

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 4018**

1 On page 1 of the printed A-engrossed bill, line 3, after the semicolon, in-  
2 sert “appropriating money;”.

3 Delete lines 5 through 20.

4 On page 2, delete lines 1 through 28 and insert:

5 **“SECTION 1.** Section 168a, chapter 768, Oregon Laws 2013, is amended  
6 to read:

7 **“Sec. 168a.** (1) If the president of Oregon State University notifies the  
8 Governor between August 2, 2013, and January 1, 2014, that the university  
9 will become a university with a governing board:

10 “(a) Within two weeks after receiving the notification, the Governor shall  
11 inform the President of the Senate, the Speaker of the House of Represen-  
12 tatives and the Legislative Counsel of the notification; and

13 “(b) Not later than February 1, 2014, the Governor shall appoint all of the  
14 members of the governing board in the manner set forth in [*section 6 of this*  
15 *2013 Act*] **ORS 352.076.**

16 “(2)(a) If the president of Eastern Oregon University, Oregon Institute of  
17 Technology, Southern Oregon University or Western Oregon University de-  
18 termines that the university should become a university with a governing  
19 board, the president shall notify the Governor and the State Board of Higher  
20 Education of the university’s intent. Notification under this subsection must  
21 occur during the period beginning March 1, 2014, and ending [*June 1, 2015*]  
22 **May 15, 2014.**

1 “(b) Within 45 days of receiving notification under this subsection from  
2 a university president, the State Board of Higher Education shall [*decide*  
3 *whether or not to*] **take one of the following actions:**

4 “(A) Endorse the university’s decision. If the **State Board of Higher**  
5 **Education** endorses the [*request*] **university’s decision**, the board shall  
6 immediately communicate any endorsement to the Governor.

7 “(B) **Not endorse the university’s decision.**

8 “(C) **Endorse the university’s decision subject to conditions recom-**  
9 **mended by the State Board of Higher Education and endorsed by the**  
10 **Governor.**

11 “(3) **If the university’s decision is endorsed by the State Board of**  
12 **Higher Education and the Governor under subsection (2)(b)(C) of this**  
13 **section, the following apply:**

14 “(a) **The State Board of Higher Education and the president of the**  
15 **university seeking a governing board must mutually agree on the**  
16 **conditions that will be recommended by the board to the Governor. In**  
17 **order for a university to be endorsed under subsection (2)(b)(C) of this**  
18 **section, the Governor must receive and choose to endorse the recom-**  
19 **mended conditions not later than the date set forth in subsection (2)(b)**  
20 **of this section.**

21 “(b) **The conditions recommended for a university seeking a gov-**  
22 **erning board may include, but are not limited to, financial thresholds**  
23 **that must be met by the governing board or other coordination con-**  
24 **ditions to ensure the university’s financial stability and the stability**  
25 **of the university’s programs.**

26 “(c) **The university becomes a university with a governing board in**  
27 **the same manner and under the same time frame, and functions in the**  
28 **same manner, as a university endorsed by the State Board of Higher**  
29 **Education under subsection (2)(b)(A) of this section, subject to the**  
30 **conditions recommended by the board and endorsed by the Governor.**

1       “(4)(a) A university whose decision is endorsed with conditions un-  
2 der subsection (2)(b)(C) of this section must fulfill the conditions not  
3 later than the date, if any, specified by the State Board of Higher Ed-  
4 ucation and university president and endorsed by the Governor. If the  
5 Higher Education Coordinating Commission determines, as a result of  
6 a financial review and performance audit of the university and its  
7 governing board, that the university has not met the necessary con-  
8 ditions by the specified date, the commission shall notify the Gover-  
9 nor.

10       “(b) Within 90 days of receiving a notification under paragraph (a)  
11 of this subsection, the Governor may suspend the governing board and  
12 direct the university’s administration to report to the governing board  
13 of a different university, direct the university to adopt a different  
14 governance structure or decide that the university should retain its  
15 governing board. Absent legislative action, the Governor’s action is  
16 final and, unless the Governor decides to retain the governing board  
17 of the university, the governing board is disbanded at the conclusion  
18 of the next regular session of the Legislative Assembly.

19       “[(c)] (5) Upon receiving notification that the State Board of Higher Ed-  
20 ucation has endorsed a university’s decision to become a university with a  
21 governing board under subsection (2)(b)(A) of this section, or upon en-  
22 dorsing a university’s decision to become a university with a governing  
23 board under subsection (2)(b)(C) of this section, the Governor shall:

24       “[(A)] (a) Inform the President of the Senate, the Speaker of the House  
25 of Representatives and the Legislative Counsel that the university will be-  
26 come a university with a governing board; and

27       “[(B)] (b) Not later than six months after receiving the notification, ap-  
28 point all of the members of the governing board in the manner set forth in  
29 [section 6 of this 2013 Act] **ORS 352.076**.

30       “[(3)] (6) Notwithstanding section 169, **chapter 768, Oregon Laws 2013**

1 [of this 2013 Act], if Eastern Oregon University, Oregon Institute of Tech-  
2 nology, Southern Oregon University or Western Oregon University becomes  
3 a university with a governing board under subsection (2) of this section, the  
4 president of that university shall take over administrative responsibilities for  
5 the university from the State Board of Higher Education on [either] July 1,  
6 2015[, or when the Governor appoints the members of the governing board,  
7 whichever date comes later].”.

8 On page 6, after line 24, insert:

9 **“SECTION 7. (1) The Public University Fund is established in the**  
10 **State Treasury, separate and distinct from the General Fund. Any**  
11 **interest or other investment income derived from moneys in the Pub-**  
12 **lic University Fund is credited to the fund.**

13 **“(2) Except for moneys otherwise designated by statute or federal**  
14 **law, the governing board of any public university listed in ORS 352.002**  
15 **may place any or all moneys received by it into the Public University**  
16 **Fund. Once deposited in the fund, the moneys of a public university**  
17 **shall be commingled with other moneys in the fund and are fungible,**  
18 **except to the extent they may be separately accounted for by the**  
19 **public university designated under subsection (3)(a) of this section.**

20 **“(3)(a) Public universities listed in ORS 352.002 that choose to par-**  
21 **ticipate in the Public University Fund shall, by agreement or other**  
22 **structure authorized by law, designate the participating public uni-**  
23 **versity responsible for the Public University Fund and identify any and**  
24 **all obligations necessary for a participating public university listed in**  
25 **ORS 352.002 to serve as the designated responsible party under this**  
26 **subsection.**

27 **“(b) The participating public universities shall inform the State**  
28 **Treasurer of the designated public university responsible for the Public**  
29 **University Fund. The participating public universities may change**  
30 **which participating public university is responsible for the Public**

1 **University Fund.**

2 **“(c) The State Treasurer may conclusively rely on a written in-**  
3 **struction from the public universities as to the designated public uni-**  
4 **versity responsible for the fund.**

5 **“(d) The designated public university shall inform the State Treas-**  
6 **urer of the personnel authorized to provide instructions to the State**  
7 **Treasurer with respect to moneys in the fund. The State Treasurer**  
8 **may rely on instructions from the authorized personnel of the desig-**  
9 **nated public university related to the deposit, withdrawal, investment,**  
10 **transfer, borrowing or lending of moneys in the fund. The State**  
11 **Treasurer is not responsible for or liable to the public universities for**  
12 **any error or omission in the instructions the State Treasurer receives**  
13 **from the designated public university.**

14 **“(4) All moneys in the Public University Fund are continuously**  
15 **appropriated to the public university responsible for the Public Uni-**  
16 **versity Fund, to be used only in a manner consistent with the agree-**  
17 **ment or other structure authorized by law as described in subsection**  
18 **(3) of this section.**

19 **“(5) The moneys in the Public University Fund may be invested as**  
20 **provided in ORS 293.701 to 293.857.**

21 **“(6) Public universities that participate in the Public University**  
22 **Fund may, by agreement or other structure authorized by law, direct**  
23 **the public university designated under subsection (3)(a) of this section**  
24 **to establish accounts and subaccounts within the fund when the par-**  
25 **ticipating public universities determine that accounts or subaccounts**  
26 **are necessary or desirable. Except when otherwise specified by a**  
27 **statute establishing an account, the participating public universities**  
28 **or, as appropriate, the designated public university, may credit any**  
29 **interest or income derived from moneys in the fund to any account**  
30 **or subaccount within the fund.**

1       **“(7) Public universities that participate in the Public University**  
2 **Fund or, as appropriate, the public university designated under sub-**  
3 **section (3)(a) of this section, shall keep a record of all moneys depos-**  
4 **ited into the fund. The record shall indicate by separate cumulative**  
5 **accounts and subaccounts the sources from which the moneys are**  
6 **derived and the individual activity or program against which each**  
7 **withdrawal is charged.**

8       **“(8) Notwithstanding any other provision of law, public universities**  
9 **that participate in the Public University Fund or, as appropriate, the**  
10 **public university designated under subsection (3)(a) of this section,**  
11 **may transfer or lend the moneys in the fund to other participating**  
12 **public universities listed in ORS 352.002. The Public University Fund**  
13 **may be a borrowing fund for purposes of ORS 293.205 to 293.225 and**  
14 **may borrow from the Oregon Short Term Fund established in ORS**  
15 **293.728 or other state funds. Subject to the limitations of Article XI,**  
16 **section 7 of the Oregon Constitution, the Public University Fund may**  
17 **be a lending fund for purposes of ORS 293.205 to 293.225 and may lend**  
18 **moneys to other state funds. The public university designated under**  
19 **subsection (3)(a) of this section shall be the relevant state agency or**  
20 **department for whom the State Treasurer may transfer funds or with**  
21 **whom the State Treasurer may enter into an agreement pursuant to**  
22 **ORS 293.205 to 293.225.**

23       **“(9) Notwithstanding any other provision of law, ORS 293.169,**  
24 **293.171, 293.353, 293.406, 293.450, 293.455, 293.460 and 293.465 to 293.485**  
25 **apply to moneys in the Public University Fund and to checks, war-**  
26 **rants or electronic funds transfers from or to the fund. For purposes**  
27 **of ORS 293.169, 293.171, 293.353, 293.406, 293.450, 293.455, 293.460 and**  
28 **293.465 to 293.485:**

29       **“(a) The public university designated under subsection (3)(a) of this**  
30 **section is the relevant state agency or department; and**

1       **“(b) The personnel of the designated public university authorized**  
2 **to provide instructions to the State Treasurer are the relevant state**  
3 **officers.**

4       **“(10)(a) The State Treasurer may establish separate or commingled**  
5 **funds, or establish separate or commingled accounts within funds es-**  
6 **tablished under this subsection. The State Treasurer may establish**  
7 **separate or commingled accounts within in other funds in the State**  
8 **Treasury, including the Oregon University System Fund established in**  
9 **ORS 351.506 and the Higher Education Donation Fund established in**  
10 **ORS 351.130, to receive, hold, keep, manage or invest moneys of a**  
11 **university with a governing board pursuant to any agreements entered**  
12 **into by the State Treasurer and the university under ORS 352.135. The**  
13 **moneys in a fund or account established under this subsection may**  
14 **be invested as provided in ORS 293.701 to 293.857 and any interest or**  
15 **other investment income derived from the fund or account shall be**  
16 **credited to the fund or account. Notwithstanding the appropriations**  
17 **in ORS 351.130 and 351.506, all moneys held in a fund or account es-**  
18 **tablished under this subsection are continuously appropriated to the**  
19 **relevant university with a governing board that has entered into an**  
20 **agreement with the State Treasurer under ORS 352.135 for the purpose**  
21 **of carrying out the powers and duties of the university with a gov-**  
22 **erning board or the purposes for which the moneys were donated.**

23       **“(b) Except for moneys held to provide for the payment of state**  
24 **bonds and other state obligations described in ORS 352.089 (5), a uni-**  
25 **versity with a governing board may transfer or lend the moneys held**  
26 **in the State Treasury pursuant to any agreements entered into under**  
27 **ORS 352.135 to other public universities listed in ORS 352.002. A fund**  
28 **or account in the State Treasury that holds moneys of a university**  
29 **with a governing board pursuant to an agreement entered into under**  
30 **ORS 352.135 may be a borrowing fund for purposes of ORS 293.205 to**

1 **293.225 and may borrow from the Oregon Short Term Fund established**  
2 **in ORS 293.728 or other state funds. Subject to the limitations of Ar-**  
3 **icle XI, section 7 of the Oregon Constitution, a fund or account in the**  
4 **State Treasury that holds moneys of a university with a governing**  
5 **board pursuant to an agreement entered into under ORS 352.135 may**  
6 **be a lending fund for purposes of ORS 293.205 to 293.225 and may lend**  
7 **moneys to other state funds. The university with a governing board**  
8 **that has entered into an agreement with the State Treasurer under**  
9 **ORS 352.135 is the relevant state agency or department for whom the**  
10 **State Treasurer may transfer funds or with whom the State Treasurer**  
11 **may enter into an agreement pursuant to ORS 293.205 to 293.225.**

12 **“(c) Notwithstanding any other provision of law, ORS 293.169,**  
13 **293.171, 293.353, 293.406, 293.450, 293.455, 293.460 and 293.465 to 293.485**  
14 **apply to moneys received, held, kept, managed or invested by the State**  
15 **Treasurer for a university with a governing board pursuant to an**  
16 **agreement entered into under ORS 352.135 and to checks, warrants or**  
17 **electronic funds transfers from or to any funds or accounts established**  
18 **pursuant to this subsection. For purposes of ORS 293.169, 293.171,**  
19 **293.353, 293.406, 293.450, 293.455, 293.460 and 293.465 to 293.485:**

20 **“(A) The university with a governing board that has entered into**  
21 **an agreement with the State Treasurer under ORS 352.135 is the rele-**  
22 **vant state agency or department; and**

23 **“(B) The personnel of the university with a governing board au-**  
24 **thorized to provide instructions to the State Treasurer are the relevant**  
25 **state officers.”.**

26 In line 25, delete “7.” and insert “8.” and after “(1)” insert “Section 7 of  
27 this 2014 Act and”.

28 In line 29, delete “8.” and insert “9.”.

29