 of appointment.

20 **SECTION 39. (1) The amendments to ORS 351.015 by section 38 of this 2013 Act become**
21 **operative only if the president of Oregon State University notifies the Governor that the**
22 **university will become a university with a governing board in the manner set forth in section**
23 **168 or 168b of this 2013 Act.**

24 **(2) If the condition specified in subsection (1) of this section is met, the amendments to**
25 **ORS 351.015 by section 38 of this 2013 Act become operative July 1, 2014.**

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

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

35 (2) To assist the Governor in making appointments of the student members as provided in ORS
36 351.015, the duly organized and recognized entities of student government at each public university
37 shall submit a list of nominees to the Governor. The entities are entitled to no more than three
38 nominees per public university. The Governor shall consider these lists in the selection of the stu-
39 dent members to be appointed to the State Board of Higher Education.

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

44 (4) When making an appointment of the faculty or student members as provided in ORS 351.015,
45 the Governor shall rotate the appointments among representatives from various public universities

1 to ensure equal representation among the public universities.

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

3 351.047. The [*State Board of*] Higher Education **Coordinating Commission** shall:

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

5 (2) Approve all academic programs offered at the public universities, and shall ensure that the
6 academic programs:

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

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

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

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

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

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

22 (2) **On or before May 1 of each even-numbered year:**

23 (a) **Each university with a governing board shall submit to the Higher Education Coor-
24 dinating Commission a funding request for the biennium beginning on July 1 of the following
25 year; and**

26 (b) **The State Board of Higher Education shall submit to the commission, on behalf of
27 all the universities in the Oregon University System, a funding request for the biennium
28 beginning on July 1 of the following year.**

29 [(2)] (3) On or before September 1 of each even-numbered year, the [*State Board of Higher Ed-
30 ucation*] **Higher Education Coordinating Commission** shall submit [*the*] a funding request and
31 performance compact to the [*Oregon Department of Administrative Services for the Oregon University
32 System*] **Governor on behalf of all the public universities listed in ORS 352.002.**

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

40 [(4)] (5) The **commission's** funding request must include, in addition to the performance com-
41 pact, a report on performance from the previous biennium's performance compact.

42 [(5)] (6) The [*State Board of Higher Education*] **Higher Education Coordinating Commission**
43 shall, by rule, establish a framework for the development of a performance compact that must ac-
44 company the funding request to the [*Oregon Department of Administrative Services*] **Governor**. The
45 framework must address, among other issues, the issue of tuition affordability for students.

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

2 351.054. The [*State Board of Higher Education*] **Higher Education Coordinating Commission**
3 is authorized to:

4 (1) Request, as part of the funding request under ORS 351.052, appropriations for budgetary
5 items, including but not limited to education and general operations, statewide public services, state
6 funded debt service, capital improvements [*and other*], **deferred maintenance**, special initiatives
7 and investments; and

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

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

12 351.062. Except for the power to prescribe enrollment fees under ORS 351.063 and the power to
13 adopt [*rules*] **standards**, the State Board of Higher Education may delegate any of the powers, du-
14 ties or functions of the board to a committee of the board, the Chancellor of the Oregon University
15 System or a president of a public university listed in ORS [*352.002*] **351.011**.

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

17 351.063. (1) The State Board of Higher Education shall set enrollment fees for each public uni-
18 versity listed in ORS [*352.002*] **351.011**. Enrollment fees include tuition for education and services
19 and any other charges found by the State Board of Higher Education to be necessary to carry out
20 the educational program of the Oregon University System.

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

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

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

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

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

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

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

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

42 351.065. (1) The State Board of Higher Education may, for each public university or office, de-
43 partment or activity under its control, **and a governing board as defined in section 2 of this 2013**
44 **Act may, for the public university under its control**, adopt [*rules*] **standards** and specific orders
45 by or through the president of each public university governing access to personnel records of the

1 public university or office, department or activity that are less than 25 years old.

2 (2) *[Rules]* **Standards** adopted under subsection (1) of this section shall require that personnel
3 records be subjected to restrictions on access unless upon a finding by the president of the public
4 university that the public interest in maintaining individual rights to privacy in an adequate edu-
5 cational environment would not suffer by disclosure of such records. Access to such records may
6 be limited to designated classes of information or persons, or to stated times and conditions, or to
7 both, but cannot be limited for records more than 25 years old.

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

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

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

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

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

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

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

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

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

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

14 (12) Any category of personnel records specifically designated as confidential pursuant to valid
 15 *[rules]* **standards** or orders pursuant to this section is not a public record for the purposes of ORS
 16 192.420.

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

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

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

29 (a) Consulting;

30 (b) Appearances and speeches;

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

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

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

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

44 (3) Any compensation described and authorized under subsection (1) of this section is considered
 45 official compensation or reimbursement of expenses for purposes of ORS 244.040 and is not consid-

1 ered an honorarium prohibited by ORS 244.042. If authorization or receipt of the compensation cre-
 2 ates a potential conflict of interest, the officer or employee shall report the potential conflict in
 3 writing in accordance with **board standards** [*rules of the board*]. The disclosure is a public record
 4 subject to public inspection.

5 (4) [*The*] **Each** board shall adopt [*by rule*] standards governing employee outside employment and
 6 activities, including potential conflict of interest, as defined by board [*rule*] **standard** and consistent
 7 with ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing po-
 8 tential or actual conflict of interest complaints.

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

10 351.070. (1) The State Board of Higher Education shall[, *by rule,*] **develop standards to** imple-
 11 ment a personnel system for the Oregon University System and may engage in collective bargaining
 12 with the employees. All collective bargaining with any certified or recognized exclusive employee
 13 representative shall be under the direction and supervision of the Chancellor of the Oregon Uni-
 14 versity System. The board and the Oregon University System shall have payroll authority.

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

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

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

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

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

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

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

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

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

4 (f) Prescribe the qualifications for admission.

5 (4) Subject to such delegation as the board may decide to make to the public universities and
6 offices, departments and activities under its control, the board, for each public university, office,
7 department or activity under its control:

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

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

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

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

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

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

18 (A) Dependents of students.

19 (B) Staff.

20 (C) Faculty.

21 (g) Shall prescribe and collect charges.

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

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

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

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

37 351.085. The Chancellor of the Oregon University System shall exercise, under the direction of
38 the State Board of Higher Education, the administrative and management authority necessary to
39 carry out the policies and directives of the board with respect to the public universities and offices,
40 departments and activities under the control of the board. In carrying out the duties of the
41 chancellor, the chancellor shall:

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

44 (2) Supervise the presidents of the public universities listed in ORS [352.002] **351.011** and re-
45 commend the terms and conditions of their employment to the board, including but not limited to

1 appointment, compensation and termination.

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

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

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

11 (6) Oversee the preparation and submission to the board of the funding request for the Oregon
12 University System for consideration by the board as the funding request under ORS 351.052 **(2)(b)**.

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

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

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

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

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

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

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

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

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

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

34 297.250. (1) An agency of the executive department that completes a risk assessment or internal
35 audit under ORS 184.360, or that prepares an independent audit under ORS 353.160 **or section 14**
36 **of this 2013 Act**, shall file the completed risk assessment or internal audit with the Division of
37 Audits of the Office of the Secretary of State.

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

40 **SECTION 51.** 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 **and the governing board of a public university with a governing board listed in**
43 **section 3 of this 2013 Act**, in consultation with the Oregon Health Authority and the Alcohol and
44 Drug Policy Commission, shall adopt [by rule] **standards that**, as a minimum, [descriptions of] **de-**
45 **scribe** the content of what shall be included in the policy and plan described in ORS 352.008.

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

2 351.110. All relationships and negotiations between the Legislative Assembly and its various
3 committees and a public university listed in ORS [352.002] **351.011** must be carried on through the
4 office of the Chancellor of the Oregon University System. An employee representing any of the
5 public universities may not appear before the Legislative Assembly or any committee except upon
6 the written authority of the State Board of Higher Education or the chancellor.

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

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

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

19 174.117. (1) Subject to ORS 174.108, as used in the statutes of this state “special government
20 body” means any of the following:

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

23 (b) A school district.

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

25 (d) An education service district.

26 (e) A community college district or community college service district established under ORS
27 chapter 341.

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

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

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

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

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

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

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

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

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

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

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

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

6 351.165. No later than March 1 of each odd-numbered year, the [*State Board of Higher*
7 *Education*] **Higher Education Coordinating Commission** shall submit a report to the Legislative
8 Assembly concerning the status of all previously approved [*Oregon University System*] capital con-
9 struction projects that have not been completed or have been completed within the preceding
10 24-month period. The report shall include the project title, funding sources, the amount of the ori-
11 ginal appropriation or expenditure limitation, the amount of unexpected funds, the construction
12 status and the anticipated completion date.

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

14 352.245. (1) There is established an Oregon Climate Service to be located at Oregon State Uni-
15 versity. The service shall acquire, maintain, disseminate and interpret climate data and information
16 for the state.

17 (2) The service shall:

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

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

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

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

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

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

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

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

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

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

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

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

1 biennial budgeting.

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

3 351.310. (1) The State Board of Higher Education shall control the use, distribution and dis-
4 bursement of all funds, appropriations and taxes now or hereafter in possession, levied and collected,
5 received or appropriated for the use, benefit, support and maintenance of the public universities
6 listed in ORS [352.002] **351.011** and offices, departments and activities under the control of the board,
7 including the authorization of individuals to sign vouchers for the disbursement of funds for the
8 various public universities, offices, departments and activities.

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

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

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

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

26 351.509. (1) There is established in the General Fund an account to be known as the Portland
27 State University Center for Nanoscience and Nanotechnology Account. Funds in the account shall
28 be used for the acquisition and expansion of microscopy and materials characterization facilities at
29 Portland State University related to a signature research center.

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

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

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

39 351.511. (1) There is established in the General Fund an account to be known as the Portland
40 State University Northwest Engineering Science Center Phase I Account. Funds in the account shall
41 be used for acquisition or construction of an engineering science center at Portland State Univer-
42 sity.

43 (2) The account shall consist of federal and local government funds made available to and funds
44 donated to [*the Oregon University System*] **Portland State University** for the purpose of the
45 Portland State University Northwest Engineering Science Center Phase I project described in sub-

1 section (1) of this section. Interest earned on moneys in the account shall be credited to the ac-
2 count.

3 (3) Moneys in the account are continuously appropriated to [*the Oregon University System*]
4 **Portland State University** for the purposes described in subsection (1) of this section. The account
5 may not be credited with more than \$26,500,000 in interest, donations and federal and local gov-
6 ernment funds for purposes of this subsection.

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

8 351.517. (1) There is established in the General Fund an account to be known as the University
9 of Oregon Education Building and Complex Account. Funds in the account shall be used for the
10 acquisition, construction, remodeling, expansion and renovation of facilities for an education build-
11 ing and complex at the University of Oregon.

12 (2) The account shall consist of federal and local government funds made available to and funds
13 donated to the [*Oregon University System*] **University of Oregon** for the purpose of the education
14 building and complex project described in subsection (1) of this section. Interest earned on moneys
15 in the account shall be credited to the account. The account may not be credited with more than
16 \$19,400,000 in interest, donations and federal and local government funds for purposes of this sub-
17 section.

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

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

22 351.518. (1) There is established in the General Fund an account to be known as the University
23 of Oregon Gilbert Hall Account. Funds in the account shall be used for the acquisition, construction,
24 remodeling, expansion and renovation of facilities for Gilbert Hall at the University of Oregon.

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

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

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

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

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

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

1 lottery bonds.

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

3 351.521. (1) There is established in the General Fund an account to be known as the University
4 of Oregon School of Music Account. Funds in the account shall be used for additions and alterations
5 to the School of Music at the University of Oregon.

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

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

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

14 351.538. (1) There is established in the General Fund an account to be known as the Museum
15 of Art Project Account. Funds in the account shall be used for additions to and alterations of the
16 Museum of Art at the University of Oregon.

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

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

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

25 351.539. (1) There is established in the General Fund an account to be known as the Straub Hall
26 Project Account. Funds in the account shall be used for the additions to and alterations of Straub
27 Hall at the University of Oregon.

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

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

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

36 351.590. (1) An account in the Oregon University System Fund established by ORS 351.506 is
37 designated for the purpose of receiving all revenue from incidental fees, optional fees, health ser-
38 vices fees and all operating revenue from intercollegiate athletics, student unions and educational
39 activities.

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

44 (3) Income and interest derived from moneys in the account designated by this section are
45 credited to the account. The State Board of Higher Education shall distribute annually the total

1 interest earnings proportionately to each public university listed in ORS [352.002] **351.011** based on
2 each university's average cash balance in the account.

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

4 351.626. An account in the Oregon University System Fund established by ORS 351.506 is des-
5 ignated for the construction, remodeling, expansion and renovation of facilities within the Oregon
6 University System **or any public university with a governing board listed in section 3 of this**
7 **2013 Act.** Income and interest from moneys in the account are credited to the account.

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

9 351.628. (1) There is established in the General Fund an account to be known as the Higher
10 Education Academic Modernization Account. Funds in the account shall be used at public universi-
11 ties listed in ORS [352.002] **351.011** for academic modernization, capital repair, deferred maintenance
12 and making facilities compliant with building and safety codes.

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

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

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

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

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

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

34 351.642. (1) As used in this section:

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

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

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

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

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

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

45 (B) Reserve components of the Army, Navy, Air Force, Marine Corps and Coast Guard of the

1 United States; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b) shall be based on:

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

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

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

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

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

41 (B) As a monetary payment.

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

45 (3) A student who elects to claim the credit by the method described in subsection (1)(c)(A) of

1 this section must use the credit or change the method of claiming the credit under subsection (2)
2 of this section within one year after release from active duty.

3 (4) A personal representative of a student who elected to claim the credit by the method de-
4 scribed in subsection (1)(c)(A) of this section may claim a monetary payment upon presenting evi-
5 dence to the public university that the student died while serving on active duty.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (2) **The governing board of a public university with a governing board listed in section 3**
44 **of this 2013 Act shall adopt a policy that prescribes the requirements for a venture grant**
45 **program and the requirements that a grant applicant must meet in order to receive grant**

1 **moneys from the university venture development fund operated by the university, including**
2 **requirements:**

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

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

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

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

11 351.695. (1) A university within the Oregon University System may deposit moneys received for
12 its university venture development fund in the Higher Education Donation Fund established under
13 ORS 351.130.

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

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

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

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

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

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

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

40 (a) Capital for university entrepreneurial programs;

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

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

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

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

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

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

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

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

8 (d) Establish a grant program that meets the requirements for a venture grant program under
9 policies adopted **under ORS 351.692** by the State Board of Higher Education [*under ORS 351.692*]
10 **or the governing board of a public university with a governing board listed in section 3 of this**
11 **2013 Act** or under policies adopted by the Oregon Health and Science University Board of Directors
12 under ORS 353.445; and

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

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

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

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

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

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

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

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

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

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

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

42 351.718. (1) The members of the Higher Education Coordinating Commission must be residents
43 of this state who are well informed on the principles of higher education.

44 (2) A member of the State Board of Higher Education, **the Oregon Health and Science Univer-**
45 **sity Board of Directors, the governing board of a public university with a governing board**

1 **listed in section 3 of this 2013 Act** or the governing board of a community college district may
2 not serve as a member of the Higher Education Coordinating Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 (e) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of
45 student financial assistance programs, including the Oregon Opportunity Grant program under ORS

1 348.260.

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

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

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

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

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

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

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

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

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

15 (D) Reciprocity agreements with other states.

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

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

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

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

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

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

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

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

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

37 and

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

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

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

45 (A) Recommended biennial appropriations to institutions, including a component specifically tied

1 to institutional contributions to state educational priorities;

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

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

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

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

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

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

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

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

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

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

17 [(E)] (F) Capital improvements.

18 (e) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of
19 student financial assistance programs, including the Oregon Opportunity Grant program under ORS
20 348.260.

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

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

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

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

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

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

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

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

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

34 (D) Reciprocity agreements with other states.

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

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

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

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

44 351.735. The Higher Education Coordinating Commission shall:

45 (1) Develop state goals and associated achievement compacts for the state post-secondary edu-

1 cation system, including community colleges and public universities listed in ORS 352.002, and for
2 the Oregon Student Access Commission.

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

7 (a) Increasing the educational attainment of the population;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 [(e)] (f) Capital improvements.

36 (6) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of
37 student financial assistance programs, including the Oregon Opportunity Grant program under ORS
38 348.260.

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

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

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

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

45 (11) Develop and recommend policies to improve the coordination of the provision of educational

1 services, including:

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

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

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

5 (d) Reciprocity agreements with other states.

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

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

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

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

14 352.006. [No] **A** political or sectarian test [*shall ever*] **may not** be allowed or applied in the ap-
15 pointment of faculty and other employees of [*the Oregon University System*] **a public university**
16 **listed in ORS 352.002.**

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

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

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

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

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

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

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

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

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

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

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

45 (e) Has access to laboratories, nuclear facilities or utility plants to which access is restricted

1 in order to protect the health or safety of the public;

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

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

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

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

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

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

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

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

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

39 352.043. (1) There is created [*within the Oregon University System*] the University of Oregon
40 School of Law[. *The school shall*] **to** be administered by the University of Oregon.

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

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

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

44 (3) The president of the University of Oregon shall appoint the Dean of the University of Oregon
45 School of Law.

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

2 352.046. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the
3 Center for Brain, Biology and Machine[. *The center shall*] **to** be administered by the University of
4 Oregon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 (f) Seeking to strengthen the links among the Legislative Assembly, state and local governments,
45 the Oregon Criminal Justice Commission, the Department of Public Safety Standards and Training

1 and the academic community in the interest of more informed policymaking, the application of best
2 practices and more relevant academic research.

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

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

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

13 352.068. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the
14 Center for Lakes and Reservoirs[. *The Center for Lakes and Reservoirs shall*], **to** be administered by
15 Portland State University.

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

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

20 352.071. (1) Pursuant to ORS 351.870, [*there is created within the Oregon University System*] the
21 Graduate School of Social Work[. *The Graduate School of Social Work shall*] **is created, to** be ad-
22 ministered by Portland State University.

23 (2) The purpose of the Graduate School of Social Work is to provide a center for specialized
24 education and research in the social services for the betterment of communities in the Portland
25 metropolitan area, the state and the Pacific Northwest.

26 **SECTION 98.** ORS 352.074 is amended to read:

27 352.074. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the
28 Institute of Portland Metropolitan Studies[. *The Institute of Portland Metropolitan Studies shall*], **to**
29 be administered by Portland State University.

30 (2) The purpose of the Institute of Portland Metropolitan Studies is to build partnerships be-
31 tween Portland State University's urban studies programs and the surrounding communities of met-
32 ropolitan Portland and to sponsor public service research.

33 **SECTION 99.** ORS 352.360 is amended to read:

34 352.360. (1) The State Board of Higher Education may enact such regulations as the board deems
35 convenient or necessary to provide for the policing, control and regulation of traffic and parking
36 of vehicles on the property of any public university listed in ORS [352.002] **351.011**. The regulations
37 may provide for the registration of vehicles, the designation of parking areas and the assessment
38 and collection of reasonable fees and charges for parking. The board may require that before a
39 quarterly or yearly parking privilege for any vehicle is granted to any full-time or part-time student
40 to use board property, the student must show that the vehicle is operated by a student holding a
41 valid driver license, that the vehicle is currently registered and that the student driving the vehicle
42 is insured under a motor vehicle liability insurance policy that meets the requirements described
43 under ORS 806.080 or that the student or owner of the vehicle has provided the Department of
44 Transportation with other satisfactory proof of compliance with the financial responsibility re-
45 quirements of this state.

1 (2) The regulations enacted pursuant to subsection (1) of this section shall be enforced admin-
2 istratively under procedures adopted by the board for each public university. Administrative and
3 disciplinary sanctions may be imposed upon students, faculty and staff for violation of the regu-
4 lations, including but not limited to, a reasonable monetary penalty which may be deducted from
5 student deposits, and faculty or staff salaries or other funds in the possession of the public univer-
6 sity. The board shall provide opportunity for hearing for the determination of controversies in con-
7 nection with imposition of fines or penalties. The board may prescribe procedures for such hearings
8 despite the provisions of ORS 183.413 to 183.470. Persons other than students, faculty or staff may
9 voluntarily submit to the hearing procedures prescribed by the board, and shall be bound by the
10 results of the hearing. The powers granted to the board by this section are supplemental to the ex-
11 isting powers of the board with respect to the government of activities of students, faculty and staff
12 and the control and management of property under its jurisdiction.

13 (3) The regulations enacted pursuant to subsection (1) of this section may also be enforced by
14 the impoundment of vehicles, and a reasonable fee may be enacted for the cost of impoundment and
15 storage, if any, prior to the release of the vehicles to their owners.

16 (4) All fees and charges for parking privileges and violations are deposited in a designated ac-
17 count in the Oregon University System Fund established by ORS 351.506 for the purpose of defraying
18 the costs of constructing bicycle racks and bicycle lanes and of traffic control, enforcement of traffic
19 and parking regulations and maintenance and operation of parking facilities and for the purpose of
20 acquiring and constructing additional parking facilities for vehicles at the various public universi-
21 ties and offices, departments and activities under the control of the board. Fees and charges may
22 also be credited to the account in the Oregon University System Fund designated by ORS 351.460.
23 Parking fees shall be established at levels no greater than those required to finance the con-
24 struction, operation and maintenance of parking facilities on the same campus of the public univer-
25 sity for which the parking is provided. Notwithstanding ORS 351.072, parking fees or changes in fees
26 shall be adopted [*by rule of*] **in accordance with standards issued by** the board [*subject to the*
27 *procedure for rules adopted in ORS chapter 183*].

28 (5) Every peace officer may enforce the regulations made by the board under subsection (1) of
29 this section. The board, for the purpose of enforcing its [*rules*] **standards** and regulations governing
30 traffic control, may appoint peace officers who have the same authority as other peace officers as
31 defined in ORS 133.005.

32 (6) The board and any municipal corporation or any department, agency or political subdivision
33 of this state may enter into agreements or contracts with each other for the purpose of providing
34 a uniform system of enforcement of the [*rules*] **standards** and regulations of the board enacted
35 pursuant to subsection (1) of this section.

36 (7) In proceedings brought to enforce regulations enacted pursuant to subsection (1) of this
37 section, it shall be sufficient to charge the defendant by an unsworn written notice in accordance
38 with the provisions of ORS 221.333. In any case in which the defendant is not subject to and does
39 not voluntarily submit to the hearing procedures prescribed under subsection (2) of this section,
40 proceedings to enforce regulations enacted pursuant to subsection (1) of this section shall be
41 brought in the name of the board in a circuit court, a justice court or a city court for offenses
42 committed within the territorial jurisdiction of such court. Such courts shall have concurrent juris-
43 diction over offenses committed within their respective jurisdictions. All fines, penalties and court
44 costs recovered shall be paid to the clerk of the court involved and shall be disposed of as provided
45 in ORS 153.640 to 153.680.

1 **SECTION 100.** ORS 21.007, as amended by section 8, chapter 48, Oregon Laws 2012, is amended
2 to read:

3 21.007. It is the intent of the Legislative Assembly that funding be provided to the following
4 entities by appropriations each biennium to fund programs, services and activities that were funded
5 through court fees before the 2011-2013 biennium:

6 (1) To the counties of this state for the purposes of funding mediation services, conciliation
7 services and other services in domestic relations cases.

8 (2) To the counties of this state for the purposes of funding the operation of law libraries or of
9 providing law library services.

10 (3) To [*the Oregon University System*] **Portland State University and the University of**
11 **Oregon** to fund the programs and expenses of the Mark O. Hatfield School of Government and the
12 University of Oregon School of Law under ORS 36.100 to 36.238 and 183.502.

13 (4) To the Housing and Community Services Department for the purpose of funding programs
14 that defray the cost of rent for dwelling units for very low income households.

15 (5) To the Oregon University System to fund clinical legal education programs at accredited
16 institutions of higher education that provide civil legal services to victims of domestic violence,
17 stalking or sexual assault.

18 (6) To the State Department of Agriculture for the purpose of funding mediation programs es-
19 tablished by the department, other than individual farm credit mediations.

20 (7) To the Judicial Department for the purposes of funding the appellate settlement program
21 established under ORS 2.560.

22 (8) To the Department of Human Services for the funding of the Office of Children's Advocate.

23 **SECTION 101.** ORS 30.264 is amended to read:

24 30.264. (1)(a) The State Board of Higher Education may authorize public universities listed in
25 ORS [352.002] **351.011** to provide liability insurance coverage for students involved in off-campus
26 experiential activities, including, but not limited to, student teaching, internships, clinical experi-
27 ences, capstone projects and related activities.

28 **(b) The governing board of a public university with a governing board listed in section 3**
29 **of this 2013 Act may authorize the university to provide liability insurance coverage for**
30 **students involved in off-campus experiential activities, including, but not limited to, student**
31 **teaching, internships, clinical experiences, capstone projects and related activities.**

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

35 **SECTION 102.** ORS 30.864 is amended to read:

36 30.864. (1) Any person claiming to be aggrieved by the reckless disclosure of personally iden-
37 tifiable information from a student's education records as prohibited by [*rules of*] **standards issued**
38 **by** the State Board of Education, [*or*] the State Board of Higher Education **or the governing board**
39 **of a public university with a governing board listed in section 3 of this 2013 Act** may file a civil
40 action in circuit court for equitable relief or, subject to the terms and conditions of ORS 30.265 to
41 30.300, for damages, or both. The court may order such other relief as may be appropriate.

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

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

1 **SECTION 103.** ORS 36.145 is amended to read:

2 36.145. The Dispute Resolution Account is established in the State Treasury, separate and dis-
3 tinct from the General Fund. All moneys received under ORS 36.150 shall be deposited to the credit
4 of the account. Notwithstanding the provisions of ORS 291.238, all moneys in the account are con-
5 tinuously appropriated to the [*Oregon University System*] **University of Oregon or Portland State**
6 **University** for the purposes for which the moneys were made available and shall be expended in
7 accordance with the terms and conditions upon which the moneys were made available.

8 **SECTION 104.** ORS 36.150 is amended to read:

9 36.150. [*The Oregon University System*] **Portland State University**, on behalf of the Mark O.
10 Hatfield School of Government and the **University of Oregon, on behalf of the** University of
11 Oregon School of Law, may accept and expend moneys from any public or private source, including
12 the federal government, made available for the purpose of encouraging, promoting or establishing
13 dispute resolution programs in Oregon or to facilitate and assist the schools in carrying out the
14 responsibilities of the schools under ORS 36.100 to 36.238 and 183.502. All moneys received by the
15 [*Oregon University System*] **University of Oregon and Portland State University** under this sec-
16 tion shall be deposited in the Dispute Resolution Account.

17 **SECTION 105.** ORS 36.155 is amended to read:

18 36.155. The Dean of the University of Oregon School of Law shall award grants for the purpose
19 of providing dispute resolution services in counties. Grants under this section shall be made from
20 funds [*appropriated*] **allocated** to the [*Oregon University System*] **University of Oregon** on behalf
21 of the University of Oregon School of Law for distribution under this section. The [*State Board of*
22 *Higher Education*] **Board of Trustees of the University of Oregon** may adopt [*rules*] **standards**
23 for the operation of the grant program.

24 **SECTION 106.** ORS 184.631 is amended to read:

25 184.631. (1) The Department of Transportation shall establish a public-private partnership re-
26 search and development program.

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

- 31 (a) Individuals.
- 32 (b) Businesses.
- 33 (c) Nonprofit organizations.
- 34 (d) The State Board of Higher Education.

35 **(e) The governing board of a public university with a governing board listed in section 3**
36 **of this 2013 Act.**

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

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

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

44 **SECTION 107.** ORS 192.501 is amended to read:

45 192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505

1 unless the public interest requires disclosure in the particular instance:

2 (1) Records of a public body pertaining to litigation to which the public body is a party if the
3 complaint has been filed, or if the complaint has not been filed, if the public body shows that such
4 litigation is reasonably likely to occur. This exemption does not apply to litigation which has been
5 concluded, and nothing in this subsection shall limit any right or opportunity granted by discovery
6 or deposition statutes to a party to litigation or potential litigation.

7 (2) Trade secrets. "Trade secrets," as used in this section, may include, but are not limited to,
8 any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or
9 compilation of information which is not patented, which is known only to certain individuals within
10 an organization and which is used in a business it conducts, having actual or potential commercial
11 value, and which gives its user an opportunity to obtain a business advantage over competitors who
12 do not know or use it.

13 (3) Investigatory information compiled for criminal law purposes. The record of an arrest or the
14 report of a crime shall be disclosed unless and only for so long as there is a clear need to delay
15 disclosure in the course of a specific investigation, including the need to protect the complaining
16 party or the victim. Nothing in this subsection shall limit any right constitutionally guaranteed, or
17 granted by statute, to disclosure or discovery in criminal cases. For purposes of this subsection, the
18 record of an arrest or the report of a crime includes, but is not limited to:

19 (a) The arrested person's name, age, residence, employment, marital status and similar bi-
20 ographical information;

21 (b) The offense with which the arrested person is charged;

22 (c) The conditions of release pursuant to ORS 135.230 to 135.290;

23 (d) The identity of and biographical information concerning both complaining party and victim;

24 (e) The identity of the investigating and arresting agency and the length of the investigation;

25 (f) The circumstances of arrest, including time, place, resistance, pursuit and weapons used; and

26 (g) Such information as may be necessary to enlist public assistance in apprehending fugitives
27 from justice.

28 (4) Test questions, scoring keys, and other data used to administer a licensing examination,
29 employment, academic or other examination or testing procedure before the examination is given
30 and if the examination is to be used again. Records establishing procedures for and instructing
31 persons administering, grading or evaluating an examination or testing procedure are included in
32 this exemption, to the extent that disclosure would create a risk that the result might be affected.

33 (5) Information consisting of production records, sale or purchase records or catch records, or
34 similar business records of a private concern or enterprise, required by law to be submitted to or
35 inspected by a governmental body to allow it to determine fees or assessments payable or to estab-
36 lish production quotas, and the amounts of such fees or assessments payable or paid, to the extent
37 that such information is in a form which would permit identification of the individual concern or
38 enterprise. This exemption does not include records submitted by long term care facilities as defined
39 in ORS 442.015 to the state for purposes of reimbursement of expenses or determining fees for pa-
40 tient care. Nothing in this subsection shall limit the use which can be made of such information for
41 regulatory purposes or its admissibility in any enforcement proceeding.

42 (6) Information relating to the appraisal of real estate prior to its acquisition.

43 (7) The names and signatures of employees who sign authorization cards or petitions for the
44 purpose of requesting representation or decertification elections.

45 (8) Investigatory information relating to any complaint filed under ORS 659A.820 or 659A.825,

1 until such time as the complaint is resolved under ORS 659A.835, or a final order is issued under
2 ORS 659A.850.

3 (9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and
4 663.180.

5 (10) Records, reports and other information received or compiled by the Director of the De-
6 partment of Consumer and Business Services under ORS 697.732.

7 (11) Information concerning the location of archaeological sites or objects as those terms are
8 defined in ORS 358.905, except if the governing body of an Indian tribe requests the information and
9 the need for the information is related to that Indian tribe's cultural or religious activities. This
10 exemption does not include information relating to a site that is all or part of an existing, commonly
11 known and publicized tourist facility or attraction.

12 (12) A personnel discipline action, or materials or documents supporting that action.

13 (13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and
14 564.100, regarding the habitat, location or population of any threatened species or endangered spe-
15 cies.

16 (14) Writings prepared by or under the direction of faculty of public educational institutions, in
17 connection with research, until publicly released, copyrighted or patented.

18 (15) Computer programs developed or purchased by or for any public body for its own use. As
19 used in this subsection, "computer program" means a series of instructions or statements which
20 permit the functioning of a computer system in a manner designed to provide storage, retrieval and
21 manipulation of data from such computer system, and any associated documentation and source
22 material that explain how to operate the computer program. "Computer program" does not include:

23 (a) The original data, including but not limited to numbers, text, voice, graphics and images;

24 (b) Analyses, compilations and other manipulated forms of the original data produced by use of
25 the program; or

26 (c) The mathematical and statistical formulas which would be used if the manipulated forms of
27 the original data were to be produced manually.

28 (16) Data and information provided by participants to mediation under ORS 36.256.

29 (17) Investigatory information relating to any complaint or charge filed under ORS chapter 654,
30 until a final administrative determination is made or, if a citation is issued, until an employer re-
31 ceives notice of any citation.

32 (18) Specific operational plans in connection with an anticipated threat to individual or public
33 safety for deployment and use of personnel and equipment, prepared or used by a public body, if
34 public disclosure of the plans would endanger an individual's life or physical safety or jeopardize a
35 law enforcement activity.

36 (19)(a) Audits or audit reports required of a telecommunications carrier. As used in this para-
37 graph, "audit or audit report" means any external or internal audit or audit report pertaining to a
38 telecommunications carrier, as defined in ORS 133.721, or pertaining to a corporation having an af-
39 filiated interest, as defined in ORS 759.390, with a telecommunications carrier that is intended to
40 make the operations of the entity more efficient, accurate or compliant with applicable rules, pro-
41 cedures or standards, that may include self-criticism and that has been filed by the telecommuni-
42 cations carrier or affiliate under compulsion of state law. "Audit or audit report" does not mean an
43 audit of a cost study that would be discoverable in a contested case proceeding and that is not
44 subject to a protective order; and

45 (b) Financial statements. As used in this paragraph, "financial statement" means a financial

1 statement of a nonregulated corporation having an affiliated interest, as defined in ORS 759.390,
2 with a telecommunications carrier, as defined in ORS 133.721.

3 (20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS
4 247.967.

5 (21) The following records, communications and information submitted to a housing authority
6 as defined in ORS 456.005, or to an urban renewal agency as defined in ORS 457.010, by applicants
7 for and recipients of loans, grants and tax credits:

8 (a) Personal and corporate financial statements and information, including tax returns;

9 (b) Credit reports;

10 (c) Project appraisals;

11 (d) Market studies and analyses;

12 (e) Articles of incorporation, partnership agreements and operating agreements;

13 (f) Commitment letters;

14 (g) Project pro forma statements;

15 (h) Project cost certifications and cost data;

16 (i) Audits;

17 (j) Project tenant correspondence requested to be confidential;

18 (k) Tenant files relating to certification; and

19 (L) Housing assistance payment requests.

20 (22) Records or information that, if disclosed, would allow a person to:

21 (a) Gain unauthorized access to buildings or other property;

22 (b) Identify those areas of structural or operational vulnerability that would permit unlawful
23 disruption to, or interference with, services; or

24 (c) Disrupt, interfere with or gain unauthorized access to public funds or to information pro-
25 cessing, communication or telecommunication systems, including the information contained in the
26 systems, that are used or operated by a public body.

27 (23) Records or information that would reveal or otherwise identify security measures, or
28 weaknesses or potential weaknesses in security measures, taken or recommended to be taken to
29 protect:

30 (a) An individual;

31 (b) Buildings or other property;

32 (c) Information processing, communication or telecommunication systems, including the infor-
33 mation contained in the systems; or

34 (d) Those operations of the Oregon State Lottery the security of which are subject to study and
35 evaluation under ORS 461.180 (6).

36 (24) Personal information held by or under the direction of officials of the Oregon Health and
37 Science University, **a public university listed in ORS 352.002** or the Oregon University System
38 about a person who has or who is interested in donating money or property to the **Oregon Health**
39 **and Science** University, the system or a public university [*listed in ORS 352.002*], if the information
40 is related to the family of the person, personal assets of the person or is incidental information not
41 related to the donation.

42 (25) The home address, professional address and telephone number of a person who has or who
43 is interested in donating money or property to the Oregon University System **or a public university**
44 **listed in ORS 352.002.**

45 (26) Records of the name and address of a person who files a report with or pays an assessment

1 to a commodity commission established under ORS 576.051 to 576.455, the Oregon Beef Council
2 created under ORS 577.210 or the Oregon Wheat Commission created under ORS 578.030.

3 (27) Information provided to, obtained by or used by a public body to authorize, originate, re-
4 ceive or authenticate a transfer of funds, including but not limited to a credit card number, payment
5 card expiration date, password, financial institution account number and financial institution routing
6 number.

7 (28) Social Security numbers as provided in ORS 107.840.

8 (29) The electronic mail address of a student who attends a public university listed in ORS
9 352.002 or Oregon Health and Science University.

10 (30) The name, home address, professional address or location of a person that is engaged in,
11 or that provides goods or services for, medical research at Oregon Health and Science University
12 that is conducted using animals other than rodents. This subsection does not apply to Oregon Health
13 and Science University press releases, websites or other publications circulated to the general pub-
14 lic.

15 (31) If requested by a public safety officer, as defined in ORS 181.610:

16 (a) The home address and home telephone number of the public safety officer contained in the
17 voter registration records for the public safety officer.

18 (b) The home address and home telephone number of the public safety officer contained in re-
19 cords of the Department of Public Safety Standards and Training.

20 (c) The name of the public safety officer contained in county real property assessment or taxa-
21 tion records. This exemption:

22 (A) Applies only to the name of the public safety officer and any other owner of the property
23 in connection with a specific property identified by the officer in a request for exemption from dis-
24 closure;

25 (B) Applies only to records that may be made immediately available to the public upon request
26 in person, by telephone or using the Internet;

27 (C) Applies until the public safety officer requests termination of the exemption;

28 (D) Does not apply to disclosure of records among public bodies as defined in ORS 174.109 for
29 governmental purposes; and

30 (E) May not result in liability for the county if the name of the public safety officer is disclosed
31 after a request for exemption from disclosure is made under this subsection.

32 (32) Unless the public records request is made by a financial institution, as defined in ORS
33 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage
34 broker licensed under ORS 86A.095 to 86A.198, or title company for business purposes, records de-
35 scribed in paragraph (a) of this subsection, if the exemption from disclosure of the records is sought
36 by an individual described in paragraph (b) of this subsection using the procedure described in par-
37 agraph (c) of this subsection:

38 (a) The home address, home or cellular telephone number or personal electronic mail address
39 contained in the records of any public body that has received the request that is set forth in:

40 (A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance, release, satisfaction,
41 substitution of trustee, easement, dog license, marriage license or military discharge record that is
42 in the possession of the county clerk; or

43 (B) Any public record of a public body other than the county clerk.

44 (b) The individual claiming the exemption from disclosure must be a district attorney, a deputy
45 district attorney, the Attorney General or an assistant attorney general, the United States Attorney

1 for the District of Oregon or an assistant United States attorney for the District of Oregon, a city
2 attorney who engages in the prosecution of criminal matters or a deputy city attorney who engages
3 in the prosecution of criminal matters.

4 (c) The individual claiming the exemption from disclosure must do so by filing the claim in
5 writing with the public body for which the exemption from disclosure is being claimed on a form
6 prescribed by the public body. Unless the claim is filed with the county clerk, the claim form shall
7 list the public records in the possession of the public body to which the exemption applies. The ex-
8 emption applies until the individual claiming the exemption requests termination of the exemption
9 or ceases to qualify for the exemption.

10 (33) Land management plans required for voluntary stewardship agreements entered into under
11 ORS 541.423.

12 (34) Sensitive business records or financial or commercial information of the State Accident In-
13 surance Fund Corporation that is not customarily provided to business competitors. This exemption
14 does not:

15 (a) Apply to the formulas for determining dividends to be paid to employers insured by the State
16 Accident Insurance Fund Corporation;

17 (b) Apply to contracts for advertising, public relations or lobbying services or to documents re-
18 lated to the formation of such contracts;

19 (c) Apply to group insurance contracts or to documents relating to the formation of such con-
20 tracts, except that employer account records shall remain exempt from disclosure as provided in
21 ORS 192.502 (35); or

22 (d) Provide the basis for opposing the discovery of documents in litigation pursuant to the ap-
23 plicable rules of civil procedure.

24 (35) Records of the Department of Public Safety Standards and Training relating to investi-
25 gations conducted under ORS 181.662 or 181.878 (6), until the department issues the report described
26 in ORS 181.662 or 181.878.

27 (36) A medical examiner's report, autopsy report or laboratory test report ordered by a medical
28 examiner under ORS 146.117.

29 (37) Any document or other information related to an audit of a public body, as defined in ORS
30 174.109, that is in the custody of an auditor or audit organization operating under nationally re-
31 cognized government auditing standards, until the auditor or audit organization issues a final audit
32 report in accordance with those standards or the audit is abandoned. This exemption does not pro-
33 hibit disclosure of a draft audit report that is provided to the audited entity for the entity's response
34 to the audit findings.

35 **SECTION 108.** ORS 192.501, as amended by section 3, chapter 455, Oregon Laws 2005, section
36 7, chapter 608, Oregon Laws 2007, section 2, chapter 687, Oregon Laws 2007, section 2, chapter 48,
37 Oregon Laws 2008, section 3, chapter 57, Oregon Laws 2009, section 2, chapter 135, Oregon Laws
38 2009, section 4, chapter 222, Oregon Laws 2009, section 2, chapter 769, Oregon Laws 2009, section
39 15, chapter 9, Oregon Laws 2011, section 2, chapter 285, Oregon Laws 2011, and section 69, chapter
40 637, Oregon Laws 2011, is amended to read:

41 192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505
42 unless the public interest requires disclosure in the particular instance:

43 (1) Records of a public body pertaining to litigation to which the public body is a party if the
44 complaint has been filed, or if the complaint has not been filed, if the public body shows that such
45 litigation is reasonably likely to occur. This exemption does not apply to litigation which has been

1 concluded, and nothing in this subsection shall limit any right or opportunity granted by discovery
2 or deposition statutes to a party to litigation or potential litigation.

3 (2) Trade secrets. "Trade secrets," as used in this section, may include, but are not limited to,
4 any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or
5 compilation of information which is not patented, which is known only to certain individuals within
6 an organization and which is used in a business it conducts, having actual or potential commercial
7 value, and which gives its user an opportunity to obtain a business advantage over competitors who
8 do not know or use it.

9 (3) Investigatory information compiled for criminal law purposes. The record of an arrest or the
10 report of a crime shall be disclosed unless and only for so long as there is a clear need to delay
11 disclosure in the course of a specific investigation, including the need to protect the complaining
12 party or the victim. Nothing in this subsection shall limit any right constitutionally guaranteed, or
13 granted by statute, to disclosure or discovery in criminal cases. For purposes of this subsection, the
14 record of an arrest or the report of a crime includes, but is not limited to:

15 (a) The arrested person's name, age, residence, employment, marital status and similar bi-
16 ographical information;

17 (b) The offense with which the arrested person is charged;

18 (c) The conditions of release pursuant to ORS 135.230 to 135.290;

19 (d) The identity of and biographical information concerning both complaining party and victim;

20 (e) The identity of the investigating and arresting agency and the length of the investigation;

21 (f) The circumstances of arrest, including time, place, resistance, pursuit and weapons used; and

22 (g) Such information as may be necessary to enlist public assistance in apprehending fugitives
23 from justice.

24 (4) Test questions, scoring keys, and other data used to administer a licensing examination,
25 employment, academic or other examination or testing procedure before the examination is given
26 and if the examination is to be used again. Records establishing procedures for and instructing
27 persons administering, grading or evaluating an examination or testing procedure are included in
28 this exemption, to the extent that disclosure would create a risk that the result might be affected.

29 (5) Information consisting of production records, sale or purchase records or catch records, or
30 similar business records of a private concern or enterprise, required by law to be submitted to or
31 inspected by a governmental body to allow it to determine fees or assessments payable or to estab-
32 lish production quotas, and the amounts of such fees or assessments payable or paid, to the extent
33 that such information is in a form which would permit identification of the individual concern or
34 enterprise. This exemption does not include records submitted by long term care facilities as defined
35 in ORS 442.015 to the state for purposes of reimbursement of expenses or determining fees for pa-
36 tient care. Nothing in this subsection shall limit the use which can be made of such information for
37 regulatory purposes or its admissibility in any enforcement proceeding.

38 (6) Information relating to the appraisal of real estate prior to its acquisition.

39 (7) The names and signatures of employees who sign authorization cards or petitions for the
40 purpose of requesting representation or decertification elections.

41 (8) Investigatory information relating to any complaint filed under ORS 659A.820 or 659A.825,
42 until such time as the complaint is resolved under ORS 659A.835, or a final order is issued under
43 ORS 659A.850.

44 (9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and
45 663.180.

1 (10) Records, reports and other information received or compiled by the Director of the De-
2 partment of Consumer and Business Services under ORS 697.732.

3 (11) Information concerning the location of archaeological sites or objects as those terms are
4 defined in ORS 358.905, except if the governing body of an Indian tribe requests the information and
5 the need for the information is related to that Indian tribe's cultural or religious activities. This
6 exemption does not include information relating to a site that is all or part of an existing, commonly
7 known and publicized tourist facility or attraction.

8 (12) A personnel discipline action, or materials or documents supporting that action.

9 (13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and
10 564.100, regarding the habitat, location or population of any threatened species or endangered spe-
11 cies.

12 (14) Writings prepared by or under the direction of faculty of public educational institutions, in
13 connection with research, until publicly released, copyrighted or patented.

14 (15) Computer programs developed or purchased by or for any public body for its own use. As
15 used in this subsection, "computer program" means a series of instructions or statements which
16 permit the functioning of a computer system in a manner designed to provide storage, retrieval and
17 manipulation of data from such computer system, and any associated documentation and source
18 material that explain how to operate the computer program. "Computer program" does not include:

19 (a) The original data, including but not limited to numbers, text, voice, graphics and images;

20 (b) Analyses, compilations and other manipulated forms of the original data produced by use of
21 the program; or

22 (c) The mathematical and statistical formulas which would be used if the manipulated forms of
23 the original data were to be produced manually.

24 (16) Data and information provided by participants to mediation under ORS 36.256.

25 (17) Investigatory information relating to any complaint or charge filed under ORS chapter 654,
26 until a final administrative determination is made or, if a citation is issued, until an employer re-
27 ceives notice of any citation.

28 (18) Specific operational plans in connection with an anticipated threat to individual or public
29 safety for deployment and use of personnel and equipment, prepared or used by a public body, if
30 public disclosure of the plans would endanger an individual's life or physical safety or jeopardize a
31 law enforcement activity.

32 (19)(a) Audits or audit reports required of a telecommunications carrier. As used in this para-
33 graph, "audit or audit report" means any external or internal audit or audit report pertaining to a
34 telecommunications carrier, as defined in ORS 133.721, or pertaining to a corporation having an af-
35 filiated interest, as defined in ORS 759.390, with a telecommunications carrier that is intended to
36 make the operations of the entity more efficient, accurate or compliant with applicable rules, pro-
37 cedures or standards, that may include self-criticism and that has been filed by the telecommuni-
38 cations carrier or affiliate under compulsion of state law. "Audit or audit report" does not mean an
39 audit of a cost study that would be discoverable in a contested case proceeding and that is not
40 subject to a protective order; and

41 (b) Financial statements. As used in this paragraph, "financial statement" means a financial
42 statement of a nonregulated corporation having an affiliated interest, as defined in ORS 759.390,
43 with a telecommunications carrier, as defined in ORS 133.721.

44 (20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS
45 247.967.

1 (21) The following records, communications and information submitted to a housing authority
2 as defined in ORS 456.005, or to an urban renewal agency as defined in ORS 457.010, by applicants
3 for and recipients of loans, grants and tax credits:

- 4 (a) Personal and corporate financial statements and information, including tax returns;
- 5 (b) Credit reports;
- 6 (c) Project appraisals;
- 7 (d) Market studies and analyses;
- 8 (e) Articles of incorporation, partnership agreements and operating agreements;
- 9 (f) Commitment letters;
- 10 (g) Project pro forma statements;
- 11 (h) Project cost certifications and cost data;
- 12 (i) Audits;
- 13 (j) Project tenant correspondence requested to be confidential;
- 14 (k) Tenant files relating to certification; and
- 15 (L) Housing assistance payment requests.

16 (22) Records or information that, if disclosed, would allow a person to:

- 17 (a) Gain unauthorized access to buildings or other property;
- 18 (b) Identify those areas of structural or operational vulnerability that would permit unlawful
19 disruption to, or interference with, services; or
- 20 (c) Disrupt, interfere with or gain unauthorized access to public funds or to information pro-
21 cessing, communication or telecommunication systems, including the information contained in the
22 systems, that are used or operated by a public body.

23 (23) Records or information that would reveal or otherwise identify security measures, or
24 weaknesses or potential weaknesses in security measures, taken or recommended to be taken to
25 protect:

- 26 (a) An individual;
- 27 (b) Buildings or other property;
- 28 (c) Information processing, communication or telecommunication systems, including the infor-
29 mation contained in the systems; or
- 30 (d) Those operations of the Oregon State Lottery the security of which are subject to study and
31 evaluation under ORS 461.180 (6).

32 (24) Personal information held by or under the direction of officials of the Oregon Health and
33 Science University, **a public university listed in ORS 352.002** or the Oregon University System
34 about a person who has or who is interested in donating money or property to the **Oregon Health
35 and Science** University, the system or a public university [*listed in ORS 352.002*], if the information
36 is related to the family of the person, personal assets of the person or is incidental information not
37 related to the donation.

38 (25) The home address, professional address and telephone number of a person who has or who
39 is interested in donating money or property to the Oregon University System **or a public university
40 listed in ORS 352.002.**

41 (26) Records of the name and address of a person who files a report with or pays an assessment
42 to a commodity commission established under ORS 576.051 to 576.455, the Oregon Beef Council
43 created under ORS 577.210 or the Oregon Wheat Commission created under ORS 578.030.

44 (27) Information provided to, obtained by or used by a public body to authorize, originate, re-
45 ceive or authenticate a transfer of funds, including but not limited to a credit card number, payment

1 card expiration date, password, financial institution account number and financial institution routing
2 number.

3 (28) Social Security numbers as provided in ORS 107.840.

4 (29) The electronic mail address of a student who attends a public university listed in ORS
5 352.002 or Oregon Health and Science University.

6 (30) If requested by a public safety officer, as defined in ORS 181.610:

7 (a) The home address and home telephone number of the public safety officer contained in the
8 voter registration records for the public safety officer.

9 (b) The home address and home telephone number of the public safety officer contained in re-
10 cords of the Department of Public Safety Standards and Training.

11 (c) The name of the public safety officer contained in county real property assessment or taxa-
12 tion records. This exemption:

13 (A) Applies only to the name of the public safety officer and any other owner of the property
14 in connection with a specific property identified by the officer in a request for exemption from dis-
15 closure;

16 (B) Applies only to records that may be made immediately available to the public upon request
17 in person, by telephone or using the Internet;

18 (C) Applies until the public safety officer requests termination of the exemption;

19 (D) Does not apply to disclosure of records among public bodies as defined in ORS 174.109 for
20 governmental purposes; and

21 (E) May not result in liability for the county if the name of the public safety officer is disclosed
22 after a request for exemption from disclosure is made under this subsection.

23 (31) Unless the public records request is made by a financial institution, as defined in ORS
24 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage
25 broker licensed under ORS 86A.095 to 86A.198, or title company for business purposes, records de-
26 scribed in paragraph (a) of this subsection, if the exemption from disclosure of the records is sought
27 by an individual described in paragraph (b) of this subsection using the procedure described in par-
28 agraph (c) of this subsection:

29 (a) The home address, home or cellular telephone number or personal electronic mail address
30 contained in the records of any public body that has received the request that is set forth in:

31 (A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance, release, satisfaction,
32 substitution of trustee, easement, dog license, marriage license or military discharge record that is
33 in the possession of the county clerk; or

34 (B) Any public record of a public body other than the county clerk.

35 (b) The individual claiming the exemption from disclosure must be a district attorney, a deputy
36 district attorney, the Attorney General or an assistant attorney general, the United States Attorney
37 for the District of Oregon or an assistant United States attorney for the District of Oregon, a city
38 attorney who engages in the prosecution of criminal matters or a deputy city attorney who engages
39 in the prosecution of criminal matters.

40 (c) The individual claiming the exemption from disclosure must do so by filing the claim in
41 writing with the public body for which the exemption from disclosure is being claimed on a form
42 prescribed by the public body. Unless the claim is filed with the county clerk, the claim form shall
43 list the public records in the possession of the public body to which the exemption applies. The ex-
44 emption applies until the individual claiming the exemption requests termination of the exemption
45 or ceases to qualify for the exemption.

1 (32) Land management plans required for voluntary stewardship agreements entered into under
2 ORS 541.423.

3 (33) Sensitive business records or financial or commercial information of the State Accident In-
4 surance Fund Corporation that is not customarily provided to business competitors. This exemption
5 does not:

6 (a) Apply to the formulas for determining dividends to be paid to employers insured by the State
7 Accident Insurance Fund Corporation;

8 (b) Apply to contracts for advertising, public relations or lobbying services or to documents re-
9 lated to the formation of such contracts;

10 (c) Apply to group insurance contracts or to documents relating to the formation of such con-
11 tracts, except that employer account records shall remain exempt from disclosure as provided in
12 ORS 192.502 (35); or

13 (d) Provide the basis for opposing the discovery of documents in litigation pursuant to the ap-
14 plicable rules of civil procedure.

15 (34) Records of the Department of Public Safety Standards and Training relating to investi-
16 gations conducted under ORS 181.662 or 181.878 (6), until the department issues the report described
17 in ORS 181.662 or 181.878.

18 (35) A medical examiner's report, autopsy report or laboratory test report ordered by a medical
19 examiner under ORS 146.117.

20 (36) Any document or other information related to an audit of a public body, as defined in ORS
21 174.109, that is in the custody of an auditor or audit organization operating under nationally re-
22 cognized government auditing standards, until the auditor or audit organization issues a final audit
23 report in accordance with those standards or the audit is abandoned. This exemption does not pro-
24 hibit disclosure of a draft audit report that is provided to the audited entity for the entity's response
25 to the audit findings.

26 **SECTION 109.** ORS 238.005, as amended by section 30, chapter 54, Oregon Laws 2012, is
27 amended to read:

28 238.005. For purposes of this chapter:

29 (1) "Active member" means a member who is presently employed by a participating public em-
30 ployer in a qualifying position and who has completed the six-month period of service required by
31 ORS 238.015.

32 (2) "Annuity" means payments for life derived from contributions made by a member as provided
33 in this chapter.

34 (3) "Board" means the Public Employees Retirement Board.

35 (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on De-
36 cember 31 following.

37 (5) "Continuous service" means service not interrupted for more than five years, except that
38 such continuous service shall be computed without regard to interruptions in the case of:

39 (a) An employee who had returned to the service of the employer as of January 1, 1945, and
40 who remained in that employment until having established membership in the Public Employees
41 Retirement System.

42 (b) An employee who was in the armed services on January 1, 1945, and returned to the service
43 of the employer within one year of the date of being otherwise than dishonorably discharged and
44 remained in that employment until having established membership in the Public Employees Retire-
45 ment System.

1 (6) "Creditable service" means any period of time during which an active member is being paid
2 a salary by a participating public employer and for which benefits under this chapter are funded by
3 employer contributions and earnings on the fund. For purposes of computing years of "creditable
4 service," full months and major fractions of a month shall be considered to be one-twelfth of a year
5 and shall be added to all full years. "Creditable service" includes all retirement credit received by
6 a member.

7 (7) "Earliest service retirement age" means the age attained by a member when the member
8 could first make application for retirement under the provisions of ORS 238.280.

9 (8) "Employee" includes, in addition to employees, public officers, but does not include:

10 (a) Persons engaged as independent contractors.

11 (b) Seasonal, emergency or casual workers whose periods of employment with any public em-
12 ployer or public employers do not total 600 hours in any calendar year.

13 (c) Persons, other than workers in the Oregon Industries for the Blind under ORS 346.190, pro-
14 vided sheltered employment or made-work by a public employer in an employment or industries
15 program maintained for the benefit of such persons.

16 (d) Persons employed and paid from federal funds received under a federal program intended
17 primarily to alleviate unemployment. However, any such person shall be considered an "employee"
18 if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects
19 to have the person so considered by an irrevocable written notice to the board.

20 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-
21 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph
22 shall be deemed to have been in effect since the inception of the system.

23 (9) "Final average salary" means whichever of the following is greater:

24 (a) The average salary per calendar year paid by one or more participating public employers to
25 an employee who is an active member of the system in three of the calendar years of membership
26 before the effective date of retirement of the employee, in which three years the employee was paid
27 the highest salary. The three calendar years in which the employee was paid the largest total salary
28 may include calendar years in which the employee was employed for less than a full calendar year.
29 If the number of calendar years of active membership before the effective date of retirement of the
30 employee is three or fewer, the final average salary for the employee is the average salary per cal-
31 endar year paid by one or more participating public employers to the employee in all of those years,
32 without regard to whether the employee was employed for the full calendar year.

33 (b) One-third of the total salary paid by a participating public employer to an employee who is
34 an active member of the system in the last 36 calendar months of active membership before the ef-
35 fective date of retirement of the employee.

36 (10) "Firefighter" does not include a volunteer firefighter, but does include:

37 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and

38 (b) An employee of the State Forestry Department who is certified by the State Forester as a
39 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
40 fires as described in ORS 477.064.

41 (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-
42 lowing.

43 (12) "Fund" means the Public Employees Retirement Fund.

44 (13) "Inactive member" means a member who is not employed in a qualifying position, whose
45 membership has not been terminated in the manner described by ORS 238.095 and who is not retired

1 for service or disability.

2 (14) "Institution of higher education" means a public university listed in ORS 352.002, the
3 Oregon Health and Science University and a community college, as defined in ORS 341.005.

4 (15) "Member" means a person who has established membership in the system and whose mem-
5 bership has not been terminated as described in ORS 238.095. "Member" includes active, inactive
6 and retired members.

7 (16) "Member account" means the regular account and the variable account.

8 (17) "Normal retirement age" means:

9 (a) For a person who establishes membership in the system before January 1, 1996, as described
10 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
11 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

12 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
13 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
14 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
15 firefighter.

16 (18) "Pension" means annual payments for life derived from contributions by one or more public
17 employers.

18 (19) "Police officer" includes:

19 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
20 whose duties, as assigned by the Director of the Department of Corrections, include the custody of
21 persons committed to the custody of or transferred to the Department of Corrections and employees
22 of the Department of Corrections who were classified as police officers on or before July 27, 1989,
23 whether or not such classification was authorized by law.

24 (b) Employees of the Department of State Police who are classified as police officers by the
25 Superintendent of State Police.

26 (c) Employees of the Oregon Liquor Control Commission who are classified as liquor enforce-
27 ment inspectors by the administrator of the commission.

28 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified
29 by the sheriff, are the regular duties of police officers or corrections officers.

30 (e) Police chiefs and police personnel of a city who are classified as police officers by the
31 council or other governing body of the city.

32 (f) Police officers who are commissioned by a university under ORS 352.383 and who are clas-
33 sified as police officers by the university.

34 (g) Parole and probation officers employed by the Department of Corrections, parole and pro-
35 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
36 probation officers, as defined in ORS 181.610, who are classified as police officers for the purposes
37 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
38 cers as police officers for the purposes of this chapter, and the employees so classified are repres-
39 ented by a labor organization, any proposal by the county to change that classification or to cease
40 to classify adult parole and probation officers as police officers for the purposes of this chapter is
41 a mandatory subject of bargaining.

42 (h) Police officers appointed under ORS 276.021 or 276.023.

43 (i) Employees of the Port of Portland who are classified as airport police by the Board of Com-
44 missioners of the Port of Portland.

45 (j) Employees of the State Department of Agriculture who are classified as livestock police of-

1 ficers by the Director of Agriculture.

2 (k) Employees of the Department of Public Safety Standards and Training who are classified by
3 the department as other than secretarial or clerical personnel.

4 (L) Investigators of the Criminal Justice Division of the Department of Justice.

5 (m) Corrections officers as defined in ORS 181.610.

6 (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the
7 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

8 (o) The Director of the Department of Corrections.

9 (p) An employee who for seven consecutive years has been classified as a police officer as de-
10 fined by this section, and who is employed or transferred by the Department of Corrections to fill
11 a position designated by the Director of the Department of Corrections as being eligible for police
12 officer status.

13 (q) An employee of the Department of Corrections classified as a police officer on or prior to
14 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
15 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
16 tem implemented pursuant to ORS 240.190 does not affect police officer status.

17 (r) Employees of a school district who are appointed and duly sworn members of a law
18 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
19 police officers commissioned by the district.

20 (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,
21 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
22 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the
23 Department of Corrections or the Oregon Youth Authority.

24 (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
25 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
26 in such facilities.

27 (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and pro-
28 bation officers.

29 (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)
30 to (6) (1999 Edition).

31 (21) "Public employer" means the state, one of its agencies, any city, county, or municipal or
32 public corporation, any political subdivision of the state or any instrumentality thereof, or an agency
33 created by one or more such governmental organizations to provide governmental services. For
34 purposes of this chapter, such agency created by one or more governmental organizations is a gov-
35 ernmental instrumentality and a legal entity with power to enter into contracts, hold property and
36 sue and be sued.

37 (22) "Qualifying position" means one or more jobs with one or more participating public em-
38 ployers in which an employee performs 600 or more hours of service in a calendar year, excluding
39 any service in a job for which a participating public employer does not provide benefits under this
40 chapter pursuant to an application made under ORS 238.035.

41 (23) "Regular account" means the account established for each active and inactive member un-
42 der ORS 238.250.

43 (24) "Retired member" means a member who is retired for service or disability.

44 (25) "Retirement credit" means a period of time that is treated as creditable service for the
45 purposes of this chapter.

1 (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public
2 employer in return for services to the employer, plus the monetary value, as determined by the
3 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and
4 other advantages the employer furnishes the employee in return for services.

5 (b) "Salary" includes but is not limited to:

6 (A) Payments of employee and employer money into a deferred compensation plan, which are
7 deemed salary paid in each month of deferral;

8 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
9 paid in each month of participation;

10 (C) Retroactive payments described in ORS 238.008; and

11 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
12 652.190.

13 (c) "Salary" or "other advantages" does not include:

14 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
15 employer;

16 (B) Payments for insurance coverage by an employer on behalf of employee or employee and
17 dependents, for which the employee has no cash option;

18 (C) Payments made on account of an employee's death;

19 (D) Any lump sum payment for accumulated unused sick leave;

20 (E) Any accelerated payment of an employment contract for a future period or an advance
21 against future wages;

22 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement
23 gratuitous payment;

24 (G) Payments for periods of leave of absence after the date the employer and employee have
25 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for
26 sick leave and vacation;

27 (H) Payments for instructional services rendered to public universities [*of the Oregon University*
28 *System*] **listed in ORS 352.002** or the Oregon Health and Science University when such services are
29 in excess of full-time employment subject to this chapter. A person employed under a contract for
30 less than 12 months is subject to this subparagraph only for the months to which the contract per-
31 tains; or

32 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an
33 employee.

34 (27) "School year" means the period beginning July 1 and ending June 30 next following.

35 (28) "System" means the Public Employees Retirement System.

36 (29) "Variable account" means the account established for a member who participates in the
37 Variable Annuity Account under ORS 238.260.

38 (30) "Vested" means being an active member of the system in each of five calendar years.

39 (31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600
40 hours of service per year.

41 **SECTION 110.** ORS 238.200 is amended to read:

42 238.200. (1)(a) An active member of the Public Employees Retirement System shall contribute to
43 the Public Employees Retirement Fund and there shall be withheld from salary of the member six
44 percent of that salary as an employee contribution.

45 (b) Notwithstanding paragraph (a) of this subsection, an employee who is an active member of

1 the system on August 21, 1981, shall contribute to the fund and there shall be withheld from salary
 2 of the member, as long as the employee continues to be an active member of the system, four percent
 3 of that salary if the salary for a month is less than \$500, or five percent of that salary if the salary
 4 for a month is \$500 or more and less than \$1,000. Notwithstanding subsection (2) of this section, for
 5 the purpose of computing the percentage of salary to be withheld under this paragraph from a
 6 member who is an employee of a school district or *[of the State Board of Higher Education]* **a public**
 7 **university listed in ORS 352.002** whose salary is based on an annual agreement, the agreed annual
 8 salary of the member shall be divided into 12 equal installments, and each installment shall be
 9 considered as earned and paid in separate, consecutive months, commencing with the first month
 10 that payment is actually made under the terms of the salary agreement.

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

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

20 (4) Notwithstanding subsections (1) to (3) of this section, a member of the system, or a partic-
 21 ipating employer acting on behalf of the member pursuant to ORS 238.205, is not permitted or re-
 22 quired to make employee contributions to the fund for service performed on or after January 1, 2004.
 23 This subsection does not affect any contribution for the purpose of unit purchases under ORS
 24 238.440 or amounts paid for acquisition of creditable service under ORS 238.105 to 238.175.

25 **SECTION 111.** ORS 238.215 is amended to read:

26 238.215. Notwithstanding any other provision of this chapter:

27 (1) An employee, as defined in ORS 243.910 (2), who is an active member of the system and who
 28 has elected, and not canceled that election, to be assisted **under ORS 243.920 (1)** by the State Board
 29 of Higher Education *[under ORS 243.920 (1), shall]* **or governing board of a public university with**
 30 **a governing board listed in section 3 of this 2013 Act, may** not contribute to the fund on any
 31 part of the annual salary of the employee in excess of \$4,800 at any time during which the *[State*
 32 *Board of Higher Education]* **board** assists the employee under ORS 243.920 (1).

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

35 (a) If the State Board of Higher Education **or governing board** is assisting such employee under
 36 ORS 243.920 (1) at the time of retirement, a pension equal to the annuity provided by the employee's
 37 accumulated contributions to the fund.

38 (b) If the *[State Board of Higher Education]* **board** is not assisting such employee under ORS
 39 243.920 (1) at the time of retirement, but previously so assisted the employee:

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

43 (B) For service on and after the date the *[State Board of Higher Education]* **board** last ceased
 44 to so assist the employee, a pension computed as provided in ORS 238.300 (2), but if the employee
 45 retires before reaching the normal retirement age, actuarially reduced and computed on the then

1 attained age. For the purpose of computing the pension under this subparagraph, only the number
 2 of years of membership of the employee after the day before that date and only the salary of the
 3 employee on which the employee contributes to the fund for those years shall be considered.

4 (3) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2),
 5 who is an active member of the system, who elected to be assisted by the State Board of Higher
 6 Education **or governing board** under ORS 243.920 (1) before January 1, 1968, who canceled that
 7 election within the first 60 days of the calendar year 1968 as provided in ORS 243.940 (5) and who
 8 does not thereafter elect to be assisted by the [*State Board of Higher Education*] **board** under ORS
 9 243.920 (1).

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

23 **SECTION 112.** ORS 238A.005, as amended by section 1, chapter 31, Oregon Laws 2012, is
 24 amended to read:

25 238A.005. For the purposes of this chapter:

26 (1) "Active member" means a member of the pension program or the individual account program
 27 of the Oregon Public Service Retirement Plan who is actively employed in a qualifying position.

28 (2) "Actuarial equivalent" means a payment or series of payments having the same value as the
 29 payment or series of payments replaced, computed on the basis of interest rate and mortality as-
 30 sumptions adopted by the board.

31 (3) "Board" means the Public Employees Retirement Board.

32 (4) "Eligible employee" means a person who performs services for a participating public em-
 33 ployer, including elected officials other than judges. "Eligible employee" does not include:

34 (a) Persons engaged as independent contractors;

35 (b) Aliens working under a training or educational visa;

36 (c) Persons, other than workers in the Industries for the Blind Program under ORS 346.190,
 37 provided sheltered employment or make-work by a public employer;

38 (d) Persons categorized by a participating public employer as student employees;

39 (e) Any person who is an inmate of a state institution;

40 (f) Employees of foreign trade offices of the Oregon Business Development Department who live
 41 and perform services in foreign countries under the provisions of ORS 285A.075 (1)(g);

42 (g) An employee actively participating in an alternative retirement program established under
 43 ORS 353.250 or an optional retirement plan established under ORS 341.551;

44 (h) Employees of [*the Oregon University System*] **a public university listed in ORS 352.002** who
 45 are actively participating in an optional retirement plan offered under ORS 243.800;

1 (i) Any employee who belongs to a class of employees that was not eligible on August 28, 2003,
2 for membership in the system under the provisions of ORS chapter 238 or other law;

3 (j) Any person who belongs to a class of employees who are not eligible to become members of
4 the Oregon Public Service Retirement Plan under the provisions of ORS 238A.070 (2);

5 (k) Any person who is retired under ORS 238A.100 to 238A.245 or ORS chapter 238 and who
6 continues to receive retirement benefits while employed; and

7 (L) Judges.

8 (5) "Firefighter" means:

9 (a) A person employed by a local government, as defined in ORS 174.116, whose primary job
10 duties include the fighting of fires;

11 (b) The State Fire Marshal, the chief deputy state fire marshal and deputy state fire marshals;
12 and

13 (c) An employee of the State Forestry Department who is certified by the State Forester as a
14 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
15 fires as described in ORS 477.064.

16 (6) "Fund" means the Public Employees Retirement Fund.

17 (7)(a) "Hour of service" means:

18 (A) An hour for which an eligible employee is directly or indirectly paid or entitled to payment
19 by a participating public employer for performance of duties in a qualifying position; and

20 (B) An hour of vacation, holiday, illness, incapacity, jury duty, military duty or authorized leave
21 during which an employee does not perform duties but for which the employee is directly or indi-
22 rectly paid or entitled to payment by a participating public employer for services in a qualifying
23 position, as long as the hour is within the number of hours regularly scheduled for the performance
24 of duties during the period of vacation, holiday, illness, incapacity, jury duty, military duty or au-
25 thorized leave.

26 (b) "Hour of service" does not include any hour for which payment is made or due under a plan
27 maintained solely for the purpose of complying with applicable workers' compensation laws or un-
28 employment compensation laws.

29 (8) "Inactive member" means a member of the pension program or the individual account pro-
30 gram of the Oregon Public Service Retirement Plan whose membership has not been terminated, who
31 is not a retired member and who is not employed in a qualifying position.

32 (9) "Individual account program" means the defined contribution individual account program of
33 the Oregon Public Service Retirement Plan established under ORS 238A.025.

34 (10) "Institution of higher education" means a public university listed in ORS 352.002, the
35 Oregon Health and Science University or a community college, as defined in ORS 341.005.

36 (11) "Member" means an eligible employee who has established membership in the pension pro-
37 gram or the individual account program of the Oregon Public Service Retirement Plan and whose
38 membership has not been terminated under ORS 238A.110 or 238A.310.

39 (12) "Participating public employer" means a public employer as defined in ORS 238.005 that
40 provides retirement benefits for employees of the public employer under the system.

41 (13) "Pension program" means the defined benefit pension program of the Oregon Public Service
42 Retirement Plan established under ORS 238A.025.

43 (14) "Police officer" means a police officer as described in ORS 238.005.

44 (15) "Qualifying position" means one or more jobs with one or more participating public em-
45 ployers in which an eligible employee performs 600 or more hours of service in a calendar year,

1 excluding any service in a job for which benefits are not provided under the Oregon Public Service
2 Retirement Plan pursuant to ORS 238A.070 (2).

3 (16) "Retired member" means a pension program member who is receiving a pension as provided
4 in ORS 238A.180 to 238A.195.

5 (17)(a) "Salary" means the remuneration paid to an active member in return for services to the
6 participating public employer, including remuneration in the form of living quarters, board or other
7 items of value, to the extent the remuneration is includable in the employee's taxable income under
8 Oregon law. Salary includes the additional amounts specified in paragraph (b) of this subsection,
9 but does not include the amounts specified in paragraph (c) of this subsection, regardless of whether
10 those amounts are includable in taxable income.

11 (b) "Salary" includes the following amounts:

12 (A) Payments of employee and employer money into a deferred compensation plan that are made
13 at the election of the employee.

14 (B) Contributions to a tax-sheltered or deferred annuity that are made at the election of the
15 employee.

16 (C) Any amount that is contributed to a cafeteria plan or qualified transportation fringe benefit
17 plan by the employer at the election of the employee and that is not includable in the taxable in-
18 come of the employee by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2011.

19 (D) Any amount that is contributed to a cash or deferred arrangement by the employer at the
20 election of the employee and that is not included in the taxable income of the employee by reason
21 of 26 U.S.C. 402(e)(3), as in effect on December 31, 2011.

22 (E) Retroactive payments described in ORS 238.008.

23 (F) The amount of an employee contribution to the individual account program that is paid by
24 the employer and deducted from the compensation of the employee, as provided under ORS 238A.335
25 (1) and (2)(a).

26 (G) The amount of an employee contribution to the individual account program that is not paid
27 by the employer under ORS 238A.335.

28 (H) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
29 652.190.

30 (c) "Salary" does not include the following amounts:

31 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
32 employer.

33 (B) Payments made on account of an employee's death.

34 (C) Any lump sum payment for accumulated unused sick leave, vacation leave or other paid
35 leave.

36 (D) Any severance payment, accelerated payment of an employment contract for a future period
37 or advance against future wages.

38 (E) Any retirement incentive, retirement bonus or retirement gratuitous payment.

39 (F) Payment for a leave of absence after the date the employer and employee have agreed that
40 no future services in a qualifying position will be performed.

41 (G) Payments for instructional services rendered to public universities [*of the Oregon University*
42 *System*] **listed in ORS 352.002** or the Oregon Health and Science University when those services
43 are in excess of full-time employment subject to this chapter. A person employed under a contract
44 for less than 12 months is subject to this subparagraph only for the months covered by the contract.

45 (H) The amount of an employee contribution to the individual account program that is paid by

1 the employer and is not deducted from the compensation of the employee, as provided under ORS
2 238A.335 (1) and (2)(b).

3 (I) Any amount in excess of \$200,000 for a calendar year. If any period over which salary is
4 determined is less than 12 months, the \$200,000 limitation for that period shall be multiplied by a
5 fraction, the numerator of which is the number of months in the determination period and the de-
6 nominator of which is 12. The board shall adopt rules adjusting this dollar limit to incorporate
7 cost-of-living adjustments authorized by the Internal Revenue Service.

8 (18) "System" means the Public Employees Retirement System.

9 **SECTION 113.** ORS 243.107 is amended to read:

10 243.107. A person employed by a public university listed in ORS 352.002 or the Oregon Health
11 and Science University may be considered an eligible employee for participation in one of the group
12 benefit plans described in ORS 243.135 if the State Board of Higher Education **or the governing**
13 **board of the public university**, or the Oregon Health and Science University Board of Directors
14 for Oregon Health and Science University employees, determines that funds are available therefor
15 and if:

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

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

21 **SECTION 114.** ORS 243.800 is amended to read:

22 243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A or ORS 243.910 to
23 243.945, the State Board of Higher Education **and the governing board of a public university with**
24 **a governing board listed in section 3 of this 2013 Act** shall establish and administer an Optional
25 Retirement Plan for administrative and academic employees of the Oregon University System **or**
26 **public university** who are eligible for membership in the Public Employees Retirement System. The
27 Optional Retirement Plan must be a qualified plan under the Internal Revenue Code, capable of ac-
28 cepting funds transferred under subsection (7) of this section without the transfer being treated as
29 a taxable event under the Internal Revenue Code, and willing to accept those funds. Retirement and
30 death benefits shall be provided under the plan by the purchase of annuity contracts, fixed or vari-
31 able or a combination thereof, or by contracts for investments in mutual funds.

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

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

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

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

44 (b) Continues to be assisted by the State Board of Higher Education **or governing board** under
45 ORS 243.920 if the employee is being so assisted.

1 (5) Except as provided in subsection (6) of this section, employees who elect to participate in the
2 Optional Retirement Plan are ineligible for active membership in the Public Employees Retirement
3 System or for any assistance by the State Board of Higher Education **or governing board** under
4 ORS 243.920 as long as those employees are employed in the Oregon University System **or public**
5 **university** and the plan is in effect.

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

13 (b) An administrative or academic employee who elects to participate in the Optional Retirement
14 Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is
15 vested shall be considered to be an inactive member by the Public Employees Retirement Board and
16 shall retain all the rights, privileges and options under ORS chapter 238 unless the employee makes
17 a written request to the Public Employees Retirement Board for a transfer of the amounts credited
18 to the member account of the member to the Optional Retirement Plan. A request for a transfer
19 must be made at the time the member elects to participate in the Optional Retirement Plan. Upon
20 receiving the request, the Public Employees Retirement Board shall transfer all amounts credited
21 to the member account of the member directly to the Optional Retirement Plan, and shall terminate
22 all rights, privileges and options of the employee under ORS chapter 238.

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

28 (d) An administrative or academic employee who elects to participate in the Optional Retirement
29 Plan, and who is a vested member of the pension program of the Oregon Public Service Retirement
30 Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be consid-
31 ered an inactive member of the pension program by the Public Employees Retirement Board as of
32 the effective date of the election. An employee who is subject to the provisions of this paragraph
33 retains all the rights, privileges and options of an inactive member of the pension program. If the
34 actuarial equivalent of the employee's benefit under the pension program at the time that the
35 election becomes effective is \$5,000 or less, the employee may make a written request to the Public
36 Employees Retirement Board for a transfer of the employee's interest under the pension program to
37 the Optional Retirement Plan. The request must be made at the time the member elects to partic-
38 ipate in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement
39 Board shall transfer the amount determined to be the actuarial equivalent of the employee's benefit
40 under the pension program directly to the Optional Retirement Plan, and shall terminate the mem-
41 bership of the employee in the pension program.

42 (e) An administrative or academic employee who elects to participate in the Optional Retirement
43 Plan, and who is a vested member of the individual account program of the Oregon Public Service
44 Retirement Plan as described in ORS 238A.320 on the date that the election becomes effective, shall
45 be considered an inactive member of the individual account program by the Public Employees Re-

1 tirement Board as of the effective date of the election. An employee who is subject to the provisions
 2 of this paragraph retains all the rights, privileges and options of an inactive member of the indi-
 3 vidual account program. An administrative or academic employee who elects to participate in the
 4 Optional Retirement Plan, and who is a member of the individual account program of the Oregon
 5 Public Service Retirement Plan, may make a written request to the Public Employees Retirement
 6 Board that all amounts in the member's employee account, rollover account and employer account,
 7 to the extent the member is vested in those accounts under ORS 238A.320, be transferred to the
 8 Optional Retirement Plan. The request must be made at the time the member elects to participate
 9 in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement
 10 Board shall transfer the amounts directly to the Optional Retirement Plan, and shall terminate the
 11 membership of the employee in the individual account program upon making the transfer.

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

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

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

26 (9) The State Board of Higher Education **or governing board** shall contribute monthly to the
 27 Optional Retirement Plan the percentage of salary of each employee participating in the plan equal
 28 to the percentage of salary that would otherwise have been contributed as an employer contribution
 29 on behalf of the employee to the Public Employees Retirement System, before any offset under ORS
 30 238.229 (2), if the employee had not elected to participate in the Optional Retirement Plan.

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

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

39 **SECTION 115.** ORS 243.820 is amended to read:

40 243.820. (1) In order to obtain the advantages of 26 U.S.C. 403(b), or any equivalent provision
 41 of federal law, an employer may agree with an employee who performs services for an educational
 42 institution that:

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

45 (b) On behalf of the employee, the employer shall contribute monthly an amount equal to the

1 stated amount determined under paragraph (a) of this subsection as premiums for an annuity con-
2 tract or to a custodial account for investment in the stock of regulated investment companies as
3 defined in 26 U.S.C. 403(b)(7)(C). The amount contributed by the employer under this subsection
4 may not exceed the stated amount.

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

9 (3) An employer may make nonelective employer contributions on behalf of an employee who
10 performs services for an educational institution as premiums for an annuity contract, or to a cus-
11 todial account for investment in the stock of regulated investment companies as defined in 26 U.S.C.
12 403(b)(7)(C), for the purpose of obtaining the advantages of 26 U.S.C. 403(b) or any equivalent pro-
13 vision of federal law. Employer contributions under this subsection are in addition to any employee
14 contributions under subsection (1) of this section.

15 (4) As used in this section:

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

19 (b) "Employer" means the State Board of Higher Education, any other state agency, a commu-
20 nity college district, a school district, **a public university listed in ORS 352.002**, the Oregon Health
21 and Science University or an education service district employing an individual who performs ser-
22 vices for an educational institution.

23 **SECTION 116.** ORS 243.850 is amended to read:

24 243.850. (1) An eligible football coach and the State Board of Higher Education **or the gov-**
25 **erning board of a public university with a governing board listed in section 3 of this 2013 Act**
26 may enter into an agreement to provide that:

27 (a) The coach's salary will be reduced monthly by a stated amount that is not less than \$25 a
28 month, or the coach will forgo monthly a salary increase of a stated amount that is not less than
29 \$25 a month; and

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

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

40 (3) For the purposes of this section:

41 (a) "Eligible football coach" means a staff member of [*the Oregon University System*] **a public**
42 **university listed in ORS 352.002** who primarily coaches football as a full-time employee of a four-
43 year university described in 26 U.S.C. 170(b)(1)(A)(ii).

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

45 **SECTION 117.** ORS 243.910 is amended to read:

1 243.910. As used in ORS 243.910 to 243.945:

2 (1) "Board" means the State Board of Higher Education for [all] public universities listed in ORS
3 [352.002] **351.011, the governing board of a public university with a governing board listed in**
4 **section 3 of this 2013 Act** and for the Oregon Health and Science University, [means] the Oregon
5 Health and Science University Board of Directors.

6 (2) "Employees" means the persons appointed or employed by or under the authority of the
7 board who hold academic rank as determined by the board.

8 (3) "System" means the Public Employees Retirement System established by ORS 238.600.

9 **SECTION 118.** ORS 244.050, as amended by sections 9 and 29, chapter 90, Oregon Laws 2012,
10 is amended to read:

11 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
12 Government Ethics Commission a verified statement of economic interest as required under this
13 chapter:

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

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

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

19 (d) The Deputy Attorney General.

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

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

24 (g) The following state officers:

25 (A) Adjutant General.

26 (B) Director of Agriculture.

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

28 (D) Water Resources Director.

29 (E) Director of Department of Environmental Quality.

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

31 (G) State Fish and Wildlife Director.

32 (H) State Forester.

33 (I) State Geologist.

34 (J) Director of Human Services.

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

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

37 (M) State Librarian.

38 (N) Administrator of Oregon Liquor Control Commission.

39 (O) Superintendent of State Police.

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

41 (Q) Director of Department of Revenue.

42 (R) Director of Transportation.

43 (S) Public Utility Commissioner.

44 (T) Director of Veterans' Affairs.

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

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

- 1 (I) State Board of Higher Education.
2 (J) Oregon Investment Council.
3 (K) Land Conservation and Development Commission.
4 (L) Oregon Liquor Control Commission.
5 (M) Oregon Short Term Fund Board.
6 (N) State Marine Board.
7 (O) Mass transit district boards.
8 (P) Energy Facility Siting Council.
9 (Q) Board of Commissioners of the Port of Portland.
10 (R) Employment Relations Board.
11 (S) Public Employees Retirement Board.
12 (T) Oregon Racing Commission.
13 (U) Oregon Transportation Commission.
14 (V) Wage and Hour Commission.
15 (W) Water Resources Commission.
16 (X) Workers' Compensation Board.
17 (Y) Oregon Facilities Authority.
18 (Z) Oregon State Lottery Commission.
19 (AA) Pacific Northwest Electric Power and Conservation Planning Council.
20 (BB) Columbia River Gorge Commission.
21 (CC) Oregon Health and Science University Board of Directors.
22 (DD) Capitol Planning Commission.
23 (EE) Higher Education Coordinating Commission.
24 (q) The following officers of the State Treasurer:
25 (A) Deputy State Treasurer.
26 (B) Chief of staff for the office of the State Treasurer.
27 (C) Director of the Investment Division.
28 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
29 or 777.915 to 777.953.
30 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
31 **(t) Every member of a governing board of a public university with a governing board**
32 **listed in section 3 of this 2013 Act.**
33 (2) By April 15 next after the date an appointment takes effect, every appointed public official
34 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
35 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
36 and 244.090.
37 (3) By April 15 next after the filing deadline for the primary election, each candidate described
38 in subsection (1) of this section shall file with the commission a statement of economic interest as
39 required under ORS 244.060, 244.070 and 244.090.
40 (4) Within 30 days after the filing deadline for the general election, each candidate described in
41 subsection (1) of this section who was not a candidate in the preceding primary election, or who
42 was nominated for public office described in subsection (1) of this section at the preceding primary
43 election by write-in votes, shall file with the commission a statement of economic interest as re-
44 quired under ORS 244.060, 244.070 and 244.090.
45 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or

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

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

9 **NOTE:** Section 119 was deleted by amendment. Subsequent sections were not renumbered.

10 **SECTION 120.** ORS 270.110 is amended to read:

11 270.110. (1) Except as provided in subsection (2) of this section, whenever the state or any
 12 agency thereof possesses or controls real property not needed for public use, or whenever the public
 13 interest may be furthered, the state or its agency may sell, exchange, convey or lease for any period
 14 not exceeding 99 years all or any part of its interest in the property to or with the state or any
 15 political subdivision of the state or the United States or any agency thereof or private individual
 16 or corporation. Except where the state is exchanging real property, the consideration for the
 17 transfer or lease may be cash or real property, or both.

18 (2) If the ownership, right or title of the state to any real property set apart by deed, will or
 19 otherwise for a burial ground or cemetery, or for the purpose of interring the remains of deceased
 20 persons, is limited or qualified or the use of such real property is restricted, whether by dedication
 21 or otherwise, the state or its agency may, after first declaring by resolution that such real property
 22 is not needed for public use, or that the sale, exchange, conveyance or lease thereof will further the
 23 public interest, file a complaint in the circuit court for the county in which such real property is
 24 located against all persons claiming any right, title or interest in such real property, whether the
 25 interest be contingent, conditional or otherwise, for authority to sell, exchange, convey or lease all
 26 or any part of such real property. The resolution is prima facie evidence that such real property is
 27 not needed for public use, or that the sale, exchange, conveyance or lease will further the public
 28 interest. The action shall be commenced and prosecuted to final determination in the same manner
 29 as an action not triable by right to a jury. The complaint shall contain a description of such real
 30 property, a statement of the nature of the restrictions, qualifications or limitations, and a statement
 31 that the defendants claim some interest therein. The court shall make such judgment as it shall
 32 deem proper, taking into consideration the limitations, qualifications or restrictions, the resolution
 33 and all other matters pertinent thereto. Neither costs nor disbursements may be recovered against
 34 any defendant.

35 (3) The authority to lease property granted by this section includes authority to lease property
 36 not owned or controlled by the state at the time of entering into the lease. Such lease shall be
 37 conditioned upon the subsequent acquisition of the interest covered by the lease.

38 (4) Any lease of state real property exceeding five years must be approved in advance by the
 39 Oregon Department of Administrative Services, except for leases:

40 (a) Negotiated by the Oregon Department of Aviation;

41 (b) Of state forestlands;

42 (c) Of property controlled by the Department of State Lands, ~~the~~ Department of Transportation
 43 or [Oregon University System] **a public university listed in ORS 352.002;** or

44 (d) Of property controlled by the legislative or judicial branches of state government.

45 **SECTION 121.** ORS 276.610 is amended to read:

1 276.610. There is established a fund in the State Treasury to be known as the State Building
2 Fund which shall be used for the construction, alteration and repair of buildings required for use
3 of institutions and activities under the jurisdiction of the Department of Corrections, the Depart-
4 ment of Human Services, the Oregon Health Authority, **the governing boards of public universi-**
5 **ties with governing boards listed in section 3 of this 2013 Act** or the State Board of Education
6 and the State Board of Higher Education and for the furnishing and equipping of buildings so con-
7 structed, altered or repaired.

8 **SECTION 122.** ORS 276.612 is amended to read:

9 276.612. The Department of Corrections, the Department of Human Services, the Oregon Health
10 Authority and the State Board of Education each shall determine the buildings to be constructed,
11 altered, repaired, furnished and equipped for the use of institutions and activities under their re-
12 spective jurisdictions. The State Board of Higher Education **or the governing board of a public**
13 **university with a governing board listed in section 3 of this 2013 Act** shall determine the
14 buildings to be constructed, altered, repaired, furnished and equipped for the use of public univer-
15 sities or offices, departments or activities under its jurisdiction.

16 **SECTION 123.** ORS 279A.025 is amended to read:

17 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting
18 Code applies to all public contracting.

19 (2) The Public Contracting Code does not apply to:

20 (a) Contracts between a contracting agency and:

21 (A) Another contracting agency;

22 (B) The Oregon Health and Science University;

23 **(C) A public university listed in ORS 352.002;**

24 ~~[(C)] (D)~~ The Oregon State Bar;

25 ~~[(D)] (E)~~ A governmental body of another state;

26 ~~[(E)] (F)~~ The federal government;

27 ~~[(F)] (G)~~ An American Indian tribe or an agency of an American Indian tribe;

28 ~~[(G)] (H)~~ A nation, or a governmental body in a nation, other than the United States; or

29 ~~[(H)] (I)~~ An intergovernmental entity formed between or among:

30 (i) Governmental bodies of this or another state;

31 (ii) The federal government;

32 (iii) An American Indian tribe or an agency of an American Indian tribe;

33 (iv) A nation other than the United States; or

34 (v) A governmental body in a nation other than the United States;

35 (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or
36 other authority for establishing agreements between or among governmental bodies or agencies or
37 tribal governing bodies or agencies;

38 (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and
39 414.145 for purposes of source selection;

40 (d) Grants;

41 (e) Contracts for professional or expert witnesses or consultants to provide services or testimony
42 relating to existing or potential litigation or legal matters in which a public body is or may become
43 interested;

44 (f) Acquisitions or disposals of real property or interest in real property;

45 (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-

- 1 lection;
- 2 (h) Contracts for the procurement or distribution of textbooks;
- 3 (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;
- 4 (j) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,
5 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;
- 6 (k) Contracts entered into under ORS chapter 180 between the Attorney General and private
7 counsel or special legal assistants;
- 8 (L) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry
9 and the State Forestry Department;
- 10 (m) Contracts for forest protection or forest related activities, as described in ORS 477.406, by
11 the State Forester or the State Board of Forestry;
- 12 (n) Sponsorship agreements entered into by the State Parks and Recreation Director in accord-
13 ance with ORS 565.080 (4);
- 14 (o) Contracts entered into by the Housing and Community Services Department in exercising the
15 department's duties prescribed in ORS chapters 456 and 458, except that the department's public
16 contracting for goods and services is subject to ORS chapter 279B;
- 17 (p) Contracts entered into by the State Treasurer in exercising the powers of that office pre-
18 scribed in ORS chapters 178, 286A, 287A, 289, 293, 294 and 295, including but not limited to invest-
19 ment contracts and agreements, banking services, clearing house services and collateralization
20 agreements, bond documents, certificates of participation and other debt repayment agreements, and
21 any associated contracts, agreements and documents, regardless of whether the obligations that the
22 contracts, agreements or documents establish are general, special or limited, except that the State
23 Treasurer's public contracting for goods and services is subject to ORS chapter 279B;
- 24 (q) Contracts, agreements or other documents entered into, issued or established in connection
25 with:
- 26 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;
- 27 (B) The making of program loans and similar extensions or advances of funds, aid or assistance
28 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining
29 activities or programs authorized by law; or
- 30 (C) The investment of funds by a public body as authorized by law, and other financial trans-
31 actions of a public body that by their character cannot practically be established under the com-
32 petitive contractor selection procedures of ORS 279B.050 to 279B.085;
- 33 (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,
34 243.275, 243.291, 243.303 and 243.565;
- 35 (s) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or
- 36 (t) Any other public contracting of a public body specifically exempted from the code by another
37 provision of law.
- 38 (3) The Public Contracting Code does not apply to the contracting activities of:
- 39 (a) The Oregon State Lottery Commission;
- 40 [(b) *The Oregon University System and member public universities, except as provided in ORS*
41 *351.086;*]
- 42 [(c)] (b) The legislative department;
- 43 [(d)] (c) The judicial department;
- 44 [(e)] (d) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS
45 279.835 to 279.855 and 279A.250 to 279A.290;

1 [(f)] (e) Oregon Corrections Enterprises;

2 [(g)] (f) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250
3 to 279A.290;

4 [(h)] (g) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

5 [(i)] (h) The Oregon 529 College Savings Network and the Oregon 529 College Savings Board;

6 [(j)] (i) The Oregon Innovation Council;

7 [(k)] (j) The Oregon Utility Notification Center; or

8 [(L)] (k) Any other public body specifically exempted from the code by another provision of law.

9 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with
10 qualified nonprofit agencies providing employment opportunities for individuals with disabilities un-
11 der ORS 279.835 to 279.855.

12 **SECTION 124.** ORS 33.710 is amended to read:

13 33.710. (1) As used in [*ORS 33.710 and*] **this section and ORS 33.720**, unless the context re-
14 quires otherwise:

15 (a) “Governing body” means the city council, board of commissioners, board of directors, county
16 court or other managing board of a municipal corporation, including a board managing a
17 municipally owned public utility or a dock commission **and a governing board established for a**
18 **public university pursuant to section 3 of this 2013 Act.**

19 (b) “Municipal corporation” means any county, city, port, school district, union high school
20 district, community college district **or public university with a governing board established**
21 **pursuant to section 3 of this 2013 Act** and all other public or quasi-public corporations, including
22 a municipal utility or dock commission operated by a separate board or commission.

23 (2) The governing body may commence a proceeding in the circuit court of the county in which
24 the municipal corporation or the greater part thereof is located, for the purpose of having a judicial
25 examination and judgment of the court as to the regularity and legality of:

26 (a) The proceedings in connection with the establishment or creation of the municipal corpo-
27 ration, including any action or proceedings proclaiming the creation of the municipal corporation
28 or declaring the result of any election therein.

29 (b) The proceedings of the governing body and of the municipal corporation providing for and
30 authorizing the issue and sale of bonds of the municipal corporation, whether the bonds or any of
31 them have or have not been sold or disposed of.

32 (c) Any order of the governing body levying a tax.

33 (d) The authorization of any contract and as to the validity of the contract, whether or not it
34 has been executed.

35 (e) Any decision of the governing body that raises novel or important legal issues that would
36 be efficiently and effectively resolved by a proceeding before the decision becomes effective, when
37 the decision will:

38 (A) Require a significant expenditure of public funds;

39 (B) Significantly affect the lives or businesses of a significant number of persons within the
40 boundaries of the governing body; or

41 (C) Indirectly impose a significant financial burden on the cost of conducting business within the
42 boundaries of the governing body.

43 (f) The authority of the governing body to enact any ordinance, resolution or regulation.

44 (g) Any ordinance, resolution or regulation enacted by the governing body, including the
45 constitutionality of the ordinance, resolution or regulation.

1 (3) All proceedings of the municipal corporation may be judicially examined and determined in
2 one special proceeding, or any part thereof may be separately examined and determined by the
3 court.

4 (4) Nothing in this section allows a governing body to have a judicial examination and judgment
5 of the court without a justiciable controversy.

6 **SECTION 125.** ORS 307.090 is amended to read:

7 307.090. (1) Except as provided by law, all property of the state and all public or corporate
8 property used or intended for corporate purposes of the several counties, cities, towns, school dis-
9 tricts, irrigation districts, drainage districts, ports, water districts, housing authorities, **public uni-**
10 **versities listed in ORS 352.002** and all other public or municipal corporations in this state, is
11 exempt from taxation.

12 (2) Any city may agree with any school district to make payments in lieu of taxes on all prop-
13 erty of the city located in any such school district, and which is exempt from taxation under sub-
14 section (1) of this section when such property is outside the boundaries of the city and owned, used
15 or operated for the production, transmission, distribution or furnishing of electric power or energy
16 or electric service for or to the public.

17 **SECTION 126.** ORS 307.112, as amended by section 2, chapter 42, Oregon Laws 2012, is
18 amended to read:

19 307.112. (1) Real or personal property of a taxable owner held under lease, sublease or lease-
20 purchase agreement by an institution, organization or public body, other than the State of Oregon,
21 **or a public university listed in ORS 352.002**, granted exemption or the right to claim exemption
22 for any of its property under ORS 307.090, 307.130, 307.136, 307.140, 307.145, 307.147 or 307.181 (3),
23 is exempt from taxation if:

24 (a) The property is used by the lessee or, if the lessee is not in possession of the property, by
25 the entity in possession of the property, in the manner, if any, required by law for the exemption
26 of property owned, leased, subleased or being purchased by it; and

27 (b) It is expressly agreed within the lease, sublease or lease-purchase agreement that the rent
28 payable by the institution, organization or public body has been established to reflect the savings
29 below market rent resulting from the exemption from taxation.

30 (2) To obtain the exemption under this section, the lessee or, if the lessee is not in possession
31 of the property, the entity in possession of the property, must file a claim for exemption with the
32 county assessor, verified by the oath or affirmation of the president or other proper officer of the
33 institution or organization, or head official of the public body or legally authorized delegate, show-
34 ing:

35 (a) A complete description of the property for which exemption is claimed.

36 (b) If applicable, all facts relating to the use of the property by the lessee or, if the lessee is
37 not in possession of the property, by the entity in possession of the property.

38 (c) A true copy of the lease, sublease or lease-purchase agreement covering the property for
39 which exemption is claimed.

40 (d) Any other information required by the claim form.

41 (3) If the assessor is not satisfied that the rent stated in the lease, sublease or lease-purchase
42 agreement has been established to reflect the savings below market rent resulting from the tax ex-
43 emption, before the exemption may be granted the lessor must provide documentary proof, as spec-
44 ified by rule of the Department of Revenue, that the rent has been established to reflect the savings
45 below market rent resulting from the tax exemption.

1 (4)(a) The claim must be filed on or before April 1 preceding the tax year for which the ex-
2 emption is claimed, except:

3 (A) If the lease, sublease or lease-purchase agreement is entered into after March 1 but not later
4 than June 30, the claim must be filed within 30 days after the date the lease, sublease or lease-
5 purchase agreement is entered into if exemption is claimed for that year; or

6 (B) If a late filing fee is paid in the manner provided in ORS 307.162 (2), the claim may be filed
7 within the time specified in ORS 307.162 (2).

8 (b) The exemption first applies for the tax year beginning July 1 of the year for which the claim
9 is filed.

10 (5)(a) An exemption granted under this section continues as long as the use of the property re-
11 mains unchanged and during the period of the lease, sublease or lease-purchase agreement.

12 (b) If the use changes, a new claim must be filed as provided in this section.

13 (c) If the use changes due to sublease of the property or any portion of the property from the
14 tax exempt entity described in subsection (1) of this section to another tax exempt entity, the entity
15 in possession of the property must file a new claim for exemption as provided in this section.

16 (d) If the lease, sublease or lease-purchase agreement expires before July 1 of any year, the ex-
17 emption terminates as of January 1 of the same calendar year.

18 **SECTION 127.** ORS 291.055 is amended to read:

19 291.055. (1) Notwithstanding any other law that grants to a state agency the authority to es-
20 tablish fees, all new state agency fees or fee increases adopted during the period beginning on the
21 date of adjournment sine die of a regular session of the Legislative Assembly and ending on the date
22 of adjournment sine die of the next regular session of the Legislative Assembly:

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

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

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

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

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

34 (2) This section does not apply to:

35 (a) Any tuition or fees charged by [*the State Board of Higher Education and the public universi-*
36 *ties*] **a public university** listed in ORS 352.002.

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

41 (c) Fees or payments required for:

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

44 (B) Assessments and premiums paid to the Oregon Medical Insurance Pool established by ORS
45 735.614 and 735.625.

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

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

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

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

8 (f) Any intergovernmental charges.

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

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

12 (i) Any charges established by the State Parks and Recreation Director in accordance with ORS
13 565.080 (3).

14 (j) Assessments on premiums charged by the Department of Consumer and Business Services
15 pursuant to ORS 731.804 or fees charged by the Division of Finance and Corporate Securities of the
16 Department of Consumer and Business Services to banks, trusts and credit unions pursuant to ORS
17 706.530 and 723.114.

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

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

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

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

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

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

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

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

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

37 **SECTION 128.** ORS 291.357 is amended to read:

38 291.357. (1) As used in this section, "general governmental purposes" means:

39 (a) Those activities defined as governmental activities under the accounting standards
40 promulgated by the Governmental Accounting Standards Board of the Financial Accounting Foun-
41 dation that are in effect on August 10, 2001; and

42 (b) Post-secondary educational activities that are partially funded by student tuition and fees.

43 (2) Each biennium, state governmental appropriations for general governmental purposes shall
44 be no greater than eight percent of projected personal income in Oregon for the same biennium.
45 Projected personal income shall be based on the United States Department of Commerce projections

1 used by the Oregon Department of Administrative Services in the last forecast given to the Legis-
2 lative Assembly before adjournment sine die of the odd-numbered year regular session on which the
3 printed, adopted budget is based.

4 (3) For purposes of this section, the following are considered to be appropriations:

5 (a) An authorization, given by law, to expend moneys in a biennium;

6 (b) A limitation, imposed by law, on the expenditure in a biennium of moneys that are contin-
7 uously appropriated; and

8 (c) An estimate of amounts of moneys that are continuously appropriated that will be spent in
9 a biennium without limitation.

10 (4) The following appropriations are not subject to the limitation on appropriations contained
11 in this section:

12 (a) Appropriations for the construction or acquisition of assets that are financed by state bonds,
13 certificates of participation or other forms of borrowing.

14 (b) Appropriations of moneys received directly or indirectly from the federal government.

15 (c) Appropriations for fee remission programs of [*the Oregon University System*] **public univer-**
16 **sities listed in ORS 352.002.**

17 (d) Appropriations of moneys voluntarily donated to a state agency.

18 (e) Appropriations of moneys from revenue increases or new revenue sources if the increases
19 or sources result from approval of a measure by the people at an election held on or after August
20 10, 2001.

21 (f) Appropriations to fund new programs or to increase funding for existing programs if the need
22 for new or increased funding results from approval of a measure by the people at an election held
23 on or after August 10, 2001.

24 (5) The limitation on appropriations established by this section may be exceeded for a biennium
25 if the Governor declares an emergency and three-fifths of the members serving in each house of the
26 Legislative Assembly affirmatively vote to exceed the limitation for the biennium.

27 **NOTE:** Section 129 was deleted by amendment. Subsequent sections were not renumbered.

28 **SECTION 130.** ORS 292.043 is amended to read:

29 292.043. (1) As used in this section:

30 (a) "Foundation" means:

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

32 (B) A tax exempt organization designated by the State Board of Higher Education **or the gov-**
33 **erning board of a public university with a governing board listed in section 3 of this 2013 Act**
34 to solicit contributions for the support of a public university listed in ORS 352.002.

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

36 (2) Any state official authorized to disburse funds in payment of salaries or wages of the officers
37 and employees of a state agency, or of the officers, teachers, instructors and other employees of [*the*
38 *Oregon University System*] **a public university listed in ORS 352.002**, is authorized, upon written
39 request of the individual, to deduct each month from the salary or wages of the individual the
40 amount of money designated by the individual for payment to a foundation.

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

43 (4) The moneys so deducted shall be paid over promptly to the foundation designated by the
44 individual. Subject to any rules prescribed by a state agency, [*or*] the State Board of Higher Edu-
45 cation **or the governing board of the public university**, the state official authorized to disburse

1 the funds in payment of salaries and wages may prescribe any procedures necessary to carry out
2 this section.

3 **SECTION 131.** ORS 292.044 is amended to read:

4 292.044. (1) As used in this section:

5 (a) "Employee" means officers, faculty, teachers, instructors and other employees of [*the Oregon*
6 *University System as described*] **a public university listed** in ORS 352.002.

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

9 (2)(a) The Chancellor of the Oregon University System or a designee of the chancellor may ap-
10 prove a written request made by a public university or office, department or activity under the ju-
11 risdiction of the State Board of Higher Education, in which an employee of the public university or
12 office, department or activity may designate an amount from the salary or wages of the employee
13 for payment to a qualifying nonprofit organization. A request made to the chancellor under this
14 section must identify the nonprofit organization to whom payments would be made.

15 **(b) The governing board of a public university with a governing board listed in section 3**
16 **of this 2013 Act may approve a written request made by the university or office, department**
17 **or activity under the board's jurisdiction, in which an employee of the university or office,**
18 **department or activity may designate an amount from the salary or wages of the employee**
19 **for payment to a qualifying nonprofit organization. A request made under this section must**
20 **identify the nonprofit organization to whom payments would be made.**

21 (3) Upon written approval [*of the chancellor or of a designee of the chancellor*] and a written re-
22 quest of an employee of the public university or office, department or activity to which the approval
23 applies, the state official within the Oregon University System **or public university with a gov-**
24 **erning board listed in section 3 of this 2013 Act** authorized to disburse funds in payment of sal-
25 aries or wages shall deduct from the salary or wages of the employee the amount of money
26 designated by the employee for payment to the nonprofit organization.

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

29 (5) The [*Chancellor of the*] Oregon University System [*or a designee of the chancellor*] **and the**
30 **governing board of a public university with a governing board listed in section 3 of this 2013**
31 **Act** shall prescribe procedures for determining whether an organization qualifies as a nonprofit or-
32 ganization under this section.

33 **SECTION 132.** ORS 307.095 is amended to read:

34 307.095. (1) Any portion of state property that is used during the tax year for parking on a
35 rental or fee basis to private individuals is subject to ad valorem taxation.

36 (2) The real market value of such portion shall be computed by determining that percentage
37 which the total of receipts from private use bears to the total of receipts from all use of the prop-
38 erty. The assessed value of such portion shall be computed as provided in ORS 308.146. However,
39 receipts from any use by a state officer or employee in the performance of the official duties of the
40 state officer or employee shall not be considered as receipts from private use in computing the
41 portion subject to ad valorem taxation.

42 (3) This section and ORS 276.592 do not apply to state property that is used by [*the Oregon*
43 *University System*] **a public university listed in ORS 352.002** or the Oregon Health and Science
44 University solely to provide parking for employees, students or visitors.

45 **SECTION 133.** ORS 307.110 is amended to read:

1 307.110. (1) Except as provided in ORS 307.120, all real and personal property of this state or
2 any institution or department thereof or of any county or city, town or other municipal corporation
3 or political subdivision of this state, held under a lease or other interest or estate less than a fee
4 simple, by any person whose real property, if any, is taxable, except employees of the state,
5 municipality or political subdivision as an incident to such employment, shall be subject to assess-
6 ment and taxation for the assessed or specially assessed value thereof uniformly with real property
7 of nonexempt ownerships.

8 (2) Each leased or rented premises not exempt under ORS 307.120 and subject to assessment and
9 taxation under this section which is located on property used as an airport and owned by and
10 serving a municipality or port shall be separately assessed and taxed.

11 (3) Nothing contained in this section shall be construed as subjecting to assessment and taxation
12 any publicly owned property described in subsection (1) of this section that is:

13 (a) Leased for student housing by a school or college to students attending such a school or
14 college.

15 (b) Leased to or rented by persons, other than sublessees or subrenters, for agricultural or
16 grazing purposes and for other than a cash rental or a percentage of the crop.

17 (c) Utilized by persons under a land use permit issued by the Department of Transportation for
18 which the department's use restrictions are such that only an administrative processing fee is able
19 to be charged.

20 (d) County fairgrounds and the buildings thereon, in a county holding annual county fairs,
21 managed by the county fair board under ORS 565.230, if utilized, in addition to county fair use, for
22 any of the purposes described in ORS 565.230 (2), or for horse stalls or storage for recreational ve-
23 hicles or farm machinery or equipment.

24 (e) The properties and grounds managed and operated by the State Parks and Recreation Di-
25 rector under ORS 565.080, if utilized, in addition to the purpose of holding the Oregon State Fair,
26 for horse stalls or for storage for recreational vehicles or farm machinery or equipment.

27 (f) State property that is used by [*the Oregon University System*] **a public university listed in**
28 **ORS 352.002** or the Oregon Health and Science University to provide parking for employees, stu-
29 dents or visitors.

30 (g) Property of a housing authority created under ORS chapter 456 which is leased or rented to
31 persons of lower income for housing pursuant to the public and governmental purposes of the
32 housing authority. For purposes of this paragraph, "persons of lower income" has the meaning given
33 the phrase under ORS 456.055.

34 (h) Property of a health district if:

35 (A) The property is leased or rented for the purpose of providing facilities for health care
36 practitioners practicing within the county; and

37 (B) The county is a frontier rural practice county under rules adopted by the Office of Rural
38 Health.

39 (4) Property determined to be an eligible project for tax exemption under ORS 285C.600 to
40 285C.626 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.371
41 and that is leased by this state, any institution or department thereof or any county, city, town or
42 other municipal corporation or political subdivision of this state to an eligible applicant shall be
43 assessed and taxed in accordance with ORS 307.123. The property's continued eligibility for taxation
44 and assessment under ORS 307.123 is not affected:

45 (a) If the eligible applicant retires the bonds prior to the original dates of maturity; or

1 (b) If any applicable lease or financial agreement is terminated prior to the original date of ex-
2 piration.

3 (5) The provisions of law for liens and the payment and collection of taxes levied against real
4 property of nonexempt ownerships shall apply to all real property subject to the provisions of this
5 section. Taxes remaining unpaid upon the termination of a lease or other interest or estate less than
6 a fee simple, shall remain a lien against the real or personal property.

7 (6) If the state enters into a lease of property with, or grants an interest or other estate less
8 than a fee simple in property to, a person whose real property, if any, is taxable, then within 30 days
9 after the date of the lease, or within 30 days after the date the interest or estate less than a fee
10 simple is created, the state shall file a copy of the lease or other instrument creating or evidencing
11 the interest or estate with the county assessor. This section applies notwithstanding that the prop-
12 erty may otherwise be entitled to an exemption under this section, ORS 307.120 or as otherwise
13 provided by law.

14 **SECTION 134.** ORS 340.310, as amended by section 10, chapter 104, Oregon Laws 2012, is
15 amended to read:

16 340.310. (1) The Higher Education Coordinating Commission shall develop statewide standards
17 for dual credit programs to be implemented by public high schools, community colleges and [*state*
18 *institutions of higher education within the Oregon University System*] **public universities listed in**
19 **ORS 352.002.** The standards must establish the manner by which:

20 (a) A student may, upon completion of a course, earn course credit both for high school and for
21 a community college or [*state institution of higher education within the Oregon University System*]
22 **public university**; and

23 (b) Teachers of courses that are part of a dual credit program will work together to determine
24 the quality of the program and to ensure the alignment of the content, objectives and outcomes of
25 individual courses.

26 (2) Each public high school, community college and [*state institution of higher education within*
27 *the Oregon University System*] **public university** that provides a dual credit program must implement
28 the statewide standards developed under subsection (1) of this section.

29 (3) Each school district, community college and [*state institution of higher education within the*
30 *Oregon University System*] **public university** that provides a dual credit program shall submit an
31 annual report to the Higher Education Coordinating Commission on the academic performance of
32 students enrolled in a dual credit program. The Higher Education Coordinating Commission shall
33 establish the required contents of the report, which must provide sufficient information to allow the
34 commission to determine the quality of the dual credit program.

35 **SECTION 135.** ORS 341.440 is amended to read:

36 341.440. (1) A community college district may contract with another community college district,
37 common or union high school district, education service district, [*the Oregon University System*]
38 **public university listed in ORS 352.002,** the Oregon Health and Science University, with a private
39 educational institution accredited by the Northwest Association of Schools and Colleges or its suc-
40 cessor or a career school as defined in ORS 345.010 to obtain educational services for students en-
41 rolled in the community college of the district. However, the educational services so obtained must
42 meet the standards for educational services provided by the college and the contract price to the
43 college for such services must not exceed the costs which would otherwise be incurred by the col-
44 lege to provide its students the same or similar services.

45 (2) Educational services for which a district operating a community college may contract include

1 services offered by correspondence and services offered electronically or through telecommuni-
2 cations if such services are accredited by a nationally recognized accrediting association.

3 (3) For purposes of ORS 341.626, costs incurred under subsection (1) of this section shall be
4 considered operating expenses of the district if the contract is approved by the Commissioner for
5 Community College Services.

6 **SECTION 136.** ORS 343.961 is amended to read:

7 343.961. (1) As used in this section:

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

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

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

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

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

23 (2) The Department of Education shall be responsible for payment of the costs of education of
24 students in eligible day treatment programs and eligible residential treatment programs by con-
25 tracting with the school district in which the eligible day treatment program or eligible residential
26 treatment program is located. The costs of education do not include transportation, care, treatment
27 or medical expenses.

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

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

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

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

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

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

44 (5) The Oregon Health Authority, the Department of Human Services or the Oregon Youth Au-
45 thority shall give the school district providing the education at an eligible day treatment program

1 or an eligible residential treatment program 14 days' notice, to the extent practicable, before a
2 student is dismissed from the program.

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

8 (7) School districts that provide the education described in this section on a year-round plan
9 may apply for 25 percent of the funds appropriated for that purpose on July 1, October 1, January
10 1, and 15 percent on April 1. The balance may be paid whenever the full determination of cost is
11 made.

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

14 (a) Negotiate interagency agreements to pay for the cost of education in day treatment programs
15 and residential treatment programs operated under the auspices of the State Board of Higher Edu-
16 cation **or the governing board of a public university with a governing board listed in section**
17 **3 of this 2013 Act**; and

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

21 **SECTION 137.** ORS 344.259 is amended to read:

22 344.259. (1) The State Board of Education shall coordinate continuing education in lower divi-
23 sion, developmental, adult self-improvement, professional and technical education for agencies under
24 its regulatory authority. The State Board of Higher Education shall coordinate continuing education
25 in upper division and graduate education for public universities under its jurisdiction.

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

30 (a) The State Board of Education.

31 (b) The State Board of Higher Education.

32 (c) Community college districts.

33 (d) Independent colleges.

34 (e) Proprietary schools.

35 **(f) The governing board of a public university with a governing board listed in section 3**
36 **of this 2013 Act.**

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

40 (4) Nothing in this section prohibits the offering of upper division or graduate programs within
41 30 miles of the campus of [*the Oregon University System university*] **a public university listed in**
42 **ORS 352.002** offering the program, or the offering of lower division programs within 30 miles of the
43 campus offering the program in areas outside a community college district. Such programs are en-
44 titled to the same college credit and financial support as programs offered on the campus of the
45 university.

1 **SECTION 138.** ORS 344.753 is amended to read:

2 344.753. (1) Employers who enter into written agreements with educational institutions and who
3 are providing training to participants in youth apprenticeship and training or work based learning
4 programs are eligible for reimbursement of expenses incurred in the training process. These ex-
5 penses may include wages paid to the student, training costs for mentors and supervisors, equipment
6 costs to set up youth training capacity, curriculum development costs, costs of establishing interfirm
7 training centers or other costs necessitated by the training agreement.

8 (2) The amount of reimbursement shall be 50 percent of the actual cost of the investment, such
9 reimbursement not to exceed \$2,500 per student who completes the agreed upon course of study.
10 In the event that a student drops out of the program through no fault of the employer, the Depart-
11 ment of Education may reimburse the employer for costs incurred to that point.

12 (3) Eligible employers may elect to receive education service credits in lieu of the reimburse-
13 ment provided in this section. The amount of the education service credit shall equal the value of
14 the potential reimbursement on a dollar-for-dollar basis. Education service credits may be used to
15 purchase educational services provided to the employer by school districts, education service dis-
16 tricts, community colleges, [*the Oregon University System*] **public universities listed in ORS 352.002**
17 or private providers approved by the Department of Education.

18 (4) Employers who terminate students without the concurrence of the school forfeit all claim to
19 reimbursements or education service credits earned under this section.

20 (5) The total amount of employer reimbursement allowable under this section to all employers
21 shall not exceed the amount allocated therefor biennially from the Administrative Services Eco-
22 nomic Development Fund.

23 (6) Reimbursements allowed under this section must first be certified with regard to eligibility
24 and availability of funds pursuant to a method established by the Department of Education in con-
25 sultation with the Bureau of Labor and Industries.

26 **SECTION 139.** ORS 353.440 is amended to read:

27 353.440. The Legislative Assembly finds that:

28 (1) Public universities [*in the Oregon University System*] **listed in ORS 352.002** and other edu-
29 cational sectors have academic programs that are related to or integrated with the programs of
30 Oregon Health and Science University.

31 (2) It is in the best interest of the state that a coordinated approach be taken to these related
32 and integrated academic programs.

33 (3) In order to best ensure the continued harmony of such academic programs, the Oregon
34 Health and Science University and [*the Oregon University System*] **public universities** shall coordi-
35 nate such programs and shall advise each other of the following proposed changes to such academic
36 programs:

37 (a) Creation or significant revision, such as a merger or closure, of degree programs;

38 (b) Creation or significant revision, such as a merger or closure, of schools; and

39 (c) Creation or significant revision of major academic policies.

40 (4) The Oregon Health and Science University and the Higher Education Coordinating Com-
41 mission shall coordinate and advise each other of the following types of proposed changes to their
42 related or integrated academic programs:

43 (a) Coordination of strategic plans for achieving higher education goals;

44 (b) Seeking advice and input from each other on modifications to statutory educational missions;

45 (c) Working to develop a statewide educational data system;

1 (d) Collaborating as necessary on the creation of any new degree programs; and

2 (e) Notifying each other and commenting on tuition rate changes.

3 (5) In order to further the coordination described by this section, Oregon Health and Science
4 University officers shall maintain a role in the appropriate committees of the State Board of Higher
5 Education, the Higher Education Coordinating Commission and the Oregon University System.

6 **SECTION 140.** ORS 357.004 is amended to read:

7 357.004. As used in ORS 357.001 to 357.200, unless the context requires otherwise:

8 (1) "Depository library" means a library that is designated as such under ORS 357.095.

9 (2)(a) "Issuing agency" means state government, as that term is defined in ORS 174.111.

10 (b) "Issuing agency" does not include the State Board of Higher Education, or any public uni-
11 versity or office, department or activity under the control of the board, **or the governing board**
12 **of a public university with a governing board listed in section 3 of this 2013 Act.**

13 (3)(a) "Public document" means informational matter produced for public distribution or access
14 regardless of format, medium, source or copyright, originating in or produced with the imprint of,
15 by the authority of or at the total or partial expense of any state agency. "Public document" in-
16 cludes informational matter produced on computer diskettes, CD-ROMs, computer tapes, the Internet
17 or in other electronic formats.

18 (b) "Public document" does not include:

19 (A) Correspondence, forms, interoffice or intraoffice memoranda;

20 (B) Legislative bills;

21 (C) Oregon Revised Statutes or any edition thereof; or

22 (D) Reports and publications of the Oregon Supreme Court, the Oregon Court of Appeals and
23 the Oregon Tax Court.

24 **SECTION 141.** ORS 408.095 is amended to read:

25 408.095. (1) As used in this section, "community college" has the meaning given that term in
26 ORS 341.005.

27 (2) There is created in the Department of Veterans' Affairs the Campus Veterans' Service Offi-
28 cers Program.

29 (3) The purpose of the program is to provide educational outreach to veterans to help ensure
30 that they obtain maximum state and federal benefits.

31 (4) The department shall appoint a sufficient number of campus veterans' service officers to en-
32 sure that each Oregon community college and each public university [*in the Oregon University Sys-*
33 *tem, as described*] **listed** in ORS 352.002[,] is provided veterans' services.

34 (5) Each community college and public university [*in the Oregon University System*] shall provide
35 office space that may be used for the provision of veterans' services.

36 (6) The department may adopt rules to implement the Campus Veterans' Service Officers Pro-
37 gram.

38 **SECTION 142.** ORS 408.506 is amended to read:

39 408.506. The Department of Human Services, the Department of Transportation, the Housing and
40 Community Services Department, the Employment Department, the Department of Justice, the Ju-
41 dicial Department, the Oregon University System, **public universities with governing boards**
42 **listed in section 3 of this 2013 Act**, the Bureau of Labor and Industries, the Department of Com-
43 munity Colleges and Workforce Development and the Department of Veterans' Affairs shall partner
44 with the Oregon Military Department to provide reintegration services for veterans throughout this
45 state through regional strategies.

1 **SECTION 143.** ORS 430.651 is amended to read:

2 430.651. (1) If the Oregon Health Authority uses a formula for allocating to counties moneys,
3 and if the formula includes population as a factor in determining the amount of each allocation, the
4 authority shall calculate the formula annually using the most current population data that is avail-
5 able.

6 (2) The authority shall use as the source of the population data required by subsection (1) of this
7 section the primary population research center that is part of [*the Oregon University System*]
8 **Portland State University.**

9 **SECTION 144.** ORS 471.580 is amended to read:

10 471.580. (1) As used in this section:

11 (a) “Alcohol equivalence” means the amount of ethanol that would be expected to be present in
12 a beverage based on the standard drink measurement used by the Centers for Disease Control and
13 Prevention.

14 (b) “Education provider” means:

15 (A) A community college, as defined in ORS 341.005, offering a food or beverage career program
16 approved by the State Board of Education;

17 (B) A career school, as defined in ORS 345.010, offering a food or beverage career program ap-
18 proved by the Oregon Student Assistance Commission or the State Board of Education;

19 (C) An institution of higher education listed in ORS 352.002 offering a food or beverage career
20 program approved by the State Board of Higher Education **or by the governing board of a public**
21 **university with a governing board listed in section 3 of this 2013 Act;** or

22 (D) A private and independent institution of higher education, as defined in ORS 352.720, offer-
23 ing a food or beverage career program that qualifies for payment under ORS 352.740.

24 (c) “Food or beverage career program” means a course of study designed to qualify a person for
25 a career in the food service industry or alcoholic beverage industry, including but not limited to a
26 course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant manage-
27 ment.

28 (2) The charging or payment of tuition or a special fee for enrollment in a class that is part of
29 a food or beverage career program or in a workshop or seminar concerning matters related to food
30 or beverage industry workforce training, offered by an education provider, that includes the con-
31 sumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other ex-
32 change of consideration for, alcoholic beverages.

33 (3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve
34 alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess
35 and consume alcoholic beverages on a licensed or unlicensed premises that the education provider
36 uses for educational purposes if:

37 (a) The person is enrolled as a student in a required or elective class that is part of a food or
38 beverage career program offered by the education provider;

39 (b) The alcoholic beverages are served to, and possessed and consumed by, the person for edu-
40 cational purposes as part of the class curriculum or a workshop or seminar concerning food or
41 beverage workforce training;

42 (c) The service, possession and consumption of the alcoholic beverages are supervised by a fac-
43 ulty or staff member of the education provider who is 21 years of age or older;

44 (d) The person does not purchase the alcoholic beverages; and

45 (e) The amount served to the person for consumption purposes during any two-hour class,

1 workshop or seminar period does not exceed two ounces of alcohol equivalence.

2 (4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another
3 person who is 18, 19 or 20 years of age on premises that an education provider uses for educational
4 purposes if:

5 (a) The person served is enrolled as a student in a required or elective class that is part of a
6 food or beverage career program offered by the education provider;

7 (b) The alcoholic beverages are served to, and consumed by, the person for educational purposes
8 as part of the class curriculum or, with the approval of the education provider, as part of a work-
9 shop or seminar concerning food or beverage workforce training;

10 (c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff
11 member of the education provider who is 21 years of age or older;

12 (d) The person served does not purchase the alcoholic beverages; and

13 (e) The amount served to the person for consumption purposes during any two-hour class period
14 does not exceed two ounces of alcohol equivalence.

15 (5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is
16 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed
17 premises that an education provider uses for educational purposes if:

18 (a) The person is enrolled as a student in a required or elective class that is part of a food or
19 beverage career program offered by the education provider;

20 (b) The person possesses and consumes the alcoholic beverages for educational purposes as part
21 of the class curriculum or, with the approval of the education provider, as part of a workshop or
22 seminar concerning food or beverage workforce training;

23 (c) The person possesses and consumes the alcoholic beverages under the supervision of a fac-
24 ulty or staff member of the education provider who is 21 years of age or older;

25 (d) The person does not purchase the alcoholic beverages; and

26 (e) The amount consumed by the person during any two-hour class, workshop or seminar period
27 does not exceed two ounces of alcohol equivalence.

28 (6) Notwithstanding ORS 471.410, a person who exercises control over private real property may
29 allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is
30 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this
31 section.

32 (7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a
33 licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older
34 in accordance with this chapter or the ability of a person 21 years of age or older to possess or
35 consume alcoholic beverages in accordance with this chapter.

36 **SECTION 145.** ORS 471.580, as amended by section 44, chapter 104, Oregon Laws 2012, is
37 amended to read:

38 471.580. (1) As used in this section:

39 (a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in
40 a beverage based on the standard drink measurement used by the Centers for Disease Control and
41 Prevention.

42 (b) "Education provider" means:

43 (A) A community college, as defined in ORS 341.005, offering a food or beverage career program
44 approved by the State Board of Education;

45 (B) A career school, as defined in ORS 345.010, offering a food or beverage career program ap-

1 proved by the Oregon Student Assistance Commission or the Higher Education Coordinating Com-
2 mission;

3 (C) An institution of higher education listed in ORS 352.002 offering a food or beverage career
4 program approved by the State Board of Higher Education **or by the governing board of a public**
5 **university with a governing board listed in section 3 of this 2013 Act**; or

6 (D) A private and independent institution of higher education, as defined in ORS 352.720, offer-
7 ing a food or beverage career program that qualifies for payment under ORS 352.740.

8 (c) "Food or beverage career program" means a course of study designed to qualify a person for
9 a career in the food service industry or alcoholic beverage industry, including but not limited to a
10 course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant manage-
11 ment.

12 (2) The charging or payment of tuition or a special fee for enrollment in a class that is part of
13 a food or beverage career program or in a workshop or seminar concerning matters related to food
14 or beverage industry workforce training, offered by an education provider, that includes the con-
15 sumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other ex-
16 change of consideration for, alcoholic beverages.

17 (3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve
18 alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess
19 and consume alcoholic beverages on a licensed or unlicensed premises that the education provider
20 uses for educational purposes if:

21 (a) The person is enrolled as a student in a required or elective class that is part of a food or
22 beverage career program offered by the education provider;

23 (b) The alcoholic beverages are served to, and possessed and consumed by, the person for edu-
24 cational purposes as part of the class curriculum or a workshop or seminar concerning food or
25 beverage workforce training;

26 (c) The service, possession and consumption of the alcoholic beverages are supervised by a fac-
27 ulty or staff member of the education provider who is 21 years of age or older;

28 (d) The person does not purchase the alcoholic beverages; and

29 (e) The amount served to the person for consumption purposes during any two-hour class,
30 workshop or seminar period does not exceed two ounces of alcohol equivalence.

31 (4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another
32 person who is 18, 19 or 20 years of age on premises that an education provider uses for educational
33 purposes if:

34 (a) The person served is enrolled as a student in a required or elective class that is part of a
35 food or beverage career program offered by the education provider;

36 (b) The alcoholic beverages are served to, and consumed by, the person for educational purposes
37 as part of the class curriculum or, with the approval of the education provider, as part of a work-
38 shop or seminar concerning food or beverage workforce training;

39 (c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff
40 member of the education provider who is 21 years of age or older;

41 (d) The person served does not purchase the alcoholic beverages; and

42 (e) The amount served to the person for consumption purposes during any two-hour class period
43 does not exceed two ounces of alcohol equivalence.

44 (5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is
45 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed

1 premises that an education provider uses for educational purposes if:

2 (a) The person is enrolled as a student in a required or elective class that is part of a food or
3 beverage career program offered by the education provider;

4 (b) The person possesses and consumes the alcoholic beverages for educational purposes as part
5 of the class curriculum or, with the approval of the education provider, as part of a workshop or
6 seminar concerning food or beverage workforce training;

7 (c) The person possesses and consumes the alcoholic beverages under the supervision of a fac-
8 ulty or staff member of the education provider who is 21 years of age or older;

9 (d) The person does not purchase the alcoholic beverages; and

10 (e) The amount consumed by the person during any two-hour class, workshop or seminar period
11 does not exceed two ounces of alcohol equivalence.

12 (6) Notwithstanding ORS 471.410, a person who exercises control over private real property may
13 allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is
14 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this
15 section.

16 (7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a
17 licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older
18 in accordance with this chapter or the ability of a person 21 years of age or older to possess or
19 consume alcoholic beverages in accordance with this chapter.

20 **SECTION 146.** ORS 659.850 is amended to read:

21 659.850. (1) As used in this section, “discrimination” means any act that unreasonably differen-
22 tiates treatment, intended or unintended, or any act that is fair in form but discriminatory in oper-
23 ation, either of which is based on race, color, religion, sex, sexual orientation, national origin,
24 marital status, age or disability. “Discrimination” does not include enforcement of an otherwise
25 valid dress code or policy, as long as the code or policy provides, on a case-by-case basis, for rea-
26 sonable accommodation of an individual based on the health and safety needs of the individual.

27 (2) A person may not be subjected to discrimination in any public elementary, secondary or
28 community college education program or service, school or interschool activity or in any higher
29 education program or service, school or interschool activity where the program, service, school or
30 activity is financed in whole or in part by moneys appropriated by the Legislative Assembly.

31 (3) The State Board of Education **and the Higher Education Coordinating Commission** [*and*
32 *the State Board of Higher Education*] shall establish rules necessary to ensure compliance with sub-
33 section (2) of this section in the manner required by ORS chapter 183.

34 **SECTION 147.** ORS 659.855 is amended to read:

35 659.855. (1) Any public elementary or secondary school determined by the Superintendent of
36 Public Instruction or any community college determined by the Commissioner for Community Col-
37 lege Services to be in noncompliance with provisions of ORS 659.850 and this section shall be sub-
38 ject to appropriate sanctions, which may include withholding of all or part of state funding, as
39 established by rule of the State Board of Education.

40 (2) Any public university listed in ORS 352.002 determined by the [*Chancellor of the Oregon*
41 *University System*] **Higher Education Coordinating Commission** to be in noncompliance with
42 provisions of ORS 659.850 and this section shall be subject to appropriate sanctions, which may in-
43 clude withholding of all or part of state funding, as established by rule of the [*State Board of Higher*
44 *Education*] **commission**.

45 (3) Any public charter school determined by the sponsor of the school or the superintendent to

1 be in noncompliance with the provisions of ORS 659.850 and this section shall be subject to appro-
 2 priate sanctions, which may include the withholding of all or part of state funding by the sponsor
 3 or superintendent, as established by rule of the State Board of Education.

4 **SECTION 148.** ORS 659.860 is amended to read:

5 659.860. (1) Any person claiming to be aggrieved by unlawful discrimination as prohibited by
 6 ORS 659.850 may file a civil action in circuit court for equitable relief or, subject to the terms and
 7 conditions of ORS 30.265 to 30.300, damages, or both. The court may order such other relief as may
 8 be appropriate. Damages shall be \$200 or actual damages, whichever is greater.

9 (2) The action authorized by this section shall be filed within one year of the filing of a griev-
 10 ance.

11 (3) *[No action shall]* **An action may not** be filed unless, within 180 days of the alleged dis-
 12 crimination, a grievance has been filed with the school district board, public charter school gov-
 13 erning body, community college board of education, **governing board of a public university with**
 14 **a governing board listed in section 3 of this 2013 Act** or State Board of Higher Education.

15 (4) *[No action may]* **An action may not** be filed until 90 days after filing a grievance unless only
 16 injunctive relief is sought pursuant to ORCP 79. The right to temporary or preliminary injunctive
 17 relief shall be independent of the right to pursue any administrative remedy available to
 18 complainants pursuant to ORS 659.850.

19 (5) *[No action may]* **An action may not** be filed if the school district board, public charter
 20 school governing body, community college board of education, **governing board of a public uni-**
 21 **versity with a governing board listed in section 3 of this 2013 Act** or State Board of Higher
 22 Education has obtained a conciliation agreement with the person filing the grievance or if a final
 23 determination of a grievance has been made except as provided in ORS 183.480.

24 (6) Notwithstanding the filing of a grievance, pursuant to subsection (3) of this section, any
 25 person seeking to maintain an action under this section shall also file a notice of claim within 180
 26 days of the alleged discrimination as required by ORS 30.275.

27 (7) The court shall award reasonable attorney fees to a prevailing plaintiff in any action under
 28 this section. The court may award reasonable attorney fees and expert witness fees incurred by a
 29 defendant who prevails in the action if the court determines that the plaintiff had no objectively
 30 reasonable basis for asserting a claim or no objectively reasonable basis for appealing an adverse
 31 decision of a trial court.

32 (8) Nothing in this section is intended to reduce the obligations of the education agencies under
 33 this section and ORS 659.850 and 659.855.

34 **SECTION 149.** ORS 660.358 is amended to read:

35 660.358. (1) The State Workforce Investment Board, in consultation with the Governor, the Ed-
 36 ucation and Workforce Policy Advisor and other parties deemed appropriate by the board and after
 37 consideration of the clean energy and energy efficiency policies of this state, shall develop a plan
 38 for a green jobs growth initiative to promote the development of emerging technologies and inno-
 39 vations that lead to, create or sustain family wage green jobs.

40 (2) The plan for the initiative developed by the board shall:

41 (a) Identify industries that are high demand green industries based on current and projected
 42 creation of family wage green jobs and the potential for career pathways created for such jobs.

43 (b) Use the needs of identified high demand green industries as the basis for the planning of
 44 workforce development activities that promote the development of emerging green technologies and
 45 innovations. These activities include, but are not limited to, such efforts undertaken by community

1 colleges, [the] public universities [of the Oregon University System] listed in ORS 352.002, designated
2 signature research centers, registered apprenticeship programs and other private sector training
3 programs.

4 (c) Leverage and align existing public workforce development programs and other public and
5 private resources to the goal of recruiting, supporting, educating and training of targeted popu-
6 lations of workers.

7 (d) Require the board to work collaboratively with stakeholders from business, labor and low
8 income advocacy groups in the regional economy to develop and implement the initiative.

9 (e) Link adult basic and remedial education programs with job training for skills necessary for
10 green jobs.

11 (f) Require the board to collaborate with employers and labor organizations to identify skills and
12 competencies necessary for green job career pathways.

13 (g) Ensure that support services are integrated with education and training for green jobs and
14 that such services are provided by organizations with direct access to and experience with targeted
15 populations.

16 (h) Include an analysis of occupations in the forest products industry to:

17 (A) Determine key growth factors and employment projections for green jobs in the forest pro-
18 ducts industry; and

19 (B) Define the educational and skill standards required for current and emerging green occupa-
20 tions in the forest products industry.

21 (3) Based on the analysis conducted under subsection (2)(h) of this section, the State Workforce
22 Investment Board, in consultation with the Education and Workforce Policy Advisor, shall identify
23 those forest products industries to be classified as high-demand green industries, taking into con-
24 sideration current and future job creation and the strategic importance of the development of high-
25 demand green forest products industry jobs to the development and growth of the state's green
26 economy.

27 (4) As used in this section, "forest products industry" includes, but is not limited to, businesses
28 that grow, manage, harvest, transport or process forest, wood and paper products.

29 **SECTION 150.** ORS 820.100 is amended to read:

30 820.100. (1) The State Board of Education shall adopt and enforce such reasonable standards
31 relating to school bus and school activity vehicle construction and school bus and school activity
32 vehicle equipment as the board deems necessary for safe and economical operation, except that the
33 board may not authorize the use of school buses manufactured before April 1, 1977.

34 (2) The State Board of Higher Education **and the governing board of a public university with**
35 **a governing board listed in section 3 of this 2013 Act** may adopt and enforce separate [rules]
36 **standards** of the type described under this section for school buses and school activity vehicles that
37 are under the board's jurisdiction, except that the board may not authorize the use of school buses
38 manufactured before April 1, 1977.

39 (3) The State Board of Education shall adopt and enforce standards for school bus stop arms
40 authorized by ORS 820.105.

41 (4) [Rules] **Standards** adopted under this section:

42 (a) Must be consistent with requirements established by statute or by rule adopted under stat-
43 utory authority that relate to the same subject.

44 (b) Shall be consistent with minimum uniform national standards, if such standards exist.

45 (c) May include different requirements for different classes or types of school buses or school

1 activity vehicles.

2 (d) May include any exemptions determined appropriate under ORS 820.150.

3 **SECTION 151.** ORS 820.110 is amended to read:

4 820.110. (1) The State Board of Education shall adopt and enforce rules to establish requirements
5 of operation, qualifications or special training of drivers and special accident reports for school
6 buses and school activity vehicles.

7 (2) The State Board of Higher Education **and the governing board of a public university with**
8 **a governing board listed in section 3 of this 2013 Act** may adopt and enforce separate [*rules*]
9 **standards** of the type described under this section for school buses and school activity vehicles that
10 are under its jurisdiction.

11 (3) The rules **and standards** adopted under this section:

12 (a) Are subject to ORS 820.190 and 820.200 and to any other statute or regulation relating to
13 the operation of vehicles, qualifications of drivers and accident reports.

14 (b) Must be consistent with requirements established by statute or by rule adopted under stat-
15 utory authority that relate to the same subject.

16 (c) May include different requirements for different classes or types of school buses or school
17 activity vehicles.

18 (d) May include any exemptions determined appropriate under ORS 820.150.

19 (4) If the Department of Transportation suspends, cancels or revokes any driving privileges of
20 a person who holds a school bus endorsement under ORS 807.035 (5), the Department of Transpor-
21 tation shall notify the Department of Education of the suspension, cancellation or revocation.

22 **SECTION 152.** ORS 820.120 is amended to read:

23 820.120. (1) The State Board of Education shall adopt and enforce rules to provide for the in-
24 spection of school buses and school activity vehicles to assure that the vehicles are in compliance
25 with requirements under **standards and** rules established under ORS 820.100 and 820.110, as appli-
26 cable, and that the vehicles are safe for operation. The rules may include intervals of inspections.

27 (2) The State Board of Higher Education **and the governing board of a public university with**
28 **a governing board listed in section 3 of this 2013 Act** may adopt and enforce separate [*rules*]
29 **standards** of the type described under this section for school buses and school activity vehicles that
30 are under its jurisdiction.

31 (3) The rules **and standards** adopted under this section:

32 (a) Are subject to any other statute or regulation relating to the safety of vehicles for operation
33 and the inspection of vehicles.

34 (b) May include different requirements for different classes or types of school buses or school
35 activity vehicles.

36 (c) May include any exemptions determined appropriate under ORS 820.150.

37 **SECTION 153.** ORS 820.130 is amended to read:

38 820.130. The Department of Transportation shall issue registration for a school bus when noti-
39 fied that the vehicle conforms to applicable **standards and** rules under ORS 820.100 to 820.120 and
40 that the vehicle is safe for operation on the highways. Notification required by this section shall
41 be from:

42 (1) The State Board of Education or its authorized representative regarding vehicles under its
43 regulatory authority.

44 (2) The State Board of Higher Education or its authorized representative regarding vehicles
45 under its jurisdiction.

1 **(3) The governing board of a public university with a governing board listed in section 3**
2 **of this 2013 Act or the authorized representative of the board regarding vehicles under the**
3 **board's jurisdiction.**

4 **SECTION 153a.** ORS 820.140 is amended to read:

5 820.140. The Department of Transportation may revoke the registration of any school bus if the
6 department determines that the vehicle:

7 (1) Is not maintained and operated in accordance with **standards and** rules applicable to the
8 vehicle under ORS 820.100 to 820.120; or

9 (2) Is not safe for operation over or is not safely operated over the public highways.

10 **SECTION 154.** ORS 820.150 is amended to read:

11 820.150. (1) The State Board of Education, by rule, may establish classes or types of vehicles
12 that are not considered school buses or school activity vehicles for purposes of the Oregon Vehicle
13 Code or classes of school buses or school activity vehicles that are not subject to regulation under
14 the Oregon Vehicle Code either partially or completely.

15 (2) The State Board of Higher Education **and the governing board of a public university with**
16 **a governing board listed in section 3 of this 2013 Act** may adopt separate [*rules*] **standards** of
17 the type described under this section for vehicles that are under its jurisdiction.

18 (3) Rules **and standards** adopted under this section are subject to the following:

19 (a) Any exemption, either partial or total, established under this section may be based upon
20 passenger capacity, on limited use or on any other basis the State Board of Education, **the gov-**
21 **erning board** or the State Board of Higher Education considers appropriate.

22 (b) [*No*] **An** exemption, either partial or total, [*shall*] **may not** be established under this section
23 for any vehicle that is marked with or displays the words "school bus."

24 (c) Any vehicle determined not to be a school bus under this section is not a school bus within
25 the definition established under ORS 801.460. Partial exemptions established for vehicles under this
26 section may include removal of the vehicle from any provisions relating to school buses under the
27 vehicle code.

28 (d) Any vehicle determined not to be a school activity vehicle under this section is not a school
29 activity vehicle within the definition established under ORS 801.455. Partial exemptions established
30 for vehicles under this section may include removal of the vehicle from any provisions relating to
31 school activity vehicles under the vehicle code.

32 (e) In considering any rules **and standards** under this section, the boards shall consider the
33 need to [*assure*] **ensure** student safety.

34 **SECTION 154a.** ORS 820.160 is amended to read:

35 820.160. (1) A person commits the offense of illegal display of school bus markings if the person
36 displays the words "School Bus" on any vehicle unless the vehicle:

37 (a) Is used in transporting school children to or from school or an authorized school activity or
38 function; and

39 (b) Complies with the applicable requirements under **standards and** rules established under ORS
40 820.100 to 820.120.

41 (2) The offense described in this section, illegal display of school bus markings, is a Class B
42 traffic violation.

43 **SECTION 154b.** ORS 820.180 is amended to read:

44 820.180. (1) A person commits the offense of unsafe school vehicle operation if:

45 (a) The person operates or owns and causes or permits to be operated a school bus or school

1 activity vehicle in a manner that is in violation of any **standards and** rules applicable to the vehicle
2 that are adopted under ORS 820.100 to 820.120;

3 (b) The person owns or leases and causes or permits to be operated for school purposes a school
4 bus or school activity vehicle containing more passengers than the vehicle is designed to transport;
5 or

6 (c) The person operates or owns and causes or permits to be operated a school bus manufactured
7 before April 1, 1977.

8 (2) A person is not in violation of subsection (1)(b) of this section if a bus or vehicle contains
9 more passengers than it is designed to transport due to unforeseen or unusual circumstances.

10 (3) The offense described in this section, unsafe school vehicle operation, is a Class B traffic
11 violation.

12 **SECTION 155.** Section 14, chapter 36, Oregon Laws 2012, is amended to read:

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

14 (a) "Achievement compact" means an agreement entered into between the Oregon Education
15 Investment Board and the governing body of an education entity as described in this section.

16 (b) "Education entity" means:

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

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

19 (C) A community college district or community college service district operated under ORS
20 chapter 341;

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

22 (E) A public university [*of the Oregon University System, as*] listed in ORS 352.002; and

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

25 (c) "Governing body of an education entity" means:

26 (A) For a school district, the school district board.

27 (B) For an education service district, the board of directors of the education service district.

28 (C) For a community college district or a community college service district, the board of edu-
29 cation of the community college district.

30 (D) For the Oregon University System, the State Board of Higher Education.

31 (E) For a public university of the Oregon University System, the president of the university.

32 **(F) For a public university with a governing board listed in section 3 of this 2013 Act, the**
33 **governing board of the university.**

34 ~~[(F)]~~ (G) For the Oregon Health and Science University, the Oregon Health and Science Uni-
35 versity Board of Directors.

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

39 (b) Governing bodies of education entities identified in subsection (1)(b)(A) to (C) of this section
40 shall enter into achievement compacts as part of the budgeting process under ORS 294.305 to 294.565
41 and shall submit achievement compacts to the board prior to July 1 of each year.

42 (c) The board shall specify a process for adoption and a timeline for submission of achievement
43 compacts for education entities identified in subsection (1)(b)(D) to (F) of this section.

44 (d) The board shall provide to each school district a number quantifying the district's estimated
45 level of funding for the next fiscal year compared to the determination of funding needed to ensure

1 that the state's system of kindergarten through grade 12 public education meets the quality goals
2 specified under ORS 327.506.

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

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

5 (A) A description of goals for outcomes that are consistent with the educational goals identified
6 in ORS 329.015, the findings described in ORS 351.003 and the mission of education provided in ORS
7 351.009.

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

10 (i) Completion rates for:

11 (I) Critical stages of learning and programs of study;

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

13 (III) Achieving the high school and post-secondary education goals established in ORS 351.009
14 and a projection of the progress needed to achieve those goals by 2025;

15 (ii) Validations of the quality of knowledge and skills acquired by students of the education en-
16 tity; and

17 (iii) The relevance of the knowledge and skills acquired by the students of the education entity
18 and the means by which those skills and knowledge will contribute to the workforce, the economy
19 and society as described in state policy.

20 (C) Other information suggested by the governing body of an education entity and approved by
21 the board.

22 (c) Notwithstanding the terms described in paragraph (b) of this subsection, for an achievement
23 compact entered into by an education entity identified in subsection (1)(b)(F) of this section, the
24 terms of the achievement compact shall be limited to the enrollment of, and attainment of degrees
25 by, Oregon residents in programs for which the state provides funding.

26 (4)(a) The governing body of each education entity shall identify a target number and percentage
27 of students for achievement of the outcomes, measures of progress and goals specified in the
28 achievement compact for the fiscal year.

29 (b) The governing body of each education entity shall provide a target number and percentage
30 of students for the aggregate of all disadvantaged subgroups, as defined by federal law or specified
31 by rules adopted by the board. The target number and percentage of students must reflect the edu-
32 cation entity's goals of improving education outcomes for disadvantaged student groups and closing
33 any student achievement gaps between disadvantaged student groups and other student groups.

34 (5) As part of the process of entering into an achievement compact, the governing body of an
35 education entity shall ensure that open communications are provided to parents, students, teachers
36 or faculty, employees, exclusive bargaining representatives and community representatives for the
37 purposes of explaining and discussing the outcomes, measures of progress, goals and targets speci-
38 fied in the achievement compact for the fiscal year. The open communications must be provided
39 during each education entity's public budget process.

40 (6) The board shall specify the format of the achievement compacts and provide model achieve-
41 ment compacts to the governing body of each education entity.

42 (7) The board may adopt a timeline and method for governing bodies of education entities to
43 provide the board with a report at the end of a fiscal year that describes the achievements made
44 by the education entities during the fiscal year. The report:

45 (a) Must include disaggregated data for each disadvantaged student group specified by the

1 board; and

2 (b) May state achievements in numbers and percentages and in relation to the outcomes, meas-
3 ures of progress, goals and targets specified in the achievement compact for the fiscal year.

4 **SECTION 156.** Section 13, chapter 761, Oregon Laws 2007, as amended by section 5, chapter
5 2, Oregon Laws 2009, section 93, chapter 762, Oregon Laws 2009, and section 32, chapter 2, Oregon
6 Laws 2011, is amended to read:

7 **Sec. 13.** (1) There is established in the General Fund an account to be known as the Portland
8 State University Science Research and Teaching Center and Hazardous Waste Facility Account.
9 Funds in the account shall be used for the acquisition, construction, remodeling, expansion and
10 renovation of facilities for a Science Research and Teaching Center and Hazardous Waste Facility
11 Phase I at Portland State University.

12 (2) The account shall consist of proceeds from certificates of participation, grant funds, gift
13 funds, proceeds of legal settlements, federal and local government funds made available to and funds
14 donated to [*the Oregon University System*] **Portland State University** for the purpose of the center
15 and facility project described in subsection (1) of this section. Interest earned on moneys in the ac-
16 count shall be credited to the account. The account may not be credited with more than \$7,000,000
17 for purposes of this subsection.

18 (3) Moneys in the account are continuously appropriated to [*the Oregon University System*]
19 **Portland State University** and may be transferred to the account designated by [*ORS 351.626*] **the**
20 **university** for the center and facility project described in subsection (1) of this section.

21 **SECTION 157.** Section 14, chapter 761, Oregon Laws 2007, as amended by section 94, chapter
22 762, Oregon Laws 2009, and section 33, chapter 2, Oregon Laws 2011, is amended to read:

23 **Sec. 14.** (1) There is established in the General Fund an account to be known as the University
24 of Oregon Integrative Science Complex, Phase 2 Account. Funds in the account shall be used for the
25 acquisition, construction, remodeling, expansion and renovation of facilities for an Interactive Sci-
26 ence Complex, Phase 2 at the University of Oregon.

27 (2) The account shall consist of grant funds, gift funds, federal and local government funds made
28 available to and funds donated to the [*Oregon University System*] **University of Oregon** for the
29 purpose of the Interactive Science Complex, Phase 2 project described in subsection (1) of this sec-
30 tion. Interest earned on moneys in the account shall be credited to the account. The account may
31 not be credited with more than \$30,000,000 for purposes of this subsection.

32 (3) Moneys in the account are continuously appropriated to the [*Oregon University System*]
33 **University of Oregon** and may be transferred to the account designated by [*ORS 351.626*] **the**
34 **university** for the Interactive Science Complex, Phase 2 project described in subsection (1) of this
35 section.

36 **SECTION 158.** Section 15, chapter 761, Oregon Laws 2007, as amended by section 95, chapter
37 762, Oregon Laws 2009, and section 34, chapter 2, Oregon Laws 2011, is amended to read:

38 **Sec. 15.** (1) There is established in the General Fund an account to be known as the University
39 of Oregon Hayward Field Account. Funds in the account shall be used for the purposes described
40 in Article XI-G of the Oregon Constitution at Hayward Field at the University of Oregon.

41 (2) The account shall consist of funds received from not-for-profit organizations, grant funds, gift
42 funds, federal and local government funds made available to and funds donated to the [*Oregon Uni-*
43 *versity System*] **University of Oregon** for the purpose of the Hayward Field project described in
44 subsection (1) of this section. Interest earned on moneys in the account shall be credited to the ac-
45 count. The account may not be credited with more than \$2,500,000 for purposes of this subsection.

1 (3) Moneys in the account are continuously appropriated to the [*Oregon University System*]
 2 **University of Oregon** and may be transferred to the account designated by [*ORS 351.626*] **the**
 3 **university** for the purposes described in subsection (1) of this section.

4 **SECTION 159.** Section 17, chapter 761, Oregon Laws 2007, as amended by section 97, chapter
 5 762, Oregon Laws 2009, and section 36, chapter 2, Oregon Laws 2011, is amended to read:

6 **Sec. 17.** (1) There is established in the General Fund an account to be known as the Portland
 7 State University Science PCAT Redevelopment Account. Funds in the account shall be used for the
 8 acquisition, construction, remodeling, expansion and renovation of facilities on the current site of
 9 the Portland Center for Advanced Technology at Portland State University.

10 (2) The account shall consist of grant funds, gift funds, proceeds of legal settlements, federal and
 11 local government funds made available to and funds donated to [*the Oregon University System*]
 12 **Portland State University** for the purpose of the project described in subsection (1) of this section.
 13 Interest earned on moneys in the account shall be credited to the account. The account may not be
 14 credited with more than \$10,000,000 for purposes of this subsection.

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

18 **SECTION 160.** Section 22, chapter 904, Oregon Laws 2009, as amended by section 50, chapter
 19 2, Oregon Laws 2011, and section 46, chapter 9, Oregon Laws 2011, is amended to read:

20 **Sec. 22.** (1) There is established in the General Fund an account to be known as the Portland
 21 State University Science Research and Teaching Center/Hazardous Waste Facility Phase 2 Project
 22 Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion
 23 and renovation of facilities for a facility project at [*Oregon*] **Portland** State University.

24 (2) The account shall consist of proceeds from grant funds, gift funds and federal and local
 25 government funds made available to [*the Oregon University System*] **Portland State University** for
 26 the purpose of the facility project described in subsection (1) of this section. Interest earned on
 27 moneys in the account shall be credited to the account. The account may not be credited with more
 28 than \$2,500,000 for purposes of this subsection.

29 (3) Moneys in the account are continuously appropriated to [*the Oregon University System*]
 30 **Portland State University** and may be transferred to the account designated by [*ORS 351.626*] **the**
 31 **university** for the facility project described in subsection (1) of this section.

32 **SECTION 161.** Section 24, chapter 904, Oregon Laws 2009, as amended by section 52, chapter
 33 2, Oregon Laws 2011, and section 48, chapter 9, Oregon Laws 2011, is amended to read:

34 **Sec. 24.** (1) There is established in the General Fund an account to be known as the University
 35 of Oregon Allen Hall Expansion and Remodel Project Account. Funds in the account shall be used
 36 for the acquisition, construction, remodeling, expansion and renovation of facilities for a facility
 37 project at the University of Oregon.

38 (2) The account shall consist of proceeds from grant funds and gift funds made available to and
 39 funds donated to the [*Oregon University System*] **University of Oregon** for the purpose of the fa-
 40 cility project described in subsection (1) of this section. Interest earned on moneys in the account
 41 shall be credited to the account. The account may not be credited with more than \$7,500,000 for
 42 purposes of this subsection.

43 (3) Moneys in the account are continuously appropriated to the [*Oregon University System*]
 44 **University of Oregon** and may be transferred to the account designated by [*ORS 351.626*] **the**
 45 **university** for the facility project described in subsection (1) of this section.

1 **SECTION 162.** Section 3, chapter 797, Oregon Laws 2001, is amended to read:

2 **Sec. 3.** Subject to available funding, if a building evaluated under section 2 (4), **chapter 797,**
3 **Oregon Laws 2001,** [of this 2001 Act] is found by a board to pose an undue risk to life safety during
4 a seismic event, the State Board of Higher Education, **governing board of a public university with**
5 **a governing board listed in section 3 of this 2013 Act,** local school district board, community
6 college board or education service district board, as appropriate, shall develop a plan for seismic
7 rehabilitation of the building or for other actions to reduce the risk. For a board that is subject to
8 ORS 291.224, the board's plan to rehabilitate or take other action to reduce the seismic risk of a
9 building must be included in the capital construction program of the board. A board that is subject
10 to ORS 291.224 shall rank the relative benefit of projects to reduce seismic risk in comparison with
11 other life safety and code requirement projects. Subject to availability of funding, all seismic reha-
12 bilitations or other actions to reduce seismic risk must be completed before January 1, 2032. If the
13 building is listed on a national or state register of historic places or properties or is designated as
14 a landmark by local ordinance, the plan for seismic rehabilitation or other action shall be developed
15 in a manner that gives consideration to preserving the character of the building.

16 **SECTION 163.** ORS 352.035, 352.048, 352.049, 352.051, 352.052 and 352.053 are repealed.

17 **SECTION 164.** Notwithstanding ORS 62.720, 351.506, 351.507, 351.508, 351.532, 352.560,
18 567.010, 567.025, 567.030 and 759.445 and section 1, chapter 39, Oregon Laws 2012, and section
19 6, chapter 79, Oregon Laws 2012, if the president of Oregon State University notifies the
20 Governor that the university will become a university with a governing board in the manner
21 set forth in section 168 or 168b of this 2013 Act, any moneys provided or transferred by law
22 to the Oregon University System or State Board of Higher Education for the benefit of or
23 use by Oregon State University shall be provided directly to Oregon State University.

24 **SECTION 165.** Notwithstanding ORS 196.438, 351.350, 352.230, 352.239, 352.247, 352.610,
25 526.225, 542.710, 561.364, 566.210, 567.005, 567.035, 567.210, 567.260, 567.455, 567.505, 567.510 and
26 567.580, if the president of Oregon State University notifies the Governor that the university
27 will become a university with a governing board in the manner set forth in section 168 or
28 168b of this 2013 Act, the university shall act independently, rather than under the direction,
29 control or management of the State Board of Higher Education.

30
31 **ESTABLISHMENT OF SPECIAL COMMITTEE**
32 **AND WORK GROUP**
33

34 **SECTION 166.** (1) The Special Committee on Regional and Technical Universities is es-
35 tablished, consisting of 10 members appointed as follows:

36 (a) The President of the Senate shall appoint four members from among members of the
37 Senate, taking into consideration the geographic areas that will be most affected if local
38 governance is granted to the Oregon Institute of Technology, Western Oregon University,
39 Southern Oregon University and Eastern Oregon University.

40 (b) The Speaker of the House of Representatives shall appoint four members from among
41 members of the House of Representatives, taking into consideration the geographic areas
42 that will be most affected if local governance is granted to the Oregon Institute of Technol-
43 ogy, Western Oregon University, Southern Oregon University and Eastern Oregon Univer-
44 sity.

45 (c) The Governor shall appoint two members who are members of the Oregon Education

1 **Investment Board.**

2 (2) **The special committee shall review, discuss and analyze:**

3 (a) **Issues of administration within the state post-secondary education system with an**
4 **emphasis on four-year public universities; and**

5 (b) **Coordination of operations, academic programs, shared services and other elements**
6 **of that system.**

7 (3) **The special committee may recommend legislation on:**

8 (a) **The future governance of the Oregon Institute of Technology, Western Oregon Uni-**
9 **versity, Southern Oregon University and Eastern Oregon University; and**

10 (b) **The future relationship among Oregon's institutions of post-secondary education.**

11 (4) **Any legislation recommended by the special committee shall:**

12 (a) **Take into consideration whether local governance is appropriate at the Oregon Insti-**
13 **tute of Technology, Western Oregon University, Southern Oregon University and Eastern**
14 **Oregon University, with a focus on what type of governance will best increase student ac-**
15 **cess, affordability and competitiveness at these institutions in pursuit of the mission de-**
16 **scribed in ORS 351.009.**

17 (b) **Take into consideration the unique mission associated with each of Oregon's seven**
18 **public universities and identify how these missions can best be accomplished and sustained**
19 **over the next 10 years.**

20 (c) **Define the operating arrangements between the institutions in order to ensure:**

21 (A) **That all post-secondary institutions, including public universities listed in ORS 352.002**
22 **and Oregon's 17 community colleges, are able to achieve the goals and mission described in**
23 **ORS 351.006 and 351.009;**

24 (B) **The achievement of cost efficiencies, economies of scale, cost effectiveness, ac-**
25 **countability, administrative streamlining and the ability to provide the best quality education**
26 **possible for the amount of state dollars spent; and**

27 (C) **That the public missions of Oregon's public universities, including access and**
28 **affordability for residents of this state, are maintained and enhanced.**

29 (5)(a) **Any shared services legislation recommended by the special committee must con-**
30 **sider the recommended shared services model provided by the Work Group on University**
31 **Shared Services under section 166a (10) of this 2013 Act.**

32 (b) **The shared services subject to review by the special committee shall include, but are**
33 **not limited to, risk management, cash management, asset management, treasury services,**
34 **payroll, employee benefits, accounting, auditing, purchasing and contracting, information**
35 **technology and any other administrative function that might benefit from the sharing or**
36 **pooling of public university resources.**

37 (6) **A majority of the members of the special committee constitutes a quorum for the**
38 **transaction of business.**

39 (7) **Official action by the special committee requires the approval of a majority of the**
40 **members of the committee.**

41 (8) **The special committee shall elect two of its members to serve as cochairpersons, one**
42 **from the Senate and one from the House of Representatives.**

43 (9) **If there is a vacancy for any cause, the appointing authority shall make an appoint-**
44 **ment to become immediately effective.**

45 (10) **The special committee shall meet at times and places specified by the call of the**

1 cochairpersons or of a majority of the members of the committee.

2 (11) The special committee may adopt rules necessary for the operation of the commit-
3 tee.

4 (12)(a) The special committee shall convene and begin work no later than September 15,
5 2013.

6 (b) The special committee shall complete a first draft of its recommendations and report
7 to an interim committee of the Legislative Assembly related to education no later than De-
8 cember 15, 2013.

9 (c) The special committee shall finalize and submit recommendations to the Governor
10 and Legislative Assembly no later than February 1, 2014, for consideration during the 2014
11 regular Legislative Session.

12 (13) The Legislative Administration Committee shall provide staff support to the special
13 committee.

14 (14) Members of the special committee who are not members of the Legislative Assembly
15 are not entitled to compensation.

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

20 (16) The special committee may accept contributions of funds and assistance from any
21 source, public or private, for the purposes of the consultation with national experts required
22 by subsections (2) to (5) of this section.

23 **SECTION 166a.** (1) The Work Group on University Shared Services is established, con-
24 sisting of the presidents of the seven public universities listed in ORS 352.002, or the
25 presidents' designees.

26 (2) The work group shall develop a shared services model that delivers efficient and ef-
27 fective administrative operations to participating post-secondary institutions in a manner
28 that focuses on quality, responsiveness and customer service and that seeks to achieve cost
29 savings, economies of scale, accountability, transparency and streamlining.

30 (3) In developing a shared services model under subsection (2) of this section, the ser-
31 vices that the work group must consider include, but are not limited to, risk management,
32 cash management, asset management, treasury services, payroll, employee benefits, ac-
33 counting, auditing, purchasing and contracting, information technology and any other ad-
34 ministrative function that might benefit from the sharing or pooling of public university
35 resources.

36 (4) The State Board of Higher Education and the office of the Chancellor of the Oregon
37 University System shall assist the work group in developing the work group's recommen-
38 dations. The work group may seek and accept consulting or other technical assistance from
39 any source in preparing its recommendations.

40 (5) A majority of the members of the work group constitutes a quorum for the trans-
41 action of business.

42 (6) Official action by the work group requires the approval of a majority of the members
43 of the work group.

44 (7) The work group shall elect one of its members to serve as chairperson.

45 (8) The work group shall meet at times and places specified by the call of the chairperson

1 or of a majority of the members of the work group.

2 (9) The work group may adopt rules necessary for the operation of the work group.

3 (10)(a) The work group shall submit a first draft of its recommended shared services
4 model to the Special Committee on Regional and Technical Universities created in section
5 166 of this 2013 Act no later than November 15, 2013.

6 (b) The work group shall finalize and submit its recommended shared services model to
7 the special committee no later than January 7, 2014.

8 (11) The Oregon University System shall provide staff support to the work group.

9 (12) Members of the work group are not entitled to compensation.

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

14 SECTION 167. Sections 166 and 166a of this 2013 Act are repealed on the date of the
15 convening of the 2014 regular session of the Legislative Assembly as specified in ORS 171.010.

16
17 **OPERATIVE DATE AND TRANSITIONAL PROVISIONS**

18
19 SECTION 168. (1) Notwithstanding the operative date set forth in section 171 of this 2013
20 Act, the Governor shall appoint all of the members of the Board of Trustees of the Univer-
21 sity of Oregon and all of the members of the Board of Trustees of Portland State University
22 by August 19, 2013, so that these appointees may be confirmed by the Senate in the manner
23 provided in ORS 171.562 and 171.565 by September 30, 2013.

24 (2) If the president of Oregon State University notifies the Governor by August 1, 2013,
25 the university will become a university with a governing board:

26 (a) Within two weeks after receiving the notification, the Governor shall inform the
27 President of the Senate, the Speaker of the House of Representatives and the Legislative
28 Counsel of the notification; and

29 (b) The Governor shall appoint all of the members of the Board of Trustees of Oregon
30 State University in the same manner and time frame as set forth in subsection (1) of this
31 section.

32 (3) If the president of Oregon State University notifies the Governor between August 2,
33 2013, and January 1, 2014, that the university will become a university with a governing
34 board, the Board of Trustees of Oregon State University shall be established in the manner
35 set forth in section 168b of this 2013 Act.

36 SECTION 168a. Notwithstanding the operative date set forth in section 171 of this 2013
37 Act:

38 (1) The Board of Trustees of the University of Oregon and the Board of Trustees of
39 Portland State University may first issue bonds in the manner set forth in sections 19 to 23
40 of this 2013 Act on January 1, 2014.

41 (2) If the president of Oregon State University notifies the Governor in the manner set
42 forth in section 168 (2) of this 2013 Act that the university will become a university with a
43 governing board, the Board of Trustees of Oregon State University may first issue bonds in
44 the manner set forth in sections 19 to 23 of this 2013 Act on January 1, 2014.

45 (3) Sections 1, 3, 10 to 12, 15 and 16 of this 2013 Act and the amendments to ORS 174.117,

1 287A.001, 307.095, 307.110 and 340.310 by sections 28, 54 and 132 to 134 of this 2013 Act become
2 operative on January 1, 2014, for any university with a governing board that issues bonds
3 pursuant to the authority granted in this section. The provisions of sections 1, 3, 10 to 12,
4 15 and 16 of this 2013 Act and the amendments to ORS 174.117, 287A.001, 307.095, 307.110 and
5 340.310 by sections 28, 54 and 132 to 134 of this 2013 Act become operative on the date spec-
6 ified in this subsection only for purposes of allowing, and only to the extent necessary to
7 allow, the university with a governing board to issue bonds. Except as otherwise provided in
8 this 2013 Act, the university with a governing board may not exercise powers under sections
9 1, 3, 10 to 12, 15 and 16 of this 2013 Act and the amendments to ORS 174.117, 287A.001, 307.095,
10 307.110 and 340.310 by sections 28, 54 and 132 to 134 of this 2013 Act that are unrelated to the
11 issuance of bonds until July 1, 2014.

12 **SECTION 168b.** If the president of Oregon State University notifies the Governor between
13 August 2, 2013, and January 1, 2014, that the university will become a university with a
14 governing board:

15 (1) Within two weeks after receiving the notification, the Governor shall inform the
16 President of the Senate, the Speaker of the House of Representatives and the Legislative
17 Counsel of the notification; and

18 (2) Not later than February 1, 2014, the Governor shall appoint all of the members of the
19 governing board in the manner set forth in section 6 of this 2013 Act.

20 **SECTION 169.** (1) Except as provided in section 168a of this 2013 Act, the State Board of
21 Higher Education shall continue to have jurisdiction over the operations of a university with
22 a governing board as defined in section 2 of this 2013 Act for the 2013-2014 academic year.
23 However, the governing board shall propose funding requests pursuant to ORS 351.052, as
24 amended by section 42 of this 2013 Act, and shall prepare budgets, in cooperation with the
25 Higher Education Coordinating Commission, for the biennium beginning July 1, 2015.

26 (2) The president of a university with a governing board shall take over administrative
27 responsibilities for the university from the State Board of Higher Education on July 1, 2014.

28 **SECTION 170.** (1) Except as otherwise expressly provided in this section, all persons
29 employed by a university with a governing board, as defined in section 2 of this 2013 Act, on
30 the effective date of this 2013 Act shall continue their employment with the university and
31 shall retain any seniority, contractual rights or tenure granted prior to the effective date
32 of this 2013 Act. Nothing in this section shall affect any term or condition of any collective
33 bargaining agreement in effect on the effective date of this 2013 Act.

34 (2) All of the duties, functions, powers and lawfully incurred rights and obligations of the
35 State Board of Higher Education that pertain to a university with a governing board are
36 transferred to and vested in the governing board. The transfer shall include but not be lim-
37 ited to all applicable contractual rights and obligations and title to all applicable records,
38 property, supplies and materials, including equipment, books and papers. For the purpose of
39 succession to these rights and obligations, the governing board is considered to be a contin-
40 uation of the State Board of Higher Education and not a new authority, and the governing
41 board must exercise such rights and fulfill such obligations as if they had not been assigned
42 or transferred, except as otherwise provided by law.

43 (3) All unexpended moneys, including but not limited to General Fund appropriations,
44 gifts, bequests, other funds, assessments, liability and worker's compensation reserves and
45 premiums that are appropriated to, held, managed or invested by or on behalf of or otherwise

1 available to a university with a governing board, are appropriated and transferred to the
2 university.

3 (4) A university with a governing board shall conduct and complete any proceeding,
4 action, prosecution or other matter that the university commenced before the effective date
5 of this 2013 Act and that is pending on the effective date of this 2013 Act.

6 (5) The transfer of duties, functions and powers to a governing board or university with
7 a governing board does not affect any action, suit or proceeding relating to the university,
8 except that the university shall be substituted for the State Board of Higher Education and
9 the State of Oregon in any such action, suit or proceeding.

10 (6) Any action, proceeding or other matter that was commenced by a state agency, a
11 state officer, the State Board of Higher Education or an officer or employee of the State
12 Board of Higher Education before the effective date of this 2013 Act and relates to the gov-
13 erning board or university with a governing board and is still pending on the effective date
14 of this 2013 Act shall be conducted and completed by the governing board or university.

15 (7) Nothing in this 2013 Act relieves any person, public entity or private entity of any
16 obligation with respect to a tax, fee, fine or other charge, interest, penalty, forfeiture, rule,
17 policy, document, record or proceeding.

18 (8) Notwithstanding any other provision of this section, the lawfully adopted rules and
19 policies of the State Board of Higher Education pertaining to a university with a governing
20 board that are in effect on the effective date of this 2013 Act continue in effect until lawfully
21 superseded or repealed by the standards or policies of the governing board or the university.
22 References in rules or policies of the State Board of Higher Education to the state board or
23 an officer or employee of the state board are considered to be references to the governing
24 board or an officer or employee of a university with a governing board.

25 SECTION 171. Sections 2, 2a, 2b, 3, 5, 8 to 18, 164, 165, 169 and 170 of this 2013 Act, the
26 amendments to statutes and session laws by sections 24, 25, 28 to 37 and 40 to 162 of this 2013
27 Act and the repeal of statutes by section 163 of this 2013 Act become operative on July 1,
28 2014.

29 SECTION 172. The State Board of Higher Education and a university with a governing
30 board as defined in section 2 of this 2013 Act may take any action before the operative date
31 specified in section 171 of this 2013 Act that is necessary for the State Board of Higher Ed-
32 ucation and the university to exercise, on and after the operative date specified in section
33 171 of this 2013 Act, all of the duties, functions and powers conferred on the State Board of
34 Higher Education and university by this 2013 Act.

35
36 **CAPTIONS**

37
38 SECTION 173. The unit captions used in this 2013 Act are provided only for the conven-
39 ience of the reader and do not become part of the statutory law of this state or express any
40 legislative intent in the enactment of this 2013 Act.

41
42 **EMERGENCY CLAUSE**

43
44 SECTION 174. This 2013 Act being necessary for the immediate preservation of the public
45 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect

1 **on its passage.**

2
