

**PROPOSED AMENDMENTS TO
HOUSE BILL 3120**

1 In line 2 of the printed bill, after “governance;” insert “creating new
2 provisions; amending ORS 244.050, 284.540, 284.706, 285B.168, 320.100, 326.011,
3 326.051, 326.310, 326.370, 326.375, 326.550, 327.495, 336.585, 336.590, 339.030,
4 341.005, 341.009, 341.015, 341.019, 341.021, 341.024, 341.025, 341.039, 341.045,
5 341.055, 341.065, 341.076, 341.085, 341.095, 341.105, 341.115, 341.125, 341.290,
6 341.315, 341.317, 341.405, 341.420, 341.440, 341.465, 341.527, 341.531, 341.547,
7 341.565, 341.569, 341.573, 341.577, 341.579, 341.626, 341.721, 341.933, 341.937,
8 344.070, 344.080, 344.090, 348.040, 348.050, 348.070, 348.095, 348.180, 348.186,
9 348.205, 348.210, 348.230, 348.250, 348.260, 348.265, 348.270, 348.280, 348.282,
10 348.283, 348.285, 348.290, 348.310, 348.320, 348.330, 348.340, 348.350, 348.360,
11 348.370, 348.390, 348.427, 348.429, 348.436, 348.444, 348.448, 348.500, 348.505,
12 348.520, 348.530, 348.560, 348.563, 348.570, 348.580, 348.590, 348.592, 348.604,
13 348.608, 348.611, 348.616, 348.618, 348.621, 348.625, 348.630, 348.635, 348.640,
14 348.655, 348.660, 348.665, 348.670, 348.675, 348.685, 348.690, 348.696, 348.849,
15 348.900, 351.049, 351.052, 351.054, 351.063, 351.064, 351.077, 351.203, 351.643,
16 351.647, 351.715, 351.718, 351.735, 352.730, 352.740, 352.750, 353.200, 358.575,
17 399.255, 399.265, 399.275, 411.894, 418.657, 418.658, 433.283, 442.540, 442.545,
18 461.543, 468A.245, 471.580, 656.046, 657.665, 659.850, 659.855, 660.157, 660.312,
19 660.318, 660.340, 660.343, 680.515, 684.040, 685.060 and 687.011 and sections 5,
20 9, 25 and 26, chapter 904, Oregon Laws 2009, sections 2 and 10, chapter 519,
21 Oregon Laws 2011, section 2, chapter 637, Oregon Laws 2011, section 14,
22 chapter 36, Oregon Laws 2012, section 3, chapter 94, Oregon Laws 2012, and

1 section 1, chapter 96, Oregon Laws 2012; repealing ORS 326.075, 329.757,
2 329.765, 329.775, 329.780, 341.425, 348.510, 348.540, 348.550, 351.728 and 351.738
3 and section 6, chapter 104, Oregon Laws 2012;”.

4 Delete lines 4 through 16 and insert:

5

6 **“HIGHER EDUCATION COORDINATING COMMISSION**

7

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

10 *“351.735. [(1) The Higher Education Coordinating Commission shall advise*
11 *the Oregon Education Investment Board on state goals and associated*
12 *achievement compacts for the state post-secondary education system, including*
13 *community colleges and public universities listed in ORS 352.002, and for the*
14 *Oregon Student Access Commission.]*

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

17 *“[(a) Develop a strategic plan for achieving state higher education goals,*
18 *identifying priority areas for attention and taking into consideration the con-*
19 *tributions of this state’s independent institutions and other organizations*
20 *dedicated to helping Oregonians reach state goals. Goals should include, but*
21 *need not be limited to:]*

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

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

25 *“[(C) Ensuring affordable access for qualified Oregon students at each col-*
26 *lege or public university; and]*

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

29 *“[(b) Evaluate and recommend changes to statutory goals and missions de-*
30 *scribed for community colleges in ORS 341.009 and for public universities in*

1 *ORS 351.003 and 351.009 after receiving recommendations from the appropriate*
2 *governing board. The appropriate governing board shall have decision-making*
3 *authority over program offerings to implement established goals and*
4 *missions.]*

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

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

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

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

16 *“(D) Recommended biennial appropriations for student financial aid;*
17 *and]*

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

20 *“(d) Each biennium, recommend to the Oregon Education Investment*
21 *Board a consolidated higher education budget request consistent with the fi-*
22 *nance model, including appropriations for:]*

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

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

25 *“(C) Ongoing operations for community colleges;]*

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

27 *“(E) Capital improvements.]*

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

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

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

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

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

8 “[(b) Recommend and encourage student success and completion
9 initiatives.]

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

12 “[(A) Transfers and other movements throughout the higher education sys-
13 tem;]

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

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

16 “[(D) Reciprocity agreements with other states.]

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

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

23 **“(1) As used in this section, “student access programs” means**
24 **scholarship, loan, grant and access programs described in ORS chapter**
25 **348.**

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

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

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

2 **“(A) State goals and associated achievement compacts for the state**
3 **post-secondary education system, including community colleges and**
4 **public universities listed in ORS 352.002, and for student access pro-**
5 **grams;**

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

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

14 **“(b) Adopt a strategic plan for achieving state post-secondary edu-**
15 **cation goals, taking into consideration the contributions of this state’s**
16 **independent institutions, philanthropic organizations and other or-**
17 **ganizations dedicated to helping Oregonians reach state goals. State**
18 **post-secondary education goals as described in this section should in-**
19 **clude, but need not be limited to:**

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

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

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

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

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

29 **“(c)(A) Each biennium, after receiving funding requests from the**
30 **state’s community colleges and public universities as authorized by**

1 law, recommend to the Governor and the Oregon Education Invest-
2 ment Board a consolidated higher education budget request aligned
3 with the strategic plan described in subsection (3)(b) of this section,
4 including appropriations for:

5 “(i) Student access programs;

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

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

11 “(iv) New facilities or programs;

12 “(v) Capital improvements and deferred maintenance; and

13 “(vi) Special initiatives and investments.

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

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

18 “(ii) Solicit input from educators, education policy experts, appro-
19 priate legislative committees, students and other persons interested in
20 the development of the funding model; and

21 “(iii) Solicit public input regarding educational priorities.

22 “(d) Distribute appropriations from the Legislative Assembly to
23 community colleges, public universities listed in ORS 352.002 and stu-
24 dent access programs. This distribution must be based on allocation
25 formulas developed in consultation with the state’s community col-
26 leges and public universities, as appropriate.

27 “(e) Approve or disapprove any significant change to the academic
28 program of a community college or a public university listed in ORS
29 352.002. In reaching a decision under this paragraph, the commission
30 shall consider the recommendation from the community college or

1 public university seeking to make the change to an academic program
2 that is issued pursuant to the obligation of the governing board of a
3 community college or public university to review and approve aca-
4 demic programs. The commission shall ensure that approved pro-
5 grams:

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

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

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

13 “(D) Are allocated among Oregon’s community colleges and public
14 universities to maximize the achievement of statewide needs and re-
15 quirements.

16 “(f) For public universities listed in ORS 352.002:

17 “(A) Adopt any changes to the university mission statements upon
18 a recommendation from a public university’s governing board, pursu-
19 ant to any process required by the governing board to review and ap-
20 prove changes to the university’s mission statement.

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

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

26 “(D) Approve and authorize degrees.

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

29 “(h) Oversee the licensing of career schools under ORS 345.010 to
30 345.450.

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

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

8 **“(b) Encourage student success and completion initiatives.**

9 **“(c) Improve the coordination of the provision of educational ser-**
10 **vices, including:**

11 **“(A) Transfers and coenrollment throughout the higher education**
12 **system;**

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

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

15 **“(D) Programs and grants that span multiple institutions; and**

16 **“(E) Reciprocity agreements with other states.**

17 **“(d) In coordination with the State Board of Education, enhance the**
18 **use and quality of dual credit, career and technical pathways and ef-**
19 **forts to create a culture of college attendance in this state.**

20 **“(e) In coordination with the State Workforce Investment Board,**
21 **local workforce investment boards, the Oregon Health and Science**
22 **University and independent institutions, ensure that the state’s col-**
23 **leges and universities offer programs in high-demand occupations that**
24 **meet Oregon’s workforce needs.**

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

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

30 **“(6) With the exception of the rulemaking authority granted in**

1 subsection (5) of this section, the Higher Education Coordinating
2 Commission may delegate any of its powers, duties or functions to a
3 committee of the commission or to the executive director of the com-
4 mission.

5 “(7) The Higher Education Coordinating Commission may establish
6 technical or advisory committees to assist the commission in exercis-
7 ing its powers, duties and functions.

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

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

15 “351.735. *[(1) The Higher Education Coordinating Commission shall advise*
16 *the Oregon Education Investment Board on state goals and associated*
17 *achievement compacts for the state post-secondary education system, including*
18 *community colleges and public universities listed in ORS 352.002, and for the*
19 *Oregon Student Access Commission.]*

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

22 “*[(a) Develop a strategic plan for achieving state higher education goals,*
23 *identifying priority areas for attention and taking into consideration the con-*
24 *tributions of this state’s independent institutions and other organizations*
25 *dedicated to helping Oregonians reach state goals. Goals should include, but*
26 *need not be limited to:]*

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

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

30 “*[(C) Ensuring affordable access for qualified Oregon students at each col-*

1 *lege or public university; and]*

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

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

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

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

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

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

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

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

25 *“[(d) Each biennium, recommend to the Oregon Education Investment*
26 *Board a consolidated higher education budget request consistent with the fi-*
27 *nance model, including appropriations for:]*

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

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

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

1 “(D) Needed new facilities or programs; and]
2 “(E) Capital improvements.]
3 “(e) Coordinate with the Oregon Student Access Commission to maximize
4 the effectiveness of student financial assistance programs, including the
5 Oregon Opportunity Grant program under ORS 348.260.]
6 “(f) Approve and authorize degrees for the Oregon University System.]
7 “(g) Authorize degrees to be offered in this state in accordance with ORS
8 348.594 to 348.615, and adopt any rules to implement that authority.]
9 “(3) In addition to the duties described in subsections (1) and (2) of this
10 section, the Higher Education Coordinating Commission shall:]
11 “(a) Develop and recommend policies to ensure or improve access to higher
12 education by underserved populations.]
13 “(b) Recommend and encourage student success and completion
14 initiatives.]
15 “(c) Develop and recommend policies to improve the coordination of the
16 provision of educational services, including:]
17 “(A) Transfers and other movements throughout the higher education sys-
18 tem;]
19 “(B) Accelerated college credit programs for high school students;]
20 “(C) Applied baccalaureate and other transfer degrees; and]
21 “(D) Reciprocity agreements with other states.]
22 “(d) Review research efforts among the public universities of this state to
23 improve economic development in this state.]
24 “(e) Coordinate education initiatives with the State Workforce Investment
25 Board, the Department of Community Colleges and Workforce Development,
26 local workforce investment boards, the Oregon Health and Science University
27 and independent institutions of post-secondary education.]
28 “(f) Oversee the licensing of career schools under ORS 345.010 to
29 345.450.]
30 “(1) As used in this section, “student access programs” means

1 scholarship, loan, grant and access programs described in ORS chapter
2 348.

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

7 “(3) The Higher Education Coordinating Commission shall:

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

9 “(A) State goals and associated achievement compacts for the state
10 post-secondary education system, including community colleges and
11 public universities listed in ORS 352.002, and for student access pro-
12 grams;

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

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

21 “(b) Adopt a strategic plan for achieving state post-secondary edu-
22 cation goals, taking into consideration the contributions of this state’s
23 independent institutions, philanthropic organizations and other or-
24 ganizations dedicated to helping Oregonians reach state goals. State
25 post-secondary education goals as described in this section should in-
26 clude, but need not be limited to:

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

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

30 “(C) Ensuring affordable access for qualified Oregon students at

1 each college or public university;

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

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

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

12 “(i) Student access programs;

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

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

18 “(iv) New facilities or programs;

19 “(v) Capital improvements and deferred maintenance; and

20 “(vi) Special initiatives and investments.

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

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

25 “(ii) Solicit input from educators, education policy experts, appro-
26 priate legislative committees, students and other persons interested in
27 the development of the funding model; and

28 “(iii) Solicit public input regarding educational priorities.

29 “(d) Distribute appropriations from the Legislative Assembly to
30 community colleges, public universities listed in ORS 352.002 and stu-

1 dent access programs. This distribution must be based on allocation
2 formulas developed in consultation with the state's community col-
3 leges and public universities, as appropriate.

4 “(e) Approve or disapprove any significant change to the academic
5 program of a community college or a public university listed in ORS
6 352.002. In reaching a decision under this paragraph, the commission
7 shall consider the recommendation from the community college or
8 public university seeking to make the change to an academic program
9 that is issued pursuant to the obligation of the governing board of a
10 community college or public university to review and approve aca-
11 demic programs. The commission shall ensure that approved pro-
12 grams:

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

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

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

20 “(D) Are allocated among Oregon's community colleges and public
21 universities to maximize the achievement of statewide needs and re-
22 quirements.

23 “(f) For public universities listed in ORS 352.002:

24 “(A) Adopt any changes to the university mission statements upon
25 a recommendation from a public university's governing board, pursu-
26 ant to any process required by the governing board to review and ap-
27 prove changes to the university's mission statement.

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

1 **“(C) Advise the Governor and the Legislative Assembly on issues**
2 **of university governance.**

3 **“(D) Approve and authorize degrees.**

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

6 **“(h) Oversee the licensing of career schools under ORS 345.010 to**
7 **345.450.**

8 **“(4) In addition to the duties described in subsections (2) and (3) of**
9 **this section, the Higher Education Coordinating Commission shall ad-**
10 **vide the Legislative Assembly, the Governor, community colleges,**
11 **public universities and other state boards and commissions on policies**
12 **in order to:**

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

15 **“(b) Encourage student success and completion initiatives.**

16 **“(c) Improve the coordination of the provision of educational ser-**
17 **vices, including:**

18 **“(A) Transfers and coenrollment throughout the higher education**
19 **system;**

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

21 **“(C) Applied baccalaureate and other transfer degrees;**

22 **“(D) Programs and grants that span multiple institutions; and**

23 **“(E) Reciprocity agreements with other states.**

24 **“(d) In coordination with the State Board of Education, enhance the**
25 **use and quality of dual credit, career and technical pathways and ef-**
26 **forts to create a culture of college attendance in this state.**

27 **“(e) In coordination with the State Workforce Investment Board,**
28 **local workforce investment boards, the Oregon Health and Science**
29 **University and independent institutions, ensure that the state’s col-**
30 **leges and universities offer programs in high-demand occupations that**

1 meet Oregon’s workforce needs.

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

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

7 “(6) With the exception of the rulemaking authority granted in
8 subsection (5) of this section, the Higher Education Coordinating
9 Commission may delegate any of its powers, duties or functions to a
10 committee of the commission or to the executive director of the com-
11 mission.

12 “(7) The Higher Education Coordinating Commission may establish
13 technical or advisory committees to assist the commission in exercis-
14 ing its powers, duties and functions.

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

20 “**SECTION 3.** ORS 351.735, as amended by sections 1, 3 and 5, chapter
21 104, Oregon Laws 2012, is amended to read:

22 “351.735. [*The Higher Education Coordinating Commission shall:*]

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

27 “[*(2) Develop a strategic plan for achieving state higher education goals,*
28 *identifying priority areas for attention and taking into consideration the con-*
29 *tributions of this state’s independent institutions and other organizations*
30 *dedicated to helping Oregonians reach state goals. Goals should include, but*

1 *need not be limited to:]*

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

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

5 *“[(c) Ensuring affordable access for qualified Oregon students at each col-*
6 *lege or public university; and]*

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

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

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

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

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

24 *“[(c) Tuition rates set by each community college governing board for com-*
25 *munity colleges in this state;]*

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

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

29 *“[(5) Each biennium, recommend to the Governor and the Legislative As-*
30 *sembly a consolidated higher education budget request consistent with the fi-*

1 *nance model, including appropriations for:]*

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

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

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

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

6 *“[(e) Capital improvements.]*

7 *“[(6) Coordinate with the Oregon Student Access Commission to maximize*

8 *the effectiveness of student financial assistance programs, including the*

9 *Oregon Opportunity Grant program under ORS 348.260.]*

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

11 *“[(8) Authorize degrees to be offered in this state in accordance with ORS*

12 *348.594 to 348.615, and adopt any rules to implement that authority.]*

13 *“[(9) Develop and recommend policies to ensure or improve access to higher*

14 *education by underserved populations.]*

15 *“[(10) Recommend and encourage student success and completion*

16 *initiatives.]*

17 *“[(11) Develop and recommend policies to improve the coordination of the*

18 *provision of educational services, including:]*

19 *“[(a) Transfers and other movements throughout the higher education sys-*

20 *tem;]*

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

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

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

24 *“[(12) Review research efforts among the public universities of this state to*

25 *improve economic development in this state.]*

26 *“[(13) Coordinate education initiatives with the State Workforce Investment*

27 *Board, the Department of Community Colleges and Workforce Development,*

28 *local workforce investment boards, the Oregon Health and Science University*

29 *and independent institutions of post-secondary education.]*

30 *“[(14) Oversee the licensing of career schools under ORS 345.010 to*

1 345.450.]

2 “(1) As used in this section, “student access programs” means
3 scholarship, loan, grant and access programs described in ORS chapter
4 348.

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

9 “(3) The Higher Education Coordinating Commission shall:

10 “(a) Develop state goals and associated achievement compacts for
11 the state post-secondary education system, including community col-
12 leges and public universities listed in ORS 352.002, and for student ac-
13 cess programs;

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

17 “(c) Coordinate the post-secondary elements of data collection and
18 structure, with the advice and recommendation of the state’s com-
19 munity colleges and public universities, as appropriate, in order to
20 construct a state longitudinal data system.

21 “(d) Adopt a strategic plan for achieving state post-secondary edu-
22 cation goals, taking into consideration the contributions of this state’s
23 independent institutions, philanthropic organizations and other or-
24 ganizations dedicated to helping Oregonians reach state goals. State
25 post-secondary education goals as described in this section should in-
26 clude, but need not be limited to:

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

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

30 “(C) Ensuring affordable access for qualified Oregon students at

1 each college or public university;

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

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

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

11 “(i) Student access programs;

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

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

17 “(iv) New facilities or programs;

18 “(v) Capital improvements and deferred maintenance; and

19 “(vi) Special initiatives and investments.

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

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

24 “(ii) Solicit input from educators, education policy experts, appro-
25 priate legislative committees, students and other persons interested in
26 the development of the funding model; and

27 “(iii) Solicit public input regarding educational priorities.

28 “(f) Distribute appropriations from the Legislative Assembly to
29 community colleges, public universities listed in ORS 352.002 and stu-
30 dent access programs. This distribution must be based on allocation

1 formulas developed in consultation with the state's community col-
2 leges and public universities, as appropriate.

3 **“(g) Approve or disapprove any significant change to the academic**
4 **program of a community college or a public university listed in ORS**
5 **352.002. In reaching a decision under this paragraph, the commission**
6 **shall consider the recommendation from the community college or**
7 **public university seeking to make the change to an academic program**
8 **that is issued pursuant to the obligation of the governing board of a**
9 **community college or public university to review and approve aca-**
10 **ademic programs. The commission shall ensure that approved pro-**
11 **grams:**

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

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

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

19 **“(D) Are allocated among Oregon's community colleges and public**
20 **universities to maximize the achievement of statewide needs and re-**
21 **quirements.**

22 **“(h) For public universities listed in ORS 352.002:**

23 **“(A) Adopt any changes to the university mission statements upon**
24 **a recommendation from a public university's governing board, pursu-**
25 **ant to any process required by the governing board to review and ap-**
26 **prove changes to the university's mission statement.**

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

30 **“(C) Advise the Governor and the Legislative Assembly on issues**

1 **of university governance.**

2 **“(D) Approve and authorize degrees.**

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

5 **“(j) Oversee the licensing of career schools under ORS 345.010 to**
6 **345.450.**

7 **“(4) In addition to the duties described in subsections (2) and (3) of**
8 **this section, the Higher Education Coordinating Commission shall ad-**
9 **vice the Legislative Assembly, the Governor, community colleges,**
10 **public universities and other state boards and commissions on policies**
11 **in order to:**

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

14 **“(b) Encourage student success and completion initiatives.**

15 **“(c) Improve the coordination of the provision of educational ser-**
16 **vices, including:**

17 **“(A) Transfers and coenrollment throughout the higher education**
18 **system;**

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

20 **“(C) Applied baccalaureate and other transfer degrees;**

21 **“(D) Programs and grants that span multiple institutions; and**

22 **“(E) Reciprocity agreements with other states.**

23 **“(d) In coordination with the State Board of Education, enhance the**
24 **use and quality of dual credit, career and technical pathways and ef-**
25 **forts to create a culture of college attendance in this state.**

26 **“(e) In coordination with the State Workforce Investment Board,**
27 **local workforce investment boards, the Oregon Health and Science**
28 **University and independent institutions, ensure that the state’s col-**
29 **leges and universities offer programs in high-demand occupations that**
30 **meet Oregon’s workforce needs.**

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

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

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

11 “(7) The Higher Education Coordinating Commission may establish
12 technical or advisory committees to assist the commission in exercis-
13 ing its powers, duties and functions.

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

19 “SECTION 4. ORS 351.715 is amended to read:

20 “351.715. (1) There is established a Higher Education Coordinating Com-
21 mission, consisting of [15] **13** members appointed by the Governor.

22 “(2) The Governor shall appoint:

23 “(a) One student at a public [*university listed in ORS 352.002*] **institution**
24 **of higher education;**

25 “(b) [*One student at a community college in this state*] **One faculty**
26 **member at a public institution of higher education;**

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

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

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

3 “(c) **Eleven members of the general public who are not students,**
4 **faculty members or staff of a public institution of higher education**
5 **at the time of appointment.**

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

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

11 “[(5)] **(3)** The term of office of each member is four years, except that the
12 term of office for [*the two student members*] **a student member** is two years.
13 A member serves at the pleasure of the Governor. Before the expiration of
14 the term of a member, the Governor shall appoint a successor whose term
15 begins on July 1 next following. A member is eligible for reappointment. If
16 there is a vacancy for any cause, the Governor shall make an appointment
17 to become immediately effective for the unexpired term.

18 “[(6)] **(4)** The appointment of the commission is subject to confirmation
19 by the Senate in the manner prescribed in ORS 171.562 and 171.565.

20 “[(7)] **(5)** A member of the commission is entitled to compensation and
21 expenses as provided in ORS 292.495.

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

24 “**Sec. 2.** Notwithstanding the term of office specified by [*section 1 of this*
25 *2011 Act*] ORS 351.715, [*of*] the terms of office of the members [*first appointed*
26 *to*] serving on the Higher Education Coordinating Commission[:.] expire on
27 [*June 30, 2013*] **the effective date of this 2013 Act.**

28 “[(1) Five, including the two student members, shall serve for a term ending
29 June 30, 2014.]

30 “[(2) Five shall serve for a term ending June 30, 2015.]

1 *“(3) Five shall serve for a term ending June 30, 2016.”*

2 **“SECTION 6. Notwithstanding the term of office specified by ORS**
3 **351.715, of the members first appointed after the effective date of this**
4 **2013 Act to the Higher Education Coordinating Commission:**

5 **“(1) Four, including the student member, shall serve for a term**
6 **ending June 30, 2015.**

7 **“(2) Four shall serve for a term ending June 30, 2016.**

8 **“(3) Five shall serve for a term ending June 30, 2017.**

9 **“SECTION 7. (1) The Governor may appoint the members of the**
10 **Higher Education Coordinating Commission before the operative date**
11 **specified in section 201 of this 2013 Act. The Governor shall make ini-**
12 **tial appointments of members of the Higher Education Coordinating**
13 **Commission by August 31, 2013.**

14 **“(2) Notwithstanding ORS 351.725, the Governor may appoint an**
15 **executive director of the Higher Education Coordinating Commission**
16 **before the operative date specified in section 201 of this 2013 Act.**

17 **“(3) Before the operative date specified in section 201 of this 2013**
18 **Act, the Governor and the Higher Education Coordinating Commission**
19 **may take any action that is necessary for the Higher Education Co-**
20 **ordinating Commission to exercise, on and after the operative date**
21 **specified in section 201 of this 2013 Act, all of the duties, functions and**
22 **powers conferred on the Higher Education Coordinating Commission**
23 **by the amendments to ORS 351.735 by sections 1, 2 and 3 of this 2013**
24 **Act.**

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

26 **“(1) Consistent with the laws of this state, accept money or prop-**
27 **erty not otherwise provided for under subsection (2) of this section**
28 **that is donated for the use or benefit of community colleges and use**
29 **such money or property for the purpose for which it was donated.**
30 **Until it is used, the commission shall deposit any moneys received**

1 under this subsection in a special fund with the State Treasurer as
2 provided in ORS 293.265 to 293.275.

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

6 “(a) Educational purposes;

7 “(b) Career and technical education programs at community col-
8 leges;

9 “(c) Adult education programs;

10 “(d) Workforce training programs; and

11 “(e) Any grants available to this state or its political subdivisions
12 for general federal aid for community colleges and their auxiliary
13 services, improvement of teacher preparation, teacher salaries, con-
14 struction of school buildings, administration of the commission and
15 any other educational activities under the jurisdiction of the commis-
16 sion.

17 “NOTE: Section 9 was deleted by amendment. Subsequent sections were
18 not renumbered.

19

20 “ESTABLISHMENT OF OFFICE
21 OF STUDENT ACCESS AND COMPLETION

22

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

26 “(2) The executive director of the Higher Education Coordinating
27 Commission shall appoint the Executive Director of the Office of Stu-
28 dent Access and Completion.

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

1 **Completion.**

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

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

7 **“SECTION 11. (1) The executive director of the Higher Education**
8 **Coordinating Commission may appoint the Executive Director of the**
9 **Office of Student Access and Completion before the operative date**
10 **specified in section 201 of this 2013 Act.**

11 **“(2) The commission, the Executive Director of the Office of Stu-**
12 **dent Access and Completion and the Office of Student Access and**
13 **Completion may take any action before the operative date specified in**
14 **section 201 of this 2013 Act that is necessary for the commission,**
15 **executive director and office to exercise, on and after the operative**
16 **date specified in section 201 of this 2013 Act, all of the duties, functions**
17 **and powers conferred on the commission, the executive director and**
18 **the office by this section and section 10 of this 2013 Act.**

19

20 **“TRANSFER OF AUTHORITY OF**
21 **OREGON STUDENT ACCESS COMMISSION**

22

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

25 **“SECTION 13. (1) The Oregon Student Access Commission is abol-**
26 **ished.**

27 **“(2)(a) With respect to policy making and the adjudication of dis-**
28 **putes, all the duties, functions and powers of the Oregon Student Ac-**
29 **cess Commission are imposed upon, transferred to and vested in the**
30 **Higher Education Coordinating Commission.**

1 **“(b) With respect to administrative authority, all the duties, func-**
2 **tions and powers of the Oregon Student Access Commission are im-**
3 **posed upon, transferred to and vested in the Office of Student Access**
4 **and Completion.**

5 **“(3) On the operative date of this section, the Oregon Student Ac-**
6 **cess Commission shall:**

7 **“(a) Deliver to the Office of Student Access and Completion all re-**
8 **ords and property within the jurisdiction of the commission that re-**
9 **late to the duties, functions and powers transferred to and assumed**
10 **by the office under this section.**

11 **“(b) Transfer to the office those employees engaged primarily in the**
12 **exercise of the duties, functions and powers transferred to and as-**
13 **sumed by the office under this section.**

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

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

24 **“SECTION 14. (1) The unexpended balances of amounts authorized**
25 **to be expended by the Oregon Student Access Commission for the**
26 **biennium beginning July 1, 2013, from revenues dedicated, contin-**
27 **uously appropriated, appropriated or otherwise made available for the**
28 **purpose of administering and enforcing the duties, functions and**
29 **powers transferred by the provisions of section 13 of this 2013 Act are**
30 **transferred to and are available for expenditure by the Office of Stu-**

1 dent Access and Completion for the biennium beginning July 1, 2013,
2 for the purpose of administering and enforcing the duties, functions
3 and powers transferred by section 13 of this 2013 Act.

4 “(2) The expenditure classifications, if any, established by Acts au-
5 thORIZING or limiting expenditures by the Oregon Student Access
6 Commission remain applicable to expenditures by the Office of Student
7 Access and Completion under this section.

8 “SECTION 15. The transfer of duties, functions and powers to the
9 Higher Education Coordinating Commission and Office of Student Ac-
10 cess and Completion by section 13 of this 2013 Act does not affect any
11 action, proceeding or prosecution involving or with respect to such
12 duties, functions and powers begun before and pending at the time of
13 the transfer, except that the Higher Education Coordinating Commis-
14 sion or Office of Student Access and Completion is substituted for the
15 Oregon Student Access Commission in the action, proceeding or pros-
16 ecution.

17 “SECTION 16. (1) Nothing in sections 13 to 15 of this 2013 Act re-
18 lieves a person of a liability, duty or obligation accruing under or with
19 respect to the duties, functions and powers transferred by section 13
20 of this 2013 Act. The Office of Student Access and Completion may
21 undertake the collection or enforcement of any such liability, duty or
22 obligation.

23 “(2) The rights and obligations of the Oregon Student Access Com-
24 mission legally incurred under contracts, leases and business trans-
25 actions executed, entered into or begun before the operative date of
26 section 13 of this 2013 Act accruing under or with respect to the duties,
27 functions and powers transferred by section 13 of this 2013 Act are
28 transferred to the Office of Student Access and Completion. For the
29 purpose of succession to these rights and obligations, the office is a
30 continuation of the commission and not a new authority.

1 **“SECTION 17. (1) Notwithstanding the transfer of duties, functions**
2 **and powers by section 13 of this 2013 Act, the rules of the Oregon**
3 **Student Access Commission in effect on the operative date of section**
4 **13 of this 2013 Act continue in effect until superseded or repealed by**
5 **rules of the Higher Education Coordinating Commission.**

6 **“(2) References in rules of the Oregon Student Access Commission**
7 **to the commission or an officer or employee of the commission are**
8 **considered to be references to the Office of Student Access and Com-**
9 **pletion or to an officer or employee of the office.**

10 **“SECTION 18. The Oregon Student Access Commission, Higher Ed-**
11 **ucation Coordinating Commission and Office of Student Access and**
12 **Completion may take any action before the operative date specified in**
13 **section 201 of this 2013 Act that is necessary to enable the office to**
14 **exercise, on and after the operative date specified in section 201 of this**
15 **2013 Act, all the duties, functions and powers conferred on the office**
16 **and the Higher Education Coordinating Commission by section 13 of**
17 **this 2013 Act.**

18
19 **“TRANSFER OF AUTHORITY OF STATE BOARD OF EDUCATION**
20 **OVER COMMUNITY COLLEGES**

21
22 **“SECTION 19. (1) With respect to the oversight, rulemaking and**
23 **policy making over community colleges, including but not limited to**
24 **the direction and control of the Department of Community Colleges**
25 **and Workforce Development and the Commissioner for Community**
26 **College Services, all the duties, functions and powers of the State**
27 **Board of Education are imposed upon, transferred to and vested in the**
28 **Higher Education Coordinating Commission.**

29 **“(2) On the operative date of this section, the State Board of Edu-**
30 **cation shall:**

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

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

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

14 “(4) The Governor shall resolve any dispute between the State
15 Board of Education and the Higher Education Coordinating Commis-
16 sion relating to transfers of records, property and employees under
17 this section, and the Governor’s decision is final.

18 “SECTION 20. (1) The unexpended balances of amounts authorized
19 to be expended by the State Board of Education for the biennium be-
20 ginning July 1, 2013, from revenues dedicated, continuously appropri-
21 ated, appropriated or otherwise made available for the purpose of
22 administering and enforcing the duties, functions and powers trans-
23 ferred by the provisions of section 19 of this 2013 Act are transferred
24 to and are available for expenditure by the Higher Education Coordi-
25 nating Commission for the biennium beginning July 1, 2013, for the
26 purpose of administering and enforcing the duties, functions and
27 powers transferred by section 19 of this 2013 Act.

28 “(2) The expenditure classifications, if any, established by Acts au-
29 thorizing or limiting expenditures by the State Board of Education
30 remain applicable to expenditures by the Higher Education Coordi-

1 nating Commission under this section.

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

9 **“SECTION 22.** (1) Nothing in sections 19 to 21 of this 2013 Act re-
10 lieves a person of a liability, duty or obligation accruing under or with
11 respect to the duties, functions and powers transferred by section 19
12 of this 2013 Act. The Higher Education Coordinating Commission may
13 undertake the collection or enforcement of any such liability, duty or
14 obligation.

15 **“(2)** The rights and obligations of the State Board of Education le-
16 gally incurred under contracts, leases and business transactions exe-
17 cuted, entered into or begun before the operative date of section 19 of
18 this 2013 Act accruing under or with respect to the duties, functions
19 and powers transferred by section 19 of this 2013 Act are transferred
20 to the Higher Education Coordinating Commission. For the purpose
21 of succession to these rights and obligations, the commission is a
22 continuation of the board and not a new authority.

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

28 **“(2)** References in rules of the State Board of Education to the
29 board or an officer or employee of the board are considered to be ref-
30 erences to the Higher Education Coordinating Commission or to an

1 officer or employee of the commission.

2 **“SECTION 24.** The State Board of Education and the Higher Edu-
3 cation Coordinating Commission may take any action before the op-
4 erative date specified in section 201 of this 2013 Act that is necessary
5 to enable the commission to exercise, on and after the operative date
6 specified in section 201 of this 2013 Act, all the duties, functions and
7 powers conferred on the Higher Education Coordinating Commission
8 by section 19 of this 2013 Act.

9
10 **“CONSTITUTION AND BONDING PROVISIONS**

11
12 **“SECTION 25.** For purposes of Article XV, section 8, of the Oregon
13 Constitution, a person employed by the State Board of Higher Educa-
14 tion includes a person who:

15 **“(1)** Was employed by the board on the date before the effective date
16 of this 2013 Act and who, as a result of sections 6 to 24 of this 2013 Act
17 and the amendments to ORS 351.715 and 351.735 and section 2, chapter
18 637, Oregon Laws 2011, by sections 1 to 5 of this 2013 Act, is employed
19 by another agency or public corporation of this state in a capacity that
20 was within the authority of the board on the date before the effective
21 date of this 2013 Act.

22 **“(2)** On or after the effective date of this 2013 Act, is employed by
23 an agency or public corporation in a capacity that was within the au-
24 thority of the board before the effective date of this 2013 Act.

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

28 **“(1)** The State Board of Higher Education on the date before the
29 effective date of this 2013 Act that, as a result of sections 6 to 24 of
30 this 2013 Act and the amendments to ORS 351.715 and 351.735 and sec-

1 tion 2, chapter 637, Oregon Laws 2011, by sections 1 to 5 of this 2013
2 Act, is on the effective date of this 2013 Act owned by another agency
3 or public corporation of this state and used for purposes within the
4 authority of the board on the date before the effective date of this 2013
5 Act.

6 “(2) An agency or public corporation of this state on or after the
7 effective date of this 2013 Act and used for purposes within the au-
8 thority of the board before the effective date of this 2013 Act.

9 “SECTION 27. (1) Nothing in sections 25 and 26 of this 2013 Act shall
10 be construed in any way to impair the obligations or agreements of the
11 State of Oregon or the State Board of Higher Education with respect
12 to bonds, certificates of participation, financing agreements or other
13 agreements for the borrowing of money issued prior to the operative
14 date specified in section 201 of this 2013 Act by the State of Oregon on
15 behalf of the State Board of Higher Education. A public university and
16 the Oregon University System shall take all actions necessary to en-
17 sure full compliance with all indentures, resolutions, declarations,
18 agreements and other documents issued with respect to the bonds,
19 certificates of participation, financing agreements or other agreements
20 for the borrowing of money issued prior to the operative date specified
21 in section 201 of this 2013 Act by the State of Oregon on behalf of the
22 State Board of Higher Education. The Oregon University System and
23 a public university shall establish, in a written agreement that shall
24 be subject to the approval of the State Treasurer, the responsibility
25 of the public university for the payment to the State Board of Higher
26 Education of moneys sufficient to pay when due all principal, interest
27 and any other charges on bonds, certificates of participation, financing
28 agreements or other agreements for the borrowing of money issued
29 prior to the operative date specified in section 201 of this 2013 Act by
30 the State of Oregon on behalf of the State Board of Higher Education.

1 **“(2) Holders of obligations issued by a public university on or after**
2 **the operative date specified in section 201 of this 2013 Act may be paid**
3 **pari passu with the obligations issued by the State of Oregon on behalf**
4 **of the State Board of Higher Education for the public university prior**
5 **to the operative date specified in section 201 of this 2013 Act from the**
6 **tuition, fees, rents, revenues, receipts, appropriations or other income**
7 **of the public university, but only to the extent that:**

8 **“(a) The holders have no rights, liens or other interests with respect**
9 **to the tuition, fees, rents, revenues, receipts, appropriations or other**
10 **income of the university that are senior or superior to the rights**
11 **granted to the holders of obligations issued prior to the operative date**
12 **specified in section 201 of this 2013 Act by the State of Oregon on be-**
13 **half of the State Board of Higher Education; and**

14 **“(b) The State Board of Higher Education, the Oregon Department**
15 **of Administrative Services or the State of Oregon, acting for the ben-**
16 **efit of such holders of obligations, is granted a lien or other security**
17 **interest in the tuition, fees, rents, revenues, receipts, appropriations**
18 **or other income of the public university that is not junior to and is**
19 **at least pari passu with any lien or other security interest granted to**
20 **the holders of obligations issued by the public university.**

21 **“(3) Any expenses, including legal expenses, judgments, liabilities**
22 **and federal arbitrage and rebate penalties arising from the actions of**
23 **the public university, if incurred with respect to bonds, certificates of**
24 **participation, financing agreements or other agreements for the bor-**
25 **rowing of money issued prior to the operative date specified in section**
26 **201 of this 2013 Act by the State of Oregon on behalf of the State Board**
27 **of Higher Education, shall be paid when due by the public university,**
28 **subject to the public university’s right to reasonably contest the**
29 **charges, judgments, liabilities or penalties. The public university shall**
30 **assist the Controller of the Oregon University System in making any**

1 necessary calculations and filing any necessary reports related to
2 arbitrage and rebate on the indebtedness.

3 “(4) Any amounts deposited with the State Treasurer, the Control-
4 ler of the Oregon University System, the Oregon Department of Ad-
5 ministrative Services or their designated agents in any debt service in
6 reserve accounts for the debt service associated with any bonds, cer-
7 tificates of participation, financing agreements or other agreements
8 for the borrowing of money issued prior to the operative date specified
9 in section 201 of this 2013 Act by the State of Oregon on behalf of the
10 State Board of Higher Education shall remain with the State Treas-
11 urer, the Controller of the Oregon University System, the Oregon De-
12 partment of Administrative Services or their designated agents until
13 the time that the bonds, certificates of participation, financing agree-
14 ments or other agreements for the borrowing of money for which the
15 reserve accounts have been established have been retired or defeased.
16 The public university shall be credited with the investment earnings
17 on the reserve accounts.

18 “SECTION 28. (1) Nothing in sections 19 to 21 of this 2013 Act shall
19 be construed in any way to impair the obligations or agreements of the
20 State of Oregon or the State Board of Education with respect to bonds,
21 certificates of participation, financing agreements or other agreements
22 for the borrowing of money issued prior to the operative date specified
23 in section 201 of this 2013 Act by the State of Oregon on behalf of
24 community colleges. A community college and the State Board of Ed-
25 ucation shall take all actions necessary to ensure full compliance with
26 all indentures, resolutions, declarations, agreements and other docu-
27 ments issued with respect to the bonds, certificates of participation,
28 financing agreements or other agreements for the borrowing of money
29 issued prior to the operative date specified in section 201 of this 2013
30 Act by the State of Oregon on behalf of the State Board of Education.

1 **The State Board of Education and a community college shall establish,**
2 **in a written agreement that shall be subject to the approval of the**
3 **State Treasurer, the responsibility of the community college for the**
4 **payment to the State Board of Education of moneys sufficient to pay**
5 **when due all principal, interest and any other charges on bonds, cer-**
6 **tificates of participation, financing agreements or other agreements**
7 **for the borrowing of money issued prior to the operative date specified**
8 **in section 201 of this 2013 Act by the State of Oregon on behalf of the**
9 **State Board of Education.**

10 **“(2) Holders of obligations issued by a community college on or af-**
11 **ter the operative date specified in section 201 of this 2013 Act may be**
12 **paid pari passu with the obligations issued by the State of Oregon on**
13 **behalf of the State Board of Education for the community college prior**
14 **to the operative date specified in section 201 of this 2013 Act from the**
15 **tuition, fees, rents, revenues, receipts, appropriations or other income**
16 **of the community college, but only to the extent that:**

17 **“(a) The holders have no rights, liens or other interests with respect**
18 **to the tuition, fees, rents, revenues, receipts, appropriations or other**
19 **income of the community college that are senior or superior to the**
20 **rights granted to the holders of obligations issued prior to the opera-**
21 **tive date specified in section 201 of this 2013 Act by the State of Oregon**
22 **on behalf of the State Board of Education; and**

23 **“(b) The State Board of Education, the Oregon Department of Ad-**
24 **ministrative Services or the State of Oregon, acting for the benefit of**
25 **such holders of obligations, is granted a lien or other security interest**
26 **in the tuition, fees, rents, revenues, receipts, appropriations or other**
27 **income of the community college that is not junior to and is at least**
28 **pari passu with any lien or other security interest granted to the**
29 **holders of obligations issued by the community college.**

30 **“(3) Any expenses, including legal expenses, judgments, liabilities**

1 and federal arbitrage and rebate penalties arising from the actions of
2 the community college, if incurred with respect to bonds, certificates
3 of participation, financing agreements or other agreements for the
4 borrowing of money issued prior to the operative date specified in
5 section 201 of this 2013 Act by the State of Oregon on behalf of the
6 State Board of Education, shall be paid when due by the community
7 college, subject to the community college's right to reasonably contest
8 the charges, judgments, liabilities or penalties. The community college
9 shall assist the Higher Education Coordinating Commission and the
10 Department of Education in making any necessary calculations and
11 filing any necessary reports related to arbitrage and rebate on the
12 indebtedness.

13 “(4) Any amounts deposited with the State Treasurer, the Higher
14 Education Coordinating Commission, the Department of Education,
15 the Oregon Department of Administrative Services or their designated
16 agents in any debt service in reserve accounts for the debt service
17 associated with any bonds, certificates of participation, financing
18 agreements or other agreements for the borrowing of money issued
19 prior to the operative date specified in section 201 of this 2013 Act by
20 the State of Oregon on behalf of the State Board of Education shall
21 remain with the State Treasurer, the Higher Education Coordinating
22 Commission, the Department of Education, the Oregon Department
23 of Administrative Services or their designated agents until the time
24 that the bonds, certificates of participation, financing agreements or
25 other agreements for the borrowing of money for which the reserve
26 accounts have been established have been retired or defeased. The
27 community college shall be credited with the investment earnings on
28 the reserve accounts.

29

30

“AUTHORITY OF OREGON EDUCATION

**INVESTMENT BOARD;
CONFORMING AMENDMENTS**

1
2
3
4 **“SECTION 29.** Section 2, chapter 519, Oregon Laws 2011, as amended by
5 section 1, chapter 36, Oregon Laws 2012, is amended to read:

6 **“Sec. 2.** (1) The Oregon Education Investment Board established by sec-
7 tion 1, chapter 519, Oregon Laws 2011, shall appoint a Chief Education Of-
8 ficer who shall serve at the pleasure of the board.

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

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

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

14 “(3)(a) For the purpose of furthering the mission of the Oregon Education
15 Investment Board to oversee a unified public education system, the Chief
16 Education Officer shall have direction and control over the positions iden-
17 tified in paragraph (b) of this subsection for matters related to the design
18 and organization of the state’s education system, including early childhood
19 services provided by the state.

20 “(b) The positions over which the Chief Education Officer shall have di-
21 rection and control are:

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

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

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

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

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

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

29 “(c) The authority of the Chief Education Officer granted under para-
30 graph (a) of this subsection does not include the authority to appoint or re-

1 move a person from a position identified in paragraph (b) of this subsection.

2 “(d) If a person in a position identified in paragraph (b) of this subsection
3 is appointed by an entity other than the Governor, the Governor shall re-
4 solve any dispute between the Chief Education Officer and the appointing
5 authority of the person. The Governor’s decision is final.

6 **“SECTION 30.** Section 14, chapter 36, Oregon Laws 2012, is amended to
7 read:

8 **“Sec. 14.** (1) For the purposes of this section:

9 “(a) ‘Achievement compact’ means an agreement entered into between the
10 Oregon Education Investment Board and the governing body of an education
11 entity as described in this section.

12 “(b) ‘Education entity’ means:

13 “(A) A school district, as defined in ORS 332.002;

14 “(B) An education service district operated under ORS chapter 334;

15 “(C) A community college district or community college service district
16 operated under ORS chapter 341;

17 “(D) The Oregon University System established by ORS 351.011;

18 “(E) A public university [*of the Oregon University System, as*] listed in
19 ORS 352.002; and

20 “(F) The health professions and graduate science programs of the Oregon
21 Health and Science University operated under ORS chapter 353.

22 “(c) ‘Governing body of an education entity’ means:

23 “(A) For a school district, the school district board.

24 “(B) For an education service district, the board of directors of the edu-
25 cation service district.

26 “(C) For a community college district or a community college service
27 district, the board of education of the community college district.

28 “(D) For the Oregon University System, the State Board of Higher Edu-
29 cation.

30 “(E) For a public university [*of the Oregon University System*], the presi-

1 dent of the university.

2 “(F) For the Oregon Health and Science University, the Oregon Health
3 and Science University Board of Directors.

4 “(2)(a) Prior to the beginning of each fiscal year, the governing body of
5 each education entity must enter into an achievement compact with the
6 Oregon Education Investment Board for the fiscal year.

7 “(b) Governing bodies of education entities identified in subsection
8 (1)(b)(A) to (C) of this section shall enter into achievement compacts as part
9 of the budgeting process under ORS 294.305 to 294.565 and shall submit
10 achievement compacts to the board prior to July 1 of each year.

11 “(c) The board shall specify a process for adoption and a timeline for
12 submission of achievement compacts for education entities identified in sub-
13 section (1)(b)(D) to (F) of this section.

14 “(d) The board shall provide to each school district a number quantifying
15 the district’s estimated level of funding for the next fiscal year compared to
16 the determination of funding needed to ensure that the state’s system of
17 kindergarten through grade 12 public education meets the quality goals
18 specified under ORS 327.506.

19 “(3)(a) The board shall establish the terms for achievement compacts.

20 “(b) The terms of an achievement compact may include:

21 “(A) A description of goals for outcomes that are consistent with the ed-
22 ucational goals identified in ORS 329.015, the findings described in ORS
23 351.003 and the mission of education provided in ORS 351.009.

24 “(B) A description of the outcomes and measures of progress that will
25 allow each education entity to quantify:

26 “(i) Completion rates for:

27 “(I) Critical stages of learning and programs of study;

28 “(II) The attainment of diplomas, certificates and degrees; and

29 “(III) Achieving the high school and post-secondary education goals es-
30 tablished in ORS 351.009 and a projection of the progress needed to achieve

1 those goals by 2025;

2 “(ii) Validations of the quality of knowledge and skills acquired by stu-
3 dents of the education entity; and

4 “(iii) The relevance of the knowledge and skills acquired by the students
5 of the education entity and the means by which those skills and knowledge
6 will contribute to the workforce, the economy and society as described in
7 state policy.

8 “(C) Other information suggested by the governing body of an education
9 entity and approved by the board.

10 “(c) Notwithstanding the terms described in paragraph (b) of this sub-
11 section, for an achievement compact entered into by an education entity
12 identified in subsection (1)(b)(F) of this section, the terms of the achievement
13 compact shall be limited to the enrollment of, and attainment of degrees by,
14 Oregon residents in programs for which the state provides funding.

15 “(4)(a) The governing body of each education entity shall identify a target
16 number and percentage of students for achievement of the outcomes, meas-
17 ures of progress and goals specified in the achievement compact for the fiscal
18 year.

19 “(b) The governing body of each education entity shall provide a target
20 number and percentage of students for the aggregate of all disadvantaged
21 subgroups, as defined by federal law or specified by rules adopted by the
22 board. The target number and percentage of students must reflect the edu-
23 cation entity’s goals of improving education outcomes for disadvantaged
24 student groups and closing any student achievement gaps between disadvan-
25 taged student groups and other student groups.

26 “(5) As part of the process of entering into an achievement compact, the
27 governing body of an education entity shall ensure that open communi-
28 cations are provided to parents, students, teachers or faculty, employees,
29 exclusive bargaining representatives and community representatives for the
30 purposes of explaining and discussing the outcomes, measures of progress,

1 goals and targets specified in the achievement compact for the fiscal year.
2 The open communications must be provided during each education entity's
3 public budget process.

4 “(6) The board shall specify the format of the achievement compacts and
5 provide model achievement compacts to the governing body of each education
6 entity.

7 “(7) The board may adopt a timeline and method for governing bodies of
8 education entities to provide the board with a report at the end of a fiscal
9 year that describes the achievements made by the education entities during
10 the fiscal year. The report:

11 “(a) Must include disaggregated data for each disadvantaged student
12 group specified by the board; and

13 “(b) May state achievements in numbers and percentages and in relation
14 to the outcomes, measures of progress, goals and targets specified in the
15 achievement compact for the fiscal year.

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

18 “244.050. (1) On or before April 15 of each year the following persons shall
19 file with the Oregon Government Ethics Commission a verified statement of
20 economic interest as required under this chapter:

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

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

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

29 “(d) The Deputy Attorney General.

30 “(e) The Legislative Administrator, the Legislative Counsel, the Legisla-

1 tive Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the
2 House of Representatives.

3 “(f) The Chancellor and Vice Chancellors of the Oregon University Sys-
4 tem and the president and vice presidents, or their administrative equiv-
5 alents, in each public university listed in ORS 352.002.

6 “(g) The following state officers:

7 “(A) Adjutant General.

8 “(B) Director of Agriculture.

9 “(C) Manager of State Accident Insurance Fund Corporation.

10 “(D) Water Resources Director.

11 “(E) Director of Department of Environmental Quality.

12 “(F) Director of Oregon Department of Administrative Services.

13 “(G) State Fish and Wildlife Director.

14 “(H) State Forester.

15 “(I) State Geologist.

16 “(J) Director of Human Services.

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

18 “(L) Director of the Department of State Lands.

19 “(M) State Librarian.

20 “(N) Administrator of Oregon Liquor Control Commission.

21 “(O) Superintendent of State Police.

22 “(P) Director of the Public Employees Retirement System.

23 “(Q) Director of Department of Revenue.

24 “(R) Director of Transportation.

25 “(S) Public Utility Commissioner.

26 “(T) Director of Veterans’ Affairs.

27 “(U) Executive director of Oregon Government Ethics Commission.

28 “(V) Director of the State Department of Energy.

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

30 “(X) Director of the Department of Corrections.

- 1 “(Y) Director of the Oregon Department of Aviation.
- 2 “(Z) Executive director of the Oregon Criminal Justice Commission.
- 3 “(AA) Director of the Oregon Business Development Department.
- 4 “(BB) Director of the Office of Emergency Management.
- 5 “(CC) Director of the Employment Department.
- 6 “(DD) Chief of staff for the Governor.
- 7 “(EE) Administrator of the Office for Oregon Health Policy and Research.
- 8 “(FF) Director of the Housing and Community Services Department.
- 9 “(GG) State Court Administrator.
- 10 “(HH) Director of the Department of Land Conservation and Develop-
- 11 ment.
- 12 “(II) Board chairperson of the Land Use Board of Appeals.
- 13 “(JJ) State Marine Director.
- 14 “(KK) Executive director of the Oregon Racing Commission.
- 15 “(LL) State Parks and Recreation Director.
- 16 “(MM) Public defense services executive director.
- 17 “(NN) Chairperson of the Public Employees’ Benefit Board.
- 18 “(OO) Director of the Department of Public Safety Standards and Train-
- 19 ing.
- 20 “(PP) [*Chairperson of the Oregon Student Access Commission*] **Executive**
- 21 **Director of the Higher Education Coordinating 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
- 27 and clerical personnel.
- 28 “(i) Every elected city or county official.
- 29 “(j) Every member of a city or county planning, zoning or development
- 30 commission.

1 “(k) The chief executive officer of a city or county who performs the du-
2 ties of manager or principal administrator of the city or county.

3 “(L) Members of local government boundary commissions formed under
4 ORS 199.410 to 199.519.

5 “(m) Every member of a governing body of a metropolitan service district
6 and the executive officer thereof.

7 “(n) Each member of the board of directors of the State Accident Insur-
8 ance Fund Corporation.

9 “(o) The chief administrative officer and the financial officer of each
10 common and union high school district, education service district and com-
11 munity college district.

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

13 “(A) Board of Geologic and Mineral Industries.

14 “(B) Oregon Business Development Commission.

15 “(C) State Board of Education.

16 “(D) Environmental Quality Commission.

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

18 “(F) State Board of Forestry.

19 “(G) Oregon Government Ethics Commission.

20 “(H) Oregon Health Policy Board.

21 “(I) State Board of Higher Education.

22 “(J) Oregon Investment Council.

23 “(K) Land Conservation and Development Commission.

24 “(L) Oregon Liquor Control Commission.

25 “(M) Oregon Short Term Fund Board.

26 “(N) State Marine Board.

27 “(O) Mass transit district boards.

28 “(P) Energy Facility Siting Council.

29 “(Q) Board of Commissioners of the Port of Portland.

30 “(R) Employment Relations Board.

1 “(S) Public Employees Retirement Board.
2 “(T) Oregon Racing Commission.
3 “(U) Oregon Transportation Commission.
4 “(V) Wage and Hour Commission.
5 “(W) Water Resources Commission.
6 “(X) Workers’ Compensation Board.
7 “(Y) Oregon Facilities Authority.
8 “(Z) Oregon State Lottery Commission.
9 “(AA) Pacific Northwest Electric Power and Conservation Planning
10 Council.
11 “(BB) Columbia River Gorge Commission.
12 “(CC) Oregon Health and Science University Board of Directors.
13 “(DD) Capitol Planning Commission.
14 “(EE) Higher Education Coordinating Commission.
15 “(FF) Oregon Growth Board.
16 “(GG) **Early Learning Council.**
17 “(HH) **The governing board of a public university listed in ORS**
18 **352.002.**
19 “(q) The following officers of the State Treasurer:
20 “(A) Deputy State Treasurer.
21 “(B) Chief of staff for the office of the State Treasurer.
22 “(C) Director of the Investment Division.
23 “(r) Every member of the board of commissioners of a port governed by
24 ORS 777.005 to 777.725 or 777.915 to 777.953.
25 “(s) Every member of the board of directors of an authority created under
26 ORS 441.525 to 441.595.
27 “(2) By April 15 next after the date an appointment takes effect, every
28 appointed public official on a board or commission listed in subsection (1)
29 of this section shall file with the Oregon Government Ethics Commission a
30 statement of economic interest as required under ORS 244.060, 244.070 and

1 244.090.

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

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

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

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

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

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

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

1 members of the Legislative Assembly.

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

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

7 “(d) The Deputy Attorney General.

8 “(e) The Legislative Administrator, the Legislative Counsel, the Legisla-
9 tive Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the
10 House of Representatives.

11 “(f) The Chancellor and Vice Chancellors of the Oregon University Sys-
12 tem and the president and vice presidents, or their administrative equiv-
13 alents, in each public university listed in ORS 352.002.

14 “(g) The following state officers:

15 “(A) Adjutant General.

16 “(B) Director of Agriculture.

17 “(C) Manager of State Accident Insurance Fund Corporation.

18 “(D) Water Resources Director.

19 “(E) Director of Department of Environmental Quality.

20 “(F) Director of Oregon Department of Administrative Services.

21 “(G) State Fish and Wildlife Director.

22 “(H) State Forester.

23 “(I) State Geologist.

24 “(J) Director of Human Services.

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

26 “(L) Director of the Department of State Lands.

27 “(M) State Librarian.

28 “(N) Administrator of Oregon Liquor Control Commission.

29 “(O) Superintendent of State Police.

30 “(P) Director of the Public Employees Retirement System.

- 1 “(Q) Director of Department of Revenue.
- 2 “(R) Director of Transportation.
- 3 “(S) Public Utility Commissioner.
- 4 “(T) Director of Veterans’ Affairs.
- 5 “(U) Executive director of Oregon Government Ethics Commission.
- 6 “(V) Director of the State Department of Energy.
- 7 “(W) Director and each assistant director of the Oregon State Lottery.
- 8 “(X) Director of the Department of Corrections.
- 9 “(Y) Director of the Oregon Department of Aviation.
- 10 “(Z) Executive director of the Oregon Criminal Justice Commission.
- 11 “(AA) Director of the Oregon Business Development Department.
- 12 “(BB) Director of the Office of Emergency Management.
- 13 “(CC) Director of the Employment Department.
- 14 “(DD) Chief of staff for the Governor.
- 15 “(EE) Administrator of the Office for Oregon Health Policy and Research.
- 16 “(FF) Director of the Housing and Community Services Department.
- 17 “(GG) State Court Administrator.
- 18 “(HH) Director of the Department of Land Conservation and Develop-
- 19 ment.
- 20 “(II) Board chairperson of the Land Use Board of Appeals.
- 21 “(JJ) State Marine Director.
- 22 “(KK) Executive director of the Oregon Racing Commission.
- 23 “(LL) State Parks and Recreation Director.
- 24 “(MM) Public defense services executive director.
- 25 “(NN) Chairperson of the Public Employees’ Benefit Board.
- 26 “(OO) Director of the Department of Public Safety Standards and Train-
- 27 ing.
- 28 “(PP) [*Chairperson of the Oregon Student Access Commission*] **Executive**
- 29 **Director of the Higher Education Coordinating Commission.**
- 30 “(QQ) Executive director of the Oregon Watershed Enhancement Board.

- 1 “(RR) Director of the Oregon Youth Authority.
- 2 “(SS) Director of the Oregon Health Authority.
- 3 “(TT) Deputy Superintendent of Public Instruction.
- 4 “(h) Any assistant in the Governor’s office other than personal secretaries
5 and clerical personnel.
- 6 “(i) Every elected city or county official.
- 7 “(j) Every member of a city or county planning, zoning or development
8 commission.
- 9 “(k) The chief executive officer of a city or county who performs the du-
10 ties of manager or principal administrator of the city or county.
- 11 “(L) Members of local government boundary commissions formed under
12 ORS 199.410 to 199.519.
- 13 “(m) Every member of a governing body of a metropolitan service district
14 and the executive officer thereof.
- 15 “(n) Each member of the board of directors of the State Accident Insur-
16 ance Fund Corporation.
- 17 “(o) The chief administrative officer and the financial officer of each
18 common and union high school district, education service district and com-
19 munity college district.
- 20 “(p) Every member of the following state boards and commissions:
- 21 “(A) Board of Geologic and Mineral Industries.
- 22 “(B) Oregon Business Development Commission.
- 23 “(C) State Board of Education.
- 24 “(D) Environmental Quality Commission.
- 25 “(E) Fish and Wildlife Commission of the State of Oregon.
- 26 “(F) State Board of Forestry.
- 27 “(G) Oregon Government Ethics Commission.
- 28 “(H) Oregon Health Policy Board.
- 29 “(I) State Board of Higher Education.
- 30 “(J) Oregon Investment Council.

- 1 “(K) Land Conservation and Development Commission.
- 2 “(L) Oregon Liquor Control Commission.
- 3 “(M) Oregon Short Term Fund Board.
- 4 “(N) State Marine Board.
- 5 “(O) Mass transit district boards.
- 6 “(P) Energy Facility Siting Council.
- 7 “(Q) Board of Commissioners of the Port of Portland.
- 8 “(R) Employment Relations Board.
- 9 “(S) Public Employees Retirement Board.
- 10 “(T) Oregon Racing Commission.
- 11 “(U) Oregon Transportation Commission.
- 12 “(V) Wage and Hour Commission.
- 13 “(W) Water Resources Commission.
- 14 “(X) Workers’ Compensation Board.
- 15 “(Y) Oregon Facilities Authority.
- 16 “(Z) Oregon State Lottery Commission.
- 17 “(AA) Pacific Northwest Electric Power and Conservation Planning
18 Council.
- 19 “(BB) Columbia River Gorge Commission.
- 20 “(CC) Oregon Health and Science University Board of Directors.
- 21 “(DD) Capitol Planning Commission.
- 22 “(EE) Higher Education Coordinating Commission.
- 23 “(FF) **Early Learning Council.**
- 24 “(GG) **The governing board of a public university listed in ORS**
25 **352.002.**
- 26 “(q) The following officers of the State Treasurer:
- 27 “(A) Deputy State Treasurer.
- 28 “(B) Chief of staff for the office of the State Treasurer.
- 29 “(C) Director of the Investment Division.
- 30 “(r) Every member of the board of commissioners of a port governed by

1 ORS 777.005 to 777.725 or 777.915 to 777.953.

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

4 “(2) By April 15 next after the date an appointment takes effect, every
5 appointed public official on a board or commission listed in subsection (1)
6 of this section shall file with the Oregon Government Ethics Commission a
7 statement of economic interest as required under ORS 244.060, 244.070 and
8 244.090.

9 “(3) By April 15 next after the filing deadline for the primary election,
10 each candidate described in subsection (1) of this section shall file with the
11 commission a statement of economic interest as required under ORS 244.060,
12 244.070 and 244.090.

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

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

24 “(6) If a statement required to be filed under this section has not been
25 received by the commission within five days after the date the statement is
26 due, the commission shall notify the public official or candidate and give the
27 public official or candidate not less than 15 days to comply with the re-
28 quirements of this section. If the public official or candidate fails to comply
29 by the date set by the commission, the commission may impose a civil pen-
30 alty as provided in ORS 244.350.

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

2 “284.540. (1) There is established the Governor’s Council on Oregon’s
3 Economy.

4 “(2) The members of the council are:

5 “(a) The presiding officer of the Oregon Business Development Commis-
6 sion;

7 “(b) The chairperson of the Oregon Transportation Commission;

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

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

11 “(e) Other persons designated by the Governor.

12 “(3) The council shall meet quarterly to:

13 “(a) Discuss and coordinate the activities of each entity described in
14 subsection (2) of this section that relate to economic development and im-
15 proving the economy in Oregon; and

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

18 **“SECTION 34.** ORS 284.706, as amended by sections 21 and 31, chapter
19 90, Oregon Laws 2012, is amended to read:

20 “284.706. (1) There is created the Oregon Innovation Council consisting
21 of the following voting members:

22 “(a) The Governor or the Governor’s designated representative, who shall
23 be chairperson of the council.

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

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

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

1 “(e) A member of the Engineering and Technology Industry Council, ap-
2 pointed by the Engineering and Technology Industry Council.

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

4 “(g) The [*Chancellor of the Oregon University System*] **Executive Director**
5 **of the Higher Education Coordinating Commission.**

6 “[*h*] *The Commissioner for Community College Services .*]

7 “[*i*] **(h)** The State Treasurer.

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

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

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

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

16 “(a) The presiding officer of the Oregon Business Development Commis-
17 sion.

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

20 “[*c*] *The chairperson of the State Board of Education.*]

21 “[*d*] **(c)** An executive officer of an association representing Oregon-
22 based, generally accredited, not-for-profit private institutions of higher edu-
23 cation, appointed by the Governor.

24 “(4) The term of office of each appointed voting member of the council is
25 three years, but an appointed member serves at the pleasure of the appoint-
26 ing authority. Before the expiration of the term of an appointed voting
27 member, the appointing authority shall appoint a successor whose term be-
28 gins on July 1 next following. An appointed member is eligible for reap-
29 pointment. If there is a vacancy for any cause, the appointing authority shall
30 make an appointment to become immediately effective for the remainder of

1 the unexpired term.

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

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

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

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

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

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

16 “(11) Members of the council who are members of the Legislative Assem-
17 bly are entitled to compensation and expense reimbursement as provided in
18 ORS 171.072.

19 “(12) Members of the council who are not members of the Legislative
20 Assembly are entitled to compensation and expenses incurred by them in the
21 performance of their official duties in the manner and amounts provided for
22 in ORS 292.495. Claims for compensation and expenses of members of the
23 council who are public officers shall be paid out of funds appropriated to the
24 public agency that employs the member. Claims for compensation and ex-
25 penses of members of the council who are not public officers shall be paid
26 out of funds appropriated to the Oregon Business Development Department
27 for that purpose.

28 “(13) All agencies of state government, as defined in ORS 174.111, are di-
29 rected to assist the council in the performance of its duties and, to the extent
30 permitted by laws relating to confidentiality, to furnish such information and

1 advice as the members of the council consider necessary to perform their
2 duties.

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

4 “285B.168. (1) The Oregon Business Development Department may make
5 grants available to a community college district, a community college service
6 district or, with the concurrence of the [*Commissioner for Community College*
7 *Services and the Chancellor of the Oregon University System*] **executive di-**
8 **rector of the Higher Education Coordinating Commission**, a public uni-
9 versity listed in ORS 352.002 to assist in the formation, improvement and
10 operation of small business development centers. If a community college
11 district, a community college service district or a public university is unable
12 to adequately provide services in a specific geographic area, the department
13 may make grants available to other service providers as determined by the
14 department. The grant application shall include:

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

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

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

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

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

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

29 “(b) Expert resource persons from the business community;

30 “(c) Other training and business resources as approved by the department

1 in skill areas for which, or areas of the state where, the grant recipient can
2 demonstrate it does not otherwise have the capacity or expertise to provide
3 the resources; and

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

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

10 “(4) Subject to the approval of the department, a grant recipient may
11 subcontract funds received under this section to any other entity that is el-
12 igible to receive funding under this section.

13 “(5) The grant recipient shall submit a final report to the department af-
14 ter the distribution of grant funds and the delivery of services to the pro-
15 posed business clients. The report shall state whether the plan and related
16 budget have met the applicable criteria as described in the recipient’s appli-
17 cation for the grant period.

18 **“SECTION 36.** ORS 320.100 is amended to read:

19 “320.100. (1) All moneys received from the taxes imposed under ORS
20 320.011 and 320.012, including penalties, shall be paid by the Department of
21 Revenue in the following manner:

22 “(a) Seventy-five percent (75%) of the moneys shall be credited, appropri-
23 ated or remitted as follows:

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

27 “(B) Nine and seven-tenths percent (9.7%) is continuously appropriated
28 to pay the expenses of state and local programs of the Oregon Youth Con-
29 servation Corps established under ORS 418.650 to 418.663.

30 “(C) Forty-seven and one-tenth percent (47.1%) thereof shall be remitted

1 to the county treasurers of the several counties of the state. Each county
2 shall receive such share of the moneys as its population, determined by [*the*
3 *State Board of Higher Education*] **Portland State University**, bears to the
4 total population of the counties of the state, as determined by the census last
5 preceding such apportionment.

6 “(b) Twenty-five percent (25%) of the moneys shall be continuously ap-
7 propriated to pay the expenses of the state and local programs of the Oregon
8 Youth Conservation Corps established under ORS 418.650 to 418.663.

9 “(2) All revenues received under this section by the treasurers of the se-
10 veral counties shall be placed in the general fund of each county to be ex-
11 pended by the county courts or the board of county commissioners of the
12 several counties for general governmental expenses.

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

14 “326.051. Subject to ORS 417.300 and 417.305:

15 “(1) In addition to such other duties as are prescribed by law and pursu-
16 ant to the requirement of ORS chapter 183, the State Board of Education
17 shall:

18 “(a) Establish state standards for public kindergartens and public ele-
19 mentary and secondary schools consistent with the policies stated in ORS
20 326.011.

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

23 “(c) Prescribe required or minimum courses of study.

24 “(d) Adopt rules regarding school and interscholastic activities.

25 “(e) Adopt rules that provide that no public elementary or secondary
26 school shall discriminate in determining participation in interscholastic ac-
27 tivities. As used in this paragraph, ‘discrimination’ has the meaning given
28 that term in ORS 659.850.

29 “(f) Adopt rules that will eliminate the use and purchase of elemental
30 mercury, mercury compounds and mercury-added instructional materials by

1 public elementary and secondary schools.

2 “(2) The State Board of Education may:

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

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

13 “(A) Educational purposes, including but not limited to any funds avail-
14 able for the school lunch program;

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

17 “[*(C) Adult education programs;*]

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

19 “[*(E)*] (C) Any grants available to the state or its political subdivisions
20 for general federal aid for public kindergartens, public elementary schools[,]
21 **and** public secondary schools [*and public community colleges*] and their aux-
22 iliary services, improvement of teacher preparation, teacher salaries, con-
23 struction of school buildings, administration of the Department of Education
24 and any other educational activities under the jurisdiction of the State
25 Board of Education.

26 “(c) Adopt rules to administer the United States Department of
27 Agriculture’s National School Lunch Program and School Breakfast Program
28 for public and private prekindergarten through grade 12 schools and resi-
29 dential child care facilities.

30 “[*(3) The State Board of Education shall provide a separate, identifiable*

1 *place on its agenda six times a year for community college issues. The state*
2 *board may also consider matters affecting community colleges at any regular*
3 *or special meeting.]*

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

5 “326.310. Except as provided by ORS 326.041, 326.051, [326.375, 341.005,]
6 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933, the Superintendent of
7 Public Instruction shall exercise, under the direction of the State Board of
8 Education, a general superintendence of school officers and the public
9 schools. In carrying out the duties of office, the Superintendent of Public
10 Instruction shall:

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

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

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

21 “(4) Obtain and compile such statistical information relative to the con-
22 dition and operation of the public schools as the superintendent or the state
23 board may consider advisable for the advancement of education and for the
24 information of the state board and the public.

25 “(5) Appoint, subject to the State Personnel Relations Law and with the
26 approval of the State Board of Education, such personnel as may be neces-
27 sary for the performance of the duties of the office of the superintendent.
28 The Superintendent of Public Instruction may designate one or more suitable
29 persons to sign or countersign warrants, vouchers, certificates or other pa-
30 pers and documents requiring the signature of the superintendent.

1 “(6) Administer and supervise adult education programs in the public el-
2 ementary and secondary schools.

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

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

6 “326.370. (1) The Department of Community Colleges and Workforce De-
7 velopment shall function under the direction and control of the [*State Board*
8 *of Education*] **Higher Education Coordinating Commission** with the
9 Commissioner for Community College Services serving as an administrative
10 officer for community college matters.

11 “(2) The Department of Community Colleges and Workforce Development,
12 in consultation with the Education and Workforce Policy Advisor and pur-
13 suant to ORS chapter 183, may adopt any rules necessary for the adminis-
14 tration of laws related to the federal Workforce Investment Act that the
15 department is charged with administering.

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

17 “326.550. (1) The Commissioner for Community College Services may issue
18 General Educational Development (GED) certificates to persons who demon-
19 strate satisfactory performance in tests prescribed under subsection (2) of
20 this section or meet the requirements of any prescribed evaluative procedure.

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

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

30 “(4) Subject to prior approval of the Oregon Department of Administrative

1 Services and a report to the Emergency Board prior to adopting the fee, the
2 fee established under subsection (3) of this section shall not exceed the cost
3 of administering the program, as authorized by the Legislative Assembly
4 within the [*board's*] **commission's** budget, as the budget may be modified
5 by the Emergency Board.

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

14 “(6) The Commissioner for Community College Services shall consult with
15 the Superintendent of Public Instruction on all matters related to evaluation
16 procedures used to measure equivalent achievement under this section. The
17 superintendent is authorized to make independent recommendations on eval-
18 uation procedures to the [*State Board of Education*] **commission** in those
19 cases where the superintendent’s judgment differs from that of the commis-
20 sioner.

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

22 “336.585. (1) As used in this section:

23 “(a) ‘Juvenile Detention Education Program’ means the program defined
24 in ORS 326.695.

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

30 “(2) The Department of Education shall provide or cause to be provided

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

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

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

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

15 “(b) Administer a nationally normed assessment as provided by ORS
16 329.488.

17 “[*(c) Participate in the Oregon Teacher Corps program created by ORS*
18 *329.757 to 329.780.*]

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

21 “[*(e)*] **(d)** Receive funds under ORS chapter 329 as provided by ORS
22 329.875.

23 “(5) The superintendent shall ensure that the resident district of each
24 child enrolled in an educational program under the Juvenile Detention Edu-
25 cation Program is notified, if the resident district can be reasonably identi-
26 fied. The purposes of the notification include, but are not limited to:

27 “(a) Removing the child from the resident district’s census;

28 “(b) Facilitating transfers of the child’s educational records; and

29 “(c) Facilitating planning for the child’s possible return to the resident
30 district.

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

2 “336.590. (1) As used in this section, ‘Youth Corrections Education Pro-
3 gram’ means the program defined in ORS 326.695.

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

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

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

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

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

21 “(c) Administer a nationally normed assessment as provided by ORS
22 329.488.

23 “*[(d) Participate in the Oregon Teacher Corps program created by ORS*
24 *329.757 to 329.780.]*

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

27 “*[(f)]* **(e)** Receive funds under ORS chapter 329 as provided by ORS
28 329.875.

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

30 “341.005. As used in this chapter, unless the context otherwise requires:

1 “(1) ‘Academic year’ means the year beginning July 1 of each year and
2 ending June 30 of the following year running concurrently with the fiscal
3 year.

4 “(2) ‘Board’ means the board of education of a community college district.

5 “(3) ‘Board member’ means a member of the board of education of a
6 community college district.

7 “(4) ‘Commissioner’ means the Commissioner for Community College Ser-
8 vices appointed under ORS 326.375 **by the executive director of the Higher**
9 **Education Coordinating Commission.**

10 “(5) ‘Community college’ means a public institution operated by a com-
11 munity college district for the purposes of providing courses of study limited
12 to not more than two years’ full-time attendance, with the exception of
13 technical programs in which the curriculum may require more than two
14 years of attendance but less than four years, and designed to meet the needs
15 of a geographical area by providing educational services, including but not
16 limited to career and technical education programs or lower division
17 collegiate programs.

18 “(6) ‘Community college district’ or ‘district’ means a district formed un-
19 der this chapter to operate one or more community colleges or to secure
20 educational services available at a community college. ‘Community college
21 district’ includes a community college service district.

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

27 “[*(8) ‘Operating expenses’ means the sum of the expenditures of a commu-*
28 *nity college district for administration, instruction, necessary student services,*
29 *operation and maintenance of plant and fixed charges, as determined in ac-*
30 *cordance with the rules of the State Board of Education.*]

1 “[9] (8) ‘Paying agent and registrar’ means the county treasurer or
2 county fiscal officer of the county in which the chief administrative officer
3 of the community college district maintains the administrative office.

4 “[10] (9) ‘Petitioning territory’ means a community college district peti-
5 tioning to have an area outside the district included in the district or to
6 have an area inside the district excluded from the district, or an area outside
7 the district petitioning to be included within the district.

8 “[11] (10) ‘Principal county’ means the county in which the chief ad-
9 ministrative officer of the community college district maintains the admin-
10 istrative office.

11 “[12] ‘State board’ means the State Board of Education.]

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

13 “341.009. The Legislative Assembly finds that:

14 “(1) The community college is an educational institution that is intended
15 to fill the institutional gap in education by offering broad, comprehensive
16 programs in academic subjects and in career and technical education sub-
17 jects. It is primarily designed to provide associate or certificate degree pro-
18 grams for some, serve a transitional purpose for others who will continue
19 baccalaureate or other college work, provide the ability to enter the
20 workforce immediately and serve to determine future educational needs for
21 other students. It can provide means for continuation of academic education,
22 career and technical education or the attainment of entirely new skills as
23 demands for old skills and old occupations are supplanted by new technolo-
24 gies. It may also provide the means to coordinate courses and programs with
25 high schools to accommodate successful transition to college degree pro-
26 grams.

27 “(2) Each community college should be so located as to be within com-
28 muting time of a substantial majority of its students. As an economical
29 method of providing education close to the student’s home, the community
30 college should remain a commuting institution.

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

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

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

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

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

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

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

30 “(10) Programs designed to meet the needs of the area served should be

1 based on the actual educational and service needs of the district. Specific
2 career and technical education courses should be related not only to the
3 employment opportunities of the area but of the state and nation as well.
4 Such determination should be made in consultation with representatives of
5 labor, business, industry, agriculture and other interested groups.

6 “[(11) *The State Board of Education should be responsible for coordinating*
7 *the community college program of the state and should have general supervi-*
8 *sory responsibilities for that program. With the advice of the Higher Educa-*
9 *tion Coordinating Commission, the State Board of Education should prepare*
10 *estimates and make the requests for legislative appropriations for a reasonable*
11 *and consistent basis of support and establish standards for the distribution*
12 *of that support.*]

13 “[~~(12)~~] **(11)** The initiative for the establishment of new community colleges
14 should come from the localities to be served, as a response to demonstrated
15 educational needs of an area. However, these localities must not only be
16 willing to assume the responsibility for the institutions but must be able to
17 provide resources needed for an adequate educational and service program.

18 “[~~(13)~~] **(12)** The governing board of the community college should be
19 charged with the policy-making function. With respect to educational pro-
20 gramming, the governing board **shall** [*should in cooperation with the State*
21 *Board of Education*]:

22 “(a) Identify educational needs of the district; and

23 “(b) Bring together the resources necessary to meet the needs.

24 “(14) The state should maintain a policy of substantial state participation
25 in community college building costs and the maintenance of an adequate
26 level of state support for operation. However, no state funds should be ap-
27 propriated for buildings such as dormitories or athletic facilities for specta-
28 tor sports. The district should provide a substantial portion of the funds for
29 capital improvement as well as for operation of a community college.

30 “(15) State appropriations for community colleges shall be made sepa-

1 rately from those for other segments of education.

2 “(16) The formula for the distribution of funds for operating costs should
3 reflect the heavier operating costs and capital outlay for certain career and
4 technical education courses. Federal funds received for career and technical
5 education, adult basic education, workforce development or other federal in-
6 itiatives should be used for those purposes only and be distributed separately
7 from funds appropriated by the state and should be exempted from the com-
8 putations of the present distribution formula for operating costs.

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

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

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

21 “341.019. (1) All areas within this state shall be served by a community
22 college district. Such services may be provided either:

23 “(a) Directly by formation of a community college district; or

24 “(b) Indirectly by contract with an existing community college district.

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

30 “(3) In order to obtain the services described in subsection (1)(b) of this

1 section, residents of a nondistrict area must indicate their interest in re-
2 ceiving services by requesting formation of a local advisory committee and
3 seeking the advice and counsel of the Department of Community Colleges
4 and Workforce Development.

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

9 “(5) When the Department of Community Colleges and Workforce Devel-
10 opment has made the determination under subsection (4) of this section, the
11 department and the interested residents of the nondistrict area shall apply
12 jointly to the governing body of the county for the appointment of a local
13 advisory committee.

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

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

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

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

26 “(10) As used in ORS 341.019 to 341.022, ‘community college district’ in-
27 cludes a community college service district.

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

29 “341.021. (1) The Department of Community Colleges and Workforce De-
30 velopment shall invite existing community college districts to submit pro-

1 proposals for the provision of service to an area that has officially indicated its
2 interest in receiving service.

3 “(2) The responsibilities of the host community college district shall in-
4 clude:

5 “(a) Preparing a written agreement for services to be provided to nondis-
6 trict areas using a format specified by the Department of Community Col-
7 leges and Workforce Development; and

8 “(b) Acting as the fiscal agent for agreements including establishing tui-
9 tion and fees for services offered under terms of an agreement.

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

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

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

23 “(4) Agreements developed under this section shall be wholly supported
24 by Community College Support Fund reimbursement, nondistrict student tu-
25 ition and nondistrict resources.

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

27 “341.024. The [*State Board of Education*] **Higher Education Coordinat-**
28 **ing Commission** shall adopt rules to implement ORS 341.019 to 341.024. The
29 rules shall provide:

30 “(1) Standards for accepting proposals for service;

- 1 “(2) Procedures providing the form of agreements and for recording them;
2 “(3) Standards for cash and in-kind contributions by nondistrict areas;
3 “(4) Standards as required by ORS 341.019 (4); and
4 “(5) Other rules necessary to implement ORS 341.019 to 341.024.

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

6 “341.025. (1) Whenever the electors registered in contiguous territory de-
7 sire the formation of a community college district, they may sign a petition
8 requesting the formation of such a district and present it to the [*State Board*
9 *of Education*] **Higher Education Coordinating Commission.**

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

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

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

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

22 “(d) May specify or reserve the right to specify the location for the pro-
23 posed community college or may request the [*state board*] **commission** to
24 determine the location;

25 “(e) Must specify the method of nomination and election of the board of
26 education of the proposed district from among the methods described in ORS
27 341.327; and

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

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

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

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

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

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

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

27 “(4) Prior to submitting the question to the electors, the community col-
28 lege service district must have been in operation for three years, and must
29 have secured the approval of the [*State Board of Education*] **Higher Edu-
30 cation Coordinating Commission** to hold the election. Before granting

1 approval, the [*state board*] **commission** must find:

2 “(a) The service district has acquired stability as demonstrated by a con-
3 tinuity of management, regularly adopted policies and procedures and ade-
4 quate financial resources; and

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

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

8 “341.045. (1) The [*State Board of Education*] **Higher Education Coordi-**
9 **nating Commission** shall examine the petition to determine whether it is
10 complete. If the petition is complete and if formation of the district is con-
11 sistent with the overall plan for all education in the state, the [*state board*]
12 **commission** shall undertake a study of the feasibility of a community col-
13 lege in the geographical area proposed by the petition, including but not
14 limited to:

15 “(a) Educational needs of the area.

16 “(b) Potential enrollment levels.

17 “(c) The rate of operating taxes that is required to meet the local share
18 of operating and capital expenses and that would, if adopted, be the district’s
19 permanent rate limit for operating taxes, including whether the proposed
20 rate bears a reasonable relationship to the permanent rate limit of operating
21 community college districts of similar size and circumstance to the proposed
22 new district. If the proposed rate is substantially below the rate of similar
23 operating districts, the feasibility study shall explicitly detail how the pro-
24 posed new district intends to provide a comprehensive community college
25 program.

26 “(d) Relationship of the proposed district to the overall plan for all edu-
27 cation in the state.

28 “(e) Boundaries of the proposed district.

29 “(f) The appropriateness of the proposed name of the community college
30 district or the community college, if a name is proposed, in order to deter-

1 mine that the proposed name is not misleading, confusing or grossly inap-
2 propriate.

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

6 “(3) The notice of hearing shall state:

7 “(a) A study has been conducted on a proposed district.

8 “(b) The boundaries of the proposed district.

9 “(c) Whether the proposed community college district specifies providing
10 its courses through contract with agencies authorized to enter into such
11 contracts.

12 “(d) The time and place set for the hearing on the petition.

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

14 “341.055. (1) At the time designated in the notice **given under ORS**
15 **341.045**, the *[State Board of Education]* **Higher Education Coordinating**
16 **Commission** or its authorized representative shall conduct a public hearing
17 on the study and may adjourn the hearing from time to time. The *[state*
18 *board]* **commission** may alter the boundaries set forth in the petition sub-
19 mitted under ORS 341.025 to include all territory the residents of which will
20 be materially benefited by formation of the community college district as
21 determined by *[its]* **the study conducted under ORS 341.045**. The *[state*
22 *board]* **commission** shall not modify the boundaries of the district as set
23 forth in the petition so as to exclude from the district any territory the
24 residents of which will be materially benefited by formation of the district,
25 nor may there be included in the proposed district any territory the residents
26 of which will not be materially benefited.

27 “(2) If the *[board]* **commission** concludes that any territory has been
28 improperly included or omitted from the proposed community college district
29 and that electors within the included or omitted territory have not appeared
30 at the hearing, the *[board]* **commission** shall continue further hearing on

1 the study and shall order notice given to the nonappearing electors requiring
2 them to appear and show cause why their territory should not be excluded
3 or included in the proposed district. The notice shall be given either in the
4 same manner as notice of the original hearing was given or by personal
5 service on each nonappearing elector. If notice is given by personal service,
6 such service shall be made at least 10 days prior to the date fixed for the
7 hearing.

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

9 “341.065. If, in the opinion of the [*State Board of Education*] **Higher Ed-**
10 **ucation Coordinating Commission**, the study **conducted under ORS**
11 **341.045** and the testimony presented at the hearing or hearings held under
12 ORS 341.055 indicate that the formation of a community college district as
13 petitioned is not warranted under the policies set forth by ORS 341.009, the
14 [*state board*] **commission** shall order dismissal of the petition. An appeal
15 from this order may be taken within 60 days in the manner provided in ORS
16 183.480.

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

18 “341.076. (1) If, upon final hearing [*of the study*] under ORS 341.055, the
19 [*State Board of Education*] **Higher Education Coordinating Commission**
20 approves formation of a community college district, with boundaries either
21 as originally presented or as altered pursuant to the hearing, the [*state*
22 *board*] **commission** shall make its recommendation to the Legislative As-
23 sembly in an order describing the exterior boundaries and the zone bounda-
24 ries for the election of members of the board of education of the community
25 college district, if any. An appeal from the recommendation may be taken
26 within 60 days in the manner provided in ORS 183.480. If no appeal from this
27 recommendation is filed within 60 days after the date of the recommendation,
28 the recommendation becomes final.

29 “(2) If an appeal is filed, the recommendation becomes final on the date
30 the recommendation is affirmed by the court. However, if the recommen-

1 dation is not affirmed, the [*state board*] **commission** may not submit its
2 recommendation to the Legislative Assembly but may reconsider the conclu-
3 sions of [*its*] **the study conducted under ORS 341.045** and if the [*state*
4 *board*] **commission** revises those conclusions, the [*state board*] **commission**
5 may set a date for a new hearing.

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

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

13 “341.085. (1) An election for the purpose of presenting the question of
14 formation of a district and establishing a permanent rate limit for operating
15 taxes and the boundaries of the zones, if the zones were recommended by the
16 [*State Board of Education*] **Higher Education Coordinating Commission**,
17 shall be held to submit the question to the electors registered in the proposed
18 district designated in the recommendation of the [*state board*] **commission**.
19 The election shall be held not sooner than the 90th day after the effective
20 date of the appropriation required by ORS 341.102. The election date shall
21 be uniform throughout the proposed district, and shall be set by the [*state*
22 *board*] **commission** on a date specified in ORS 255.345. However, if the
23 question of establishing a permanent rate limit for operating taxes is to be
24 submitted, the election must be held on the same date as the next primary
25 election or the next general election, as determined by the [*state board*]
26 **commission**.

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

1 pay the expenses incurred for the election.

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

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

6 “341.095. (1) The [*State Board of Education*] **Higher Education Coordi-**
7 **nating Commission** shall include as a part of the election called for for-
8 mation of a district the question of a permanent rate limit for operating
9 taxes to finance the district’s share of operating and capital expenses. The
10 rate limit shall be specified by the [*state board*] **commission** as a result of
11 its study and the hearing held under ORS 341.055. The [*state board*] **com-**
12 **mission** may also include the question of incurring indebtedness to pay or-
13 ganizational expenses of the district between the time the district is
14 approved and the first budget is adopted. If the question of incurring
15 indebtedness is approved, the district may borrow money on its negotiable,
16 short-term, promissory notes in an aggregate amount not to exceed the limit
17 approved at the election and may, notwithstanding ORS 294.338, expend
18 [*such*] **the** money without the preparation and adoption of a budget.

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

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

23 “341.105. When at the request of the [*State Board of Education*] **Higher**
24 **Education Coordinating Commission** the county clerk of the principal
25 county, in consultation with county clerks of the affected counties, prepares
26 a list or lists of names and addresses of the electors registered in the pro-
27 posed district, the Department of Community Colleges and Workforce De-
28 velopment is authorized to pay the charge as determined under ORS 255.305.

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

30 “341.125. (1) The first board of education of a district shall be elected at

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

13 “(2) Seven members shall be elected to the first board, to serve terms of
14 four and two years respectively in accordance with the number of votes each
15 receives with the three members receiving the largest number of votes serv-
16 ing the four-year terms. The terms of office of the members of the first board
17 shall be computed from the date of June 30 subsequent to the date of their
18 election, but the members shall take office immediately following the
19 election. If for any reason a district is not formed, the election of board
20 members for that proposed district is void.

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

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

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

1 “341.290. The board of education of a community college district shall be
2 responsible for the general supervision and control of any and all community
3 colleges operated by the district. Consistent with any applicable rules of the
4 [*State Board of Education, the board*] **Higher Education Coordinating**
5 **Commission, the board of education of a community college district**
6 may:

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

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

14 “(3) Prescribe the educational program.

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

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

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

24 “(7) Fix standards of admission to the community college, prescribe and
25 collect tuition for admission to the community college, including fixing dif-
26 ferent tuition rates for students who reside in the district, students who do
27 not reside in the district but are residents of the state and students who do
28 not reside in the state.

29 “(8) Prescribe and collect fees and expend funds so raised for special
30 programs and services for the students and for programs for the cultural and

1 physical development of the students.

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

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

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

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

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

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

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

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

22 “(17) Prescribe rules for the use and access to public records of the dis-
23 trict that are consistent with ORS 192.420, and education records of students
24 under applicable state and federal law and rules of the [*State Board of Ed-*
25 *ucation*] **commission**. Whenever a student has attained 18 years of age or
26 is attending an institution of post-secondary education, the permission or
27 consent required of and the rights accorded to a parent of the student re-
28 garding education records shall thereafter be required of and accorded to
29 only the student. However, faculty records relating to matters such as con-
30 duct, personal and academic evaluations, disciplinary actions, if any, and

1 other personal matters shall not be made available to public inspection for
2 any purpose except with the consent of the person who is the subject of the
3 record or upon order of a court of competent jurisdiction.

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

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

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

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

25 “(22) Enter into contracts of insurance or medical and hospital service
26 contracts or may operate a self-insurance program as provided in ORS
27 341.312.

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

29 “341.315. Any school district, education service district, institution of
30 higher education, county, municipality or private organization may contract

1 with a community college district to provide services of an educational na-
2 ture that are subject to the approval of the [*State Board of Education*]
3 **Higher Education Coordinating Commission.**

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

5 “341.317. (1) Reimbursement from the Community College Support Fund
6 established in ORS 341.620 may be made available to community colleges that
7 deliver educational services to inmates confined to the state-operated
8 correctional facilities and to locally operated correctional facilities. [*Such*]
9 **The** reimbursement shall be distributed as directed in ORS 341.626 and the
10 rules of the [*State Board of Education*] **Higher Education Coordinating**
11 **Commission.**

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

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

16 “(4) Reimbursement from the Community College Support Fund estab-
17 lished in ORS 341.620 may not be made available to community colleges for
18 delivering educational services to inmates confined in federal prisons. Nei-
19 ther shall local property taxes be used to support [*such*] **the** services. A host
20 community college shall support [*such*] **the** services through a contractual
21 arrangement with the federal government.

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

23 “341.405. Upon approval of the [*State Board of Education*] **Higher Edu-**
24 **cation Coordinating Commission,** a community college may be established
25 by a community college district in which all the requirements for formation
26 of the district are met and for which adequate building space, library and
27 suitable laboratory or shop space for the courses to be offered are available
28 or will be available before classes begin.

29 **“SECTION 62.** ORS 341.440 is amended to read:

30 “341.440. (1) A community college district may contract with another

1 community college district, a common or union high school district, an ed-
2 ucation service district, the Oregon University System, a **public university**
3 **with a governing board**, the Oregon Health and Science University,
4 [*with*] a private educational institution accredited by the Northwest Associ-
5 ation of Schools and Colleges or its successor or a career school as defined
6 in ORS 345.010 to obtain educational services for students enrolled in the
7 community college of the district. However, the educational services [*so ob-*
8 *tained*] must meet the standards for educational services provided by the
9 college and the contract price to the college for such services must not ex-
10 ceed the costs which would otherwise be incurred by the college to provide
11 its students the same or similar services.

12 “(2) Educational services for which a district operating a community
13 college may contract include services offered by correspondence and services
14 offered electronically or through telecommunications if such services are
15 accredited by a nationally recognized accrediting association.

16 “(3) For purposes of ORS 341.626, costs incurred under subsection (1) of
17 this section shall be considered operating expenses of the district if the
18 contract is approved by the Commissioner for Community College Services.

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

20 “341.465. The board of a district operating a community college, upon
21 approval of the [*State Board of Education*] **Higher Education Coordinating**
22 **Commission**, may award certificates and associate degrees indicating satis-
23 factory completion of a course of study offered by the community college.

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

25 “341.547. (1) Each community college board shall give an individual,
26 written notice of reasonable assurance of continued employment to all em-
27 ployees who are to perform services in the same or a similar capacity during
28 a subsequent academic year or term or in the period immediately following
29 a recess period. [*Such*] **The** notice shall be given by May 30 of each year
30 for employees employed as of that date and as of the date of hire for em-

1 ployees employed subsequent to May 30.

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

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

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

11 “341.565. (1) The [*State Board of Education*] **Higher Education Coordi-**
12 **nating Commission** shall constitute the boundary board for making any
13 changes in the boundaries of community college districts. The [*state board*]
14 **commission** on its own motion or on petition from a petitioning territory
15 may propose changes in the boundaries of a community college district. The
16 [*state board*] **commission** must find that the proposed change will have no
17 substantially adverse effect upon the ability of the affected districts to pro-
18 vide and continue their programs and is not made solely for tax advantages
19 to property owners in the district or area affected by the proposed change.
20 The [*state board*] **commission** may submit the question of a boundary change
21 to a vote of the electors of the territories affected by the boundary change.
22 The election must be held on the same day in both of the affected territories.

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

27 “(3) Before any order changing boundaries of an existing district is en-
28 tered, the [*state board*] **commission** shall set dates for a public hearing in
29 the area to be included in the district or excluded from the district by the
30 proposed boundary change and in the case of annexation of new territory in

1 the principal town of the existing district and shall give notice in the man-
2 ner required in ORS 341.357. At the time set in the notice, the [*state board*]
3 **commission** or its authorized representative shall conduct a public hearing
4 on the motion or petition and may adjourn the hearing from time to time.

5 “(4) If, upon final hearing, the [*state board*] **commission** approves the
6 motion or petition or affirms the vote of the electors of the affected territo-
7 ries, the [*state board*] **commission** shall make an order describing the re-
8 vised boundaries of the district. The order becomes final when the order is
9 approved by the Legislative Assembly. If the order is not approved, the [*state*
10 *board*] **commission** may revise the order and resubmit the order to the
11 Legislative Assembly but not sooner than 60 days after the action of disap-
12 proval was taken.

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

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

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

20 “(b) Occurs between April 1 and June 30, inclusive, the change takes ef-
21 fect on the June 30 of the following year.

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

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

26 “341.569. (1) The [*State Board of Education*] **Higher Education Coordi-**
27 **nating Commission** shall submit the question of a proposed boundary
28 change to a vote if:

29 “(a) The [*state board*] **commission** enters the order to revise the bound-
30 aries of a community college district;

1 “(b) A remonstrance is filed with the [*state board*] **commission** within
2 20 days after the date on which the hearing under ORS 341.565 is adjourned
3 finally;

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

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

8 “(B) The existing community college district; and

9 “(d) The area to be included in the district is not surrounded by the ter-
10 ritory of a single community college district.

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

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

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

22 “341.573. (1) When changes in district boundaries are made by the
23 detachment of territory or an annexation of territory and another community
24 college district is affected, the boards of the districts shall make an equitable
25 division of the then existing assets and liabilities between the districts af-
26 fected by such change and provide the manner of consummating the division.

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

1 pointees.

2 “(3) In the event any such board fails to appoint an arbitrator within 30
3 days, the [*State Board of Education*] **Higher Education Coordinating**
4 **Commission** shall appoint such arbitrator. In the event the arbitrators se-
5 lected fail to appoint the additional arbitrator within 30 days after the ap-
6 pointment of the arbitrator last appointed, the [*State Board of Education*]
7 **commission** shall notify the judge senior in service of the circuit court of
8 the principal county. Within 10 days after receiving such notice, the judge
9 shall appoint one additional arbitrator.

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

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

19 “(6) Assets include all property and moneys belonging to the district at
20 the time of division. Liabilities include all debts for which the respective
21 districts in their corporate capacities are liable at the time of division. In
22 determining the assets, property shall be estimated at its fair value. The as-
23 sets and liabilities shall be divided between the districts in proportion to the
24 last assessed value of the real and personal property. The district retaining
25 the real property shall pay the other districts concerned such sums as are
26 determined in accordance with the provisions of this section. All funds to
27 be apportioned during the current fiscal year, after such division, shall be
28 made in proportion to the number of persons in each district according to
29 the latest federal census.

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

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

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

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

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

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

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

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

27 “(f) The four-year terms of office pertaining to the five numbered zones
28 of the original territory shall continue until the regularly scheduled June
29 30 termination date of each expires. A board member shall be nominated and
30 elected in the same numbered zone in the new territory at the regular dis-

1 trict election immediately preceding the June 30 date, and the director from
2 that zone shall take office on the July 1 following the date of election.

3 “(g) Board members nominated and elected to office by zone in the ori-
4 ginal territory, and any person elected or appointed to fill any vacancy in
5 such office, shall continue to hold office until the expiration of the board
6 member’s term.

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

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

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

18 “(D) [*Such*] **The** board members shall continue in office until their re-
19 spective terms of at-large election expire, provided any vacancy occurring in
20 a board member’s office before the expiration of such term shall be filled
21 until expiration by appointment by the board of a resident of the board
22 member’s zone.

23 “(4) The board shall appoint an advisory committee of seven members,
24 including three from the original territory and three from the new territory.
25 The board shall appoint a seventh, at-large member from a list of persons
26 nominated by the advisory committee. The at-large member shall be the
27 chairperson. The advisory committee members shall be appointed, and may
28 be reappointed, for terms of three years, and the terms shall be staggered so
29 that approximately one-third of the terms of the members end each year. The
30 board shall give deliberative consideration to all recommendations of the

1 advisory committee concerning policy related to district organization, edu-
2 cational services and facilities in regard to both the original territory and
3 the new territory.

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

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

11 “(7) Collective bargaining shall be maintained uniformly across the ori-
12 ginal territory and new territory.

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

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

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

21 “341.579. (1) The [*State Board of Education*] **Higher Education Coordi-**
22 **nating Commission** shall submit the question of any boundary change per-
23 taining to a community college district subject to ORS 341.577 to a vote of
24 the electors held the same day in both the original territory and the new
25 territory.

26 “(2) If the proposed boundary change is defeated in either territory, the
27 same or a substantially similar change shall not be considered until at least
28 12 months have elapsed from the date of the election at which the proposed
29 change was defeated. If the vote is favorable in both the original territory
30 and the new territory, and subject to determination by the [*state board*]

1 **commission** that there is a legislative appropriation to the Community
2 College Support Fund established in ORS 341.620 to support the new district
3 resulting from the boundary change at a level commensurate with support
4 for other community college districts, then the [*state board*] **commission**
5 shall declare the change effective on the date determined under ORS 341.565.
6 Implementation of the [*state board's*] **commission's** order shall take place
7 only if the funds needed to accommodate the impact of annexation on other
8 local education districts are appropriated specifically for that purpose by the
9 Legislative Assembly or allocated by the Emergency Board.

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

11 “341.626. (1) Subject to rules adopted by the [*State Board of Education*]
12 **Higher Education Coordinating Commission** and to ORS 291.232 to
13 291.260, the Commissioner for Community College Services shall distribute
14 state aid to each community college district and community college service
15 district.

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

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

19 “(b) Procedures for proper and accurate record keeping;

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

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

24 “(3) Upon compliance with the rules adopted by the [*State Board of Edu-*
25 *cation*] **commission**, the commissioner shall, as soon as practicable following
26 the receipt of required reports from the districts, prepare, certify and trans-
27 mit to the Oregon Department of Administrative Services the names and the
28 amounts due each district. The Oregon Department of Administrative Ser-
29 vices shall audit the amounts certified by the commissioner and draw its
30 warrants on the State Treasury payable out of the General Fund to the dis-

1 tricts.

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

3 “341.721. (1) To provide funds to community college districts for the pur-
4 poses specified in Article XI-G of the Oregon Constitution, the State Treas-
5 urer may issue bonds at the request of the [*State Board of Education*] **Higher**
6 **Education Coordinating Commission** in accordance with the provisions
7 of ORS chapter 286A.

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

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

16 **“Sec. 25.** (1) Pursuant to Article XI-G of the Oregon Constitution and
17 ORS 341.721 and ORS chapter 286A, the State Treasurer may sell, at the re-
18 quest of the [*State Board of Education*] **Higher Education Coordinating**
19 **Commission**, general obligation bonds of the State of Oregon of the kind
20 and character and within the limits prescribed by Article XI-G of the Oregon
21 Constitution, as the treasurer determines, but in no event may the treasurer
22 sell more than the aggregate principal sum of \$63,223,000 par value for the
23 biennium beginning July 1, 2009. The moneys realized from the sale of the
24 bonds shall be appropriated and may be expended for the purposes set forth
25 in section 7 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, and section
26 3 (1), chapter 761, Oregon Laws 2007, and for payment for capitalized interest
27 and costs incidental to issuance of the bonds.

28 “(2) In compliance with the requirements of Article XI-G of the Oregon
29 Constitution, funds available under the expenditure limitation for bonds is-
30 sued pursuant to Article XI-G of the Oregon Constitution in section 7 (1)

1 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, are matched with the
2 General Fund appropriation made under [section 20, chapter 761, Oregon Laws
3 2007] **ORS 341.753**, as amended by section 27 [of this 2009 Act], **chapter 904,**
4 **Oregon Laws 2009.**

5 “(3) In compliance with the requirements of Article XI-G of the Oregon
6 Constitution, funds available under the expenditure limitation for bonds is-
7 sued pursuant to Article XI-G of the Oregon Constitution in section 7 (2)
8 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, are matched with the
9 General Fund appropriation made under [section 21, chapter 761, Oregon Laws
10 2007] **ORS 341.755**, as amended by section 28 [of this 2009 Act], **chapter 904,**
11 **Oregon Laws 2009.**

12 “(4) In compliance with the requirements of Article XI-G of the Oregon
13 Constitution, funds available under the expenditure limitation for bonds is-
14 sued pursuant to Article XI-G of the Oregon Constitution in section 7 (3)
15 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, are matched with the
16 General Fund appropriation made under [section 22, chapter 761, Oregon Laws
17 2007] **ORS 341.757**, as amended by section 29 [of this 2009 Act], **chapter 904,**
18 **Oregon Laws 2009.**

19 “(5) In compliance with the requirements of Article XI-G of the Oregon
20 Constitution, funds available under the expenditure limitation for bonds is-
21 sued pursuant to Article XI-G of the Oregon Constitution in section 7 (4)
22 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, are matched with the
23 General Fund appropriation made under [section 26, chapter 787, Oregon Laws
24 2005] **ORS 341.762**, as amended by section 30 [of this 2009 Act], **chapter 904,**
25 **Oregon Laws 2009.**

26 “(6) In compliance with the requirements of Article XI-G of the Oregon
27 Constitution, funds available under the expenditure limitation for bonds is-
28 sued pursuant to Article XI-G of the Oregon Constitution in section 7 (5)
29 [of this 2009 Act], **chapter 904, Oregon Laws 2009**, are matched with the
30 General Fund appropriation made under [section 23, chapter 761, Oregon Laws

1 2007] **ORS 341.766**, as amended by section 31 [*of this 2009 Act*], **chapter 904**,
2 **Oregon Laws 2009**.

3 “(7) In compliance with the requirements of Article XI-G of the Oregon
4 Constitution, funds available under the expenditure limitation for bonds is-
5 sued pursuant to Article XI-G of the Oregon Constitution in section 7 (6)
6 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the
7 General Fund appropriation made under [*section 27, chapter 787, Oregon Laws*
8 *2005*] **ORS 341.773**, as amended by section 26, chapter 761, Oregon Laws 2007,
9 and section 32 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**.

10 “(8) In compliance with the requirements of Article XI-G of the Oregon
11 Constitution, funds available under the expenditure limitation for bonds is-
12 sued pursuant to Article XI-G of the Oregon Constitution in section 7 (7)
13 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the
14 General Fund appropriation made under [*section 27, chapter 761, Oregon Laws*
15 *2007*] **ORS 341.775**, as amended by section 33 [*of this 2009 Act*], **chapter 904**,
16 **Oregon Laws 2009**.

17 “(9) In compliance with the requirements of Article XI-G of the Oregon
18 Constitution, funds available under the expenditure limitation for bonds is-
19 sued pursuant to Article XI-G of the Oregon Constitution in section 7 (8)
20 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the
21 General Fund appropriation made under [*section 34 of this 2009 Act*] **ORS**
22 **341.784**.

23 “(10) In compliance with the requirements of Article XI-G of the Oregon
24 Constitution, funds available under the expenditure limitation for bonds is-
25 sued pursuant to Article XI-G of the Oregon Constitution in section 7 (9)
26 [*of this 2009 Act*], **chapter 904, Oregon Laws 2009**, are matched with the
27 General Fund appropriation made under [*section 35 of this 2009 Act*] **ORS**
28 **341.787**.

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

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

6 “(1) If the total amount from other revenues, including federal funds,
7 identified for the project in the expenditure limitation in section 7, **chapter**
8 **904, Oregon Laws 2009,** [*of this 2009 Act*] has been received by the Depart-
9 ment of Community Colleges and Workforce Development; or

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

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

16 “341.933. The [*State Board of Education*] **Higher Education Coordinat-**
17 **ing Commission** shall adopt by rule standards governing the distribution
18 of state funds to community college districts for capital construction
19 projects. The standards shall include, but need not be limited to, the fol-
20 lowing provisions:

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

24 “(2) State funds shall be matched by substantial contributions from non-
25 state sources, which may include tuition, property taxes, bond issues, gifts
26 and grants.

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

28 “341.937. In preparing budget requests for each biennium, after consulta-
29 tion with the community colleges and their respective representatives of the
30 community of persons with disabilities at the colleges, the [*State Board of*

1 *Education*] **Higher Education Coordinating Commission** shall include
2 amounts for capital improvements that will be applied to the substantial re-
3 duction and eventual elimination of barriers to access by persons with disa-
4 bilities.

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

6 “344.070. (1) The Oregon Department of Administrative Services may draw
7 warrants upon any state fund to which federal funds for training or educa-
8 tion have been credited, in payment of vouchers approved by the Super-
9 intendent of Public Instruction or the Commissioner for Community College
10 Services pursuant to rules of the [*State Board of Education*] **Higher Edu-
11 cation Coordinating Commission**, in favor of school districts, education
12 service districts and community college districts, for such sums, not exceed-
13 ing \$100,000 for a single district in the aggregate, as the [*state board*] **com-
14 mission**, by rule, shall determine. The warrants, upon delivery [*thereof*] to
15 the districts, shall constitute advances from state funds to enable the dis-
16 tricts more readily to effectuate the purposes set forth in any federal law or
17 regulation pertaining to career and technical education or other education
18 or training sponsored by the federal government.

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

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

30 “344.080. (1) All reimbursement vouchers for claims paid from the revolv-

1 ing funds mentioned in ORS 344.070 shall be approved by the Superintendent
2 of Public Instruction or the Commissioner for Community College Services
3 pursuant to rules of the [*State Board of Education*] **Higher Education Co-**
4 **ordinating Commission**. When vouchers are so approved, warrants covering
5 the same shall be drawn by the Oregon Department of Administrative Ser-
6 vices, payable from the appropriate fund, and be used to reimburse the re-
7 volving funds.

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

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

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

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

26 “344.090. When it appears to the Superintendent of Public Instruction or
27 the Commissioner for Community College Services that the training and ed-
28 ucational programs for which funds are advanced under ORS 344.070 have
29 been completed, or that the need for [*such*] **the** advances or revolving funds
30 no longer exists, or that the sums advanced are not being properly handled

1 or accounted for, the superintendent or commissioner may require that all
2 or part of the amounts advanced to any district shall be returned, with any
3 interest earned, to the state funds or accounts from which the amounts ori-
4 ginally were withdrawn. Upon receipt of notification from the superintendent
5 or commissioner that funds advanced are to be returned, the district con-
6 cerned shall immediately repay the same to the State Treasurer, for credit
7 to the proper fund or account. To the extent that funds advanced are so re-
8 paid, security or protection theretofore required by the [*State Board of Ed-*
9 *ucation*] **Higher Education Coordinating Commission** under ORS 344.080
10 (4) to insure the safety of such funds may be released.

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

13 **“Sec. 5.** The [*State Board of Higher Education*] **Higher Education Co-**
14 **ordinating Commission** shall determine **by rule how** [*the capital renewal,*
15 *code compliance and safety projects to be undertaken with*] moneys made
16 available under section 6 (1)(a), **chapter 904, Oregon Laws 2009, shall be**
17 **allocated to universities listed in ORS 352.002** [*of this 2009 Act on the*
18 *basis of the board’s determination of the most critical capital renewal, code*
19 *compliance and safety needs. In determining the capital renewal, code compli-*
20 *ance and safety needs, the board shall give priority to projects that protect the*
21 *health and safety of occupants and maintain the structural integrity of facili-*
22 *ties*].

23 **“SECTION 80.** Section 9, chapter 904, Oregon Laws 2009, as amended by
24 section 6, chapter 99, Oregon Laws 2010, and section 2, chapter 15, Oregon
25 Laws 2011, is amended to read:

26 **“Sec. 9.** (1) Except as provided in subsection (3) of this section, the
27 project approvals and expenditure limitations in chapter 904, Oregon Laws
28 2009, and the expenditure limitations established by the Emergency Board
29 during the biennium beginning July 1, 2009, for capital construction or ac-
30 quisition projects of the Oregon University System, **public universities**

1 **with governing boards** and of the Department of Community Colleges and
2 Workforce Development for community colleges, expire on June 30, 2015,
3 unless otherwise noted or unless changed by the Legislative Assembly.

4 “(2) The project approvals and expenditure limitations established by
5 section 2 (5)(b), (e) and (i), chapter 725, Oregon Laws 2003, and section 2
6 (3)(h), chapter 845, Oregon Laws 2001, for capital construction or acquisition
7 projects of the Oregon University System expire on June 30, 2011, unless
8 otherwise changed by the Legislative Assembly.

9 “(3) The project approvals and expenditure limitations in section 6 (4)(c),
10 (k) and (L), (5)(c) and (e) and (7)(k), chapter 904, Oregon Laws 2009, and the
11 expenditure limitations established by the Emergency Board during the
12 biennium beginning July 1, 2009, for capital construction or acquisition
13 projects of the Oregon University System described in section 6 (4)(c), (k)
14 and (L), (5)(c) and (e) and (7)(k), chapter 904, Oregon Laws 2009, expire on
15 June 30, 2015, unless otherwise noted or unless changed by the Legislative
16 Assembly.

17 “(4) The project approvals and expenditure limitations in section 6 (1)(a),
18 (2)(b), (4)(b), (6)(a) and (7)(b) and (c), chapter 904, Oregon Laws 2009, expire
19 on June 30, 2015, unless provided otherwise.

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

21 “348.040. As used in ORS 348.040 to 348.070, unless the context requires
22 otherwise:

23 “(1) ‘Eligible student’ means a person who is a resident of this state, as
24 determined by the [*Oregon Student Access Commission*] **Higher Education**
25 **Coordinating Commission**, at the time of application for a loan under ORS
26 348.040 to 348.070:

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

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

1 “(c) Who can show the necessity for financial assistance in order to con-
2 tinue the applicant’s education.

3 “(2) ‘Qualified school’ means a school within this state that is a:

4 “(a) Four-year, nonprofit, generally accredited institution of higher edu-
5 cation;

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

8 “(c) Career school that is approved by the [*Superintendent of Public In-*
9 *struction*] **commission**;

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

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

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

15 “(3) ‘Qualified school’ may include an institution, college, center or school
16 not located in this state if the commission certifies that the course is not
17 available in this state.

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

20 “348.040. As used in ORS 348.040 to 348.070, unless the context requires
21 otherwise:

22 “(1) ‘Eligible student’ means a person who is a resident of this state, as
23 determined by the [*Oregon Student Access Commission*] **Higher Education**
24 **Coordinating Commission**, at the time of application for a loan under ORS
25 348.040 to 348.070:

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

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

30 “(c) Who can show the necessity for financial assistance in order to con-

1 tinue the applicant’s education.

2 “(2) ‘Qualified school’ means a school within this state that is a:

3 “(a) Four-year, nonprofit, generally accredited institution of higher edu-
4 cation;

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

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

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

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

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

14 “(3) ‘Qualified school’ may include an institution, college, center or school
15 not located in this state if the commission certifies that the course is not
16 available in this state.

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

19 “348.070. [*To assist the Oregon Student Access Commission and the De-*
20 *partment of State Lands in determining the qualification of schools, the Higher*
21 *Education Coordinating Commission]* **The Higher Education Coordinating**
22 **Commission** shall maintain a listing of career schools offering professional
23 and technical training that meets the occupational needs of the student.

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

25 “348.180. As used in this section and ORS 348.186, 348.205, 348.230, 348.250,
26 348.260 and 348.285:

27 “(1) ‘Cost of education’ includes but is not limited to, tuition, fees and
28 living expenses.

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

30 “(a) A public university [*listed in ORS 352.002*];

1 “(b) A community college operated under ORS chapter 341;

2 “(c) The Oregon Health and Science University; or

3 “(d) An Oregon-based, generally accredited, not-for-profit institution of
4 higher education.

5 “(3) ‘Qualified student’ means any resident student who plans to attend
6 an eligible post-secondary institution and who:

7 “(a) Has not achieved a baccalaureate or higher degree from any post-
8 secondary institution;

9 “(b) Is enrolled in an eligible program as defined by rule of the [*Oregon*
10 *Student Access Commission*] **Higher Education Coordinating**
11 **Commission**; and

12 “(c) Is making satisfactory academic progress as defined by rule of the
13 [*commission*] **commission**.

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

15 “348.186. (1) In addition to any other form of student financial aid au-
16 thorized by law, the [*Oregon Student Access Commission*] **Higher Education**
17 **Coordinating Commission** shall award, to the extent funds are made
18 available, an Oregon Achievement Grant to any qualified student who:

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

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

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

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

30 “(4) Each Oregon Achievement Grant shall be renewed yearly provided

1 that the recipient has maintained satisfactory progress, as determined by the
2 commission, toward a first associate or baccalaureate degree.

3 “(5) Notwithstanding subsection (4) of this section, no Oregon Achieve-
4 ment Grant shall be renewed after a qualified student has reached the num-
5 ber of credit hours required to graduate with a baccalaureate degree at the
6 institution the student is attending.

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

8 “348.205. (1) The Oregon Opportunity Grant program is established within
9 the [*Oregon Student Access Commission*] **Higher Education Coordinating**
10 **Commission.**

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

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

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

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

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

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

30 “(4)(a) The [*commission*] **executive director** shall determine the amount

1 of the student share. The student share shall be based on:

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

4 “(B) The number of hours of work that the [*commission*] **executive di-**
5 **rector** determines may be reasonably expected from the student; and

6 “(C) The amount of loans that the [*commission*] **executive director** de-
7 termines would constitute a manageable debt burden for the student.

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

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

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

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

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

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

1 “(b) The [*commission*] **executive director** shall establish a minimum
2 amount that a student may receive as a state share. If the [*commission*]
3 **executive director** determines that the amount of the state share of a stu-
4 dent is below the minimum amount, the student may not receive the state
5 share.

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

14 “(8)(a) The **Higher Education Coordinating** Commission shall adopt
15 rules that prioritize current foster children and former foster children for
16 receiving Oregon Opportunity Grants when the Oregon Opportunity Grant
17 program does not have sufficient funding to serve all eligible Oregon stu-
18 dents.

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

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

22 “348.210. (1) In addition to any other scholarships provided by law, the
23 [*Oregon Student Access Commission*] **Higher Education Coordinating**
24 **Commission** may award scholarships at Eastern Oregon University to resi-
25 dent undergraduate students applying for enrollment in the university or
26 who are pursuing courses therein. The number of students who receive
27 scholarships under this subsection may not exceed two and one-half percent
28 of the number of students who are enrolled at the university. The scholar-
29 ships shall be awarded upon the basis of a record of high intellectual
30 standing and deportment in the school or institution where the applicant has

1 received or is receiving preparatory training, the necessity for financial as-
2 sistance and other qualifications of such nature that the awarding of schol-
3 arships will operate not only to the advantage of the applicant but to the
4 people of Oregon. A scholarship awarded under this subsection may not ex-
5 ceed in value the amount of the tuition and other fees, including the fees
6 that are levied against the recipient of the scholarship by [*the State Board*
7 *of Higher Education at*] the university.

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

12 “(3) The value of scholarships awarded each year under subsection (2) of
13 this section may not exceed in aggregate an amount equal to 10 percent of
14 the amount of tuition and fees paid in the preceding year [*to the Oregon*
15 *University System*] by students enrolled in public universities listed in ORS
16 352.002 who were not Oregon residents.

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

18 “348.230. (1) In addition to any other financial aid provided by law, the
19 [*Oregon Student Access Commission*] **Higher Education Coordinating**
20 **Commission** may award to qualified residents of this state scholastic grants
21 in any eligible post-secondary institution.

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

28 “(3) If the recipient of a grant under this section meets the standards for
29 renewal of that grant, the grant may be renewed, upon application of the
30 recipient, until the recipient has received a total of four undergraduate years

1 under this section or until the recipient has completed an undergraduate
2 course of study, whichever is less.

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

6 “(5) No grant shall be made to any student enrolled in a course of study
7 required for and leading to a degree in theology, divinity or religious edu-
8 cation.

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

10 “348.250. (1) Grants established under ORS 348.230 and 348.260 shall be
11 awarded by the [*Oregon Student Access Commission*] **Higher Education**
12 **Coordinating Commission** in the manner provided in this section.

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

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

20 “(a) The applicant’s financial need is such that in the opinion of the
21 [*commission*] **executive director** financial aid is warranted; and

22 “(b) The applicant plans to be a student at the eligible post-secondary
23 institution where the grant is to be used.

24 “(4) The [*commission*] **executive director** shall not discriminate for or
25 against any applicant for a grant.

26 “(5) Nothing in ORS 348.210 to 348.260, 348.505 to 348.615, 348.696 and
27 348.992 shall be construed to require any institution to admit a grant recip-
28 ient or to attempt to control or influence the policies of the institution.

29 “(6) Whenever funds are not available to award grants to all qualified
30 students, the [*commission*] **executive director** may give priority to appli-

1 cants who are or plan to be full-time students at the eligible post-secondary
2 institution where the grant is to be used. A student shall be considered to
3 be a full-time student if the combination of credit hours at more than one
4 eligible post-secondary institution equals full-time attendance, according to
5 the institution disbursing the grant funds.

6 “(7) As used in this section, ‘discriminate’ has the meaning given ‘dis-
7 crimination’ in ORS 659.850.

8 **“SECTION 90.** ORS 348.260 is amended to read:

9 “348.260. (1) In addition to any other form of student financial aid au-
10 thorized by law, the [*Oregon Student Access Commission*] **Higher Education**
11 **Coordinating Commission** may award Oregon Opportunity Grants to qual-
12 ified students.

13 “(2) The amount of a grant shall equal the state share of a qualified
14 student’s cost of education as determined by the commission under ORS
15 348.205.

16 “(3) Grant funds necessary to meet matching requirements for federal
17 funds under the Leveraging Educational Assistance Partnership Program and
18 Special Leveraging Educational Assistance Partnership Program of the
19 United States Department of Education may also be used to award grants to
20 qualified students in any eligible post-secondary institution approved by the
21 commission.

22 “(4) Grants may be awarded under this section to qualified students en-
23 rolled for any term, including summer term. The commission may prescribe
24 a specific date by which a student must apply to the commission to qualify
25 for a grant only if the commission determines that the total amount available
26 to award as the state share to all qualified students is not sufficient to cover
27 the total state share amount scheduled to be awarded to all students.

28 “(5) If a qualified student receiving a grant under this section meets the
29 standards for renewal of the grant, the grant may be renewed upon applica-
30 tion until the qualified student has received the equivalent of four full-time

1 undergraduate years of grant funding for an eligible program as defined by
2 the commission.

3 “(6) A qualified student who receives a grant under this section must at-
4 tend the eligible post-secondary institution upon which the grant application
5 is based unless the [*commission*] **Executive Director of the Office of Stu-
6 dent Access and Completion** authorizes the grant to be used at a different
7 eligible post-secondary institution. A qualified student who receives a grant
8 under this section may attend more than one eligible post-secondary institu-
9 tion if the grant application was based on the qualified student attending
10 more than one eligible post-secondary institution.

11 “(7) The commission may not make a grant to any qualified student en-
12 rolled in a course of study required for and leading to a degree in theology,
13 divinity or religious education.

14 “**SECTION 91.** ORS 348.265 is amended to read:

15 “348.265. (1) In addition to any other form of student financial aid au-
16 thorized by law, the [*Oregon Student Access Commission*] **Higher Education
17 Coordinating Commission** may award grants to qualified residents of this
18 state who are enrolled in the professional medical, nursing or dental pro-
19 grams at the Oregon Health and Science University.

20 “(2) A qualified applicant for a grant under this section is one who plans
21 to attend the Oregon Health and Science University but whose financial ca-
22 pacity and that of the applicant’s family to contribute to the educational
23 costs are not adequate to meet such costs, as determined by the
24 [*commission*] **Executive Director of the Office of Student Access and
25 Completion.**

26 “(3) Grants may be received by a student each year of attendance de-
27 pending on the continuing need of the student for [*such*] **the** grant.

28 “(4) No grant awarded under this section shall exceed the amount of the
29 difference between the award year tuition and fees assessed and the tuition
30 and fees assessed for that program in the academic year 1976-1977.

1 **“SECTION 92.** ORS 348.270 is amended to read:

2 “348.270. (1) In addition to any other scholarships provided by law, the
3 [commission] **Higher Education Coordinating Commission** shall award
4 scholarships in any public university listed in ORS 352.002, in the Oregon
5 Health and Science University, in any community college operated under
6 ORS chapter 341, or in any Oregon-based regionally accredited independent
7 institution, to any student applying for enrollment or who is enrolled
8 therein, who is:

9 “(a) The natural child, adopted child or stepchild of any public safety of-
10 ficer who, in the line of duty, was killed or so disabled, as determined by the
11 [commission] **Executive Director of the Office of Student Access and**
12 **Completion**, that the income of the public safety officer is less than that
13 earned by public safety officers performing duties comparable to those per-
14 formed at the highest rank or grade attained by the public safety officer; or

15 “(b) A current foster child or former foster child who enrolls in an insti-
16 tution of higher education as an undergraduate student not later than three
17 years from the date the student was removed from the care of the Depart-
18 ment of Human Services, the date the student graduated from high school
19 or the date the student received the equivalent of a high school diploma,
20 whichever date is earliest.

21 “(2) Scholarships awarded under this section to students who are depen-
22 dents of public safety officers or who are current foster children or former
23 foster children shall equal the amount of tuition and all fees levied by the
24 institution against the recipient of the scholarship. However, scholarships
25 awarded to students who attend independent institutions [*shall*] **may** not
26 exceed the amount of tuition and all fees levied by the University of Oregon.

27 “(3) If [*the*] **a** student who is the dependent of a deceased public safety
28 officer continues to remain enrolled in a public university listed in ORS
29 352.002 or a community college or an independent institution within the
30 State of Oregon, the student shall be entitled to renewal of the scholarship

1 until the student has received the equivalent of four years of undergraduate
2 education and four years of post-graduate education.

3 “(4) If *[the]* a student who is a current foster child or former foster child
4 or who is the dependent of a public safety officer with a disability continues
5 to remain enrolled in a public university listed in ORS 352.002 or a commu-
6 nity college or an independent institution within the State of Oregon, the
7 student shall be entitled to renewal of the scholarship until the student has
8 received the equivalent of four years of undergraduate education.

9 “(5) The *[commission]* **Executive Director of the Office of Student**
10 **Access and Completion** may require proof of *[the]* a student’s relationship
11 to a public safety officer described in subsection (1) of this section or proof
12 that *[the]* a student is a current foster child or former foster child.

13 “(6) As used in this section:

14 “(a) ‘Former foster child’ means an individual who, for a total of 12 or
15 more months while between the ages of 16 and 21, was a ward of the court
16 pursuant to ORS 419B.100 (1)(b) to (e) and in the legal custody of the De-
17 partment of Human Services for out-of-home placement.

18 “(b) ‘Public safety officer’ means:

19 “(A) A firefighter or police officer as those terms are defined in ORS
20 237.610.

21 “(B) A member of the Oregon State Police.

22 “(C) A police officer commissioned by a university under ORS 352.383.

23 “(D) An authorized tribal police officer as defined in section 1, chapter
24 644, Oregon Laws 2011.

25 “**SECTION 93.** ORS 348.270, as amended by section 51, chapter 644,
26 Oregon Laws 2011, is amended to read:

27 “348.270. (1) In addition to any other scholarships provided by law, the
28 *[commission]* **Higher Education Coordinating Commission** shall award
29 scholarships in any public university listed in ORS 352.002, in the Oregon
30 Health and Science University, in any community college operated under

1 ORS chapter 341, or in any Oregon-based regionally accredited independent
2 institution, to any student applying for enrollment or who is enrolled
3 therein, who is:

4 “(a) The natural child, adopted child or stepchild of any public safety of-
5 ficer who, in the line of duty, was killed or so disabled, as determined by the
6 [commission] **Executive Director of the Office of Student Access and**
7 **Completion**, that the income of the public safety officer is less than that
8 earned by public safety officers performing duties comparable to those per-
9 formed at the highest rank or grade attained by the public safety officer; or

10 “(b) A current foster child or former foster child who enrolls in an insti-
11 tution of higher education as an undergraduate student not later than three
12 years from the date the student was removed from the care of the Depart-
13 ment of Human Services, the date the student graduated from high school
14 or the date the student received the equivalent of a high school diploma,
15 whichever date is earliest.

16 “(2) Scholarships awarded under this section to students who are depen-
17 dents of public safety officers or who are current foster children or former
18 foster children shall equal the amount of tuition and all fees levied by the
19 institution against the recipient of the scholarship. However, scholarships
20 awarded to students who attend independent institutions [shall] **may** not
21 exceed the amount of tuition and all fees levied by the University of Oregon.

22 “(3) If [the] a student who is the dependent of a deceased public safety
23 officer continues to remain enrolled in a public university listed in ORS
24 352.002 or a community college or an independent institution within the
25 State of Oregon, the student shall be entitled to renewal of the scholarship
26 until the student has received the equivalent of four years of undergraduate
27 education and four years of post-graduate education.

28 “(4) If [the] a student who is a current foster child or former foster child
29 or who is the dependent of a public safety officer with a disability continues
30 to remain enrolled in a public university listed in ORS 352.002 or a commu-

1 nity college or an independent institution within the State of Oregon, the
2 student shall be entitled to renewal of the scholarship until the student has
3 received the equivalent of four years of undergraduate education.

4 “(5) The [*commission*] **executive director** may require proof of [*the*] **a**
5 student’s relationship to a public safety officer described in subsection (1)
6 of this section or proof that [*the*] **a** student is a current foster child or former
7 foster child.

8 “(6) As used in this section:

9 “(a) ‘Former foster child’ means an individual who, for a total of 12 or
10 more months while between the ages of 16 and 21, was a ward of the court
11 pursuant to ORS 419B.100 (1)(b) to (e) and in the legal custody of the De-
12 partment of Human Services for out-of-home placement.

13 “(b) ‘Public safety officer’ means:

14 “(A) A firefighter or police officer as those terms are defined in ORS
15 237.610.

16 “(B) A member of the Oregon State Police.

17 “(C) A police officer commissioned by a university under ORS 352.383.

18 “**SECTION 94.** ORS 348.280 is amended to read:

19 “348.280. (1) The [*Oregon Student Access Commission*] **Higher Education**
20 **Coordinating Commission** shall:

21 “[*(1)*] (a) Determine which students are eligible to receive scholarships
22 under ORS 348.270.

23 “[*(2)*] (b) Grant the appropriate scholarships under ORS 348.270.

24 “[*(3)*] (c) Make necessary rules for application and distribution of the
25 benefits available under ORS 348.270 and this section.

26 “(d) **In awarding scholarships pursuant to its authority under ORS**
27 **348.520, give priority to students who are eligible to receive scholar-**
28 **ships under ORS 348.270.**

29 “[*(4)*] (2) **The Higher Education Coordinating Commission shall es-**
30 **tablish rules and procedures necessary to carry out the provisions of ORS**

1 348.270 and this section, including but not limited to the usual and custom-
2 ary rules for analyzing financial need.

3 “[5] *In awarding scholarships pursuant to its authority under ORS*
4 *348.520, give priority to students who are eligible to receive scholarships under*
5 *ORS 348.270.*]

6 “**SECTION 95.** ORS 348.282 is amended to read:

7 “348.282. As used in this section and ORS 348.283:

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

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

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

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

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

16 “(a) A public university [*under the direction of the State Board of Higher*
17 *Education*]; and

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

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

20 “**SECTION 96.** ORS 348.283 is amended to read:

21 “348.283. (1) There is established within the [*Oregon Student Access*
22 *Commission*] **Higher Education Coordinating Commission** the Oregon
23 Troops to Teachers program. Through the program, the commission shall pay
24 for all of the resident tuition charges of a veteran imposed by a public
25 post-secondary institution, provided the veteran:

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

27 “(b) Is a resident of Oregon; and

28 “(c) Agrees to teach:

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

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

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

8 “(3) The commission shall adopt rules necessary for the implementation
9 and administration of this section in consultation with the Department of
10 Education and the Oregon University System.

11 “**SECTION 97.** ORS 348.285 is amended to read:

12 “348.285. (1) In addition to any other form of student financial aid au-
13 thorized by law, the [*Oregon Student Access Commission*] **Higher Education**
14 **Coordinating Commission** may award, to the extent funds are made avail-
15 able, an Oregon Roadmap to Language Excellence Scholarship to a qualified
16 student.

17 “(2) The [*Oregon Student Access Commission*] **commission** may:

18 “(a) Award an initial Oregon Roadmap to Language Excellence Scholar-
19 ship for up to \$2,000 to a qualified student who:

20 “(A) Is a United States citizen or a noncitizen legally residing in the
21 United States;

22 “(B) Has received a diploma from a high school in this state or the
23 equivalent;

24 “(C) Is attending an eligible post-secondary institution in this state;

25 “(D) Is pursuing an Associate of Arts or more advanced degree; and

26 “(E) Demonstrates proficiency in speaking, reading and writing in a na-
27 tural, human-based language other than English, excluding computer-based
28 languages, musical notation and Esperanto.

29 “(b) Award a subsequent Oregon Roadmap to Language Excellence
30 Scholarship for up to \$2,000 to a student receiving a scholarship under par-

1 agraph (a) of this subsection who has demonstrated a measurable gain of
2 proficiency in speaking, reading and writing skills in the same language for
3 which the scholarship was awarded during the previous academic year.

4 “(c) Award a reduced subsequent Oregon Roadmap to Language Excel-
5 lence Scholarship to a student receiving a scholarship under paragraph (a)
6 of this subsection who has not demonstrated a measurable gain of proficiency
7 in speaking, reading and writing skills in the same language for which the
8 scholarship was awarded during the previous academic year. The reduced
9 scholarship is for \$500 less than the amount of the scholarship awarded the
10 previous academic year. The commission may not award a reduced subse-
11 quent scholarship for consecutive academic years.

12 “(3) The maximum amount of scholarships awarded to a person under this
13 section may not exceed \$8,000.

14 “(4) The commission may award scholarships under this section to a per-
15 son for the year of the initial scholarship and the next three consecutive
16 years. The **Higher Education Coordinating** Commission shall adopt rules
17 allowing a waiver of the requirement that the scholarships be awarded in
18 consecutive years for students with approved leaves of absence for appropri-
19 ate reasons such as illness, emergency, military service and other appropriate
20 reasons as determined by the commission.

21 “(5) The commission may not award scholarships under this section to a
22 student who is enrolled in a course of study required for and leading to a
23 degree in theology, divinity or religious education.

24 “(6) The **Higher Education Coordinating** Commission shall adopt rules:

25 “(a) Establishing priority for Oregon Roadmap to Language Excellence
26 Scholarships when funds are not available to award scholarships to all
27 qualified students.

28 “(b) Setting standards for appropriate levels of language proficiency and
29 improved language proficiency needed for eligible students to qualify for
30 scholarships under this section.

1 “(c) Choosing an assessment method for measuring language proficiency
2 in speaking, reading and writing for the purposes of paragraph (b) of this
3 subsection. The assessment method must comply with the American Council
4 on the Teaching of Foreign Languages proficiency guidelines, and must
5 measure only Intermediate-Mid level language skills and higher.

6 **“SECTION 98.** ORS 348.290 is amended to read:

7 “348.290. The [*Oregon Student Access Commission*] **Executive Director**
8 **of the Office of Student Access and Completion** shall apply the interest
9 on the amount transferred to the Oregon Student Assistance Fund under
10 section 4, chapter 377, Oregon Laws 1985, to provide financial aid, as defined
11 in ORS 348.505, to students to study barbering, hairdressing, manicure and
12 esthetics at eligible post-secondary schools.

13 **“SECTION 99.** ORS 348.310 is amended to read:

14 “348.310. (1) The [*Oregon Student Access Commission*] **Higher Education**
15 **Coordinating Commission** is authorized to make loans to all qualified ap-
16 plicants, from the fund created in ORS 348.390 (1), to assist in financing the
17 cost of a program of study leading to the degree of Doctor of Medicine or
18 to the degree of Doctor of Osteopathic Medicine.

19 “(2) The [*commission*] **Executive Director of the Office of Student**
20 **Access and Completion** shall:

21 “(a) Develop criteria for the preparation of applications and procedures
22 for the submission, evaluation, priority selection and award of loans provided
23 for in ORS 348.310 to 348.390; **and**

24 “(b) Determine the number and amount of loans and loan renewals[;
25 *and*].

26 “[*(c)*] **(3) The Higher Education Coordinating Commission shall** adopt
27 such rules as may be necessary to implement ORS 348.310 to 348.390.

28 **“SECTION 100.** ORS 348.320 is amended to read:

29 “348.320. (1) A person shall be eligible for a loan under ORS 348.310 to
30 348.390 if the person is:

1 “(a) A bona fide resident of this state;

2 “(b) Accepted for enrollment, or is a student in good standing in the
3 professional medical program at an accredited medical school located in the
4 United States or in an accredited school of osteopathic medicine;

5 “(c) As a result of personal financial resources, unable to pursue a pro-
6 gram of study in the absence of a loan or would be unable to do so without
7 great hardship; and

8 “(d) Desirous of practicing medicine in a rural community in this state,
9 and in an area which meets the qualifications of a medical shortage area.

10 “(2) The person desiring consideration for a loan under ORS 348.310 to
11 348.390 shall apply to the [*Oregon Student Access Commission*] **Executive**
12 **Director of the Office of Student Access and Completion.**

13 “(3) The person desiring consideration for a loan under ORS 348.310 to
14 348.390 shall agree in writing to practice medicine in a medical shortage area
15 as defined by the Oregon Health Authority, for a period equal to the period
16 covered by the loan, but no less than two years.

17 “**SECTION 101.** ORS 348.330 is amended to read:

18 “348.330. In addition to any other financial aid provided by law, the
19 [*Oregon Student Access Commission*] **Higher Education Coordinating**
20 **Commission** may grant loans in the following amounts:

21 “(1) Persons in their first or second year of study, or the equivalent
22 [*thereof*] **of their first or second year of study**, are eligible for an amount
23 not to exceed \$5,000 per academic year.

24 “(2) Persons in their third or fourth year of study, or the equivalent
25 [*thereof*] **of their third or fourth year of study**, are eligible for an amount
26 not to exceed \$7,500 per academic year.

27 “**SECTION 102.** ORS 348.340 is amended to read:

28 “348.340. (1) The [*Oregon Student Access Commission is further authorized*
29 *to*] **Executive Director of the Office of Student Access and Completion**
30 **may** establish and administer cost-sharing loan fund programs which provide

1 for assistance, in conjunction with community agencies or organizations,
2 selected and approved by the **Higher Education Coordinating** Commission
3 in a rural community in the state having a population of fewer than 7,500
4 persons. Participation in [*such*] a program **established under this sub-**
5 **section** shall be on a matching funds basis between the Rural Medical Ed-
6 ucation Loan Fund and the approved community agency and shall fund the
7 educational costs, fees and charges of a specific, eligible student, who shall
8 be approved by the participating community and the commission.

9 “(2) Funds provided from the Rural Medical Education Loan Fund under
10 subsection (1) of this section shall not exceed 75 percent of the total amount
11 calculated to be necessary to fund one person for one year, in an approved
12 school as determined by the commission.

13 “(3) The eligibility requirements for persons participating in [*the*] a pro-
14 gram established in subsection (1) of this section shall be the same as the
15 requirements for eligibility in the loan program under ORS 348.320.

16 “(4) Upon completion of the program of study and training for licensure,
17 the person receiving funds under this section shall not be required to repay
18 such funds if the person practices medicine in the community providing the
19 matching funds. The person shall practice medicine one year for each year
20 that funds were provided, but in no event shall the person practice less than
21 two years.

22 “**SECTION 103.** ORS 348.350 is amended to read:

23 “348.350. (1) The [*Oregon Student Access Commission*] **Executive Direc-**
24 **tor of the Office of Student Access and Completion** is authorized to es-
25 tablish and administer a cost-sharing program to train intern and residency
26 physicians as may be arranged by contract with an accredited training hos-
27 pital within this state. The cost sharing shall be limited to general practice
28 internships and family practice residencies. The commission may pay up to
29 \$18,000 to an institution for each intern or resident position which is re-
30 served for training students who are planning to enter medical practice in

1 rural areas.

2 “(2) Funds for programs established under subsection (1) of this section
3 shall be paid from the Rural Medical Education Loan Fund.

4 “(3) No money appropriated under this section shall be used for any pro-
5 gram at the Oregon Health and Science University. The center shall be re-
6 quired to give priority admissions to recipients under ORS 348.310 to 348.390
7 in its family practice residency programs.

8 **“SECTION 104.** ORS 348.360 is amended to read:

9 “348.360. Each loan granted under ORS 348.330 and 348.340 is renewable
10 annually. The [*Oregon Student Access Commission*] **Executive Director of**
11 **the Office of Student Access and Completion** shall renew the loans upon
12 application by the recipient when the [*commission*] **executive director** finds
13 that the applicant has successfully completed the required work for the pre-
14 ceding academic year and is a student in good standing, is a resident of this
15 state and is in a financial condition that warrants the continuation of
16 [*such*] **the aid.**

17 **“SECTION 105.** ORS 348.370 is amended to read:

18 “348.370. (1) [*Persons*] **A person** receiving funds under ORS 348.310 to
19 348.390 shall not be required to repay the funds if the person practices med-
20 icine in a rural community in this state having a population of fewer than
21 7,500 persons and which meets the qualifications of a medical shortage area.

22 “(2) The fund recipient shall practice medicine in the area designated
23 under subsection (1) of this section at the rate of one year for each year the
24 funds were provided to that recipient, but in no event shall any recipient
25 practice medicine in an area less than two years.

26 “(3) Any person receiving funds under ORS 348.310 to 348.390 who fails
27 to complete the course of study, shall be required to repay the amount re-
28 ceived to the Rural Medical Education Loan Fund. Ten percent interest shall
29 be charged on the unpaid balance, accrued from the date the loan was
30 granted.

1 “(4) Any person receiving funds under ORS 348.310 to 348.390 who com-
2 pletes the course of study and requirements for licensure but fails to fulfill
3 the obligations required by the loan, shall repay the amount received to the
4 Rural Medical Education Loan Fund. Ten percent interest shall be charged
5 on the unpaid balance, accrued from the date the loan was granted. Addi-
6 tionally, a penalty fee, equal to 25 percent of the total amount of funds re-
7 ceived shall be assessed against the person. No interest shall accrue on the
8 penalty.

9 “(5) Any funds received by the Rural Medical Education Loan Fund under
10 subsections (3) to (6) of this section shall be used by the [*Oregon Student*
11 *Access Commission*] **Executive Director of the Office of Student Access**
12 **and Completion** for the purpose of carrying out the provisions of ORS
13 348.310 to 348.390.

14 “(6) The [*commission*] **executive director** may waive any interest or
15 penalty assessed under subsections (3) to (6) of this section in case of undue
16 hardship.

17 **“SECTION 106.** ORS 348.390 is amended to read:

18 “348.390. (1) There is established in the State Treasury a fund, separate
19 and distinct from the General Fund, to be known as the Rural Medical Ed-
20 ucation Loan Fund, which may be invested in the same manner as the
21 Oregon Student Assistance Fund. This fund may receive funds from state and
22 private sources for the purpose of making loans to student residents of this
23 state who are determined to be eligible to receive funds under ORS 348.310
24 to 348.390. Interest earned by the fund shall be credited to the fund.

25 “(2) All funds for and relating to loans received by the [*Oregon Student*
26 *Access Commission*] **Executive Director of the Office of Student Access**
27 **and Completion**, including repayments, interest and penalties, for the Rural
28 Medical Education Loan Fund, except moneys appropriated from the State
29 Treasury for a specified period of time, are continuously appropriated to the
30 Rural Medical Education Loan Fund for the purposes for which the fund was

1 created.

2 **“SECTION 107.** ORS 348.427 is amended to read:

3 “348.427. (1) To encourage community service participation among stu-
4 dents in institutions of higher education, there is established a higher edu-
5 cation community service voucher program within the [*Oregon Student*
6 *Access Commission*] **Higher Education Coordinating Commission**. The
7 commission shall allocate the amount available to it for the purposes under
8 ORS 348.427 to 348.436 by awarding the institution’s share of the amount to
9 each institution of higher education in this state that is eligible for or whose
10 students are eligible for financial aid under Title IV, Part B, of the Higher
11 Education Act of 1965 as amended. The institution’s share shall be based on
12 the proportion of its enrollment of full-time students to the enrollment of
13 full-time students in all institutions of higher education in this state.

14 “(2) An institution of higher education in this state that receives an
15 amount under subsection (1) of this section shall award amounts from the
16 institution’s share to various academic departments in the institution.
17 Vouchers awarded to eligible voucher recipients shall be in \$35 denomi-
18 nations for each eight hours of eligible community service. Priority shall be
19 given to otherwise eligible applicants who have applied previously but not
20 been awarded a place in the voucher program.

21 “(3) In order to be eligible, a voucher recipient must perform approved
22 services for at least 20 hours per week in one term for a state or local gov-
23 ernment entity or a nonprofit social service agency recognized as tax-exempt
24 under section 501(c)(3) of the Internal Revenue Code of 1986. However, a
25 voucher recipient shall not be assigned duties that are performed by a public
26 employee if the assignment would displace the public employee. A voucher
27 recipient may be assigned within the institution to assist in maintaining the
28 program authorized by ORS 348.427 to 348.436.

29 “(4) A voucher recipient is eligible for the voucher awards for only one
30 term as an undergraduate student. In addition to the vouchers, the recipient

1 shall receive graded academic credit to be determined by the institution.
2 However, participation in the program does not replace any practicum or
3 internship required for a degree.

4 **“SECTION 108.** ORS 348.429 is amended to read:

5 “348.429. (1) In addition to any other student assistance provided by the
6 law, the [*Oregon Student Access Commission*] **Higher Education Coordi-**
7 **nating Commission** shall award vouchers to eligible students participating
8 in the program.

9 “(2) The total of all vouchers earned by a student under this section in
10 one term shall not exceed an amount equal to the average tuition and asso-
11 ciated fees charged annually to full-time resident undergraduate students by
12 public universities listed in ORS 352.002.

13 “(3) Vouchers shall be provided in \$35 denominations for each eight hours
14 of eligible community service.

15 “(4) The [*commission*] **Executive Director of the Office of Student**
16 **Access and Completion** shall:

17 “(a) Determine and approve which community service organizations and
18 services within the programs of such organizations are eligible for partic-
19 ipation in the program.

20 “(b) Accept the students that the institutions consider eligible for vouch-
21 ers under ORS 348.427 to 348.436.

22 “(c) Provide payment for vouchers presented by the program students at
23 eligible institutions.

24 “(d) Establish procedures necessary to carry out the provisions of ORS
25 348.427 to 348.436[, *including adopting necessary rules*].

26 “(5) Funds received in redemption of the vouchers granted pursuant to
27 ORS 348.427 to 348.436 shall not be considered personal income for the pur-
28 poses of ORS 316.037.

29 “(6) The vouchers authorized by ORS 348.427 to 348.436 shall first become
30 available when funds are available therefor from sources other than the

1 General Fund, as determined by the [*commission*] **executive director**.

2 **“(7) The Higher Education Coordinating Commission shall adopt**
3 **any rules necessary for the executive director to carry out the pro-**
4 **visions of ORS 348.427 to 348.436.**

5 **“SECTION 109.** ORS 348.436 is amended to read:

6 “348.436. There is established in the State Treasury a fund, separate and
7 distinct from the General Fund, to be known as the Community Service
8 Voucher Fund, which may be invested in the same manner as the Oregon
9 Student Assistance Fund. This fund may receive moneys from federal, state
10 or private sources for the purpose of providing payment for the redemption
11 of vouchers authorized by ORS 348.427 to 348.436 and for the administration
12 of the community service voucher program. This fund, including the interest
13 earnings thereon, if any, is continuously appropriated to the [*Oregon Student*
14 *Access Commission*] **Higher Education Coordinating Commission** for
15 those purposes for which such funds were provided to or received or collected
16 by the commission.

17 **“SECTION 110.** ORS 348.444 is amended to read:

18 “348.444. (1) There is created the Nursing Faculty Loan Repayment Pro-
19 gram, to be administered by the [*Oregon Student Access Commission*] **Higher**
20 **Education Coordinating Commission**. The purpose of the program is to
21 provide loan repayments on behalf of nurse educators at nursing schools in
22 Oregon who have earned a master’s or doctoral degree from an accredited
23 nursing education program.

24 **“(2) The Higher Education Coordinating Commission shall by rule**
25 **adopt, in consultation with the Oregon State Board of Nursing and the**
26 **Oregon Center for Nursing, criteria for participation in the Nursing Faculty**
27 **Loan Repayment Program.**

28 **“SECTION 111.** ORS 348.448 is amended to read:

29 “348.448. (1) To be eligible to participate in the Nursing Faculty Loan
30 Repayment Program, a nurse educator or prospective nurse educator shall

1 submit a letter of interest to the [*Oregon Student Access Commission*]
2 **Executive Director of the Office of Student Access and Completion.**

3 “(2) At the end of each school year in which a nurse practices as a nurse
4 educator in Oregon, the [*commission*] **executive director** shall pay an
5 amount not to exceed the lesser of 20 percent of the total of the nurse’s
6 outstanding qualifying loans or \$10,000 as adjusted under subsection (4) of
7 this section.

8 “(3) The [*commission*] **executive director** may make the annual payments
9 under this section for up to:

10 “(a) Three years for a nurse educator who has earned a master’s degree;
11 or

12 “(b) Five years for a nurse educator who has earned a doctoral degree.

13 “(4)(a) The [*commission*] **executive director** shall adjust annually the
14 maximum dollar amount allowed under subsection (2) of this section by
15 multiplying that amount by a cost-of-living adjustment as specified in this
16 subsection.

17 “(b) The cost-of-living adjustment applied to the maximum dollar amount
18 allowed under subsection (2) of this section shall be equal to the ratio of the
19 seasonally adjusted United States City Average Consumer Price Index for
20 All Urban Consumers as published by the Bureau of Labor Statistics of the
21 United States Department of Labor for April of that calendar year divided
22 by the value of the same index for April 2009.

23 “(c) If the value of the dollar amount determined under paragraph (a) of
24 this subsection is not a multiple of \$100, the [*commission*] **executive direc-**
25 **tor** shall round the dollar amount to the next lower multiple of \$100.

26 “**SECTION 112.** ORS 348.500 is amended to read:

27 “348.500. (1) The [*Oregon Student Access Commission*] **Higher Education**
28 **Coordinating Commission** may establish Access to Student Assistance
29 Programs in Reach of Everyone (ASPIRE) to provide information about fi-
30 nancial aid and education and training options beyond high school to stu-

1 dents in Oregon secondary schools. The goals of the programs are to:

2 “(a) Provide mentoring and resources to help students access education
3 and training beyond high school;

4 “(b) Help high schools build a sustainable community of volunteer men-
5 tors; and

6 “(c) Educate students and families about the scholarship application pro-
7 cess and other options for paying for post-secondary education.

8 “(2) The programs shall bring together students, school staff, community
9 volunteers and parents to help students overcome obstacles to their contin-
10 uing education. The programs may provide training, technical assistance and
11 other resources to Oregon high schools on how to establish a volunteer-based
12 program. Adult volunteers who are trained through the program may provide
13 mentoring, training and encouragement to students about post-secondary
14 options and financial aid.

15 “**SECTION 113.** ORS 348.505 is amended to read:

16 “348.505. As used in ORS 348.500 to 348.695[:],

17 “[*(1) ‘Commission’ means the Oregon Student Access Commission.*]

18 “[*(2) ‘financial aid’ includes loans, grants, scholarships, work opportu-
19 nities and other forms of financial aid to assist students in completing their
20 post-high-school education.*]

21 “**SECTION 114.** ORS 348.520 is amended to read:

22 “348.520. The [*Oregon Student Access Commission*] **Executive Director**
23 **of the Office of Student Access and Completion** shall:

24 “(1) Make available to qualified persons financial aid from financial
25 sources available to the [*commission*] **executive director**.

26 “(2) Determine qualifications of persons to receive financial aid.

27 “(3) Maintain reports and records on persons applying for and receiving
28 financial aid from the [*commission*] **executive director**.

29 “(4) Withhold any financial aid if the recipient thereof fails to maintain
30 the standards established for receipt of that aid.

1 “(5) Recommend to the Legislative Assembly not less than once every
2 biennium matters relating to the establishment, administration, modification,
3 transfer, reduction or cancellation of financial aid.

4 “(6) Prior to implementing changes to the Oregon Opportunity Grant
5 program, report to the Higher Education Coordinating Commission and the
6 Legislative Assembly or the Emergency Board any proposed change:

7 “(a) That increases or decreases the total amount awarded as Oregon
8 Opportunity Grants that was approved as part of the budget enacted by the
9 Legislative Assembly for the [*Oregon Student Access Commission*] **Higher**
10 **Education Coordinating Commission**; and

11 “(b) To the methodology used to determine the student share, family share
12 or state share under ORS 348.205.

13 “(7) Encourage the establishment of financial aid programs by private
14 agencies.

15 “(8) Collect and disseminate information pertaining to all types of avail-
16 able financial aid.

17 “(9) Review the administrative practices and evaluate the effectiveness
18 of all public and private post-secondary financial aid programs in Oregon.

19 “(10) Disburse state appropriations for financial aid in such a manner as
20 to maximize its role in cooperative coordination of financial aid programs.

21 **“SECTION 115.** ORS 348.530 is amended to read:

22 “348.530. The [*Oregon Student Access Commission*] **Higher Education**
23 **Coordinating Commission** may:

24 “(1) Negotiate for and contract with private and governmental agencies
25 for the establishment of financial aid programs.

26 “(2) Receive gifts of any type, including gifts of stock and real property,
27 for the purpose of establishing, continuing and increasing financial aid.

28 “(3) Administer any form of financial aid submitted to and accepted for
29 administration by the commission.

30 “(4) Authorize payment from funds appropriated therefor, of costs, com-

1 missions, attorney fees and other reasonable expenses, including refund of
2 overpayment of fees, that are related to and necessary for making and pro-
3 tecting guaranteed loans and recovering moneys and loans and management
4 of property acquired in connection with such loans.

5 “(5) Sue and be sued.

6 “[6] Pursuant to ORS chapter 183, adopt such rules as may be necessary
7 to carry out the provisions of ORS 348.040 to 348.280, 348.500 to 348.695 and
8 348.992.]

9 “[7] (6) Cooperatively coordinate all types of financial aid activities.

10 “[8] (7) Establish a State of Oregon scholar program to recognize stu-
11 dents with outstanding academic achievement and other demonstrated attri-
12 butes. The students will not necessarily receive financial aid.

13 “[9] (8) Guarantee loans by eligible lending institutions to student resi-
14 dents of the State of Oregon who are enrolled or accepted for enrollment at
15 any eligible institution, nonresident students enrolled or accepted for en-
16 rollment in an institution of higher education or community college in
17 Oregon, and parents of those students, under the provisions of the Higher
18 Education Act of 1965 as amended.

19 “[10] (9) Deny financial aid to any student owing a refund or in default
20 on financial aid previously made available to that student.

21 “[11] (10) Establish and implement any program permitted under federal
22 law to guaranty agencies, including administrative garnishment and wage
23 withholding under Public Law 102-164, section 605.

24 “**SECTION 116.** ORS 348.560 is amended to read:

25 “348.560. Subject to any applicable provisions of the State Personnel Re-
26 lations Law, the [*Oregon Student Access Commission*] **Higher Education**
27 **Coordinating Commission** may employ and fix the compensation of any
28 employees it deems necessary for the effective conduct of the work under its
29 charge. The commission may also arrange with [*the Oregon University*
30 *System*] **a public university listed in ORS 352.002 or a community col-**

1 **lege** for use of staff and office space [*under the jurisdiction of the Oregon*
2 *University System*] **of the public university or community college.**

3 **“SECTION 117.** ORS 348.563 is amended to read:

4 “348.563. For the purpose of requesting a state or nationwide criminal
5 records check under ORS 181.534, the [*Oregon Student Access Commission*]
6 **Higher Education Coordinating Commission** may require the fingerprints
7 of a person who:

8 “(1)(a) Is employed or applying for employment by the [*commission*]
9 **Executive Director of the Office of Student Access and Completion;** or

10 “(b) Provides services or seeks to provide services to the [*commission*]
11 **executive director** as a contractor or volunteer; and

12 “(2) Is, or will be, working or providing services in a position:

13 “(a) In which the person has direct access to facilities where students
14 reside or to persons under 18 years of age, elderly persons or persons with
15 disabilities;

16 “(b) In which the person is providing information technology services and
17 has control over, or access to, information technology systems that would
18 allow the person to harm the information technology systems or the infor-
19 mation contained in the systems;

20 “(c) In which the person has access to information, the disclosure of
21 which is prohibited by state or federal laws, rules or regulations or infor-
22 mation that is defined as confidential under state or federal laws, rules or
23 regulations; or

24 “(d) That has payroll functions or in which the person has responsibility
25 for receiving, receipting or depositing money or negotiable instruments, for
26 billing, collections or other financial transactions or for purchasing or sell-
27 ing property or has access to property held in trust or to private property
28 in the temporary custody of the state.

29 **“SECTION 118.** ORS 348.570 is amended to read:

30 “348.570. (1) There is established in the State Treasury a fund, separate

1 and distinct from the General Fund, to be known as the Oregon Student
2 Assistance Fund for investment as provided by ORS 293.701 to 293.820 and
3 for the payment of the expenses of the [*Oregon Student Access Commission*]
4 **Higher Education Coordinating Commission** in carrying out the purposes
5 of ORS 348.210 to 348.250, 348.285, 348.505 to 348.615, 348.696 and 348.992. In-
6 terest earned by the fund shall be credited to the fund.

7 “(2) There is established in the State Treasury a fund, separate and dis-
8 tinct from the General Fund, to be known as the Alternative Student Loan
9 Program Fund for investment as provided by ORS 293.701 to 293.820 and for
10 the payment of expenses of the commission in carrying out the purposes of
11 ORS 348.625 to 348.695. This fund, including the interest earnings on the
12 fund, if any, is continuously appropriated to the commission for those pur-
13 poses for which such funds were provided to, received or collected by the
14 commission.

15 “(3)(a) There is established in the General Fund an account to be known
16 as the Nursing Services Account. Funds in the account shall be used for the
17 payment of expenses of the Nursing Services Program created in ORS
18 442.540.

19 “(b) The account shall consist of:

20 “(A) Funds appropriated to the [*Oregon Student Access Commission*]
21 **commission** for deposit into the account;

22 “(B) Collections and penalties received by the [*commission*] **Executive**
23 **Director of the Office of Student Access and Completion** under ORS
24 442.545; and

25 “(C) Any donations or grants received by the commission for purposes of
26 the Nursing Services Program.

27 “(c) Any funds in the account that are not expended in any biennium shall
28 be retained in the account and may be expended in subsequent biennia.

29 “(4) There is established in the State Treasury a fund, separate and dis-
30 tinct from the General Fund, to be known as the Foster Youth Scholarship

1 Fund. Moneys received from appropriations, donations and grants shall be
2 credited to the fund. Moneys in the fund are continuously appropriated to
3 the [*Oregon Student Access*] commission for the purposes of investment, as
4 provided by ORS 293.701 to 293.820, and for carrying out the provisions of
5 ORS 348.270 (1)(b). Interest earned by the fund shall be credited to the fund.

6 “(5) There is established in the State Treasury a fund, separate and dis-
7 tinct from the General Fund, to be known as the ASPIRE Program Fund.
8 Moneys received from donations and grants shall be credited to the ASPIRE
9 Program Fund. Moneys in the fund are continuously appropriated to the
10 [*Oregon Student Access*] commission for the purposes of investment, as pro-
11 vided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS
12 348.500. Interest earned by the fund shall be credited to the fund.

13 “(6)(a) There is established in the State Treasury the Nursing Faculty
14 Loan Repayment Fund, separate and distinct from the General Fund. Interest
15 earned on the Nursing Faculty Loan Repayment Fund shall be credited to
16 the fund. Moneys in the fund are continuously appropriated to the [*Oregon*
17 *Student Access*] commission for carrying out ORS 348.440 to 348.448. The
18 Nursing Faculty Loan Repayment Fund consists of:

19 “(A) Moneys appropriated to the commission for the Nursing Faculty
20 Loan Repayment Program created in ORS 348.444; and

21 “(B) Grants, gifts or donations received by the commission for the pro-
22 gram.

23 “(b) Any unexpended funds in the fund at the end of a biennium shall be
24 retained in the fund and may be expended in subsequent biennia.

25 “**SECTION 119.** ORS 348.580 is amended to read:

26 “348.580. (1) Subject to the terms of the governing instruments and ap-
27 plicable law, the [*Oregon Student Access Commission*] **Higher Education**
28 **Coordinating Commission** may enter into agreements with one or more
29 community foundations in Oregon to assume the management of the privately
30 funded student aid programs of the commission. The commission may transfer

1 to the community foundation any or all gifts or scholarship grants received
2 by the commission from any private donor.

3 “(2) All gifts or scholarship grant funds received by the commission that
4 are not transferred to community foundations pursuant to subsection (1) of
5 this section shall be placed in the hands of the State Treasurer, who is des-
6 ignated as the custodian thereof and who may hold, in the manner provided
7 by law, the principal and interest on the gifts and grants. Funds may be
8 withdrawn periodically by the commission to provide for administrative ex-
9 penditures and make payments upon scholarships awarded by the commis-
10 sion.

11 “(3) As used in this section, ‘community foundation’ means an organiza-
12 tion that is:

13 “(a) A community trust or foundation within the meaning of section 170
14 of the Internal Revenue Code of 1986 and section 1.170A-9(e)(10) of the
15 Treasury Regulations thereunder;

16 “(b) Exempt from federal income tax under section 501(c)(3) of the Inter-
17 nal Revenue Code of 1986; and

18 “(c) Not a private foundation within the meaning of section 509 of the
19 Internal Revenue Code of 1986.

20 “**SECTION 120.** ORS 348.590 is amended to read:

21 “348.590. All funds for and relating to student aid programs received by
22 the [*Oregon Student Access Commission*] **Higher Education Coordinating**
23 **Commission** pursuant to federal grant or from any other source, except
24 moneys appropriated from the State Treasury for a specified period of time,
25 hereby are continuously appropriated to the commission for the purposes for
26 which such funds were provided and received by the commission.

27 “**SECTION 121.** ORS 348.592 is amended to read:

28 “348.592. (1) The [*Oregon Student Access Commission*] **Executive Direc-**
29 **tor of the Office of Student Access and Completion** may obtain loan
30 cancellation insurance for any person holding a loan under this section and

1 ORS 348.505 to 348.530 and 348.570.

2 “(2) [*Such*] **The** insurance shall insure the life of the student who borrows
3 under this section and ORS 348.505 to 348.530 and 348.570 for the amount of
4 the principal and interest due on the loan and the State of Oregon shall be
5 named as the beneficiary. If the borrower dies before repaying the loan, the
6 insurance shall be used to pay the balance of the loan and the [*commission*]
7 **executive director** shall issue a satisfaction of the obligation.

8 “(3) The Oregon Department of Administrative Services shall procure bids
9 for the purchasing of insurance in compliance with the laws governing the
10 purchase and furnishing of services to state agencies.

11 **“SECTION 122.** ORS 348.608 is amended to read:

12 “348.608. (1) Each year, on a date prescribed by the Higher Education
13 Coordinating Commission, a school that obtains an exemption under ORS
14 348.604 or a school that, on July 14, 2005, met the criteria and followed
15 procedures to obtain a religious exemption adopted by rule by the Oregon
16 Student Access Commission and that offered only degrees with approved ti-
17 tles in theology or religious occupations, shall submit to the [*commission*]
18 **Executive Director of the Office of Student Access and Completion** a
19 statement that reads: ‘(Name of School) hereby certifies that the school re-
20 mains in compliance with all conditions for a religious exemption from ORS
21 348.594 to 348.615.’

22 “(2) A school that obtains an exemption under ORS 348.604 or a school
23 that, on July 14, 2005, met the criteria and followed procedures to obtain a
24 religious exemption adopted by rule by the Oregon Student Access Commis-
25 sion and that offered only degrees with approved titles in theology or reli-
26 gious occupations remains exempt unless the [*commission*] **executive**
27 **director** suspends or revokes the exemption.

28 “(3) The [*commission*] **executive director** may suspend or revoke an ex-
29 emption if:

30 “(a) After the notice and opportunity to cure provided in subsection (4)

1 of this section, a school fails to provide the statement required by subsection
2 (1) of this section;

3 “(b) The [*commission*] **executive director** has received a complaint from
4 a student or former student of the school that the school is failing to comply
5 with a condition for exemption under ORS 348.604, the [*commission*] **execu-**
6 **tive director** determines that the complaint is valid, the school has been
7 provided with notice and opportunity to cure as required by subsection (4)
8 of this section and the school fails to comply with the condition listed in the
9 notice; or

10 “(c) After the notice and opportunity to cure provided in subsection (4)
11 of this section, a school is in violation of ORS 348.605.

12 “(4) The [*commission*] **executive director** shall provide notice of and 90
13 days to cure a school’s:

14 “(a) Failure to provide the statement required by subsection (1) of this
15 section;

16 “(b) Failure to maintain compliance with a condition for exemption under
17 ORS 348.604 if the [*commission*] **executive director** has received a complaint
18 from a student or former student of the school that the school is failing to
19 comply with a condition for exemption under ORS 348.604 and the [*commis-*
20 *sion*] **executive director** has determined the complaint is valid; or

21 “(c) Violation of ORS 348.605.

22 “(5) A school may appeal the denial, suspension or revocation of an ex-
23 emption to the [*commission*] **executive director**.

24 “(6) A school may appeal the [*commission’s*] **executive director’s** decision
25 that a faculty member does not possess sufficient compensatory qualifica-
26 tions to substitute for an academic degree in the field in which the faculty
27 member teaches.

28 “(7) The [*commission*] **executive director** shall conduct an appeal under
29 this section as a contested case under ORS chapter 183.

30 “(8)(a) If a school appeals the denial, suspension or revocation of an ex-

1 exemption and the [commission] **executive director** upholds the denial, sus-
2 pension or revocation, the [commission] **executive director** shall provide the
3 school 90 days to cure the grounds for the denial, suspension or revocation.
4 If the school does not cure the grounds for the denial, suspension or revo-
5 cation within 90 days after the [commission] **executive director** upholds the
6 denial, suspension or revocation, then the denial, suspension or revocation
7 becomes effective 90 days after the issuance of the decision on the appeal
8 by the [commission] **executive director**.

9 “(b) If a school does not appeal the denial, suspension or revocation of
10 an exemption to the [commission] **executive director** and the school does
11 not cure the grounds for the denial, suspension or revocation within the pe-
12 riod of time to appeal the decision to the [commission] **executive director**,
13 then the denial, suspension or revocation becomes effective upon the expi-
14 ration of the period of time to appeal.

15 **“SECTION 123.** ORS 348.611 is amended to read:

16 “348.611. (1) As used in this section:

17 “(a) ‘Career pathways certificate of completion program’ means a certif-
18 ication program that:

19 “(A) Is offered at a community college;

20 “(B) Provides a specified proficiency in specific skills to meet an identi-
21 fied employment need;

22 “(C) Is provided in a grouping of 12 to 44 quarter credits, or an equivalent
23 number of credits;

24 “(D) Is wholly contained within an associate degree program or a similar
25 certification program of 45 or more quarter credits, or an equivalent number
26 of credits, that was reviewed and approved as provided by ORS 348.603 (2);
27 and

28 “(E) Satisfies the requirements for a career pathways certificate of com-
29 pletion program, as prescribed by the Department of Community Colleges and
30 Workforce Development.

1 “(b) ‘Program authority’ means:

2 “(A) The governing body of a community college; or

3 “(B) The designee of the governing body of a community college that has
4 authority related to the offering of a career pathways certificate of com-
5 pletion program at the community college.

6 “(2)(a) At least 30 business days prior to a community college seeking
7 final approval from the [*State Board of Education*] **Higher Education Co-**
8 **ordinating Commission** to offer a new career pathways certificate of com-
9 pletion program, the program authority shall provide notice of intent to offer
10 the program to the Department of Community Colleges and Workforce De-
11 velopment. The notice of intent must be in the form required by the depart-
12 ment and may be provided electronically.

13 “(b) Upon receiving a notice of intent described in paragraph (a) of this
14 subsection, the department shall immediately provide electronic notice to any
15 private institution that may be affected by the offering of a new career
16 pathways certificate of completion program.

17 “(3) A private institution that objects to the offering of a career pathways
18 certificate of completion program must provide a notice of objection to the
19 program authority within 12 business days of receiving the notice of intent
20 under subsection (2) of this section.

21 “(4) If a program authority receives a notice of objection as provided by
22 subsection (3) of this section, the program authority must:

23 “(a) Within three business days after the last date by which a private
24 institution may provide a notice of objection, offer all private institutions
25 that provided a notice of objection the opportunity to participate in a meet-
26 ing described in subsection (5) of this section; and

27 “(b) Postpone the seeking of final approval from the [*State Board of Ed-*
28 *ucation*] **Higher Education Coordinating Commission** for the career
29 pathways certificate of completion program until the requirements of sub-
30 section (6) of this section have been satisfied.

1 “(5)[(a)] A community college that provided a notice of intent under sub-
2 section (2) of this section and a private institution that provided a notice
3 of objection under subsection (3) of this section shall participate in a meet-
4 ing for the purpose of avoiding detrimental duplication or a significantly
5 adverse impact by:

6 “[A] (a) Identifying opportunities for collaboration in programs;

7 “[B] (b) Forming agreements or partnerships for offering programs; or

8 “[C] (c) Developing ideas for modifying programs.

9 “[b] *The program authority or the private institution may invite the Higher*
10 *Education Coordinating Commission or any other third party to join a meeting*
11 *or to act as a mediator of a meeting.*]

12 “(6) A program authority may seek final approval from the [*State Board*
13 *of Education*] **Higher Education Coordinating Commission** for a program
14 following a postponement described in subsection (4) of this section if:

15 “(a) An agreement is reached between the program authority and all of
16 the private institutions that participated in the meeting described in sub-
17 section (5) of this section; or

18 “(b) The program authority and the private institutions that participated
19 in the meeting described in subsection (5) of this section are unable to reach
20 an agreement within 15 business days.

21 “(7) Notwithstanding the timelines prescribed by subsections (3), (4) and
22 (6) of this section, the program authority and the private institutions may
23 mutually agree to adjust the timelines.

24 “**SECTION 124.** ORS 348.616 is amended to read:

25 “348.616. (1) The [*Oregon Student Access Commission*] **Higher Education**
26 **Coordinating Commission** shall develop and adopt rules that provide the
27 minimum criteria that an employer must meet in order for the employer’s
28 scholarship program for employees and dependents to be certified as eligible
29 for the employee and dependent scholarship program tax credit provided un-
30 der ORS 348.621. The commission shall adopt rules to determine:

1 “(a) The types of educational programs, institutions and expenses related
2 to the programs and institutions for which scholarships may be offered to
3 employees and dependents, and scholarship moneys expended on their behalf;

4 “(b) The types of employees and dependents to whom scholarships must
5 be offered;

6 “(c) The minimum and maximum annual dollar amounts of a scholarship
7 that would be a qualified scholarship under ORS 315.237;

8 “(d) The minimum annual number of hours of instruction that a scholar-
9 ship beneficiary must commit to in order to be eligible for a scholarship; and

10 “(e) [*Such*] **Any** other requirements as the commission may provide.

11 “(2) An employer must employ at least four full-time equivalent employees
12 but no more than 250 employees in order to be certified as eligible for the
13 employee and dependent scholarship program tax credit under ORS 348.621.

14 “(3) An employer seeking to claim the tax credit provided under ORS
15 315.237 must apply to the [*commission*] **Executive Director of the Office**
16 **of Student Access and Completion** for both employee and dependent
17 scholarship program certification under ORS 348.618 and tax credit certif-
18 ication under ORS 348.621.

19 “**SECTION 125.** ORS 348.618 is amended to read:

20 “348.618. (1) An application for employee and dependent scholarship pro-
21 gram certification shall be filed by the employer establishing the program.
22 The application shall be filed with the [*Oregon Student Access Commission*]
23 **Executive Director of the Office of Student Access and Completion** at
24 least three months prior to the close of the first tax year for which a tax
25 credit under ORS 315.237 will be claimed.

26 “(2) The application shall be filed on a form prescribed by the
27 [*commission*] **executive director** and shall contain the information required
28 by the [*commission*] **executive director**, including:

29 “(a) The date on which the proposed employee and dependent scholarship
30 program will first be available to the employer’s employees and their depen-

1 dents;

2 “(b) The total number of employees of the employer;

3 “(c) The total number of employees who will be eligible, or whose depen-
4 dents will be eligible, to participate in the program;

5 “(d) The criteria to be used by the employer in determining the eligibility
6 of an employee or an employee’s dependent for a scholarship under the pro-
7 gram; and

8 “(e) The annual limit, if any, on the amount of funds to be used for
9 scholarships under the program.

10 “(3) The [commission] **executive director** shall certify an application that
11 describes an employee and dependent scholarship program that is in compli-
12 ance with the rules adopted by the **Higher Education Coordinating Com-**
13 **mission** under ORS 348.616 (1) [and (2)], if made by an employer that meets
14 the employment requirements of ORS 348.616 (1) and (2).

15 “(4) The [commission] **executive director** shall certify or reject an ap-
16 plication within 60 days of receipt of the application and shall notify the
17 employer of the [commission’s] **executive director’s** determination.

18 “(5) An employer whose application has been rejected by the
19 [commission] **executive director** shall be afforded an opportunity to amend
20 the application to address the [commission’s] **executive director’s** objections
21 to the original application.

22 “(6) In the case of an employer whose proposed employee and dependent
23 scholarship program has been certified by the [commission] **executive di-**
24 **rector**, the [commission] **executive director** shall send a letter of program
25 certification to the employer. The letter of program certification shall set
26 forth or incorporate by reference the statements made in the application be-
27 ing certified.

28 “(7) A letter of program certification issued under this section shall re-
29 main valid until the employer changes the terms of eligibility for a scholar-
30 ship under the program, changes the minimum or maximum amount of a

1 scholarship under the program or ceases to be an employer.

2 **“SECTION 126.** ORS 348.621 is amended to read:

3 “348.621. (1) An application for tax credit certification shall be filed by
4 an employer that has obtained program certification under ORS 348.618 or
5 that has applied for program certification and is awaiting such certification
6 by the [*Oregon Student Access Commission*] **Executive Director of the Of-**
7 **ice of Student Access and Completion.**

8 “(2) The application for tax credit certification shall be filed by the em-
9 ployer with the [*commission*] **executive director.** The application shall be
10 filed at the time prescribed by the [*commission*] **executive director,** but no
11 later than October 1 of the calendar year in which begins the tax year for
12 which a credit under ORS 315.237 will be claimed.

13 “(3) The application shall be filed on a form prescribed by the
14 [*commission*] **executive director** and shall contain the information required
15 by the [*commission*] **executive director,** including the amount of scholarship
16 moneys the employer has provided or intends to provide to employees or de-
17 pendants during the calendar year for which tax credit certification is being
18 sought and the number of employees employed by the employer for the cal-
19 endar year.

20 “(4) The [*commission*] **executive director** shall consider applications in
21 the chronological order in which the applications are received and shall ap-
22 prove applications to the extent the amount set forth in the application,
23 when added to the total amount already certified by the [*commission*] **exec-**
24 **utive director** for the calendar year under this section, does not exceed \$1
25 million.

26 “(5) An employer may not receive tax credit certification:

27 “(a) For an amount that is greater than \$1 million;

28 “(b) If the employer employs fewer than four full-time equivalent em-
29 ployees for the calendar year; or

30 “(c) If the employer employs more than 250 employees for the calendar

1 year.

2 “(6) The [*commission*] **executive director** shall send written notice of the
3 amount of the tax credit certification, or written notice that no amount is
4 being certified, to the employer and to the Department of Revenue within
5 60 days of the date an application is filed under this section.

6 “(7) The employer shall keep the written certification in the employer’s
7 records for at least five years and shall furnish the certification to the De-
8 partment of Revenue if requested.

9 **“SECTION 127.** ORS 348.625 is amended to read:

10 “348.625. As used in ORS 348.570 and 348.625 to 348.695:

11 “(1) ‘Alternative student loan program’ means a program established by
12 the [*Oregon Student Access Commission*] **Higher Education Coordinating**
13 **Commission** to fund loans to eligible students, or to qualifying parents of
14 eligible students, to help meet expenses of eligible students of attending
15 post-secondary educational institutions; provided, however, that alternative
16 student loan program loans may be made only to students who have applied
17 for student financial aid under Title IV, Part B of the Higher Education Act
18 of 1965, as amended, and have received information on their eligibility for
19 programs under that Act, or the parents of students who have made such
20 application and received such information.

21 “(2) ‘Eligible student’ means a student enrolled in an eligible post-
22 secondary educational institution located in Oregon or a student who is an
23 Oregon resident and who is enrolled in an eligible post-secondary educa-
24 tional institution located outside of Oregon. The [*commission*] **Executive**
25 **Director of the Office of Student Access and Completion** shall deter-
26 mine, among other things, what constitutes enrollment and which post-
27 secondary educational institutions are eligible institutions under the
28 alternative student loan program.

29 “(3) ‘Lender’ means an insured institution as defined in ORS 706.008 that
30 is authorized to do business in Oregon and [*which*] **that** has entered into an

1 agreement with the [*commission*] **Higher Education Coordinating Com-**
2 **mission** to originate, service and administer alternative student loans in the
3 manner authorized by ORS 348.570 and 348.625 to 348.695.

4 **“SECTION 128.** ORS 348.630 is amended to read:

5 “348.630. (1) Loans may be made under the alternative student loan pro-
6 gram to an eligible student or to a parent of an eligible student.

7 “(2) Loans made under the alternative student loan program shall not
8 exceed the eligible costs of education as determined by the [*Oregon Student*
9 *Access Commission*] **Executive Director of the Office of Student Access**
10 **and Completion**, minus other financial aid received, or \$10,000, whichever
11 is less, for any eligible student during a single calendar year. Total loans
12 made for any eligible student under the alternative student loan program
13 shall not exceed \$40,000.

14 “(3) Under the alternative student loan program, borrowers shall undergo
15 a credit check by the lender or by the [*commission*] **executive director** and
16 shall be creditworthy or provide a creditworthy cosigner.

17 **“SECTION 129.** ORS 348.635 is amended to read:

18 “348.635. In consultation with private sector lenders, the [*Oregon Student*
19 *Access Commission*] **Executive Director of the Office of Student Access**
20 **and Completion** shall establish the terms and conditions, including but not
21 limited to maturities and repayment provisions, of student loans for which
22 the [*commission*] **executive director** shall provide funding. The
23 [*commission*] **executive director** may also set standards of academic
24 achievement which borrowers must maintain to receive loans.

25 **“SECTION 130.** ORS 348.640 is amended to read:

26 “348.640. (1) The [*Oregon Student Access Commission*] **Executive Direc-**
27 **tor of the Office of Student Access and Completion** shall provide funding
28 to lenders pursuant to contracts which shall provide, among other things, the
29 terms and conditions under which private sector lenders, using funding made
30 available by the [*commission*] **executive director**, shall originate, service

1 and administer loans pursuant to the alternative student loan program.
2 Lenders shall receive and process loan applications from borrowers, perform
3 credit analysis, approve or deny loan requests, and for loans *[which]* **that**
4 are approved, originate, document, administer and service *[such]* **the** loans.
5 The *[commission]* **executive director** shall make provision for payment to
6 lenders of the reasonable costs of origination, servicing and administration
7 of loans. Payment may be made directly by borrowers or by the
8 *[commission]* **executive director**, as the *[commission]* **executive director**
9 may determine.

10 “(2) Loans shall be structured in such a manner that anticipated payments
11 of principal and interest shall permit timely repayment of the revenue bonds
12 to be issued by the State of Oregon pursuant to ORS 348.570 and 348.625 to
13 348.695. As a condition of participation in the alternative student loan pro-
14 gram by private sector lenders, the *[commission]* **executive director** shall
15 procure from each such lender a guarantee or letter of credit ensuring that
16 the *[commission]* **executive director** shall receive full and timely repayment
17 of principal of and interest due on loans originated, serviced and adminis-
18 tered by the lender. The *[commission]* **executive director** shall provide by
19 contract for payment by the *[commission]* **executive director** or by borrow-
20 ers, as the *[commission]* **executive director** may determine, of the reasonable
21 costs of such guarantees or letters of credit. It is the intention of ORS
22 348.570 and 348.625 to 348.695 that participating private sector lenders, not
23 the *[commission]* **executive director**, shall bear the entire risk of loss, non-
24 timely repayment or nonpayment of alternative student loan program loans.

25 **“SECTION 131.** ORS 348.655 is amended to read:

26 “348.655. In consultation with the *[Oregon Student Access Commission]*
27 **Higher Education Coordinating Commission**, the State Treasurer may
28 issue revenue bonds in an amount not to exceed \$30 million annually, the
29 proceeds of which shall be used to provide funding for loans to be made
30 pursuant to the alternative student loan program. Interest on the bonds shall

1 be exempt from personal income taxation by the State of Oregon.

2 **“SECTION 132.** ORS 348.660 is amended to read:

3 “348.660. (1) If the State Treasurer, in consultation with the [*Oregon*
4 *Student Access Commission*] **Higher Education Coordinating**
5 **Commission**, determines that revenue bonds should be issued under ORS
6 348.570 and 348.625 to 348.695:

7 “(a) The State Treasurer, in consultation with the commission, may au-
8 thorize and issue in the name of the State of Oregon revenue bonds secured
9 by revenues from repayment of loans to finance or refinance in whole or part
10 the costs of the loan program. Refunding bonds may be issued to refinance
11 [*such*] **the** revenue bonds.

12 “(b) The State Treasurer, in consultation with the commission, shall des-
13 ignate the underwriter, trustee and bond counsel and enter into appropriate
14 agreements with each to carry out the provisions of ORS 348.570 and 348.625
15 to 348.695.

16 “(2) Any trustee designated by the State Treasurer, in consultation with
17 the commission, must agree to furnish financial statements and audit reports
18 for each bond issue.

19 “(3) In determining whether to issue revenue bonds under ORS 348.570
20 and 348.625 to 348.695, the State Treasurer, in consultation with the com-
21 mission, shall consider:

22 “(a) The bond market for the types of bonds proposed for issuance.

23 “(b) The terms and conditions of the proposed issue.

24 “(c) [*Such*] **Any** other relevant factors as the State Treasurer, in consul-
25 tation with the commission, considers necessary to protect the financial in-
26 tegrity of the state.

27 **“SECTION 133.** ORS 348.665 is amended to read:

28 “348.665. Bonds authorized under ORS 348.570 and 348.625 to 348.695 shall
29 be issued in accordance with the provisions of ORS chapter 286A. The State
30 Treasurer, in consultation with the [*Oregon Student Access Commission*]

1 **Higher Education Coordinating Commission**, may establish special ac-
2 counts or subaccounts in the Alternative Student Loan Program Fund cre-
3 ated by ORS 348.570 and may pledge the assets or the revenues, or any
4 portion [*thereof*] **of the assets or revenues**, of the alternative student loan
5 program.

6 **“SECTION 134.** ORS 348.670 is amended to read:

7 “348.670. The administrative expenses of the State Treasurer and the
8 [*Oregon Student Access Commission*] **Executive Director of the Office of**
9 **Student Access and Completion** shall be charged against bond proceeds
10 or repayment revenues.

11 **“SECTION 135.** ORS 348.675 is amended to read:

12 “348.675. The State Treasurer, in consultation with the [*Oregon Student*
13 *Access Commission, shall have the power, whenever refunding is considered*
14 *expedient, to*] **Higher Education Coordinating Commission, may** refund
15 any bonds by the issuance of new bonds, whether the bonds to be refunded
16 have or have not matured. The refunding bonds may be exchanged for bonds
17 to be refunded and the proceeds applied to the purchase, redemption or pay-
18 ment of [*such*] **the** bonds.

19 **“SECTION 136.** ORS 348.685 is amended to read:

20 “348.685. The official action authorizing the issuance of bonds under ORS
21 348.570 and 348.625 to 348.695 may contain covenants, notwithstanding that
22 such covenants may limit the exercises of powers conferred by ORS 348.570
23 and 348.625 to 348.695 in the following respects and in such other respects
24 as the state, acting through the State Treasurer, in consultation with the
25 [*Oregon Student Access Commission*] **Higher Education Coordinating**
26 **Commission**, or the designee [*thereof*] **of the commission**, may decide:

27 “(1) The use and disposition of the revenues from repayment;

28 “(2) The creation and maintenance of special accounts or subaccounts in
29 the Alternative Student Loan Program Fund created by ORS 348.570 and the
30 regulation, use and disposition thereof;

1 “(3) The purpose or purposes to which the proceeds of sale of bonds may
2 be applied and the use and disposition of such proceeds;

3 “(4) The events of default and the rights and liabilities arising thereon
4 and the terms and conditions upon which the holders of any bonds may bring
5 any suit or action on such bonds or on any coupons appurtenant thereto;

6 “(5) The issuance of other or additional bonds or instruments payable
7 from or constituting a charge against the revenues from repayment;

8 “(6) The keeping of books of account and the inspection and audit
9 *[thereof]* **of books of account**;

10 “(7) The terms and conditions upon which any or all of the bonds shall
11 become or may be declared due before maturity and the terms and conditions
12 upon which such declaration and its consequences may be waived;

13 “(8) The rights, liabilities, powers and duties arising upon the breach of
14 any covenants, conditions or obligations;

15 “(9) The appointing of and vesting in a trustee or trustees of the right to
16 hold or dispose of any funds, accounts, revenues or assets of the alternative
17 student loan program, to receive or assign any pledge *[thereof]* **of the funds,**
18 **accounts, revenues or assets** or to enforce any covenants made to secure
19 or to pay the bonds, the powers and duties of such trustee or trustees, and
20 the limitation of the liabilities of the trustee or trustees;

21 “(10) The terms and conditions upon which the holder or holders of the
22 bonds, or the holders of any proportion or percentage of them, may enforce
23 any covenants made under ORS 348.570 and 348.625 to 348.695; and

24 “(11) A procedure by which the terms of any official action authorizing
25 bonds or of any other contract with bondholders, including but not limited
26 to an indenture of trust or similar instrument, may be amended or abrogated,
27 and the amount of bonds **to which** the holders *[of which]* may consent
28 *[thereto]*, and the manner in which *[such]* **the** consent may be given.

29 **“SECTION 137.** ORS 348.690 is amended to read:

30 “348.690. (1) Revenue bonds issued under ORS 348.570 and 348.625 to

1 348.695:

2 “(a) Shall not be payable from nor charged upon any funds other than the
3 revenue pledged to the payment thereof, except as provided in this section,
4 nor shall the state be subject to any liability thereon. No holder or holders
5 of such bonds shall ever have the right to compel any exercise of the taxing
6 power of the state to pay any such bonds or the interest thereon, nor to en-
7 force payment thereof against any property of the state.

8 “(b) Shall not constitute a charge, lien or encumbrance, legal or equitable,
9 upon any property of the state other than the Alternative Student Loan
10 Program Fund created by ORS 348.570, any account or subaccount thereof
11 or student loans, if any, owned or acquired by the [*Oregon Student Access*
12 *Commission*] **Higher Education Coordinating Commission** pursuant to the
13 alternative student loan program.

14 “(2) Each bond issued under ORS 348.570 and 348.625 to 348.695 shall re-
15 cite in substance that the bond, including interest [*thereon*] **on the bond**, is
16 payable solely from the revenue pledged to the payment [*thereof*] **of the**
17 **bond**. No such bond shall constitute a debt of the state or a lending of the
18 credit of the state within the meaning of any constitutional or statutory
19 limitation. However, nothing in ORS 348.570 and 348.625 to 348.695 is in-
20 tended to impair the rights of holders of bonds to enforce covenants made
21 for the security [*thereof*] **of the bonds** as provided in ORS 348.685.

22 “**SECTION 138.** ORS 348.696 is amended to read:

23 “348.696. Pursuant to section 4 (4)(d), Article XV of the Oregon Consti-
24 tution, the Education Stability Fund is established separate and distinct from
25 the General Fund. Moneys in the Education Stability Fund shall be invested
26 as provided in ORS 293.701 to 293.790. All declared earnings on moneys in
27 the fund shall be transferred and are appropriated continuously as follows:

28 “(1) 75 percent to the Oregon Education Fund established by ORS 348.716;
29 and

30 “(2) 25 percent to the [*Oregon Student Access Commission*] **Higher Edu-**

1 **cation Coordinating Commission** for the Oregon Opportunity Grant pro-
2 gram under ORS 348.260.

3 **“SECTION 139.** ORS 348.849 is amended to read:

4 “348.849. (1) There is established the Oregon 529 College Savings Board
5 to administer ORS 348.841 to 348.873.

6 “(2) The board shall consist of:

7 “(a) The State Treasurer or a designee of the State Treasurer;

8 “(b) A member of the [*State Board of*] Higher Education **Coordinating**
9 **Commission**, to be selected by the [*State Board of Higher Education*] **com-**
10 **mission**;

11 “(c) A representative of accredited private colleges and universities lo-
12 cated in this state, who shall be appointed by the State Treasurer; and

13 “(d) Two public members, who by reason of their education and experience
14 are qualified to serve, and who shall be appointed by the State Treasurer.

15 “(3) The State Treasurer shall designate the board chairperson from
16 among the members of the board. The chairperson shall serve at the pleasure
17 of the State Treasurer.

18 “(4)(a) The board member who is a member of the [*State Board of Higher*
19 *Education*] **commission** shall serve at the pleasure of the [*State Board of*
20 *Higher Education*] **commission** but may not serve on the board following the
21 end of the member’s term on the [*State Board of Higher Education*] **com-**
22 **mission**.

23 “(b) The representative of private colleges and universities and the public
24 members of the board shall serve at the pleasure of the State Treasurer for
25 a term of office of three years. These members of the board may be reap-
26 pointed to subsequent terms.

27 “(5) The State Treasurer and the [*Oregon University System*] **commission**
28 shall provide staff and assistance to the board in the administration of the
29 Oregon 529 College Savings Network as directed by the board.

30 “(6) A member of the board is entitled to compensation and expenses as

1 provided in ORS 292.495.

2 “(7) A majority of the members of the board constitutes a quorum for the
3 transaction of business.

4 **“SECTION 140.** ORS 348.900 is amended to read:

5 “348.900. (1) The Employment Department, in consultation with health
6 care industry employers, shall perform a statewide and regional needs as-
7 sessment for health care occupations to identify emerging occupations and
8 occupations for which there is high demand or a shortage of workers. The
9 assessment shall be performed as necessary on a periodic basis, as determined
10 by the department, in consultation with industry employers. To perform the
11 needs assessment, the department may consider any reliable data sources
12 available to the department.

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

18 “(3) When approving health care education programs, the [*State Board of*
19 *Education, the State Board of Higher Education*] **commission** and the
20 Oregon Health and Science University Board of Directors shall use the
21 statewide needs assessment to evaluate whether a program fulfills statewide
22 needs. If [*a board*] **the commission or the board** determines there is a
23 statewide need, the [*board*] **commission or the board** shall facilitate the:

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

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

30 “(4) In the development and approval of health care education programs,

1 community colleges, public universities, Oregon Health and Science Univer-
2 sity, the [*State Board of Education, the State Board of Higher Education*]
3 **commission** and the Oregon Health and Science University Board of Di-
4 rectors shall consider issues related to statewide access, student
5 transferability between programs, course articulation and common student
6 learning outcomes for health care education programs. The community col-
7 leges, public universities, Oregon Health and Science University and
8 [*boards*] **commission** shall continue to provide and improve upon an effec-
9 tive articulation and transfer framework for students in Oregon’s post-
10 secondary sectors.

11 **“SECTION 141.** ORS 351.049 is amended to read:

12 “351.049. (1) The State Board of Higher Education shall forward all
13 mission statements of the public universities [*listed in ORS 352.002*] **in the**
14 **Oregon University System** to the Higher Education Coordinating Com-
15 mission for approval.

16 **“(2) A public university with a governing board shall forward the**
17 **university’s mission statement to the commission for approval.**

18 **“SECTION 142.** ORS 351.063 is amended to read:

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

25 **“(2) The State Board of Higher Education shall, by rule, establish a pro-**
26 **cess under which each public university in the Oregon University System**
27 **may develop and submit proposed enrollment fees for board consideration.**
28 **The process must provide for participation of enrolled students and the re-**
29 **cognized student government of the public university.**

30 **“(3) Each public university [*listed in ORS 352.002*] in the Oregon Uni-**

1 **versity System** is authorized to offer fee remissions to its students, includ-
2 ing remissions offered on the basis of need, from any authorized source of
3 revenue. Moneys appropriated from the General Fund may not be used to
4 fund fee remissions to students of the public university.

5 **“SECTION 143.** ORS 351.064 is amended to read:

6 “351.064. The Higher Education Coordinating Commission may set limits
7 on the enrollment fees [*established by the State Board of Higher Education*
8 *under ORS 351.063 (1)*] **at public universities listed in ORS 352.002.**

9 **“SECTION 144.** ORS 351.077 is amended to read:

10 “351.077. (1) [*Pursuant to ORS 342.447, the Chancellor of the Oregon Uni-*
11 *versity System*] **The Higher Education Coordinating Commission** shall
12 ensure the implementation of the plans developed **by the State Board of**
13 **Higher Education under ORS 342.447** for recruitment of minority teachers.

14 “(2) The [*chancellor*] **commission** shall report biennially to [*the State*
15 *Board of Higher Education and*] the Legislative Assembly on the imple-
16 mentation and results of the plans. The report may include recommendations
17 on ways in which the Legislative Assembly can assist in increasing the
18 number of minority teachers.

19 **“SECTION 145.** ORS 351.203 is amended to read:

20 “351.203. (1) The State Board of Higher Education **and the governing**
21 **boards of public universities listed in ORS 352.002** shall cooperate with
22 the [*Education and Workforce Policy Advisor*] **Chief Education Officer of**
23 **the Oregon Education Investment Board** in the development of a state
24 comprehensive education plan including post-secondary education and in re-
25 view of the [*board’s*] programs and [*budget*] **budgets of the state board and**
26 **the university boards.** The [*board*] **state board and the university boards**
27 shall submit in timely fashion to the [*advisor such*] **chief education officer**
28 **the data** [*as is appropriate in*] **the officer requests in** a form prescribed by
29 the [*advisor*] **officer.**

30 “(2) The [*board*] **state board and the university boards** shall cooperate

1 with the mediation process administered by the Higher Education Coordi-
2 nating Commission pursuant to ORS 348.603 and, if a negotiated resolution
3 cannot be reached by mediation, comply with the decisions of the commission
4 regarding proposed new post-secondary programs and proposed new post-
5 secondary locations, including those proposed by Oregon Health and Science
6 University **under ORS 353.440** in cooperation with [*the State Board of*
7 *Higher Education under ORS 353.440*] **public universities listed in ORS**
8 **352.002.**

9 **“SECTION 146.** ORS 351.643, as amended by section 8, chapter 106,
10 Oregon Laws 2012, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 “(4) The [*State Board of*] **Higher Education Coordinating Commission**
28 shall adopt rules for the administration of this section.

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

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

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

5 “**SECTION 147.** ORS 351.647 is amended to read:

6 “351.647. The Legislative Assembly finds that:

7 “(1) It is in the interest of this state and its people that Oregon residents
8 have access to the post-secondary institutions in the Northwest [*which*] **that**
9 best provide for the educational needs of those students;

10 “(2) The people of Oregon and their post-secondary institutions benefit
11 through the provision of access to Oregon colleges and universities for stu-
12 dents from the state of Washington and from the enhanced economic and
13 cultural well-being of the northwest region;

14 “(3) The state should reduce or eliminate the nonresident tuition barriers
15 [*which*] **that** might exist between the states of Oregon and Washington to
16 restrict or inhibit enrollment of residents of one of these states in a com-
17 munity college or public college or university in the other state;

18 “(4) The general policy statement on reduction of admission and tuition
19 barriers between the states of Oregon and Washington shall not apply to
20 students at the Oregon Health and Science University, where enrollment
21 priority shall continue to be given to qualified Oregon residents; and

22 “(5) The [*State Board of Higher Education and the*] Higher Education
23 Coordinating Commission shall develop plans to carry out the intent of this
24 policy within the appropriations available, and shall report to the appropri-
25 ate legislative review agency before implementing the plan.

26 “**SECTION 148.** ORS 351.718 is amended to read:

27 “351.718. [(1)] The members of the Higher Education Coordinating Com-
28 mission must be residents of this state who are well informed on the princi-
29 ples of higher education.

30 “[(2) *A member of the State Board of Higher Education, Oregon Health and*

1 *Science University Board of Directors or the governing board of a community*
2 *college district may not serve as a member of the Higher Education Coordi-*
3 *nating Commission.]*

4 **“SECTION 149.** ORS 352.730 is amended to read:

5 “352.730. (1) The [*Oregon Student Access Commission*] **Higher Education**
6 **Coordinating Commission** may enter into contracts with private and inde-
7 pendent institutions of higher education for the performance of nonsectarian
8 educational services to assist the state in providing educational opportu-
9 nities for Oregon students.

10 “(2) The commission may accept grants, gifts, bequests, and devises of real
11 and personal property to carry out the purposes of ORS 352.710 to 352.760.

12 “(3) No funds disbursed pursuant to ORS 352.710 to 352.760 shall be used
13 by any recipient for any religious purpose.

14 **“SECTION 150.** ORS 352.740 is amended to read:

15 “352.740. Payments to private and independent institutions of higher edu-
16 cation under contracts entered into under ORS 352.730 shall be determined
17 by the [*Oregon Student Access Commission*] **Executive Director of the Of-**
18 **ice of Student Access and Completion** on a uniform rate for every 45
19 quarter hours, or equivalent, of approved and registered course work in
20 nonsectarian subjects completed by undergraduate students enrolled in the
21 institutions who are residents of Oregon, and shall not exceed the actual cost
22 to the institution of providing such educational services. This uniform rate
23 shall apply to the estimated 45-hour units for each institution upon which
24 the legislative appropriation is based for that year, or the actual 45-hour
25 units for each institution, whichever is the lesser. Any remaining funds shall
26 be distributed among those institutions whose actual 45-hour units exceed
27 the estimate. The distribution to each institution shall be according to the
28 uniform rate established for the 45-hour units or an amount equal to the
29 ratio that the excess units bear to 45. However, if insufficient funds are
30 available for such a distribution, then the distribution shall be according to

1 the ratio that the total number of 45-hour units in excess of the estimate
2 bears to the total amount of funds remaining undistributed, multiplied by the
3 number of excess 45-hour units, if any, at each institution.

4 **“SECTION 151.** ORS 352.750 is amended to read:

5 “352.750. In accordance with any applicable provisions of ORS chapter
6 183, the [*Oregon Student Access Commission*] **Higher Education Coordi-**
7 **nating Commission** may make such reasonable rules and regulations as are
8 necessary or proper to carry out ORS 352.710 to 352.760.

9 **“SECTION 152.** ORS 353.200, as amended by section 9, chapter 106,
10 Oregon Laws 2012, is amended to read:

11 “353.200. (1) A student at the Oregon Health and Science University who
12 is a member of the military, a member of the commissioned corps of the
13 National Oceanic and Atmospheric Administration or a member of the Public
14 Health Service of the United States Department of Health and Human Ser-
15 vices detailed by proper authority for duty with the Army or Navy of the
16 United States and who is ordered to federal or state active duty for more
17 than 30 consecutive days has the following rights:

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

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

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

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

27 “(b) The right to a credit described in ORS 353.202 for all amounts paid
28 for room, board, tuition and fees;

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

1 from active duty without a requirement of redetermination of admission el-
2 igibility; and

3 “(d) The right to continuation of scholarships and grants awarded to the
4 student that were funded by the university or the [*Oregon Student Access*
5 *Commission*] **Higher Education Coordinating Commission** before the stu-
6 dent was ordered to active duty.

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

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

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

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

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

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

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

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

27 “(4) The Oregon Health and Science University Board of Directors shall
28 adopt rules for the administration of this section.

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

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

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

5 “**NOTE:** Section 153 was deleted by amendment. Subsequent sections were
6 not renumbered.

7 “**SECTION 154.** ORS 358.575 is amended to read:

8 “358.575. (1) The voting members of the Oregon Heritage Commission
9 shall be representatives of:

10 “(a) Heritage interests, including Indian tribes with federal recognition,
11 that reflect the cultural and geographic diversity of this state; and

12 “(b) Heritage interests reflected in community institutions, libraries, mu-
13 seums, architecture, archaeology and historic preservation.

14 “(2) The advisory members of the commission shall be:

15 “(a) One member designated by the Director of the Department of Land
16 Conservation and Development;

17 “(b) One member designated by the Trustees of the State Library;

18 “(c) One member designated by the [*State Board of*] Higher Education

19 **Coordinating Commission;**

20 “(d) One member designated by the Oregon Tourism Commission;

21 “(e) One member designated by the Superintendent of Public Instruction;

22 “(f) The Executive Director of the Oregon Historical Society or a designee
23 of the executive director;

24 “(g) The State Archivist or a designee of the archivist;

25 “(h) The Coordinator of the State Historical Records Advisory Board or
26 a designee of the coordinator; and

27 “(i) The State Historic Preservation Officer or a designee of the officer.

28 “**SECTION 155.** ORS 399.255 is amended to read:

29 “399.255. (1) Subject to the availability of funds, the Oregon Military
30 Department shall contract with the [*Oregon Student Access Commission*]

1 **Higher Education Coordinating Commission** to disburse to qualified ap-
2 plicants, awards made to the applicants on behalf of the Oregon National
3 Guard Scholarship Program as determined by the Oregon Military Depart-
4 ment.

5 “(2) If the qualified applicant who receives a scholarship under ORS
6 399.245 to 399.265 meets the standards of the Oregon Military Department for
7 renewal of the scholarship, the scholarship may be renewed upon application
8 until the applicant has received a scholarship for a total of four undergrad-
9 uate years.

10 “(3) A qualified applicant who receives a scholarship under ORS 399.245
11 to 399.265 must attend the qualified institution of higher education upon
12 which the scholarship application was based unless the commission author-
13 izes the scholarship to be used at a different institution.

14 “(4) No scholarship shall be made to any student enrolled in a course of
15 study required for or leading to a degree in theology, divinity or religious
16 education.

17 **“SECTION 156.** ORS 399.265 is amended to read:

18 “399.265. A qualified applicant may be awarded a scholarship under ORS
19 399.245 to 399.265 before completing the national guard service requirement.
20 However, if an applicant fails to fulfill the service requirement, the applicant
21 shall pay to the [*Oregon Student Access Commission*] **Higher Education**
22 **Coordinating Commission** the amount of the scholarship received plus in-
23 terest for each year for which a scholarship was awarded but for which the
24 service requirement was not met.

25 **“SECTION 157.** ORS 399.275 is amended to read:

26 “399.275. (1) As used in this section and ORS 399.280:

27 “(a) ‘Eligible post-secondary institution’ has the meaning given that term
28 in ORS 348.180.

29 “(b) ‘Surviving family member’ means a spouse or dependent of a member
30 of the Oregon National Guard who is killed while on active duty.

1 “(2) Subject to the availability of funds, the Oregon Military Department
2 may contract with the [*Oregon Student Access Commission*] **Higher Educa-**
3 **tion Coordinating Commission** to:

4 “(a) Disburse to eligible post-secondary institutions the dollar amount of
5 tuition waivers authorized by this section and approved for payment by the
6 department; and

7 “(b) Provide to the department a compilation of the total dollar amount
8 of the tuition waivers approved for each academic term included in the con-
9 tract.

10 “(3) The department shall regularly provide to the commission the names
11 of members of the Oregon National Guard and surviving family members for
12 whom tuition waivers may be approved.

13 “(4) Any member of the Oregon National Guard or surviving family
14 member who registers for classes at an eligible post-secondary institution
15 may receive a tuition waiver of up to 100 percent of the resident tuition
16 charges imposed by that institution, except that in the case of a not-for-profit
17 independent institution, the tuition waiver may not exceed 100 percent of the
18 resident tuition at Oregon State University.

19 “(5)(a) A member of the Oregon National Guard may receive the tuition
20 waiver authorized by this section at any time if the member maintains sat-
21 isfactory performance with the Oregon National Guard and pursues a course
22 of study in the eligible post-secondary institution in a manner that satisfies
23 the usual requirements of the institution.

24 “(b) A surviving family member may receive the tuition waiver authorized
25 by this section if the surviving family member pursues a course of study in
26 the eligible post-secondary institution in a manner that satisfies the usual
27 requirements of the institution.

28 “(c) The member of the Oregon National Guard or surviving family
29 member is responsible for payment of the balance of the tuition charges not
30 provided for by the tuition waiver program.

1 “(6) When determining to whom the tuition waivers shall be granted,
2 priority shall be given to those members of the Oregon National Guard who
3 have previously received tuition waivers while serving in the Oregon Na-
4 tional Guard and surviving family members who have previously received
5 tuition waivers.

6 “(7) The department shall apply qualifications and limitations to the tui-
7 tion waiver program that are consistent with efficient and effective program
8 management as determined by the Adjutant General.

9 “**NOTE:** Section 158 was deleted by amendment. Subsequent sections were
10 not renumbered.

11 “**SECTION 159.** ORS 411.894 is amended to read:

12 “411.894. (1) The Oregon JOBS Individual Education Account is estab-
13 lished to improve the position of JOBS Plus participants in the workforce
14 by increasing their access to continuing education. Employer contributions
15 to the account under this section shall be used to pay for education expenses
16 for the individual as provided in subsection (2) of this section.

17 “(2)(a) After the participant has participated in the JOBS Plus Program
18 for 30 days, the employer shall pay, in addition to the participant wage, one
19 dollar for each participant hour worked into the participant’s individual ed-
20 ucation account. Contributions to such an account shall be tax deferred or
21 tax-exempt to the extent permitted by federal and state law.

22 “(b) Any participant for whom an Oregon JOBS Individual Education
23 Account contribution is made shall be eligible for access to education bene-
24 fits from that participant’s individual education account for up to five years
25 after the participant has left the JOBS Plus Program and has held a full-
26 time, unsubsidized job for at least 30 days.

27 “(c) When any participant has qualified for use of that participant’s in-
28 dividual education account, an amount equal to that participant’s individual
29 education account balance shall be transferred to the [*Oregon Student Access*
30 *Commission*] **Executive Director of the Office of Student Access and**

1 **Completion** for that participant’s use. Only one individual education ac-
2 count shall be created for any participant. Each account shall be adminis-
3 tered by the [*commission*] **executive director** and shall be used for
4 continuing education and training for the participant and the participant’s
5 immediate family.

6 “(3)(a) The [*commission*] **executive director** may use any interest earned
7 by an individual education account transferred to the [*commission*] **execu-
8 tive director** under this section for payment of expenses incurred by the
9 [*commission*] **executive director** in carrying out [*its*] **the executive
10 director’s** duties under this section.

11 “(b) The Department of Human Services shall transfer any interest earned
12 by the Oregon JOBS Individual Education Account to the General Fund for
13 general governmental purposes. The department shall transfer the interest
14 no later than the close of each fiscal year in which the interest is earned.

15 “(4) Any unexpended or unobligated moneys remaining in an individual
16 education account five years after the participant has left the JOBS Plus
17 Program are appropriated and transferred to the [*commission*] **Higher Edu-
18 cation Coordinating Commission** for the Oregon Opportunity Grant pro-
19 gram on that date.

20 “**SECTION 160.** ORS 418.658, as amended by section 43, chapter 104,
21 Oregon Laws 2012, is amended to read:

22 “418.658. (1) The program director of the Oregon Youth Conservation
23 Corps shall establish a separate program known as the Oregon Community
24 Stewardship Corps. In addition to the established purposes of the Oregon
25 Youth Conservation Corps, the purpose of the Oregon Community
26 Stewardship Corps is to promote community service activities throughout the
27 state for a broad cross section of Oregon disadvantaged and at-risk youth
28 through programs that also include appropriate educational and job training
29 opportunities for participants.

30 “(2) In addition to projects submitted under ORS 418.660 (1), projects of

1 the Oregon Community Stewardship Corps may include, but shall not be
2 limited to:

3 “(a) Child care services.

4 “(b) Elderly and disabled care services.

5 “(c) Literacy education programs.

6 “(d) Recycling and other waste reduction services.

7 “(3) The Oregon Community Stewardship Corps shall offer employment
8 and educational opportunities of at least three but not more than 12 months’
9 duration for selected participants.

10 “(4) Under rules adopted by the Higher Education Coordinating Commis-
11 sion, participants who successfully complete any 12-month program under
12 this section shall be eligible for \$1,500 in tuition vouchers that can be used
13 at any career school or post-secondary educational institution that is quali-
14 fied to receive assistance through the [*Oregon Student Access Commission*]
15 **Executive Director of the Office of Student Access and Completion.**

16 “(5) All Oregonians who are at least 13 years of age and under 25 years
17 of age are eligible to participate in the program. To ensure that Oregon
18 Community Stewardship Corps participants represent a broad cross section
19 of Oregonians, special emphasis shall be given to recruiting school dropouts
20 and other disadvantaged and at-risk youth, according to criteria established
21 by the Oregon Youth Conservation Corps Advisory Committee.

22 “(6) To the extent practicable, the program director shall enlist state and
23 federal agencies, local government, nonprofit organizations and private
24 businesses, and any combination of such entities, to act as sponsors for pro-
25 grams administered under this section. Selection of sponsors shall be based
26 on criteria that include the following:

27 “(a) The availability of other resources on a matching basis, including
28 contributions from private sources, other federal, state and local agencies,
29 and moneys available through the federal Workforce Investment Act of 1998
30 (29 U.S.C. 2801 et seq.);

1 “(b) The provision of related educational and job training programs to
2 participants, including but not limited to school and college coursework,
3 General Educational Development (GED) tests equivalency training, project-
4 related education and professional training;

5 “(c) Assurances that proposed projects will not displace existing employ-
6 ees or duplicate existing private or government programs; and

7 “(d) Assurances that proposed projects are devoted to the enhancement
8 of the community and are not based in maintenance activities and that these
9 projects meet an identified need.

10 “(7) In consultation with the advisory committee and the Commissioner
11 for Community College Services, the program director shall make grants for
12 programs administered under this section.

13 **“SECTION 161.** ORS 418.657 is amended to read:

14 “418.657. (1) In consultation with the Oregon Youth Conservation Corps
15 Advisory Committee and the Commissioner for Community College Services,
16 the program director of the Oregon Youth Conservation Corps shall:

17 “(a) Establish eligibility criteria for participants. Such criteria shall not
18 render the program ineligible for federal funds. Participants shall be lawful
19 permanent residents of the state.

20 “(b) Establish criteria in order to make the required determination that
21 enrollment in the corps was not the reason that an individual ceased at-
22 tendance at a secondary school.

23 “(c) Assume that application of the eligibility and participation criteria
24 results in enrollment of at least 75 percent disadvantaged and at-risk youth
25 among the total number of participants.

26 “(2) The program director, in consultation with the Commissioner for
27 Community College Services, may take the following actions, including but
28 not limited to:

29 “(a) Applying for and accepting grants or contributions of funds from any
30 public or private source;

1 “(b) Making agreements with any local, state or federal agency to utilize
2 any service, material or property of any such agency, where such agreements
3 are considered reasonable and necessary; and

4 “(c) Purchasing or contracting for necessary private services, equipment,
5 materials and property where such are needed to carry out the projects ap-
6 proved for and undertaken by the corps.

7 “(3) The [*State Board of Education*] **Higher Education Coordinating**
8 **Commission** may adopt all necessary rules to carry out the purposes and
9 objectives of the program and to regulate the standards of conduct and other
10 operating guidelines for corps members and other personnel.

11 “(4) Corps members are exempt from:

12 “(a) State Personnel Relations Law; and

13 “(b) ORS 279C.800 to 279C.870.

14 “**SECTION 162.** ORS 442.540 is amended to read:

15 “442.540. (1) There is created the Nursing Services Program, to be ad-
16 ministered by the [*Oregon Student Access Commission*] **Executive Director**
17 **of the Office of Student Access and Completion** pursuant to rules
18 adopted by the **Higher Education Coordinating** Commission. The purpose
19 of the program is to provide loan repayments on behalf of nurses who agree
20 to practice in nursing critical shortage areas.

21 “(2) To be eligible to participate in the program, a nurse or prospective
22 nurse shall submit a letter of interest to the [*commission*] **executive direc-**
23 **tor.** Applicants who are selected for participation according to criteria
24 adopted by the commission under subsection (3) of this section shall sign a
25 letter of agreement stipulating that the applicant agrees to abide by the
26 terms of the program described in ORS 442.545.

27 “(3) The commission shall by rule adopt, in consultation with the Oregon
28 State Board of Nursing and the Office of Rural Health, criteria for partic-
29 ipation in the program.

30 “(4) The Oregon State Board of Nursing by rule shall annually identify,

1 in consultation with the Office of Rural Health, those areas that are con-
2 sidered nursing critical shortage areas.

3 “(5) Amounts paid to the [*commission*] **executive director** as penalties
4 under ORS 442.545 shall be credited and deposited in the Nursing Services
5 Account created under ORS 348.570. The commission, in consultation with
6 the Oregon State Board of Nursing, by rule shall allow waiver of all or part
7 of any fees or penalties owed to the [*commission*] **executive director** due to
8 circumstances that prevent a nurse from fulfilling a service obligation under
9 ORS 442.545.

10 **“SECTION 163.** ORS 442.545 is amended to read:

11 “442.545. (1) A nurse or prospective nurse applicant who is a graduate of
12 an accredited nursing program with a baccalaureate or associate degree and
13 who wishes to participate in the Nursing Services Program established under
14 ORS 442.540 shall agree that:

15 “(a) For each year of nursing school, the applicant designates an agreed
16 amount, not to exceed \$8,800 or the amount determined under subsection (2)
17 of this section, as a qualifying loan for the program.

18 “(b) In the four years following the execution of a Nursing Services Pro-
19 gram agreement with the [*Oregon Student Access Commission*] **Executive**
20 **Director of the Office of Student Access and Completion**, a nurse agrees
21 to practice for at least two full years in a nursing critical shortage area in
22 Oregon.

23 “(c) For not less than two nor more than four years that the nurse prac-
24 tices in a nursing critical shortage area, the [*commission*] **executive direc-**
25 **tor** shall annually pay:

26 “(A) For full-time practice, an amount equal to 25 percent of the total of
27 all qualifying loans made to the nurse.

28 “(B) For half-time practice, an amount equal to 12.5 percent of the total
29 of all qualifying loans made to the nurse.

30 “(d) If the nurse does not complete the full service obligation set forth in

1 paragraphs (b) and (c) of this subsection, the [commission] **executive direc-**
2 **tor** shall collect 100 percent of any payments made by the [commission]
3 **executive director** to the nurse under the Nursing Services Program. In
4 addition, the [commission] **executive director** shall assess against the nurse
5 a penalty equal to 50 percent of the qualifying loans and interest paid by the
6 [commission] **executive director**.

7 “(2)(a) On July 1 of each year, beginning in 2002 and ending in 2007, the
8 [commission] **executive director** shall adjust the maximum dollar amount
9 allowed under subsection (1)(a) of this section as a qualifying loan by
10 multiplying the amount by a cost-of-living adjustment as specified in this
11 subsection.

12 “(b) The cost-of-living adjustment applied on July 1 each year by the
13 [commission] **executive director** shall be equal to the ratio of the seasonally
14 adjusted United States City Average Consumer Price Index for All Urban
15 Consumers as published by the Bureau of Labor Statistics of the United
16 States Department of Labor for April of the calendar year divided by the
17 value of the same index for April 2001.

18 “(c) Beginning on July 1, 2008, the [commission] **executive director** shall
19 use the cost-of-living adjustment calculated for July 1, 2007.

20 “(d) If the value of the dollar amount determined under paragraph (a) of
21 this subsection is not a multiple of \$100, the [commission] **executive direc-**
22 **tor** shall round the dollar amount to the next lower multiple of \$100.

23 “**SECTION 164.** ORS 461.543 is amended to read:

24 “461.543. (1) Except as otherwise specified in subsection (5) of this section,
25 the Sports Lottery Account is continuously appropriated to and shall be used
26 by the [State Board of] Higher Education **Coordinating Commission** to
27 fund sports programs at public universities listed in ORS 352.002. Seventy
28 percent of the revenues in the fund shall be used to fund nonrevenue
29 producing sports and 30 percent shall be used for revenue producing sports.
30 Of the total amount available in the fund, at least 50 percent shall be made

1 available for women’s athletics.

2 “(2) The [board] **commission** shall allocate moneys in the Sports Lottery
3 Account among the public universities, giving due consideration to:

4 “(a) The athletic conference to which the public university belongs and
5 the relative costs of competing in that conference.

6 “(b) The level of effort being made by the public university to generate
7 funds and support from private sources.

8 “(3) As used in subsections (1) to (3) of this section, ‘revenue producing
9 sport’ is a sport that produces net revenue over expenditures during a cal-
10 endar year or if its season extends into two calendar years, produces net
11 revenue over expenditures during the season.

12 “(4) An amount equal to one percent of the moneys transferred to the
13 Administrative Services Economic Development Fund from the State Lottery
14 Fund shall be allocated from the Administrative Services Economic Devel-
15 opment Fund to the Sports Lottery Account.

16 “(5) The amounts received by the Sports Lottery Account shall be allo-
17 cated as follows:

18 “(a) Eighty-eight percent for the purposes specified in subsections (1) to
19 (3) of this section, but not to exceed \$8 million annually, adjusted annually
20 pursuant to the Consumer Price Index, as defined in ORS 327.006.

21 “(b) Twelve percent for the purpose of scholarships, to be distributed
22 equally between scholarships based on academic merit and scholarships
23 based on need, as determined by rule of the [board] **commission**, but not to
24 exceed \$1,090,909 annually.

25 “(c) All additional money to the [*Oregon Student Access*] commission for
26 the Oregon Opportunity Grant program under ORS 348.260.

27 **“SECTION 165.** ORS 468A.245 is amended to read:

28 “468A.245. The Oregon Global Warming Commission shall develop an
29 outreach strategy to educate Oregonians about the scientific aspects and
30 economic impacts of global warming and to inform Oregonians of ways to

1 reduce greenhouse gas emissions and ways to prepare for the effects of global
2 warming. The commission, at a minimum, shall work with state and local
3 governments, the State Department of Energy, the Department of Education,
4 the [*State Board of Higher Education*] **Higher Education Coordinating**
5 **Commission** and businesses to implement the outreach strategy.

6 **“SECTION 166.** ORS 471.580 is amended to read:

7 “471.580. (1) As used in this section:

8 “(a) ‘Alcohol equivalence’ means the amount of ethanol that would be
9 expected to be present in a beverage based on the standard drink measure-
10 ment used by the Centers for Disease Control and Prevention.

11 “(b) ‘Education provider’ means:

12 “(A) A community college, as defined in ORS 341.005, offering a food or
13 beverage career program approved by the [*State Board of Education*] **Higher**
14 **Education Coordinating Commission;**

15 “(B) A career school, as defined in ORS 345.010, offering a food or
16 beverage career program approved by the [*Oregon Student Assistance Com-*
17 *mission or the State Board of Education*] **Higher Education Coordinating**
18 **Commission;**

19 “(C) [*An institution of higher education listed in ORS 352.002*] **A public**
20 **university** offering a food or beverage career program approved by the [*State*
21 *Board of Higher Education*] **Higher Education Coordinating**
22 **Commission;** or

23 “(D) A private and independent institution of higher education, as defined
24 in ORS 352.720, offering a food or beverage career program that qualifies for
25 payment under ORS 352.740.

26 “(c) ‘Food or beverage career program’ means a course of study designed
27 to qualify a person for a career in the food service industry or alcoholic
28 beverage industry, including but not limited to a course of study in culinary
29 arts, viticulture, winemaking, enology, brewing or restaurant management.

30 “(2) The charging or payment of tuition or a special fee for enrollment

1 in a class that is part of a food or beverage career program or in a workshop
2 or seminar concerning matters related to food or beverage industry
3 workforce training, offered by an education provider, that includes the con-
4 sumption of alcoholic beverages for educational purposes, is not a sale or
5 purchase of, or other exchange of consideration for, alcoholic beverages.

6 “(3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an educa-
7 tion provider may serve alcoholic beverages to a person who is 18, 19 or 20
8 years of age and may allow the person to possess and consume alcoholic
9 beverages on a licensed or unlicensed premises that the education provider
10 uses for educational purposes if:

11 “(a) The person is enrolled as a student in a required or elective class
12 that is part of a food or beverage career program offered by the education
13 provider;

14 “(b) The alcoholic beverages are served to, and possessed and consumed
15 by, the person for educational purposes as part of the class curriculum or a
16 workshop or seminar concerning food or beverage workforce training;

17 “(c) The service, possession and consumption of the alcoholic beverages
18 are supervised by a faculty or staff member of the education provider who
19 is 21 years of age or older;

20 “(d) The person does not purchase the alcoholic beverages; and

21 “(e) The amount served to the person for consumption purposes during
22 any two-hour class, workshop or seminar period does not exceed two ounces
23 of alcohol equivalence.

24 “(4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic
25 beverages to another person who is 18, 19 or 20 years of age on premises that
26 an education provider uses for educational purposes if:

27 “(a) The person served is enrolled as a student in a required or elective
28 class that is part of a food or beverage career program offered by the edu-
29 cation provider;

30 “(b) The alcoholic beverages are served to, and consumed by, the person

1 for educational purposes as part of the class curriculum or, with the ap-
2 proval of the education provider, as part of a workshop or seminar concern-
3 ing food or beverage workforce training;

4 “(c) The service and consumption of the alcoholic beverages are super-
5 vised by a faculty or staff member of the education provider who is 21 years
6 of age or older;

7 “(d) The person served does not purchase the alcoholic beverages; and

8 “(e) The amount served to the person for consumption purposes during
9 any two-hour class period does not exceed two ounces of alcohol equivalence.

10 “(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS
11 471.430, a person who is 18, 19 or 20 years of age may possess and consume
12 alcoholic beverages on a licensed or unlicensed premises that an education
13 provider uses for educational purposes if:

14 “(a) The person is enrolled as a student in a required or elective class
15 that is part of a food or beverage career program offered by the education
16 provider;

17 “(b) The person possesses and consumes the alcoholic beverages for edu-
18 cational purposes as part of the class curriculum or, with the approval of the
19 education provider, as part of a workshop or seminar concerning food or
20 beverage workforce training;

21 “(c) The person possesses and consumes the alcoholic beverages under the
22 supervision of a faculty or staff member of the education provider who is 21
23 years of age or older;

24 “(d) The person does not purchase the alcoholic beverages; and

25 “(e) The amount consumed by the person during any two-hour class,
26 workshop or seminar period does not exceed two ounces of alcohol equiv-
27 alence.

28 “(6) Notwithstanding ORS 471.410, a person who exercises control over
29 private real property may allow a person who is 18, 19 or 20 years of age to
30 remain on the property after the person who is 18, 19 or 20 years of age

1 consumes an alcoholic beverage on the property in accordance with this
2 section.

3 “(7) Subsections (3) to (5) of this section do not affect the ability of an
4 education provider, a licensee or a permittee to make alcoholic beverages
5 available to a person 21 years of age or older in accordance with this chapter
6 or the ability of a person 21 years of age or older to possess or consume al-
7 coholic beverages in accordance with this chapter.

8 “**SECTION 167.** ORS 471.580, as amended by section 44, chapter 104,
9 Oregon Laws 2012, 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
12 expected to be present in a beverage based on the standard drink measure-
13 ment used by the Centers for Disease Control and Prevention.

14 “(b) ‘Education provider’ means:

15 “(A) A community college, as defined in ORS 341.005, offering a food or
16 beverage career program approved by the [*State Board of Education*] **Higher**
17 **Education Coordinating Commission;**

18 “(B) A career school, as defined in ORS 345.010, offering a food or
19 beverage career program approved by the [*Oregon Student Assistance Com-*
20 *mission or the*] Higher Education Coordinating Commission;

21 “(C) [*An institution of higher education listed in ORS 352.002*] **A public**
22 **university** offering a food or beverage career program approved by the [*State*
23 *Board of Higher Education*] **Higher Education Coordinating**
24 **Commission;** or

25 “(D) A private and independent institution of higher education, as defined
26 in ORS 352.720, offering a food or beverage career program that qualifies for
27 payment under ORS 352.740.

28 “(c) ‘Food or beverage career program’ means a course of study designed
29 to qualify a person for a career in the food service industry or alcoholic
30 beverage industry, including but not limited to a course of study in culinary

1 arts, viticulture, winemaking, enology, brewing or restaurant management.

2 “(2) The charging or payment of tuition or a special fee for enrollment
3 in a class that is part of a food or beverage career program or in a workshop
4 or seminar concerning matters related to food or beverage industry
5 workforce training, offered by an education provider, that includes the con-
6 sumption of alcoholic beverages for educational purposes, is not a sale or
7 purchase of, or other exchange of consideration for, alcoholic beverages.

8 “(3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an educa-
9 tion provider may serve alcoholic beverages to a person who is 18, 19 or 20
10 years of age and may allow the person to possess and consume alcoholic
11 beverages on a licensed or unlicensed premises that the education provider
12 uses for educational purposes if:

13 “(a) The person is enrolled as a student in a required or elective class
14 that is part of a food or beverage career program offered by the education
15 provider;

16 “(b) The alcoholic beverages are served to, and possessed and consumed
17 by, the person for educational purposes as part of the class curriculum or a
18 workshop or seminar concerning food or beverage workforce training;

19 “(c) The service, possession and consumption of the alcoholic beverages
20 are supervised by a faculty or staff member of the education provider who
21 is 21 years of age or older;

22 “(d) The person does not purchase the alcoholic beverages; and

23 “(e) The amount served to the person for consumption purposes during
24 any two-hour class, workshop or seminar period does not exceed two ounces
25 of alcohol equivalence.

26 “(4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic
27 beverages to another person who is 18, 19 or 20 years of age on premises that
28 an education provider uses for educational purposes if:

29 “(a) The person served is enrolled as a student in a required or elective
30 class that is part of a food or beverage career program offered by the edu-

1 cation provider;

2 “(b) The alcoholic beverages are served to, and consumed by, the person
3 for educational purposes as part of the class curriculum or, with the ap-
4 proval of the education provider, as part of a workshop or seminar concern-
5 ing food or beverage workforce training;

6 “(c) The service and consumption of the alcoholic beverages are super-
7 vised by a faculty or staff member of the education provider who is 21 years
8 of age or older;

9 “(d) The person served does not purchase the alcoholic beverages; and

10 “(e) The amount served to the person for consumption purposes during
11 any two-hour class period does not exceed two ounces of alcohol equivalence.

12 “(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS
13 471.430, a person who is 18, 19 or 20 years of age may possess and consume
14 alcoholic beverages on a licensed or unlicensed premises that an education
15 provider uses for educational purposes if:

16 “(a) The person is enrolled as a student in a required or elective class
17 that is part of a food or beverage career program offered by the education
18 provider;

19 “(b) The person possesses and consumes the alcoholic beverages for edu-
20 cational purposes as part of the class curriculum or, with the approval of the
21 education provider, as part of a workshop or seminar concerning food or
22 beverage workforce training;

23 “(c) The person possesses and consumes the alcoholic beverages under the
24 supervision of a faculty or staff member of the education provider who is 21
25 years of age or older;

26 “(d) The person does not purchase the alcoholic beverages; and

27 “(e) The amount consumed by the person during any two-hour class,
28 workshop or seminar period does not exceed two ounces of alcohol equiv-
29 alence.

30 “(6) Notwithstanding ORS 471.410, a person who exercises control over

1 private real property may allow a person who is 18, 19 or 20 years of age to
2 remain on the property after the person who is 18, 19 or 20 years of age
3 consumes an alcoholic beverage on the property in accordance with this
4 section.

5 “(7) Subsections (3) to (5) of this section do not affect the ability of an
6 education provider, a licensee or a permittee to make alcoholic beverages
7 available to a person 21 years of age or older in accordance with this chapter
8 or the ability of a person 21 years of age or older to possess or consume al-
9 coholic beverages in accordance with this chapter.

10 **“SECTION 168.** ORS 657.665 is amended to read:

11 “657.665. (1) Except as provided in subsections (2) to (4) of this section,
12 all information in the records of the Employment Department pertaining to
13 the administration of the unemployment insurance, employment service and
14 labor market information programs:

15 “(a) Is confidential and for the exclusive use and information of the Di-
16 rector of the Employment Department in administering the unemployment
17 insurance, employment service and labor market information programs in
18 Oregon.

19 “(b) May not be used in any court action or in any proceeding pending
20 in the court unless the director or the state is a party to the action or pro-
21 ceeding or unless the proceeding concerns the establishment, enforcement or
22 modification of a support obligation and support services are being provided
23 by the Division of Child Support or the district attorney pursuant to ORS
24 25.080.

25 “(c) Is exempt from disclosure under ORS 192.410 to 192.505.

26 “(2) The Employment Department shall disclose information:

27 “(a) To any claimant or legal representative, at a hearing before an ad-
28 ministrative law judge, to the extent necessary for the proper presentation
29 of an unemployment insurance claim.

30 “(b) Upon request to the United States Secretary of Labor. The Employ-

1 ment Department shall disclose the information in a form and containing the
2 information that the United States Secretary of Labor may require. The in-
3 formation disclosed is confidential and may not be used for any other pur-
4 pose.

5 “(c) Pursuant to section 303(a)(7) of the Social Security Act, upon request
6 to any agency of the United States charged with the administration of public
7 works or assistance through public employment. Under this paragraph, the
8 Employment Department shall disclose the name, address, ordinary occupa-
9 tion and employment status of each recipient of unemployment insurance
10 benefits and a statement of the recipient’s right to further benefits under this
11 chapter. The information disclosed is confidential and may not be used for
12 any other purpose.

13 “(d) Pursuant to section 303(c)(1) of the Social Security Act, to the Rail-
14 road Retirement Board. Under this paragraph, the Employment Department
15 shall disclose unemployment insurance records. The information disclosed is
16 confidential and may not be used for any other purpose. The costs of dis-
17 closing information under this paragraph shall be paid by the board.

18 “(e) Pursuant to section 303(d) of the Social Security Act, upon request
19 to officers and employees of the United States Department of Agriculture and
20 to officers or employees of any state Supplemental Nutrition Assistance
21 Program agency for the purpose of determining an individual’s eligibility for
22 or the amount of supplemental nutrition assistance. The information dis-
23 closed is confidential and may not be used for any other purpose. The costs
24 of disclosing information under this paragraph shall be paid by the United
25 States Department of Agriculture.

26 “(f) Pursuant to section 303(e)(1) and (2)(A)(ii) of the Social Security Act,
27 to state or local child support enforcement agencies enforcing child support
28 obligations under Title IV-D of the Social Security Act for the purposes of
29 establishing child support obligations, locating individuals owing child sup-
30 port obligations and collecting child support obligations from those individ-

1 uals. The information disclosed is confidential and may not be used for any
2 other purpose. The costs of disclosing information under this paragraph shall
3 be paid by the child support enforcement agency.

4 “(g) Pursuant to sections 303(f) and 1137 of the Social Security Act, to
5 agencies participating in the income and eligibility verification system for
6 the purpose of verifying an individual’s eligibility for benefits, or the amount
7 of benefits, under unemployment insurance, temporary assistance for needy
8 families, Medicaid, the Supplemental Nutrition Assistance Program, Supple-
9 mental Security Income, child support enforcement or Social Security pro-
10 grams. The information disclosed is confidential and may not be used for any
11 other purpose. The costs of disclosing information under this paragraph shall
12 be paid by the requesting agency.

13 “(h) Pursuant to section 303(h) of the Social Security Act and section
14 3304(a)(16)(B) of the Federal Unemployment Tax Act, to the United States
15 Department of Health and Human Services National Directory of New Hires.
16 The information disclosed is confidential and may not be used for any other
17 purpose. The costs of disclosing information under this paragraph shall be
18 paid by the United States Department of Health and Human Services.

19 “(i) Pursuant to section 303(i) of the Social Security Act, to officers and
20 employees of the United States Department of Housing and Urban Develop-
21 ment and to representatives of a public housing agency for the purpose of
22 determining an individual’s eligibility for benefits, or the amount of benefits,
23 under a housing assistance program of the United States Department of
24 Housing and Urban Development. The information disclosed is confidential
25 and may not be used for any other purpose. The costs of disclosing informa-
26 tion under this paragraph shall be paid by the United States Department of
27 Housing and Urban Development or the public housing agency.

28 “(j) Pursuant to regulations of the United States Secretary of Health and
29 Human Services issued under section 3304(a)(16)(A) of the Federal Unem-
30 ployment Tax Act, and except as required by section 303 of the Social Secu-

1 rity Act, to the state, a political subdivision or a federally recognized Indian
2 tribe that has signed an agreement with the Department of Human Services
3 to administer Part A of Title IV of the Social Security Act for the purpose
4 of determining an individual's eligibility for assistance, or the amount of
5 assistance, under a program funded under Part A of Title IV of the Social
6 Security Act. The information disclosed is confidential and may not be used
7 for any other purpose.

8 “(k) Upon request, to the United States Attorney's Office. Under this
9 paragraph, the Employment Department may disclose an individual's em-
10 ployment and wage information in response to a federal grand jury subpoena
11 or for the purpose of collecting civil and criminal judgments, including
12 restitution and special assessment fees. The information disclosed is confi-
13 dential and may not be used for any other purpose. The costs of disclosing
14 information under this paragraph shall be paid by the United States
15 Attorney's Office.

16 “(3) The Employment Department may disclose information secured from
17 employing units:

18 “(a) To agencies of this state, federal agencies and local government
19 agencies to the extent necessary to properly carry out governmental plan-
20 ning, performance measurement, program analysis, socioeconomic analysis
21 and policy analysis functions performed under applicable law. The informa-
22 tion disclosed is confidential and may not be disclosed by the agencies in any
23 manner that would identify individuals, claimants, employees or employing
24 units. If the information disclosed under this paragraph is not prepared for
25 the use of the Employment Department, the costs of disclosing the informa-
26 tion shall be paid by the agency requesting the information.

27 “(b) As part of a geographic information system. Points on a map may be
28 used to represent economic data, including the location, employment size
29 class and industrial classification of businesses in Oregon. Information pre-
30 sented as part of a geographic information system may not give specific de-

1 tails regarding a business's address, actual employment or proprietary
2 information. If the information disclosed under this paragraph is not pre-
3 pared for the use of the Employment Department, the costs of disclosing the
4 information shall be paid by the party requesting the information.

5 “(c) In accordance with ORS 657.673.

6 “(4) The Employment Department may:

7 “(a) Disclose information to public employees in the performance of their
8 duties under state or federal laws relating to the payment of unemployment
9 insurance benefits, the provision of employment services and the provision
10 of labor market information.

11 “(b) At the discretion of the Director of the Employment Department and
12 subject to an interagency agreement, disclose information to public officials
13 in the performance of their official duties administering or enforcing laws
14 within their authority and to the agents or contractors of public officials.
15 The public official shall agree to assume responsibility for misuse of the in-
16 formation by the official's agent or contractor.

17 “(c) Disclose information pursuant to an informed consent, received from
18 an employer or claimant, to disclose the information.

19 “(d) Disclose information to partners under the federal Workforce In-
20 vestment Act of 1998 for the purpose of administering state workforce pro-
21 grams under the Act. The information disclosed is confidential and may not
22 be used for any other purpose. The costs of disclosing information under this
23 paragraph shall be paid by the requesting partner.

24 “(e) Disclose the names and addresses of employing units to the Bureau
25 of Labor and Industries for the purpose of disseminating information to em-
26 ploying units. The names and addresses disclosed are confidential and may
27 not be used for any other purpose. If the information disclosed under this
28 paragraph is not prepared for the use of the Employment Department, the
29 costs of disclosing the information shall be paid by the bureau.

30 “(f) Disclose information to the Commissioner of the Bureau of Labor and

1 Industries for the purpose of performing duties under ORS 279C.800 to
2 279C.870, 658.005 to 658.245 or 658.405 to 658.503 or ORS chapter 652, 653 or
3 659A. The information disclosed may include the names and addresses of
4 employers and employees and payroll data of employers and employees. The
5 information disclosed is confidential and may not be used for any other
6 purpose. If the information disclosed under this paragraph is not prepared
7 for the use of the Employment Department, the costs of disclosing the in-
8 formation shall be paid by the bureau.

9 “(g) Disclose information required under ORS 657.660 (3) and (4) to the
10 Public Employees Retirement System for the purpose of determining the el-
11 igibility of members of the retirement system for disability retirement al-
12 lowances under ORS chapter 238. The information disclosed is confidential
13 and may not be used for any other purpose. The costs of disclosing informa-
14 tion under this paragraph shall be paid by the Public Employees Retirement
15 System.

16 “(h) Disclose to the Oregon Business Development Commission informa-
17 tion required by the commission in performing its duty under ORS 285A.050
18 to verify changes in employment levels following direct employer partic-
19 ipation in Oregon Business Development Department programs or indirect
20 participation through municipalities under ORS 285B.410 to 285B.482. The
21 information disclosed to the commission may include an employer’s employ-
22 ment level, total subject wages payroll and whole hours worked. The infor-
23 mation disclosed is confidential and may not be used for any other purpose.
24 The commission may not disclose the information in any manner that would
25 identify an employing unit or employee except to the extent necessary to
26 carry out the commission’s duty under ORS 285A.050. If the information
27 disclosed under this paragraph is not prepared for the use of the Employment
28 Department, the costs of disclosing the information shall be paid by the
29 commission.

30 “(i) Disclose information to the Department of Revenue for the purpose

1 of performing its duties under ORS 293.250 or under the revenue and tax laws
2 of this state. The information disclosed may include the names and addresses
3 of employers and employees and payroll data of employers and employees.
4 The information disclosed is confidential and may not be disclosed by the
5 Department of Revenue in any manner that would identify an employing unit
6 or employee except to the extent necessary to carry out the department's
7 duties under ORS 293.250 or in auditing or reviewing any report or return
8 required or permitted to be filed under the revenue and tax laws adminis-
9 tered by the department. The Department of Revenue may not disclose any
10 information received to any private collection agency or for any other pur-
11 pose. If the information disclosed under this paragraph is not prepared for
12 the use of the Employment Department, the costs of disclosing the informa-
13 tion shall be paid by the Department of Revenue.

14 “(j) Disclose information to the Department of Consumer and Business
15 Services for the purpose of performing its duties under ORS chapters 654 and
16 656. The information disclosed may include the name, address, number of
17 employees and industrial classification code of an employer and payroll data
18 of employers and employees. The information disclosed is confidential and
19 may not be disclosed by the Department of Consumer and Business Services
20 in any manner that would identify an employing unit or employee except to
21 the extent necessary to carry out the department's duties under ORS chap-
22 ters 654 and 656, including administrative hearings and court proceedings in
23 which the Department of Consumer and Business Services is a party. If the
24 information disclosed under this paragraph is not prepared for the use of the
25 Employment Department, the costs of disclosing the information shall be
26 paid by the Department of Consumer and Business Services.

27 “(k) Disclose information to the Construction Contractors Board for the
28 purpose of performing its duties under ORS chapter 701. The information
29 disclosed to the board may include the names and addresses of employers and
30 status of their compliance with this chapter. If the information disclosed

1 under this paragraph is not prepared for the use of the Employment De-
2 partment, the costs of disclosing the information shall be paid by the board.

3 “(L) Disclose information to the State Fire Marshal to assist the State
4 Fire Marshal in carrying out duties under ORS 453.307 to 453.414. The in-
5 formation disclosed may include the name, address, telephone number and
6 industrial classification code of an employer. The information disclosed is
7 confidential and may not be disclosed by the State Fire Marshal in any
8 manner that would identify an employing unit except to the extent necessary
9 to carry out duties under ORS 453.307 to 453.414. If the information disclosed
10 under this paragraph is not prepared for the use of the Employment De-
11 partment, the costs of disclosing the information shall be paid by the office
12 of the State Fire Marshal.

13 “(m) Disclose information to the [*Oregon Student Access Commission*]
14 **Higher Education Coordinating Commission** for the purpose of perform-
15 ing the commission’s duties under ORS chapter 348 and Title IV of the
16 Higher Education Act of 1965. The information disclosed may include the
17 names and addresses of employers and employees and payroll data of em-
18 ployers and employees. The information disclosed is confidential and may not
19 be disclosed by the commission in any manner that would identify an em-
20 ploying unit or employee except to the extent necessary to carry out the
21 commission’s duties under ORS chapter 348 or Title IV of the Higher Edu-
22 cation Act of 1965. If the information disclosed under this paragraph is not
23 prepared for the use of the Employment Department, the costs of disclosing
24 the information shall be paid by the commission.

25 “(n) Disclose information to the Department of Transportation to assist
26 the Department of Transportation in carrying out the duties of the Depart-
27 ment of Transportation relating to collection of delinquent and liquidated
28 debts, including taxes, under ORS 184.610 to 184.666, 184.670 to 184.733 and
29 805.263, ORS chapter 319 and the Oregon Vehicle Code. The information
30 disclosed may include the names and addresses of employers and employees

1 and payroll data of employers and employees. The information disclosed is
2 confidential and may not be disclosed by the Department of Transportation
3 in any manner that would identify an employing unit or employee except to
4 the extent necessary to carry out the Department of Transportation's duties
5 relating to collection of delinquent and liquidated debts or in auditing or
6 reviewing any report or return required or permitted to be filed under the
7 revenue and tax laws administered by the Department of Transportation. The
8 Department of Transportation may not disclose any information received to
9 any private collection agency or for any other purpose. If the information
10 disclosed under this paragraph is not prepared for the use of the Employment
11 Department, the costs of disclosing the information shall be paid by the De-
12 partment of Transportation.

13 “(o) Disclose information to the Department of Human Services and the
14 Oregon Health Authority to assist the Department of Human Services and
15 the Oregon Health Authority in the collection of debts that the Department
16 of Human Services and the Oregon Health Authority are authorized by law
17 to collect. The information disclosed may include the names, addresses and
18 payroll data of employers and employees. The information disclosed is con-
19 fidential and may not be disclosed by the Department of Human Services or
20 the Oregon Health Authority in a manner that would identify an employing
21 unit or employee except to the extent necessary for the collection of debts
22 as described in this paragraph. The Department of Human Services and the
23 Oregon Health Authority may not disclose information received under this
24 paragraph to a private collection agency or use the information for a purpose
25 other than the collection of debts as described in this paragraph. If the in-
26 formation disclosed under this paragraph is not prepared for the use of the
27 Employment Department, the costs of disclosing the information shall be
28 paid by the Department of Human Services or the Oregon Health Authority.

29 “(p) Disclose to the Alcohol and Drug Policy Commission information
30 required by the commission in evaluating and measuring the performance of

1 alcohol and drug prevention and treatment programs under ORS 430.242 or
2 the impact of the programs on employment. The information disclosed to the
3 commission may include total subject wages payroll and whole hours worked.
4 The information disclosed under this paragraph is confidential and may not
5 be used for any other purpose. The commission may not disclose the infor-
6 mation in any manner that would identify an employing unit or employee
7 except to the extent necessary to carry out the commission's duties under
8 ORS 430.242. If the information disclosed under this paragraph is not pre-
9 pared for the use of the Employment Department, the costs of disclosing the
10 information shall be paid by the commission.

11 “(q) Disclose to any person establishment level information secured pur-
12 suant to this chapter from federal, state and local government employing
13 units. If the information disclosed under this paragraph is not prepared for
14 the use of the Employment Department, the costs of disclosing the informa-
15 tion shall be paid by the party requesting the information.

16 “(r) Disclose to any person the industrial classification code assigned to
17 an employing unit. If the information disclosed under this paragraph is not
18 prepared for the use of the Employment Department, the costs of disclosing
19 the information shall be paid by the party requesting the information.

20 “(5) Any officer appointed by or any employee of the Director of the
21 Employment Department who discloses confidential information, except with
22 the authority of the director, pursuant to rules or as otherwise required by
23 law, may be disqualified from holding any appointment or employment with
24 the Employment Department.

25 “(6) Any person or any officer or employee of an entity to whom infor-
26 mation is disclosed by the Employment Department under this section who
27 divulges or uses the information for any purpose other than that specified
28 in the provision of law or agreement authorizing the use or disclosure may
29 be disqualified from performing any service under contract or disqualified
30 from holding any appointment or employment with the state agency that

1 engaged or employed that person, officer or employee. The Employment De-
2 partment may immediately cancel or modify any information sharing agree-
3 ment with an entity when a person or an officer or employee of that entity
4 discloses confidential information, other than as specified in law or agree-
5 ment.

6 **“SECTION 169.** ORS 659.855 is amended to read:

7 “659.855. (1) Any public elementary or secondary school determined by the
8 Superintendent of Public Instruction [*or any community college determined*
9 *by the Commissioner for Community College Services*] to be in noncompliance
10 with provisions of ORS 659.850 and this section shall be subject to appro-
11 priate sanctions, which may include withholding of all or part of state
12 funding, as established by rule of the State Board of Education.

13 **“(2) Any public community college determined by the Higher Edu-
14 cation Coordinating Commission to be in noncompliance with pro-
15 visions of ORS 659.850 and this section shall be subject to appropriate
16 sanctions, which may include withholding of all or part of state fund-
17 ing, as established by rule of the commission.**

18 “[2)] (3) Any public university listed in ORS 352.002 determined by the
19 Chancellor of the Oregon University System to be in noncompliance with
20 provisions of ORS 659.850 and this section shall be subject to appropriate
21 sanctions, which may include withholding of all or part of state funding, as
22 established by rule of the [*State Board of Higher Education*] **Higher Edu-
23 cation Coordinating Commission.**

24 “[3)] (4) Any public charter school determined by the sponsor of the
25 school or the superintendent to be in noncompliance with the provisions of
26 ORS 659.850 and this section shall be subject to appropriate sanctions, which
27 may include the withholding of all or part of state funding by the sponsor
28 or superintendent, as established by rule of the State Board of Education.

29 **“SECTION 170.** ORS 660.312 is amended to read:

30 “660.312. (1) The Governor shall be responsible for a coordinated and

1 comprehensive response to education and workforce issues. The Governor
2 shall appoint an Education and Workforce Policy Advisor, who serves at the
3 pleasure of the Governor. The advisor shall, with the advice of such advisory
4 committees as may be appointed or assigned, advise the Governor on policy,
5 planning and coordination for education and workforce development in
6 Oregon.

7 “(2) The duties of the advisor shall include:

8 “(a) Guiding the development of state-level policy related to education
9 and workforce issues;

10 “(b) Providing general direction and serving as a liaison between state
11 and local efforts in education, training and workforce development;

12 “(c) Ensuring, through collaboration with the leadership of local
13 workforce investment boards and regional workforce committees, the align-
14 ment of statewide, local and regional strategic plans, and the periodic re-
15 porting of performance in the implementation of such plans; and

16 “(d) Consulting with local workforce investment boards and regional
17 workforce committees on the development and implementation of a workforce
18 performance measurement system.

19 “(3) In the performance of duties, the advisor shall collectively involve
20 state agencies, including but not limited to:

21 “(a) The Department of Education;

22 “(b) The Oregon University System **and public universities with gov-**
23 **erning boards;**

24 “(c) The Oregon Business Development Department;

25 “(d) The Department of Community Colleges and Workforce Development;

26 “(e) The Employment Department;

27 “(f) The Department of Human Services;

28 “(g) The Bureau of Labor and Industries;

29 “(h) The Department of Corrections; **and**

30 “[*i*] *The Oregon Student Access Commission; and*]

1 “[j] (i) The Teacher Standards and Practices Commission.

2 “(4) The advisor shall seek input from key interested parties to help guide

3 policy development, including but not limited to representatives of:

4 “(a) Businesses and industry organizations;

5 “(b) Labor and labor organizations;

6 “(c) Local education providers;

7 “(d) Local government;

8 “(e) Student, teacher, parent and faculty organizations;

9 “(f) Community-based organizations;

10 “(g) Public-private partnership organizations;

11 “(h) Independent nonprofit and proprietary post-secondary colleges and

12 schools; and

13 “(i) Regional workforce committees, local workforce investment boards

14 and regional investment boards.

15 “(5) The advisor shall meet, on a regularly scheduled basis, with the local

16 workforce investment boards, regional workforce committees and such others

17 as necessary to ensure that local interests are represented. The advisor shall

18 seek input, advice and feedback on policy issues affecting state, regional and

19 local education and workforce development from interested parties and other

20 committees formed under ORS 660.306, 660.312 and 660.315.

21 “(6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary

22 to carry out the duties of the advisor.

23 **“SECTION 171.** ORS 660.318 is amended to read:

24 “660.318. (1) To implement and oversee state implementation of Title I-B,

25 the Department of Community Colleges and Workforce Development may:

26 “(a) Receive federal youth activities funds allotted to this state by the

27 Secretary of Labor pursuant to Title I-B and allocate those funds that are

28 not reserved according to an allocation formula recommended by the State

29 Workforce Investment Board and approved by the Governor.

30 “(b) Receive federal adult employment and training activities funds al-

1 lotted to this state by the Secretary of Labor pursuant to Title I-B and al-
2 locate those funds that are not reserved according to an allocation formula
3 recommended by the State Workforce Investment Board and approved by the
4 Governor.

5 “(c) Receive federal dislocated worker funds allotted to this state by the
6 Secretary of Labor pursuant to Title I-B and allocate those funds that are
7 not reserved according to an allocation formula recommended by the State
8 Workforce Investment Board and approved by the Governor.

9 “(d) Establish a procedure for use by local workforce investment boards
10 to identify eligible providers of training services according to section 2864
11 of the federal Act and to maintain the list of providers identified as eligible
12 by the boards in all local workforce investment areas in this state.

13 “(e) Receive the comprehensive strategic plan developed and implemented
14 by each local workforce investment board and review the plan, with input
15 from representatives of state and local workforce programs, to determine if
16 the plan meets the requirements of section 2833 of the federal Act and state
17 policy.

18 “(f) Approve the plans, after review by the State Workforce Investment
19 Board, that are found to meet the requirements of Title I-B and review and
20 approve any amendments to the plans.

21 “(g) Carry out the required and allowable activities described in section
22 2864 of the federal Act with the advice of the Education and Workforce
23 Policy Advisor.

24 “(h) Pursuant to ORS 660.339, establish procedures to maintain the
25 confidentiality of the names and records of participants in workforce pro-
26 grams for which the department is responsible, including circumstances un-
27 der which the names and records may be disclosed.

28 “(i) Establish a method to set performance standards for the Secretary of
29 Labor as required under section 2871 of the federal Act.

30 “(j) Perform planning functions related to Title I-B programs and per-

1 formance reporting.

2 “(2)(a) Subject to the availability of funds from the federal Workforce
3 Investment Act, the Department of Community Colleges and Workforce De-
4 velopment shall create and operate a summer youth employment program
5 that reestablishes meaningful summer work experience for persons between
6 the ages of 14 and 24 and that meets the requirements for funding under the
7 federal Act.

8 “(b) Programs funded under this subsection:

9 “(A) Must include representatives of the business community in the
10 planning, implementation and evaluation of the program.

11 “(B) May provide for private and public sector employment opportunities.

12 “(C) Shall be managed by local workforce investment boards in a manner
13 that coordinates regional state-sponsored youth work experience programs.

14 “(c) Local workforce investment boards responsible for managing pro-
15 grams created under this subsection shall provide training for business, labor
16 and education leaders in use of best practices that assure positive summer
17 work experiences for participants.

18 “(3) The Department of Community Colleges and Workforce Development
19 shall collaborate with the State Workforce Investment Board and local
20 workforce investment boards to collect data on summer work experience
21 programs that identify successful summer work experiences and allow for the
22 identification and dissemination of promising practices.

23 “(4) The [*department*] **Higher Education Coordinating Commission**, in
24 consultation with the State Workforce Investment Board, may adopt rules
25 pursuant to ORS chapter 183 to implement this section.

26 “**SECTION 172.** ORS 660.340 is amended to read:

27 “660.340. (1) There is created in the Department of Community Colleges
28 and Workforce Development the Oregon Employer Workforce Training Pro-
29 gram. Subject to the availability of funding, the department shall create and
30 operate, and local workforce investment boards shall manage, the program

1 for the purpose of:

2 “(a) Assisting businesses and consortia of businesses in implementing
3 projects that identify and provide cost-effective solutions to the issues of
4 employee training, retention and advancement;

5 “(b) Maximizing the utilization of public and private resources for pro-
6 viding training to employed persons in skills that are responsive to the need
7 of businesses and industries in Oregon to become and to remain competitive
8 on the national and international level; and

9 “(c) Responding to the need of workers in Oregon to develop current job
10 skills necessary to meet the current and future needs of employers.

11 “(2)(a) Businesses in industries identified in the plans developed by local
12 workforce investment boards as required by ORS 660.327 are eligible to par-
13 ticipate in projects selected for participation in the program.

14 “(b) Priority for approval of projects submitted under this subsection shall
15 be given to businesses in industries that have the greatest impact on the
16 local economy and emerging green jobs.

17 “(3) Local workforce investment boards shall:

18 “(a) Identify businesses and consortia of businesses for potential partic-
19 ipation in the program;

20 “(b) Develop and implement an application process for projects proposed
21 for the program;

22 “(c) Notwithstanding the provisions of the Public Contracting Code, use
23 an open and competitive procurement process for agreements entered into
24 with participants in the program;

25 “(d) Require that businesses participating in a project provide private
26 sector funding equal to the amount of state funding provided for the project;
27 and

28 “(e) Track and report to the department the outcomes of projects imple-
29 mented in the local workforce investment area, including, but not limited to:

30 “(A) The number of businesses participating in approved projects;

1 “(B) The number and types of projects completed;

2 “(C) The number of employees receiving training;

3 “(D) The number of jobs retained or created by the businesses partic-
4 ipating in the project; and

5 “(E) The value of the private sector funding provided.

6 “(4) The [*department*] **Higher Education Coordinating Commission**
7 shall adopt rules necessary for the implementation and operation of the
8 program created under subsection (1) of this section. The rules shall include,
9 but are not limited to, a process by which moneys may be appropriated and
10 allocated to the local workforce investment boards to support projects iden-
11 tified by the local workforce investment boards under subsection (3) of this
12 section.

13 **“SECTION 173.** ORS 680.515, as amended by section 9, chapter 43, Oregon
14 Laws 2012, is amended to read:

15 “680.515. (1) Subject to the provisions of ORS 676.612, upon application
16 accompanied by payment of required fees, the Oregon Health Licensing
17 Agency shall issue a license to practice denture technology to an applicant
18 who:

19 “(a) Provides to the agency official transcripts verifying completion of an
20 associate degree program in denture technology, or the equivalent in formal,
21 post-secondary education, approved by the agency in consultation with the
22 [*Oregon Student Access Commission*] **Higher Education Coordinating**
23 **Commission** and the Department of Education.

24 “(b) Provides to the agency documentation of 1,000 hours of supervised
25 clinical practice in denture technology, completed while enrolled in or after
26 having completed a course of study offered in a post-secondary educational
27 institution, or through equivalent supervised experience, as determined by
28 the agency in consultation with the commission and the department.

29 “(c) Passes a written and a practical examination prescribed, recognized
30 or approved by the State Board of Denture Technology. An applicant who

1 fails the practical examination must complete additional hours of clinical
2 and laboratory training in an approved work experience program, as deter-
3 mined by the board, to qualify for reexamination.

4 “(d) Meets other requirements established by the agency by rule.

5 “(2) The educational program required by subsection (1)(a) of this section
6 must include pertinent courses in anatomy, including histology, microbiol-
7 ogy, physiology, pharmacology, pathology emphasizing periodontology, dental
8 materials, medical emergencies, geriatrics, professional ethics, clinical
9 denture technology and denture laboratory technology.

10 “(3) Notwithstanding subsection (1)(a) of this section, the board may ac-
11 cept educational training obtained in any other state or country if, upon
12 review of satisfactory evidence, the agency determines that the educational
13 program in the other state or country meets the educational standards pre-
14 scribed under this section.

15 “(4) An applicant meets the requirements of subsection (1)(a) or (b) of this
16 section if the applicant provides the agency with documentation of military
17 training or experience that the agency determines is substantially equivalent
18 to the training or experience required by subsection (1)(a) or (b) of this sec-
19 tion.

20 “(5) Notwithstanding subsection (1)(c) of this section, the agency may
21 adopt rules providing for waiver of the practical examination requirement.

22 “(6) The agency may adopt rules allowing for issuance of a temporary li-
23 cense to practice denture technology.

24 “**SECTION 174.** ORS 684.040, as amended by section 14, chapter 43,
25 Oregon Laws 2012, is amended to read:

26 “684.040. (1) Any person applying for a license to practice chiropractic in
27 this state shall make application to the State Board of Chiropractic Exam-
28 iners, [*upon such*] **on a** form and in [*such*] **the** manner [*as may be provided*
29 *by*] the board **provides**. The application must be accompanied by
30 nonrefundable fees of:

1 “(a) \$150; and

2 “(b) The amount established by the board by rule under ORS 181.534.

3 “(2) Each applicant shall furnish to the board:

4 “(a) Evidence satisfactory to the board of the applicant’s good moral
5 character.

6 “(b) A certificate of proficiency in the fundamental sciences (Part I, taken
7 subsequent to January 1, 1971) issued to the applicant by the National Board
8 of Chiropractic Examiners.

9 “(c) Evidence of successful completion of at least two years of liberal arts
10 and sciences study, in any college or university accredited by either the
11 Northwest Association of Schools and Colleges or a like regional association
12 or in any college or university in Oregon approved for granting degrees by
13 the [*Oregon Student Access Commission*] **Higher Education Coordinating**
14 **Commission.**

15 “(d) A diploma and transcript, certified by the registrar, or other docu-
16 ments satisfactory to the State Board of Chiropractic Examiners evidencing
17 graduation from a chiropractic school or college approved by the board under
18 the board’s academic standards, or from a school accredited by the Council
19 on Chiropractic Education or its successor agency, under standards that are
20 accepted and adopted biennially by the board in the version applied to that
21 school by the accrediting agency.

22 “(e) A statement of any other health care provider license in this state
23 held by the applicant, with identifying information required by the State
24 Board of Chiropractic Examiners.

25 “(3) An applicant meets the requirements of subsection (2)(c) or (d) of this
26 section if the applicant provides the State Board of Chiropractic Examiners
27 with documentation of military training or experience that the board deter-
28 mines is substantially equivalent to the education required by subsection
29 (2)(c) or (d) of this section.

30 “(4) The State Board of Chiropractic Examiners may waive the require-

1 ments of subsection (2)(c) of this section for any applicant for a license to
2 practice chiropractic if the applicant is licensed in another state and prac-
3 ticed chiropractic in that state, but the applicant must pass the examination
4 authorized by ORS 684.050 or by ORS 684.052.

5 **“SECTION 175.** ORS 685.060 is amended to read:

6 “685.060. (1) The minimum educational requirements for a license under
7 the provisions of this chapter are:

8 “(a) At least two years’ satisfactory liberal arts and sciences study, or
9 either, in a college or university accredited by either the Northwest Associ-
10 ation of Schools and Colleges or a like regional association or in a college
11 or university in Oregon approved for granting degrees by the [*Oregon Stu-*
12 *dent Access Commission*] **Higher Education Coordinating Commission** as
13 evidenced by certificate or transcript of credits from the college or univer-
14 sity; and

15 “(b) Graduation from an accredited naturopathic school or college.

16 “(2)(a) The areas of study required of an applicant for a license to prac-
17 tice naturopathic medicine in this state include basic sciences, clinical sci-
18 ences and any naturopathic subjects specified by the Oregon Board of
19 Naturopathic Medicine by rule.

20 “(b) The Oregon Board of Naturopathic Medicine may not include major
21 surgery as a required area of study under paragraph (a) of this subsection.

22 **“SECTION 176.** ORS 326.011 is amended to read:

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

1 **“SECTION 177.** ORS 327.495 is amended to read:

2 “327.495. All moneys received by the State Board of Education for dis-
3 tribution to school districts[, *community college districts and any institutions*
4 *of higher education*] in this state for the purpose of carrying out experimental
5 and demonstration programs to improve teaching and teacher education in
6 this state are hereby continuously appropriated for such purpose.

7 **“SECTION 178.** ORS 341.115 is amended to read:

8 “341.115. (1) If the vote is in favor of the formation of the community
9 college district and establishes a permanent rate limit for operating taxes for
10 the district, the [*State Board of Education*] **Higher Education Coordinating**
11 **Commission:**

12 “(a) Shall proclaim [*not later than the second regular meeting of the state*
13 *board following the board’s*] **the commission’s** determination from the
14 election results that a community college district has been formed; and

15 “(b) Shall furnish any affected county assessor with a copy of the proc-
16 lamation.

17 “(2) If the location of the community college or zone boundaries are
18 specified on the ballot, and the vote favors formation, the [*state board*]
19 **commission** shall include such location and boundaries in its proclamation.

20 “(3) If the vote is in favor of the formation of a community college district
21 but opposed to a permanent rate limit at the rate submitted, the district shall
22 not be formed.

23 **“SECTION 179.** ORS 341.420 is amended to read:

24 “341.420. (1)(a) Subject to the requirements of subsection (2) of this sec-
25 tion, the name of any community college district or community college may
26 be changed by resolution of the district board of education. The district
27 board shall submit the proposed name change to the [*State Board of Educa-*
28 *tion*] **Higher Education Coordinating Commission** for its approval or
29 disapproval. If the proposed name change is approved by the [*state board*]
30 **commission**, it shall be submitted to a public hearing in the district. If the

1 [state board] **commission** disapproves the proposed name change, the district
2 board may rescind its resolution or revise it to reflect a different name which
3 must be submitted to the [state board] **commission** for its approval or dis-
4 approval.

5 “(b) If the proposed name is approved by the [state board] **commission**,
6 notice of the hearing shall be given as provided in ORS 341.357. The proposed
7 change shall take effect 21 days after the final adjournment of the public
8 hearing unless a remonstrance is filed under subsection (2) of this section.

9 “(2) If a remonstrance to the proposed name change is filed with the dis-
10 trict board within 20 days after the final adjournment of the public hearing
11 under subsection (1) of this section, the district board must submit the
12 question of the proposed name change to the electors of the district unless
13 the board rescinds its resolution. The remonstrance must be signed by at
14 least five percent or at least 50, whichever is less, of the electors of the
15 district. The proposed name change shall be submitted to the electors at the
16 regular school election next following adoption of the resolution.

17 “(3) If the majority of votes cast at the election favor the change, it shall
18 take effect upon the canvass and return of the vote. If the majority of votes
19 cast oppose the change, it shall not take effect.

20 **“SECTION 180.** ORS 348.604 is amended to read:

21 “348.604. Upon application from a school, as defined in ORS 348.594, the
22 Higher Education Coordinating Commission shall grant an exemption from
23 ORS 348.594 to 348.615 to the school if the school:

24 “(1) Is, or is operated by, a nonprofit corporation;

25 “(2) Offers only associate, bachelor’s or master’s degrees with titles in
26 theology or religious occupations, or, if the school also offers doctoral de-
27 grees, offers doctoral degrees in theology or religious occupations that have
28 been approved by a federally recognized accrediting organization;

29 “(3) Teaches students with faculty members who:

30 “(a) Hold degrees:

1 “(A) From a school that, at the time of the conferral of the degrees, was
2 accredited by a federally recognized accrediting organization, held an ex-
3 emption under this section, or was a school that, on July 14, 2005, met the
4 criteria and followed procedures to obtain a religious exemption adopted by
5 rule by the Oregon Student Access Commission and that offered only degrees
6 with approved titles in theology or religious occupations;

7 “(B) That are at least one level above the degree level of the program in
8 which the faculty members teach or that are the terminal degrees in the field
9 in which the faculty members teach; and

10 “(C) That are not honorary degrees; or

11 “(b) Possess sufficient compensatory qualifications to substitute for aca-
12 demic degrees in the fields in which the faculty members teach;

13 “(4) Offers a curriculum:

14 “(a) Of a duration and level that is comparable to the curriculums offered
15 by schools that are not exempt under this section; and

16 “(b) That, with higher degrees, increases the difficulty of the work ex-
17 pected of students;

18 “(5) Requires students to complete academic assignments and to demon-
19 strate learning appropriate to the curriculum;

20 “(6) Awards credit toward degrees proportionate to the work done by
21 students;

22 “(7) Offers admission:

23 “(a) To a student:

24 “(A) With a high school diploma or an equivalent credential; or

25 “(B) Who completed the equivalent of a high school education through
26 home study; and

27 “(b) Based on evidence that the student can reasonably expect to complete
28 a degree and benefit from the education offered;

29 “(8) Provides or arranges for faculty members and students to have access
30 to information that supports instruction and stimulates research or inde-

1 pendent study in all areas of the curriculum;

2 “(9) Provides accurate and appropriate credit transcripts to students of
3 the school and accurate and appropriate diplomas to graduates of the school;

4 “(10) Charges tuition by the credit hour or other fixed rate for instruction
5 during an academic term and does not charge tuition or fees for the award
6 of a degree or charge a single fee for an entire degree program;

7 “(11) Provides the oversight required by the **Higher Education Coordi-**
8 **nating** Commission over a faculty member or administrator who has:

9 “(a) Been convicted of a felony; or

10 “(b) Violated a state or federal law related to the operation of a school;

11 “(12) Provides facilities that permit private communication between fac-
12 ulty members and students;

13 “(13) Provides a number of faculty members that is adequate for the
14 number of students enrolled;

15 “(14) Provides clear and accurate information to students about the
16 school’s expectations of students in the school’s courses;

17 “(15) Ensures that a student who is pursuing a degree is making contin-
18 uous progress toward the degree;

19 “(16) Before a student enrolls in the school, informs the student that a
20 school to which the student might transfer retains the discretion whether to
21 accept the transfer of credits earned at the school;

22 “(17) Provides official transcripts of faculty members to the commission;
23 and

24 “(18) Pays the fee imposed by ORS 348.607.

25 **“SECTION 181.** ORS 433.283 is amended to read:

26 “433.283. (1) The Oregon Health Authority may require each community
27 college to require that students involved in clinical experiences in allied
28 health programs, practicum experiences in education and child care programs
29 and membership on intercollegiate sports teams have current immunizations
30 for measles prior to each student’s participation. The requirement shall apply

1 only to those students born on or after January 1, 1957.

2 “(2) The [*State Board of Education*] **Higher Education Coordinating**
3 **Commission** by rule shall define clinical experiences in allied health pro-
4 grams, practicum experiences in education and child care programs and
5 membership on intercollegiate sports teams at the community colleges. The
6 Oregon Health Authority by rule shall establish immunization schedules and
7 may further limit the students and programs to which the requirement ap-
8 plies. Each community college shall develop procedures to implement and
9 maintain this requirement.

10 “(3) The authority may conduct validation surveys to ensure compliance
11 with this section. Community colleges shall be required to keep immuniza-
12 tion records only while the student is involved in the program.

13 **“SECTION 182.** ORS 659.850 is amended to read:

14 “659.850. (1) As used in this section, ‘discrimination’ means any act that
15 unreasonably differentiates treatment, intended or unintended, or any act
16 that is fair in form but discriminatory in operation, either of which is based
17 on race, color, religion, sex, sexual orientation, national origin, marital sta-
18 tus, age or disability. ‘Discrimination’ does not include enforcement of an
19 otherwise valid dress code or policy, as long as the code or policy provides,
20 on a case-by-case basis, for reasonable accommodation of an individual based
21 on the health and safety needs of the individual.

22 “(2) A person may not be subjected to discrimination in any public ele-
23 mentary, secondary or community college education program or service,
24 school or interschool activity or in any higher education program or service,
25 school or interschool activity where the program, service, school or activity
26 is financed in whole or in part by moneys appropriated by the Legislative
27 Assembly.

28 “(3) The State Board of Education and the [*State Board of Higher Edu-*
29 *cation*] **Higher Education Coordinating Commission** shall establish rules
30 necessary to ensure compliance with subsection (2) of this section in the

1 manner required by ORS chapter 183.

2 **“SECTION 183.** ORS 687.011 is amended to read:

3 “687.011. As used in ORS 687.011 to 687.250, 687.895 and 687.991:

4 “(1) ‘Board’ means the State Board of Massage Therapists.

5 “(2) ‘Certified class’ means a class that is approved by the board and is
6 offered:

7 “(a) By a person or institution licensed as a career school under ORS
8 345.010 to 345.450;

9 “(b) By a community college and approved by the [*State Board of Educa-*
10 *tion*] **Higher Education Coordinating Commission;**

11 “(c) By an accredited college or university; or

12 “(d) In another state and licensed or approved by the appropriate agency
13 in that state.

14 “(3) ‘Fraud or misrepresentation’ means knowingly giving misinformation
15 or a false impression through the intentional misstatement of, concealment
16 of or failure to make known a material fact or by other means.

17 “(4) ‘Manual’ means the use of the hands or the feet, or both, or any part
18 of the body in the performance of massage.

19 “(5) ‘Massage’ or ‘massage therapy’ means the use on the human body of
20 pressure, friction, stroking, tapping or kneading, vibration or stretching by
21 manual or mechanical means or gymnastics, with or without appliances such
22 as vibrators, infrared heat, sun lamps and external baths, and with or with-
23 out lubricants such as salts, powders, liquids or creams for the purpose of,
24 but not limited to, maintaining good health and establishing and maintaining
25 good physical condition.

26 “(6) ‘Massage therapist’ means a person licensed under ORS 687.011 to
27 687.250, 687.895 and 687.991 to practice massage.

28 “(7) ‘Practice of massage’ means the performance of massage:

29 “(a) For purposes other than sexual contact, as defined in ORS 167.002 (5);

30 and

1 “(b) For compensation.

2 “(8) ‘Preceptor’ means a licensed massage therapist who contracts with
3 an approved school or program of massage to provide direct on-site clinical
4 supervision of a massage student enrolled in a certified class.

5 “(9) ‘Supervision’ means:

6 “(a) The process of overseeing and directing the training of massage stu-
7 dents as set forth in rules of the board;

8 “(b) The process of overseeing and directing a licensee being disciplined
9 by the board; or

10 “(c) Voluntary consultation with, and education of, less experienced li-
11 censed massage therapists or practitioners in related fields.

12 “(10) ‘Treatment’ means the selection, application and practice of massage
13 or massage therapy essential to the effective execution and management of
14 a plan of care.

15 “(11) ‘Unprofessional or dishonorable conduct’ means a behavior, practice
16 or condition that is contrary to the ethical standards adopted by the board.

17 “**SECTION 184.** Section 1, chapter 96, Oregon Laws 2012, is amended to
18 read:

19 “**Sec. 1.** (1) The Higher Education Coordinating Commission shall work
20 with the State Board of Higher Education, community college districts and
21 independent for-profit and not-for-profit institutions of higher education to
22 carry out the following goals:

23 “(a) Increase the number of students who receive academic credit for prior
24 learning and the number of students who receive academic credit for prior
25 learning that counts toward their major or toward earning their degree,
26 certificate or credential, while ensuring that credit is awarded only for high
27 quality course-level competencies;

28 “(b) Increase the number and type of academic credits accepted for prior
29 learning in institutions of higher education, while ensuring that credit is
30 awarded only for high quality course-level competencies;

1 “(c) Develop transparent policies and practices in awarding academic
2 credit for prior learning to be adopted by the governing boards of public
3 universities, community colleges and independent institutions of higher edu-
4 cation;

5 “(d) Improve prior learning assessment practices across all institutions
6 of higher education;

7 “(e) Create tools to develop faculty and staff knowledge and expertise in
8 awarding academic credit for prior learning and to share exemplary policies
9 and practices among institutions of higher education;

10 “(f) Develop articulation agreements when patterns of academic credit for
11 prior learning are identified for particular programs and pathways; and

12 “(g) Develop outcome measures to track progress on the goals outlined in
13 this section.

14 “(2) The Higher Education Coordinating Commission shall appoint an
15 advisory committee to coordinate implementation of the goals in subsection
16 (1) of this section. The committee shall include:

17 “(a) A member recommended for appointment by the State Board of
18 Higher Education representing public universities in this state.

19 “(b) A member recommended for appointment by the [*State Board of Ed-*
20 *ucation*] **Commissioner for Community College Services** representing
21 community colleges in this state.

22 “(c) A member representing independent not-for-profit institutions of
23 higher education located in this state.

24 “(d) A member representing for-profit institutions of higher education of-
25 fering degree programs to students in this state.

26 “(e) A member representing the business community.

27 “(f) A member representing the labor community.

28 “(g) A member who is a student at a two-year or four-year institution of
29 higher education located in this state.

30 “(h) Other members appointed by the Higher Education Coordinating

1 Commission based upon a demonstrated interest in and knowledge of prior
2 learning programs.

3 “(3) The Higher Education Coordinating Commission shall submit an an-
4 nual report to the Legislative Assembly no later than December 31 of each
5 calendar year, in the manner prescribed by ORS 192.245, reporting on
6 progress toward meeting the goals set forth in subsection (1) of this section.

7 “(4) For the purposes of this section, ‘prior learning’ means the knowledge
8 and skills gained through work and life experience, through military training
9 and experience and through formal and informal education and training from
10 institutions of higher education in the United States and in other nations.

11 **“SECTION 185.** ORS 326.375, as amended by section 3, chapter 36, Oregon
12 Laws 2012, is amended to read:

13 “326.375. (1) The [*State Board of Education*] **executive director of the**
14 **Higher Education Coordinating Commission** shall appoint a Commis-
15 sioner for Community College Services who shall:

16 “(a) Serve at the pleasure of the [*board*] **executive director.**

17 “(b) Serve under the direction and control of the Chief Education Officer
18 appointed under section 2, chapter 519, Oregon Laws 2011, for matters related
19 to the design and organization of the state’s education system.

20 “(2) The commissioner shall be a person who by training and experience
21 is well qualified to perform the duties of the office and to assist in carrying
22 out the functions of the [*board under ORS 326.041, 326.051, 326.375, 341.005,*]
23 **Higher Education Coordinating Commission under this section and**
24 **ORS 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933.**

25 “(3) The commissioner shall:

26 “(a) Be the executive head of the Department of Community Colleges and
27 Workforce Development.

28 “(b) Direct and supervise all activities of the Department of Community
29 Colleges and Workforce Development.

30 “(c) Hire staff, as authorized by the [*State Board of Education*] **executive**

1 **director of the Higher Education Coordinating Commission** to assist in
2 carrying out the duties of the commissioner. The staff shall be considered
3 employees of the Department of Community Colleges and Workforce Devel-
4 opment for purposes of ORS chapters 240 and 243.

5 “(d) Be responsible directly to:

6 “(A) The [*State Board of Education*] **executive director of the Higher**
7 **Education Coordinating Commission** for those duties enumerated in ORS
8 chapter 341.

9 “(B) The Chief Education Officer for matters related to the design and
10 organization of the state’s education system.

11 “(4) The commissioner, with approval of the [*State Board of Education*]
12 **executive director of the Higher Education Coordinating Commission**,
13 shall be responsible for the representation of community college interests to
14 the Governor, the Legislative Assembly, state agencies and others. The
15 commissioner, with the approval of the [*state board*] **executive director**,
16 shall be responsible for submitting community college budget requests and
17 budget reports for the Department of Community Colleges and Workforce
18 Development to the Legislative Assembly. The [*state board*] **commission**
19 shall ensure that the budget request for community colleges and for the De-
20 partment of Community Colleges and Workforce Development are separate
21 and distinct from its other requests to the Legislative Assembly.

22 “**SECTION 186.** ORS 326.375, as amended by sections 3 and 9, chapter 36,
23 Oregon Laws 2012, is amended to read:

24 “326.375. (1) The [*State Board of Education*] **executive director of the**
25 **Higher Education Coordinating Commission** shall appoint a Commis-
26 sioner for Community College Services who shall serve at the pleasure of the
27 [*board*] **executive director**.

28 “(2) The commissioner shall be a person who by training and experience
29 is well qualified to perform the duties of the office and to assist in carrying
30 out the functions of the [*board under ORS 326.041, 326.051, 326.375, 341.005,*]

1 **Higher Education Coordinating Commission under this section and**
2 **ORS 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933.**

3 “(3) The commissioner shall:

4 “(a) Be the executive head of the Department of Community Colleges and
5 Workforce Development.

6 “(b) Direct and supervise all activities of the Department of Community
7 Colleges and Workforce Development.

8 “(c) Hire staff, as authorized by the [*State Board of Education*] **executive**
9 **director of the Higher Education Coordinating Commission** to assist in
10 carrying out the duties of the commissioner. The staff shall be considered
11 employees of the Department of Community Colleges and Workforce Devel-
12 opment for purposes of ORS chapters 240 and 243.

13 “(d) Be responsible directly to the [*State Board of Education*] **executive**
14 **director of the Higher Education Coordinating Commission** for those
15 duties enumerated in ORS chapter 341.

16 “(4) The commissioner, with approval of the [*State Board of Education*]
17 **executive director of the Higher Education Coordinating Commission,**
18 shall be responsible for the representation of community college interests to
19 the Governor, the Legislative Assembly, state agencies and others. The
20 commissioner, with the approval of the [*state board*] **executive director,**
21 shall be responsible for submitting community college budget requests and
22 budget reports for the Department of Community Colleges and Workforce
23 Development to the Legislative Assembly. The [*state board*] **commission**
24 shall ensure that the budget request for community colleges and for the De-
25 partment of Community Colleges and Workforce Development are separate
26 and distinct from its other requests to the Legislative Assembly.

27 **“SECTION 187.** ORS 341.015 is amended to read:

28 “341.015. The [*State Board of Education*] **Higher Education Coordinat-**
29 **ing Commission** shall adopt guidelines for the orderly development and
30 management of community college districts, including guidelines for person-

1 nel policy formulation, accounting procedures and student record keeping
2 and privacy procedures.

3 **“SECTION 188.** ORS 341.527 is amended to read:

4 “341.527. (1) Community colleges in Oregon shall admit students from
5 other states at the same tuition rate assessed against Oregon residents who
6 are residents of the community college district if:

7 “(a) The state in which the student resides agrees to pay and pays its per
8 capita state aid for comparable students in the state to the community col-
9 lege;

10 “(b) The state in which the students reside agrees to permit and permits
11 one-for-one full-time enrollment exchange arrangements that allow an equal
12 number of Oregon residents to be admitted to community colleges or com-
13 parable institutions in the state at the same tuition rate assessed against
14 residents of the state and community colleges or comparable institutions in
15 the state in which the students reside agree to admit and admit approved
16 Oregon residents without assessing nonresident tuition; or

17 “(c) The board of the community college determines out-of-state residents
18 are essential to providing the critical mass to offer programs that would
19 otherwise be unavailable to Oregon residents.

20 “(2) The Department of Community Colleges and Workforce Development
21 shall enter into agreements with such other states as are willing to agree
22 to the provisions of this section to establish reimbursement procedures or
23 one-for-one exchange procedures.

24 “(3) In cases described in subsection (1)(a) of this section, the Department
25 of Community Colleges and Workforce Development shall pay from funds
26 available therefor to the state that agrees to pay and does pay its per capita
27 state aid to eligible Oregon community colleges to the credit of the commu-
28 nity college or comparable institution educating the Oregon resident an
29 amount equal to the amount that would be available under ORS 341.626 if
30 the Oregon resident were enrolled in a community college in this state. From

1 these same funds, the Department of Community Colleges and Workforce
2 Development shall pay to the Oregon community colleges admitting approved
3 one-for-one exchange students as provided by subsection (1)(b) of this section,
4 from other states, an amount equal to the amount that would be available
5 under ORS 341.626 as if the enrolled one-for-one students were Oregon resi-
6 dents. The Department of Community Colleges and Workforce Development
7 shall not reimburse Oregon community colleges who admit students from
8 other states under subsection (1)(c) of this section.

9 “(4) If a state that has entered into the agreement to pay the per capita
10 state aid to eligible Oregon community colleges as described in subsections
11 (1) and (2) of this section does not make any payment agreed to, the agree-
12 ment terminates after the affected community college notifies the Higher
13 Education Coordinating Commission of the lack of payment. The termination
14 is effective 30 days after the [*state board*] **commission** notifies the appro-
15 priate agency of the other state that the agreement is terminated if no pay-
16 ment is received by the end of the academic period for which tuition is
17 assessed and no payment is received at that time. The agreement may be
18 reinstated by mutual consent of the parties.

19 “(5) The Higher Education Coordinating Commission shall adopt rules
20 governing attendance in community colleges or comparable institutions in
21 other states for purposes of the reimbursement authorized under subsections
22 (1) and (2) of this section to assure that Oregon residents shall not be the
23 object of such reimbursement if they can obtain the same education within
24 the state without undue hardship.

25 **“SECTION 189.** ORS 656.046 is amended to read:

26 “656.046. (1) All persons registered at a college and participating as un-
27 paid trainees in a work experience program who are subject to the direction
28 of noncollege-employed supervisors, and those trainees participating in col-
29 lege directed professional education projects, are considered workers of the
30 college subject to this chapter for purposes of this section. However, trainees

1 who are covered by the Federal Employees Compensation Act shall not be
2 subject to the provisions of this section.

3 “(2) A college conducting a work experience program or college directed
4 professional education project shall submit a written statement to the
5 insurer, or in the case of self-insurers, to the Director of the Department of
6 Consumer and Business Services, that includes a description of the work to
7 be performed by such persons and an estimate of the total number of persons
8 enrolled in the program or project.

9 “(3) Persons covered under this section are entitled to the benefits of this
10 chapter. However, such persons are not entitled to benefits under ORS
11 656.210 or 656.212. They are entitled to such benefits if injured as provided
12 in ORS 656.156 and 656.202 while performing any duties arising out of and
13 in the course of their participation in the work experience program or col-
14 lege directed professional education project, provided the duties being per-
15 formed are among those:

16 “(a) Described on the application of the college; and

17 “(b) Required of similar full-time paid employees.

18 “(4) The filing of claims for benefits under this section is the exclusive
19 remedy of a trainee or a beneficiary of the trainee for injuries compensable
20 under this chapter against the state, its political subdivisions, the college
21 district board, members, officers and employees of the board or any employer,
22 regardless of negligence.

23 “(5) A college may elect to make trainees subject to this chapter for col-
24 lege directed professional education projects not enumerated in subsection
25 (8) of this section or for work experience programs under the direction of
26 college-employed supervisors by filing a written request with the insurer of
27 the college, or in the case of self-insured colleges, with the director. Cover-
28 age under such election shall become effective no sooner than the date of
29 receipt by the insurer. The coverage request shall include a description of
30 the work to be performed and an estimate of the number of participating

1 trainees. The insurer or director shall accept a request that meets the crite-
2 ria of this section.

3 “(6) The provisions of this section shall be inapplicable to any trainee
4 who has earned wages for such employment.

5 “(7) As used in this section, ‘college’ means any community college dis-
6 trict or community college service district as defined in ORS chapter 341.

7 “(8) As used in this section, ‘college directed professional education
8 project’ means an assigned on-campus or off-campus project that is a com-
9 ponent of a program approved by the college board or the operating proce-
10 dures of the [*State Board of Education*] **Higher Education Coordinating**
11 **Commission** and involves work that provides practical experience beyond
12 the initial instruction and demonstration phases, performed outside of the
13 college classroom or laboratory environment and requiring substantial
14 hands-on participation by trainees. Such projects are further limited to log-
15 ging, silvicultural thinning, slash burning, fire fighting, stream enhancement,
16 woodcutting, reforestation, tree surgery, construction, printing and manu-
17 facturing involving formed metals.

18 **“SECTION 190.** ORS 339.030 is amended to read:

19 “339.030. (1) In the following cases, children may not be required to attend
20 public full-time schools:

21 “(a) Children being taught in a private or parochial school in the courses
22 of study usually taught in grades 1 through 12 in the public schools and in
23 attendance for a period equivalent to that required of children attending
24 public schools in the 1994-1995 school year.

25 “(b) Children proving to the satisfaction of the district school board that
26 they have acquired equivalent knowledge to that acquired in the courses of
27 study taught in grades 1 through 12 in the public schools.

28 “(c) Children who have received a high school diploma.

29 “(d) Children being taught for a period equivalent to that required of
30 children attending public schools by a private teacher the courses of study

1 usually taught in grades 1 through 12 in the public school.

2 “(e) Children being educated in the children’s home by a parent or legal
3 guardian.

4 “(f) Children excluded from attendance as provided by law.

5 “(2) The State Board of Education **and the Higher Education Coordi-**
6 **nating Commission** by rule shall establish procedures whereby, on a semi-
7 annual basis, an exemption from compulsory attendance may be granted to
8 the parent or legal guardian of any child 16 or 17 years of age who is law-
9 fully employed full-time, lawfully employed part-time and enrolled in school,
10 a community college or an alternative education program as defined in ORS
11 336.615. An exemption also may be granted to any child who is an
12 emancipated minor or who has initiated the procedure for emancipation un-
13 der ORS 419B.550 to 419B.558.

14 “**SECTION 191.** ORS 660.157 is amended to read:

15 “660.157. (1) Each state joint committee, with the prior approval of the
16 State Apprenticeship and Training Council, shall prescribe a standard course
17 of study, developed from a trade analysis, for the trade, craft or industrial
18 occupation over which the committee exercises jurisdiction. Each such
19 course of study shall include instructional objectives and an outline of
20 course content for related instruction and manipulative instruction in the
21 classroom. The prescribed course shall also provide for evaluation procedures
22 and instruments for measuring performance. For all programs in
23 apprenticeable occupations a minimum of 144 hours of related instruction per
24 year is recommended.

25 “(2) Except as provided in subsection (3) of this section, no course of
26 study for the instruction of apprentices or trainees that has not been pre-
27 scribed pursuant to subsection (1) of this section may be implemented under
28 ORS 660.002 to 660.210.

29 “(3) Notwithstanding subsections (1) and (2) of this section, any course
30 of study for the instruction of apprentices or trainees may be implemented

1 under ORS 660.002 to 660.210 where such course of study:

2 “(a) Involves instruction in any trades or crafts where the industry will
3 provide the facilities for training;

4 “(b) Prepares apprentices and trainees in any trades or crafts;

5 “(c) Requires expert instructors to meet the level of skill and training
6 required by the industry;

7 “(d) Is substantially equivalent to the standard course prescribed under
8 subsection (1) of this section; and

9 “(e) Is supervised by a local joint committee or by a joint industry trust
10 fund committee.

11 “(4) Where a course of study meets the requirements of subsection (3) of
12 this section, such course shall be approved:

13 “(a) By the state joint committee; [*and*]

14 “(b) By the State Board of Education for apprenticeship training credit;
15 and

16 “(c) **By the Higher Education Coordinating Commission for**
17 [*toward*] community college associate degrees.

18 “(5) Operation of a course of study under subsection (3) of this section
19 shall be the responsibility of the recognized local apprenticeship committee
20 or local industry trust fund or recognized local employee organization. Such
21 local committee, trust or organization may prescribe criteria for enrollment
22 into the course of study.

23 “**SECTION 192.** ORS 660.343 is amended to read:

24 “660.343. (1) There is created in the Department of Community Colleges
25 and Workforce Development the Oregon National Career Readiness Certif-
26 ication Program to certify the workplace and college readiness skills of
27 Oregonians and to better prepare Oregonians for continued education and
28 workforce training, successful employment and career advancement in a
29 demand-driven, skills-based economy.

30 “(2) Program services may be offered through public high schools, com-

1 munity colleges, local and regional career centers and any other institutions
2 determined to be appropriate by the department to residents of Oregon and
3 to employees of businesses located in Oregon.

4 “(3) Services provided by the program shall include, but are not limited
5 to:

6 “(a) An assessment process that identifies the proficiency level of program
7 participants in work-ready skills including, but not limited to, reading, ap-
8 plied mathematics, locating information and any additional skills determined
9 by the department to be necessary to meet business and industry skill de-
10 mands;

11 “(b) Targeted instruction and remedial skills training to provide work-
12 ready skills in which program participants are not proficient, as determined
13 by the assessment process described in paragraph (a) of this subsection, and
14 that have been identified by the department as work-ready skills required by
15 local employers;

16 “(c) Issuance of a National Career Readiness Certificate to program par-
17 ticipants who demonstrate proficiency in work-ready skills, as determined by
18 the assessment process described in paragraph (a) of this subsection, and who
19 satisfy any other requirements for certification adopted by the department
20 by rule;

21 “(d) Providing information to school districts, community colleges and
22 community college service districts about the National Career Readiness
23 Certificate and the assessments, targeted instruction and remedial skills
24 training available through the program; and

25 “(e) An online database that:

26 “(A) Serves as the repository for National Career Readiness Certificate
27 attainment data.

28 “(B) Provides online access to program data that enables employers to
29 determine the work skill proficiency level of individual program participants
30 and to locate certified individuals on a statewide or regional basis.

1 “(C) Provides individual program participants the opportunity for career
2 exploration, continuing education, job readiness practice and job searches.

3 “(D) Provides individual program participants the opportunity to opt out
4 of the database in accordance with rules adopted by the department.

5 “(4) The Department of Community Colleges and Workforce Development,
6 after consultation with the State Workforce Investment Board, the Depart-
7 ment of Education and the [*State Board of Education*] **Higher Education**
8 **Coordinating Commission**, shall adopt rules for the implementation and
9 administration of the program created under subsection (1) of this section.

10 “(5) By September 1 of each year, school districts, community colleges and
11 community college service districts shall report to the Department of Com-
12 munity Colleges and Workforce Development the rate of participation in and
13 the total number of students enrolled in the district or community college
14 who utilized the services provided by the program in the most recently con-
15 cluded school year.

16 “(6) The Department of Community Colleges and Workforce Development
17 shall submit a report on program outcomes and recommendations for im-
18 proving and funding the program to the appropriate interim legislative com-
19 mittees and to the Governor by December 1 of each year. The report shall
20 include a summary of the information required under subsection (5) of this
21 section.

22 **“SECTION 193.** ORS 351.054 is amended to read:

23 “351.054. The State Board of Higher Education is authorized to:

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

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

1 departments and activities under the control of the board.

2 **“SECTION 194.** Section 10, chapter 519, Oregon Laws 2011, as amended
3 by section 1, chapter 37, Oregon Laws 2012, is amended to read:

4 **“Sec. 10.** Sections 1, 2, 3, 5[, 6] and 7, chapter 519, Oregon Laws 2011, are
5 repealed on March 15, 2016.

6 **“SECTION 195.** ORS 341.531, as amended by section 6, chapter 106,
7 Oregon Laws 2012, is amended to read:

8 “341.531. (1) A student at a community college who is a member of the
9 military, a member of the commissioned corps of the National Oceanic and
10 Atmospheric Administration or a member of the Public Health Service of the
11 United States Department of Health and Human Services detailed by proper
12 authority for duty with the Army or Navy of the United States and who is
13 ordered to federal or state active duty for more than 30 consecutive days has
14 the following rights:

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

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

19 “(B) Receive a grade of incomplete and, upon release from active duty,
20 complete the course in accordance with the community college’s practice for
21 completion of incomplete courses; or

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

24 “(b) The right to a credit described in ORS 341.532 for all amounts paid
25 for room, board, tuition and fees;

26 “(c) If the student elects to withdraw from the community college, the
27 right to be readmitted and reenrolled at the community college within one
28 year after release from active duty without a requirement of redetermination
29 of admission eligibility; and

30 “(d) The right to continuation of scholarships and grants awarded to the

1 student that were funded by the community college or the [*Oregon Student*
2 *Access Commission*] **Office of Student Access and Completion** before the
3 student was ordered to active duty.

4 “(2) If the student elects to withdraw from a course under subsection
5 (1)(a)(A) of this section, the community college may not:

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

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

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

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

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

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

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

24 “(4) Boards of education of community college districts shall adopt rules
25 for the administration of this section.

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

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

30 “(b) The reserves of the Army, Navy, Air Force, Marine Corps or Coast

1 Guard of the United States.

2 **“SECTION 196.** ORS 348.050 is amended to read:

3 “348.050. (1) Upon approval of the loan application of an eligible student
4 by the [*Oregon Student Access Commission*] **Office of Student Access and**
5 **Completion**, the Department of State Lands may loan an amount from the
6 Common School Fund to the student in compliance with ORS 348.040 to
7 348.070. The loan shall be evidenced by a written obligation but no additional
8 security shall be required. Notwithstanding any provision in this section, the
9 department may require cosigners on the loans.

10 “(2) Loans granted under ORS 348.040 to 348.070 to eligible students by
11 the department shall:

12 “(a) Not exceed \$1,000 in a single academic year to an undergraduate
13 student.

14 “(b) Not exceed \$4,000 in a single academic year to a graduate or profes-
15 sional student.

16 “(c) Not exceed \$16,000 for all loans made to a student under ORS 348.040
17 to 348.070.

18 “(3) Payment of interest shall be as follows:

19 “(a) Medical and dental student borrowers at the Oregon Health and
20 Science University and veterinary student borrowers at Oregon State Uni-
21 versity shall be assessed at least six percent interest per annum on the un-
22 paid balance from the date of the note. Interest payments by these borrowers
23 shall be deferred until they cease to be enrolled. During the interest
24 deferment period, the [*Oregon Student Access Commission*] **Office of Student**
25 **Access and Completion** shall pay the department the negotiated rate of
26 interest on an annual basis. The borrower shall reimburse the [*commission*]
27 **office** for these interest payments as provided in subsection (4) of this sec-
28 tion. These borrowers shall commence direct payment of accruing interest
29 to the department at the time they cease to be enrolled.

30 “(b) All other borrowers are required to pay at least seven percent inter-

1 est per annum on the unpaid balance from the date of the loan as provided
2 in subsection (4) of this section.

3 “(c) The [*commission*] **office** shall pay annually to the department a
4 maximum of three percent per annum on the unpaid balance of all medical,
5 dental and veterinary student borrower loans. The rate of this special pay-
6 ment may vary annually and will be negotiated by the [*commission*] **office**
7 and the department.

8 “(d) The interest rates to be charged the borrower for the school year as
9 stated in paragraphs (a) and (b) of this subsection shall be negotiated by the
10 department and the [*commission*] **office**.

11 “(4)(a) Repayment of the principal and accruing and deferred interest on
12 loans shall be commenced not later than 12 months after the student’s
13 graduation or other termination of the student’s education.

14 “(b) Notwithstanding any other provision of this section, medical, dental
15 and veterinary student borrowers who enter approved post-graduate study
16 programs shall commence repayment of the principal and the accruing and
17 deferred interest on loans no later than 12 months following the completion
18 of the post-graduate study program or 60 months from when the loan was
19 originally granted, whichever is sooner.

20 “(c) Repayment shall be completed in a maximum of 120 months from the
21 time repayment is commenced. However, nothing in this section is intended
22 to prevent repayment without penalty at an earlier date than provided in this
23 section or to prohibit the department, with the consent of the [*Oregon Stu-*
24 *dent Access Commission*] **Office of Student Access and Completion**, from
25 extending the repayment period to a date other than permitted by this sub-
26 section.

27 “(5) Notwithstanding any other provision of this section, the department
28 may loan an amount from the Common School Fund to a student under
29 guaranteed programs authorized by the Higher Education Act of 1965, as
30 amended, commonly known as the Guaranteed Student Loan Program and the

1 Parent's Loans for Undergraduate Students Program. Neither the limitations
2 on amounts set forth in subsection (2) of this section nor the subsidies au-
3 thorized by subsection (3) of this section apply to such loans. ORS 327.484
4 does not apply to such loans.

5 **SECTION 197.** ORS 348.095 is amended to read:

6 "348.095. From funds available therefor, the [*Oregon Student Access Com-*
7 *mission*] **Office of Student Access and Completion** shall reimburse the
8 Department of State Lands for any loss resulting from default of a student
9 loan under ORS 348.040 to 348.070. Funds appropriated under ORS 348.050 to
10 pay interest to the department on loans to medical, dental and veterinary
11 students shall also be available to reimburse the department for any loss
12 resulting from default of a student loan under ORS 348.040 to 348.070.

13 **SECTION 198.** Section 3, chapter 94, Oregon Laws 2012, is amended to
14 read:

15 **"Sec. 3.** (1) The STEM Fund is established in the State Treasury, separate
16 and distinct from the General Fund. Interest earned by the STEM Fund shall
17 be credited to the fund. Moneys in the STEM Fund are continuously appro-
18 priated to the [*Oregon Student Access Commission*] **Higher Education Co-**
19 **ordinating Commission** for the purpose of providing scholarships to
20 students to encourage study in science, technology, engineering and math-
21 ematics.

22 "(2) The [*Oregon Student Access*] commission may accept grants, do-
23 nations, contributions or gifts from any source for deposit in the STEM
24 Fund.

25 **SECTION 199.** ORS 351.052, as amended by section 7, chapter 104,
26 Oregon Laws 2012, is amended to read:

27 "351.052. [(1) *For the purposes of this section, 'performance compact' means*
28 *an agreement between the State Board of Higher Education and the State of*
29 *Oregon to achieve certain performance targets in order to enhance the success*
30 *of Oregon University System students in exchange for consideration of the*

1 *appropriations sought in a funding request submitted by the State Board of*
2 *Higher Education to the Oregon Department of Administrative Services.]*

3 “[2] (1) On or before September 1 of each even-numbered year, the State
4 Board of Higher Education shall submit *[the]* a funding request *[and per-*
5 *formance compact]* to the *[Oregon Department of Administrative Services]*
6 **Higher Education Coordinating Commission** for the Oregon University
7 System.

8 “[3] (2) The Governor’s biennial budget submitted to the Legislative
9 Assembly may include the **Higher Education Coordinating Commission’s**
10 *[State Board of Higher Education’s]* funding request *[submitted to the Oregon*
11 *Department of Administrative Services for the Oregon University System]*. Any
12 funding request approved by the Legislative Assembly must specify that the
13 moneys be appropriated to the *[Oregon Department of Administrative*
14 *Services]* **commission** for allocation to the *[Oregon University System]* **pub-**
15 **lic universities listed in ORS 352.002.**

16 “[4] *The funding request must include, in addition to the performance*
17 *compact, a report on performance from the previous biennium’s performance*
18 *compact.]*

19 “[5] *The State Board of Higher Education shall, by rule, establish a*
20 *framework for the development of a performance compact that must accompany*
21 *the funding request to the Oregon Department of Administrative Services. The*
22 *framework must address, among other issues, the issue of tuition affordability*
23 *for students.]*

24

25 **“REPEALS**

26

27 **“SECTION 200. ORS 326.075, 329.757, 329.765, 329.775, 329.780, 341.425,**
28 **348.510, 348.540, 348.550, 351.728 and 351.738 and section 6, chapter 104,**
29 **Oregon Laws 2012, are repealed.**

30

1 **“OPERATIVE DATE**

2

3 **“SECTION 201. (1) Sections 8, 10, 12 to 17 and 19 to 23 of this 2013**

4 **Act, the amendments to statutes and session laws by sections 1 to 5**

5 **and 29 to 199 of this 2013 Act and the repeal of statutes and session law**

6 **by section 200 of this 2013 Act become operative on July 1, 2014.**

7

8 **“UNIT CAPTIONS**

9

10 **“SECTION 202. The unit captions used in this 2013 Act are provided**

11 **only for the convenience of the reader and do not become part of the**

12 **statutory law of this state or express any legislative intent in the**

13 **enactment of this 2013 Act.**

14

15 **“EMERGENCY CLAUSE**

16

17 **“SECTION 203. This 2013 Act being necessary for the immediate**

18 **preservation of the public peace, health and safety, an emergency is**

19 **declared to exist, and this 2013 Act takes effect on its passage.”.**

20
