

# Enrolled House Bill 2408

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Higher Education Coordinating Commission)

CHAPTER .....

AN ACT

Relating to administration of community colleges; creating new provisions; amending ORS 285A.516, 285A.519, 285A.522, 294.393, 294.456, 326.500, 327.380, 327.815, 329.850, 341.005, 341.019, 341.021, 341.039, 341.102, 341.105, 341.440, 341.446, 341.455, 341.487, 341.551, 341.626, 341.655, 341.665, 341.721, 341.725, 341.728, 341.731, 341.735, 341.751, 341.753, 341.755, 341.757, 341.759, 341.762, 341.764, 341.766, 341.768, 341.771, 341.773, 341.775, 341.777, 341.779, 341.782, 341.784, 341.787, 344.070, 344.080, 344.090, 344.125, 351.657, 351.708, 351.751, 351.755, 351.758, 351.762, 351.764, 351.766, 351.768, 353.606, 408.506, 413.600, 417.799, 418.653, 418.657, 418.658, 418.660, 421.084, 458.525, 576.768, 657.350, 657.734, 660.300, 660.312, 660.318, 660.339, 660.340, 660.341, 660.343, 660.346, 660.349, 660.352, 660.353, 660.354 and 759.445 and sections 11, 12, 13, 14 and 15, chapter 2, Oregon Laws 2009, section 26, chapter 904, Oregon Laws 2009, section 1, chapter 90, Oregon Laws 2010, section 1, chapter 51, Oregon Laws 2014, and section 14a, chapter 121, Oregon Laws 2014; repealing ORS 341.739 and 348.890; and declaring an emergency.

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

**SECTION 1.** ORS 351.755 is amended to read:

351.755. (1) The [Department] **Office** of Community Colleges and Workforce Development shall function under the direction and control of the Higher Education Coordinating Commission with the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development** serving as an administrative officer for community college matters.

(2) **Except as provided in subsection (3) of this section, the commission may adopt any rules necessary for the effective and efficient administration of the office or for the administration of laws that the office is charged with administering.**

[2] (3) The [Department of Community Colleges and Workforce Development] **commission**, in consultation with the **office and the** Education and Workforce Policy Advisor and pursuant to ORS chapter 183, may adopt any rules necessary for the administration of laws related to the federal Workforce Investment Act that the [department] **office** is charged with administering.

**SECTION 2.** ORS 351.755, as amended by section 3, chapter 83, Oregon Laws 2014, is amended to read:

351.755. (1) The [Department] **Office** of Community Colleges and Workforce Development is established within the Higher Education Coordinating Commission. The [department] **office** shall function under the direction and control of the commission, with the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development** serving as an administrative officer for community college matters.

(2) Except as provided in subsection (3) of this section, the commission may adopt any rules necessary for the effective and efficient administration of the office or for the administration of laws that the office is charged with administering.

[(2)] (3) The [Department of Community Colleges and Workforce Development] **commission**, in consultation with the **office and the** Education and Workforce Policy Advisor and pursuant to ORS chapter 183, may adopt any rules necessary for the administration of laws related to the federal Workforce Investment Act that the [department] **office** is charged with administering.

**SECTION 3.** ORS 351.762 is amended to read:

351.762. (1) The executive director of the Higher Education Coordinating Commission shall appoint a [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development** who shall[:]

[(a)] serve at the pleasure of the executive director.

[(b) Serve under the direction and control of the Chief Education Officer appointed under section 2, chapter 519, Oregon Laws 2011, for matters related to the design and organization of the state's education system.]

(2) The [commissioner] **director** shall be a person who by training and experience is well qualified to perform the duties of the office and to assist in carrying out the functions of the Higher Education Coordinating Commission under this section and ORS 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933.

(3) The [commissioner] **director** shall:

(a) Be the executive head of the [Department] **Office** of Community Colleges and Workforce Development.

(b) Direct and supervise all activities of the [Department] **Office** of Community Colleges and Workforce Development.

(c) Hire staff, as authorized by the executive director of the Higher Education Coordinating Commission to assist in carrying out the duties of the [commissioner] **director**. The staff shall be considered employees of the [Department] **Office** of Community Colleges and Workforce Development for purposes of ORS chapters 240 and 243.

(d) Be responsible directly to[:]

[(A)] the executive director of the Higher Education Coordinating Commission for those duties enumerated in ORS chapter 341.

[(B) The Chief Education Officer for matters related to the design and organization of the state's education system.]

(4) The [commissioner] **director**, with approval of the executive director of the Higher Education Coordinating Commission, shall be responsible for the representation of community college interests to the Governor, the Legislative Assembly, state agencies and others.

(5) [The commissioner, with the approval of] The executive director[,] **of the Higher Education Coordinating Commission** shall be responsible for submitting community college budget requests and budget reports for the [Department] **Office** of Community Colleges and Workforce Development to the Legislative Assembly. The **Higher Education Coordinating** Commission shall ensure that the budget request for community colleges and for the [Department] **Office** of Community Colleges and Workforce Development are separate and distinct from [its] **the commission's** other requests to the Legislative Assembly.

**SECTION 4.** ORS 351.762, as amended by section 9, chapter 36, Oregon Laws 2012, and section 186, chapter 747, Oregon Laws 2013, is amended to read:

351.762. (1) The executive director of the Higher Education Coordinating Commission shall appoint a [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development** who shall serve at the pleasure of the executive director.

(2) The [commissioner] **director** shall be a person who by training and experience is well qualified to perform the duties of the office and to assist in carrying out the functions of the Higher Education Coordinating Commission under this section and ORS 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933.

(3) The [commissioner] **director** shall:

(a) Be the executive head of the [Department] **Office** of Community Colleges and Workforce Development.

(b) Direct and supervise all activities of the [Department] **Office** of Community Colleges and Workforce Development.

(c) Hire staff, as authorized by the executive director of the Higher Education Coordinating Commission to assist in carrying out the duties of the [commissioner] **director**. The staff shall be considered employees of the [Department] **Office** of Community Colleges and Workforce Development for purposes of ORS chapters 240 and 243.

(d) Be responsible directly to the executive director of the Higher Education Coordinating Commission for those duties enumerated in ORS chapter 341.

(4) The [commissioner] **director**, with approval of the executive director of the Higher Education Coordinating Commission, shall be responsible for the representation of community college interests to the Governor, the Legislative Assembly, state agencies and others.

(5) [The commissioner, with the approval of] The executive director[,] of the **Higher Education Coordinating Commission** shall be responsible for submitting community college budget requests and budget reports for the [Department] **Office** of Community Colleges and Workforce Development to the Legislative Assembly. The **Higher Education Coordinating Commission** shall ensure that the budget request for community colleges and for the [Department] **Office** of Community Colleges and Workforce Development are separate and distinct from [its] **the commission's** other requests to the Legislative Assembly.

**SECTION 5.** ORS 351.758 is amended to read:

351.758. (1) The [Department] **Office** of Community Colleges and Workforce Development Account is established **in the State Treasury**, separate and distinct from the General Fund. Except for moneys otherwise designated by statute, all fees, assessments and other moneys received by the [Department] **Office** of Community Colleges and Workforce Development shall be deposited into the State Treasury and credited to the account. All moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** for purposes authorized by law.

(2) The [department] **office** may accept gifts, grants and donations from any source to carry out the duties imposed upon the [department] **office**. Moneys received under this subsection shall be paid into the account.

(3) The [department] **office** shall keep a record of all moneys deposited into the account. The record shall indicate by separate cumulative subaccounts the sources from which the moneys are derived and the individual activity or program against which each withdrawal is charged.

(4) Disbursements from the account shall be made as directed by the [department] **Higher Education Coordinating Commission**.

**SECTION 6.** ORS 351.758, as amended by section 4, chapter 83, Oregon Laws 2014, is amended to read:

351.758. (1) The [Department] **Office** of Community Colleges and Workforce Development Account is established **in the State Treasury**, separate and distinct from the General Fund. Except for moneys otherwise designated by statute, all fees, assessments and other moneys received by the [Department] **Office** of Community Colleges and Workforce Development shall be deposited into the State Treasury and credited to the account. All moneys in the account are continuously appropriated to the Higher Education Coordinating Commission for purposes authorized by law.

(2) The [department] **office** may accept gifts, grants and donations from any source to carry out the duties imposed upon the [department] **office**. Moneys received under this subsection shall be paid into the account.

(3) The [department] **office** shall keep a record of all moneys deposited into the account. The record shall indicate by separate cumulative subaccounts the sources from which the moneys are derived and the individual activity or program against which each withdrawal is charged.

(4) Disbursements from the account shall be made as directed by the Higher Education Coordinating Commission.

## HIGHER EDUCATION STATUTES

**SECTION 6a.** ORS 351.657 is amended to read:

351.657. The [*State Board of Education and the State Board of Higher Education*] **Higher Education Coordinating Commission** shall report annually on or before February 1 to committees of the Legislative Assembly related to veterans and military affairs and to higher education regarding students who have received tuition relief and assistance under ORS 351.656 and 352.375 including but not limited to the following:

(1) The number of nonresident veterans who were assessed reduced tuition rates under ORS 352.375 and the amount of nonresident tuition moneys not assessed as a result of receiving the reduced tuition rates under ORS 352.375;

(2) The number of qualified students receiving tuition waivers under ORS 351.656, the amount of tuition waived and the relationship of the qualified student to a service member or Purple Heart recipient under ORS 351.656; and

(3) Any other relevant information.

**SECTION 7.** ORS 351.708 is amended to read:

351.708. (1) As used in this section, "employee group" means each category of employee employed by a public institution of higher education, including at least categories for:

(a) Administrative or management employees;

(b) Faculty employees; and

(c) Classified or professional nonfaculty employees.

(2) The State Board of Higher Education shall establish baselines and conduct an annual review of each public university listed in ORS 352.002 with respect to the employment of all employee groups. Each public university shall provide the necessary data for the board's report prior to September 1 of each year. The board shall use data available from a national post-secondary data collection system within the United States Department of Education. The board shall report the results of the reviews to the Legislative Assembly and the Governor's office prior to December 1 of each year.

(3) The [*Department*] **Office** of Community Colleges and Workforce Development shall determine definitions and data that will be used for annual reviews and conduct an annual review of each community college district with respect to the employment of all employee groups. The [*department*] **office** shall use data available from a national post-secondary data collection system within the United States Department of Education. The [*department*] **office** shall report the results of the reviews to the Legislative Assembly and the Governor before December 1 of each year.

(4) An annual review under this section must include:

(a) Examination of data related to the ratio of instruction provided by the following faculty categories:

(A) Full-time faculty;

(B) Part-time faculty; and

(C) Graduate assistants.

(b) The pay differential for the faculty categories.

(c) The average contracted wages for each employee group.

(d) The number of employees in each employee group within a public university or community college district, and a ratio of the number of employees in each employee group to the number of students enrolled in the university or district, both full-time and part-time.

(e) The health care and other benefits provided for each faculty category.

(f) A recommendation on whether a different method of data tracking would improve the ability of the Legislative Assembly to obtain the most precise and relevant data on staffing ratios without placing undue financial burdens on public universities and community colleges.

**SECTION 8.** ORS 351.751 is amended to read:

351.751. (1) The Higher Education Coordinating Commission shall work with the State Board of Higher Education, community college districts and independent for-profit and not-for-profit institutions of higher education to carry out the following goals:

(a) Increase the number of students who receive academic credit for prior learning and the number of students who receive academic credit for prior learning that counts toward their major or toward earning their degree, certificate or credential, while ensuring that credit is awarded only for high quality course-level competencies;

(b) Increase the number and type of academic credits accepted for prior learning in institutions of higher education, while ensuring that credit is awarded only for high quality course-level competencies;

(c) Develop transparent policies and practices in awarding academic credit for prior learning to be adopted by the governing boards of public universities, community colleges and independent institutions of higher education;

(d) Improve prior learning assessment practices across all institutions of higher education;

(e) Create tools to develop faculty and staff knowledge and expertise in awarding academic credit for prior learning and to share exemplary policies and practices among institutions of higher education;

(f) Develop articulation agreements when patterns of academic credit for prior learning are identified for particular programs and pathways; and

(g) Develop outcome measures to track progress on the goals outlined in this section.

(2) The Higher Education Coordinating Commission shall appoint an advisory committee to coordinate implementation of the goals in subsection (1) of this section. The committee shall include:

(a) A member recommended for appointment by the State Board of Higher Education representing public universities in this state.

(b) A member recommended for appointment by the [*Commissioner for Community College Services*] **Director of the Office of Community Colleges and Workforce Development** representing community colleges in this state.

(c) A member representing independent not-for-profit institutions of higher education located in this state.

(d) A member representing for-profit institutions of higher education offering degree programs to students in this state.

(e) A member representing the business community.

(f) A member representing the labor community.

(g) A member who is a student at a two-year or four-year institution of higher education located in this state.

(h) Other members appointed by the Higher Education Coordinating Commission based upon a demonstrated interest in and knowledge of prior learning programs.

(3) The Higher Education Coordinating Commission shall submit an annual report to the Legislative Assembly no later than December 31 of each calendar year, in the manner prescribed by ORS 192.245, reporting on progress toward meeting the goals set forth in subsection (1) of this section.

(4) For the purposes of this section, "prior learning" means the knowledge and skills gained through work and life experience, through military training and experience and through formal and informal education and training from institutions of higher education in the United States and in other nations.

**SECTION 9.** ORS 351.764 is amended to read:

351.764. [*There is created within*] **The Advanced Technology Education and Training Fund is established in** the State Treasury, separate and distinct from the General Fund[, *the Advanced Technology Education and Training Fund*]. Moneys in the **Advanced Technology Education and Training Fund** are continuously appropriated to the [*Department of Community Colleges and Workforce Development*] **Higher Education Coordinating Commission** for the purpose of making

grants and loans for the provision of advanced technology education and training opportunities under ORS 351.766.

**SECTION 10.** ORS 351.766 is amended to read:

351.766. (1) The [*Department of Community Colleges and Workforce Development*] **Higher Education Coordinating Commission** shall establish by rule a process for making grants or loans to public-private partnerships to provide advanced technology education and training opportunities. The purpose of the grants and loans is to support the development and implementation of public-private partnerships to provide advanced technology education and training opportunities in all business and industry sectors for individuals in communities throughout Oregon. The partnerships shall be between public and private entities and may include joint ventures among business and industry, school districts, education service districts, eligible post-secondary institutions as defined in ORS 348.180 and public bodies as defined in ORS 174.109.

(2) A public-private partnership that receives a grant or loan under this section must provide advanced technology education and training opportunities that:

(a) Address current and future workforce development needs dictated by Oregon's rapidly changing economy;

(b) Facilitate sustainable and dynamic economic development in communities by creating flexible opportunities for workforce development;

(c) Establish results oriented, collaborative investments of public and private resources in communities throughout Oregon;

(d) Ensure that Oregon's capacity for economic growth and vitality is not limited by a lack of opportunities for workforce development; and

(e) Provide support to existing community efforts to establish innovative strategies for delivering advanced technology education and training.

(3) The process established by the [*department*] **commission** for making grants and loans shall ensure that:

(a) Local communities are informed about the availability of the grants and loans;

(b) Advanced technology education and training projects are geographically distributed throughout Oregon;

(c) There is equal opportunity for urban and rural access to quality education and training opportunities;

(d) Representatives of related, ongoing community efforts assist in the implementation of advanced technology education and training projects; and

(e) Procedures and timelines are designed to minimize barriers to receiving funds.

(4) When considering applications for grants and loans, the [*department*] **Office of Community Colleges and Workforce Development** shall give priority to advanced technology education and training projects that:

(a) Provide or increase access for individuals to advanced technology education and training through the efforts of local and regional career centers and partnerships and distance education technology available locally and regionally;

(b) In combination with other projects receiving funds, contribute to advanced technology education and training opportunities in every part of the state;

(c) Use federal funds;

(d) Have widespread community support as evidenced by a memorandum of agreement or similar documentation;

(e) Represent an effective sharing of resources through public-private partnerships among business and industry, school districts, education service districts, eligible post-secondary institutions as defined in ORS 348.180 and public bodies as defined in ORS 174.109;

(f) Have a long-term strategic plan and lack only the necessary financial resources;

(g) Provide state-of-the-art technology that meets current standards of business and industry and addresses local and regional economic development priorities;

(h) Help individuals connect education and training with career planning and job opportunities through local and regional career centers as implemented under the federal Workforce Investment Act;

(i) Provide articulated education programs that lead to a degree or an industry-specific skills certification; and

(j) Establish short-term training programs that meet the immediate needs of local employers in their communities.

(5)(a) A public-private partnership awarded a grant or loan under this section shall use the grant or loan for any of the following:

(A) Infrastructure construction or reconstruction.

(B) Equipment or technology purchases.

(C) Curriculum development.

(D) Expansion or revision of a current project to increase the capacity of the project, alter the project plan, change the members of the partnership or address education or employment deficiencies in the community served by the public-private partnership.

(b) A grant or loan awarded under this section for the purpose described in paragraph (a)(D) of this subsection may not exceed \$25,000.

(6) The application for a grant or loan under this section shall include:

(a) The names of the members of the public-private partnership;

(b) A description of standards used to assess the performance of the project;

(c) An estimate of the number of individuals who will be served by the project;

(d) The name of the fiscal agent of the public-private partnership;

(e) A project plan covering at least the first two years after receipt of a grant or loan; and

(f) The name of the person who will be responsible for convening the public-private partnership on a regular basis.

(7) The [department] **commission** may accept contributions of funds and assistance from the United States Government or its agencies or from any other source, public or private, and agree to conditions placed on the funds not inconsistent with the purposes of this section.

(8) Any moneys received by the [department] **commission** through repayment of a loan awarded under this section, or received by the [department] **commission** under subsection (7) of this section, shall be deposited by the [department] **commission** in the Advanced Technology Education and Training Fund **established under ORS 351.764**.

**SECTION 11.** ORS 351.768 is amended to read:

351.768. (1) The [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development** may issue General Educational Development (GED) certificates to persons who demonstrate satisfactory performance in tests prescribed under subsection (2) of this section or meet the requirements of any prescribed evaluative procedure.

(2) The Higher Education Coordinating Commission by rule may prescribe tests and other appropriate evaluation procedures for the purposes of subsection (1) of this section and may establish age, residence and other relevant qualifications for applicants.

(3) The [Department] **Office** of Community Colleges and Workforce Development may utilize its personnel and facilities for the administration of this section, and the commission may establish by rule a nonrefundable application fee. The fee may be waived by the commission in case of hardship.

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

(5) All moneys received under this section shall be deposited in the State Treasury to the credit of the [Department] **Office** of Community Colleges and Workforce Development and shall be used exclusively for administration of this section. The [Department] **Office** of Community Colleges and Workforce Development shall keep a record of all moneys deposited in such account. The record

shall indicate by separate cumulative accounts the source from which the moneys are derived and the individual activity against which each withdrawal is charged.

(6) The [*Commissioner for Community College Services*] **Director of the Office of Colleges and Workforce Development** shall consult with the Superintendent of Public Instruction on all matters related to evaluation procedures used to measure equivalent achievement under this section. The superintendent is authorized to make independent recommendations on evaluation procedures to the [*commission*] **office** in those cases where the superintendent's judgment differs from that of the [*commissioner*] **director**.

## COMMUNITY COLLEGE STATUTES

**SECTION 12.** ORS 341.005 is amended to read:

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

(1) "Academic year" means the year beginning July 1 of each year and ending June 30 of the following year running concurrently with the fiscal year.

(2) "Board" means the board of education of a community college district.

(3) "Board member" means a member of the board of education of a community college district.

[4] "*Commissioner*" means the *Commissioner for Community College Services appointed under ORS 351.762 by the executive director of the Higher Education Coordinating Commission.*]

[5] (4) "Community college" means a public institution operated by a community college district for the purposes of providing courses of study limited to not more than two years' full-time attendance, with the exception of technical programs in which the curriculum may require more than two years of attendance but less than four years, and designed to meet the needs of a geographical area by providing educational services, including but not limited to career and technical education programs or lower division collegiate programs.

[6] (5) "Community college district" or "district" means a district formed under this chapter to operate one or more community colleges or to secure educational services available at a community college. "Community college district" includes a community college service district.

(6) "**Director**" means the **Director of the Office of Community Colleges and Workforce Development appointed under ORS 351.762 by the executive director of the Higher Education Coordinating Commission.**

(7) "Full-time equivalent student" means a student or combination of several students who carries or carry among them, within a single academic year, a minimum number of clock hours of instruction, in any program, to be specified by rule by the Higher Education Coordinating Commission.

(8) "Paying agent and registrar" means the county treasurer or county fiscal officer of the county in which the chief administrative officer of the community college district maintains the administrative office.

(9) "Petitioning territory" means a community college district petitioning to have an area outside the district included in the district or to have an area inside the district excluded from the district, or an area outside the district petitioning to be included within the district.

(10) "Principal county" means the county in which the chief administrative officer of the community college district maintains the administrative office.

**SECTION 13.** ORS 341.019 is amended to read:

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

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

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

(2) The [*Department*] **Office** of Community Colleges and Workforce Development shall fix responsibility for serving each area that is not within a community college district. Where feasible, each area shall be a whole county or a group of counties or that part of a county not already in a community college district.



(3) In order to obtain the services described in subsection (1)(b) of this section, residents of a nondistrict area must indicate their interest in receiving services by requesting formation of a local advisory committee and seeking the advice and counsel of the [Department] **Office of Community Colleges and Workforce Development**.

(4) The Higher Education Coordinating Commission by rule shall establish standards for **the Office of Community Colleges and Workforce Development to use** determining when there is sufficient interest among the residents of a nondistrict area to warrant appointment of a local advisory committee.

(5) When the [Department] **Office of Community Colleges and Workforce Development** has made the determination under subsection (4) of this section, the [department] **office** and the interested residents of the nondistrict area shall apply jointly to the governing body of the county for the appointment of a local advisory committee.

(6) Upon application, the governing body of the county shall appoint a local advisory committee and shall [insure] **ensure** that the committee is broadly representative of the nondistrict area.

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

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

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

(10) As used in ORS 341.019 to 341.022, "community college district" includes a community college service district.

**SECTION 14.** ORS 341.021 is amended to read:

341.021. (1) The [Department] **Office of Community Colleges and Workforce Development** shall invite existing community college districts to submit proposals for the provision of service to an area that has officially indicated its interest in receiving service.

(2) The responsibilities of the host community college district shall include:

(a) Preparing a written agreement for services to be provided to nondistrict areas using a format specified by the [Department of Community Colleges and Workforce Development] **office**; and

(b) Acting as the fiscal agent for agreements including establishing tuition and fees for services offered under terms of an agreement.

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

(a) Subject to ORS 341.022, eligible full-time equivalent student enrollment produced under the agreement may be claimed for state reimbursement purposes by the community college district. Such reimbursement shall come from the Community College Support Fund established in ORS 341.620 and shall be distributed as directed in ORS 341.626 and the rules of the Higher Education Coordinating Commission.

(b) A share of the budget shall be provided by those individuals or agencies receiving service under this agreement as specified by rule of the commission adopted under ORS 341.024 (3).

(4) Agreements developed under this section shall be wholly supported by Community College Support Fund reimbursement, nondistrict student tuition and nondistrict resources.

**SECTION 15.** ORS 341.039 is amended to read:

341.039. (1) A petition submitted pursuant to ORS 341.025 may specify that the proposed district be organized as a community college service district. The formation of a community college service district shall comply with the provisions of ORS 341.025 to 341.125. A petition affecting a territory that, in the judgment of the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development**, will not generate an annual enrollment in

excess of 1,000 full-time equivalent students after three years of operation shall be considered to be a petition for the formation of a community college service district.

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

(a) Notwithstanding ORS 341.675, community college service districts formed **on or** after July 1, 1997, may not incur bonded indebtedness for any purpose. This limitation shall not be construed to prohibit lease-purchase arrangements or other lawful forms of capital financing. A community college service district may hold and own buildings and grounds acquired through gifts or financing methods authorized by this section.

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

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

(4) Prior to submitting the question to the electors, the community college service district must have been in operation for three years, and must have secured the approval of the Higher Education Coordinating Commission to hold the election. Before granting approval, the commission must find:

(a) The service district has acquired stability as demonstrated by a continuity of management, regularly adopted policies and procedures and adequate financial resources; and

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

**SECTION 16.** ORS 341.102 is amended to read:

341.102. If the Legislative Assembly approves the recommendation submitted under ORS 341.076, 341.565 or 341.579, the Legislative Assembly shall appropriate [*or allocate*] to the **Higher Education Coordinating Commission for the purpose of allocation to the Office** [*Department*] of Community Colleges and Workforce Development moneys necessary to pay the expenses of the election under ORS 341.085, 341.565, 341.569 or 341.579 (1) if the election is to occur within 24 months of the appropriation or allocation. If the election does not occur within the biennium immediately following the appropriation or allocation, the question shall be brought before the next Legislative Assembly. The state shall fund the election without regard to the outcome of the election.

**SECTION 17.** ORS 341.105 is amended to read:

341.105. When at the request of the Higher Education Coordinating Commission the county clerk of the principal county, in consultation with county clerks of the affected counties, prepares a list or lists of names and addresses of the electors registered in the proposed district, the [*Department*] **Office** of Community Colleges and Workforce Development is authorized to pay the charge as determined under ORS 255.305.

**SECTION 18.** ORS 341.440 is amended to read:

341.440. (1) A community college district may contract with another community college district, a common or union high school district, an education service district, a public university listed in ORS 352.002, the Oregon Health and Science University, a private educational institution accredited by the Northwest Commission on Colleges and Universities or its successor or a career school as defined in ORS 345.010 to obtain educational services for students enrolled in the community college of the district. However, the educational services so obtained must meet the standards for educational services provided by the college and the contract price to the college for such services must not exceed the costs that would otherwise be incurred by the college to provide its students the same or similar services.

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

(3) For purposes of ORS 341.626, costs incurred under subsection (1) of this section shall be considered operating expenses of the district if the contract is approved by the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development**.

**SECTION 19.** ORS 341.446 is amended to read:

341.446. (1) At the beginning of each school year, the [Department] **Office** of Community Colleges and Workforce Development shall make the following information available for distribution to public school students who are in grades 11 and 12:

- (a) The academic programs and services provided by community colleges;
- (b) Recommendations for successful completion of community college programs; and
- (c) Any other information identified by the [department] **office** as being necessary to assist students in preparing to succeed in community colleges.

(2) Representatives of the State Board of Education and the Higher Education Coordinating Commission shall regularly meet for the purpose of improving coordination between public secondary schools and community colleges.

**SECTION 20.** ORS 341.455 is amended to read:

341.455. (1) A community college may give credit for courses or programs taken in a career school. The courses or programs for which credit may be given must meet the standards adopted by the Higher Education Coordinating Commission under ORS 345.325, must be taken at a career school domiciled in this state and must be approved for credit by the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development**.

(2) A community college **board** may charge a transcribing fee to a student for courses taken at a career school and accepted by the community college under subsection (1) of this section. Such a fee is to be set by the [commission] **board** and is to be consistent with other student fees.

(3) Time spent by students on such courses shall not be considered as clock hours of instruction in determining full-time equivalency for purposes of ORS 341.626.

**SECTION 21.** ORS 341.487 is amended to read:

341.487. (1) Community colleges in Oregon shall admit students from other states at the same tuition rate assessed against Oregon residents who are residents of the community college district if:

(a) The state in which the student resides agrees to pay and pays its per capita state aid for comparable students in the state to the community college;

(b) The state in which the students reside agrees to permit and permits one-for-one full-time enrollment exchange arrangements that allow an equal number of Oregon residents to be admitted to community colleges or comparable institutions in the state at the same tuition rate assessed against residents of the state and community colleges or comparable institutions in the state in which the students reside agree to admit and admit approved Oregon residents without assessing nonresident tuition; or

(c) The board of the community college determines out-of-state residents are essential to providing the critical mass to offer programs that would otherwise be unavailable to Oregon residents.

(2) The [Department of Community Colleges and Workforce Development] **Higher Education Coordinating Commission** shall enter into agreements with such other states as are willing to agree to the provisions of this section to establish reimbursement procedures or one-for-one exchange procedures.

(3) In cases described in subsection (1)(a) of this section, the [Department] **Office** of Community Colleges and Workforce Development shall pay from funds available therefor to the state that agrees to pay and does pay its per capita state aid to eligible Oregon community colleges to the credit of the community college or comparable institution educating the Oregon resident an amount equal to the amount that would be available under ORS 341.626 if the Oregon resident were enrolled in a community college in this state. From these same funds, the [Department] **Office** of Community Colleges and Workforce Development shall pay to the Oregon community colleges admitting approved one-for-one exchange students as provided by subsection (1)(b) of this section, from other

states, an amount equal to the amount that would be available under ORS 341.626 as if the enrolled one-for-one students were Oregon residents. The [Department] **Office** of Community Colleges and Workforce Development shall not reimburse Oregon community colleges [who] **that** admit students from other states under subsection (1)(c) of this section.

(4) If a state that has entered into the agreement to pay the per capita state aid to eligible Oregon community colleges as described in subsections (1) and (2) of this section does not make any payment agreed to, the agreement terminates after the affected community college notifies the Higher Education Coordinating Commission of the lack of payment. The termination is effective 30 days after the commission notifies the appropriate agency of the other state that the agreement is terminated if no payment is received by the end of the academic period for which tuition is assessed and no payment is received at that time. The agreement may be reinstated by mutual consent of the parties.

(5) The Higher Education Coordinating Commission shall adopt rules governing attendance in community colleges or comparable institutions in other states for purposes of the reimbursement authorized under subsections (1) and (2) of this section to [assure] **ensure** that Oregon residents shall not be the object of such reimbursement if they can obtain the same education within the state without undue hardship.

**SECTION 22.** Section 1, chapter 51, Oregon Laws 2014, is amended to read:

**Sec. 1.** (1) The [Department] **Office** of Community Colleges and Workforce Development and the Higher Education Coordinating Commission shall jointly establish a grant program for the purpose of distributing moneys to community colleges to increase the number of underserved, low-income and first-generation college-bound students who enroll in community college and make progress toward a degree or a certificate.

(2) Moneys distributed under subsection (1) of this section may be used by a community college for services that are designed to increase student enrollment, retention and degree and certificate completion, including counseling programs, college initiatives, advising services and assistance in obtaining financial aid.

(3) The Higher Education Coordinating Commission may adopt rules necessary for the administration of this section, including rules that set standards for awarding grants. The standards shall give priority to community colleges that have student enrollment, retention and degree and certificate completion programs with demonstrated support from the private sector, the community and local government.

**SECTION 23.** ORS 341.551 is amended to read:

341.551. (1) Notwithstanding any provision of ORS chapter 238 or 238A, the [Department] **Office** of Community Colleges and Workforce Development may establish and administer an optional retirement plan for administrative employees of community college districts who are eligible for membership in the Public Employees Retirement System. Any community college district may participate in the plan by giving written notice to the [department] **office**.

(2) An administrative employee may make an election to participate in the optional retirement plan if the community college district that employs the employee is participating in the plan. The election must be made in the following manner:

(a) An administrative employee who is an active member of the Public Employees Retirement System may make an election to participate in the plan within 180 days after the community college district commences participation in the plan, effective on the first day of the month following the election.

(b) An administrative employee who is hired after the community college district commences participation in the plan may make an election to participate in the plan within the first six months of employment, effective on the first day of the month following six full months of employment.

(3) An administrative employee who does not elect to participate in the optional retirement plan remains or becomes a member of the Public Employees Retirement System in accordance with ORS chapters 238 and 238A.

(4) An administrative employee may elect to participate in the optional retirement plan only if at the time the election becomes effective the employee is not concurrently employed in a position with any participating public employer other than the community college district in a position that entitles the employee to membership in the Public Employees Retirement System. Except as provided in subsection (9) of this section, employees who elect to participate in the optional retirement plan are ineligible for active membership in the Public Employees Retirement System for as long as those employees are employed by a community college district that participates in the plan, whether by reason of employment by the district or any other participating public employer.

(5)(a) An administrative employee who elects to participate in the optional retirement plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is not vested shall be considered by the Public Employees Retirement Board to be a terminated member under the provisions of ORS 238.095 as of the effective date of the election, and the amount credited to the member account of the member shall be transferred directly to the optional retirement plan by the Public Employees Retirement Board in the manner provided by subsection (6) of this section.

(b) An administrative employee who elects to participate in the optional retirement plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is vested shall be considered to be an inactive member by the Public Employees Retirement Board and shall retain all the rights, privileges and options under ORS chapter 238 unless the employee makes a written request to the Public Employees Retirement Board for a transfer of the amounts credited to the member account of the member to the optional retirement plan. A request for a transfer must be made at the time the member elects to participate in the optional retirement plan. Upon receiving the request, the Public Employees Retirement Board shall transfer all amounts credited to the member account of the member directly to the optional retirement plan and shall terminate all rights, privileges and options of the employee under ORS chapter 238.

(c) An administrative employee who elects to participate in the optional retirement plan and who is not a vested member of the pension program of the Oregon Public Service Retirement Plan as described in ORS 238A.115 on the date that the election becomes effective shall be considered to be a terminated member of the pension program by the Public Employees Retirement Board as of the effective date of the election.

(d) An administrative employee who elects to participate in the optional retirement plan and who is a vested member of the pension program of the Oregon Public Service Retirement Plan as described in ORS 238A.115 on the date that the election becomes effective shall be considered an inactive member of the pension program by the Public Employees Retirement Board as of the effective date of the election. An employee who is subject to the provisions of this paragraph retains all the rights, privileges and options of an inactive member of the pension program. If the actuarial equivalent of the employee's benefit under the pension program at the time that the election becomes effective is \$5,000 or less, the employee may make a written request to the Public Employees Retirement Board for a transfer of the employee's interest under the pension program to the optional retirement plan. The request must be made at the time the member elects to participate in the optional retirement plan. Upon receiving the request, the Public Employees Retirement Board shall transfer the amount determined to be the actuarial equivalent of the employee's benefit under the pension program directly to the optional retirement plan and shall terminate the membership of the employee in the pension program.

(e) An administrative employee who elects to participate in the optional retirement plan and who is a vested member of the individual account program of the Oregon Public Service Retirement Plan as described in ORS 238A.320 on the date that the election becomes effective shall be considered an inactive member of the individual account program by the Public Employees Retirement Board as of the effective date of the election. An employee who is subject to the provisions of this paragraph retains all the rights, privileges and options of an inactive member of the individual account program. An administrative employee who elects to participate in the optional retirement plan and who is a member of the individual account program of the Oregon Public Service Retirement Plan may make a written request to the Public Employees Retirement Board that all amounts in the

member's employee account, rollover account and employer account, to the extent the member is vested in those accounts under ORS 238A.320, be transferred to the optional retirement plan. The request must be made at the time the member elects to participate in the optional retirement plan. Upon receiving the request, the Public Employees Retirement Board shall transfer the amounts directly to the optional retirement plan and shall terminate the membership of the employee in the individual account program.

(f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the Public Employees Retirement Board shall not treat any employee as an inactive member under the provisions of this subsection for the purpose of receiving any benefit under ORS chapter 238 or 238A that requires that the employee be separated from all service with participating public employers and with employers who are treated as part of a participating public employer's controlled group under the federal laws and rules governing the status of the Public Employees Retirement System and the Public Employees Retirement Fund as a qualified governmental retirement plan and trust.

(6) Any amounts transferred from the Public Employees Retirement Fund under subsection (5) of this section shall be transferred directly to the optional retirement plan by the Public Employees Retirement Board and shall not be made available to the employee.

(7) An employee participating in the optional retirement plan shall contribute monthly an amount equal to the percentage of the employee's salary that the employee would otherwise have contributed as an employee contribution to the Public Employees Retirement System if the employee had not elected to participate in the optional retirement plan.

(8) A participating community college district shall contribute monthly to the optional retirement plan the percentage of salary for each employee participating in the plan that is equal to the percentage of salary that is required to be made as the employer contribution under ORS 238A.220, less any contributions made by reason of unfunded liabilities. The district may make contributions under this subsection only during periods of time in which the employee would be eligible for membership in the Public Employees Retirement System if the employee had not elected to participate in the optional retirement plan.

(9) An administrative employee who elects to participate in the optional retirement plan may make an election to withdraw from the plan. An employee may make an election under this subsection only once. Upon withdrawing from the plan:

(a) All contributions made to the plan before the effective date of the withdrawal remain credited to the employee;

(b) The employee becomes a member of the Public Employees Retirement System under ORS chapter 238A if the member meets all requirements for membership under ORS chapter 238A; and

(c) The employee is barred from ever again electing to participate in the optional retirement plan.

(10) For the purposes of this section, "administrative employee" means a president, vice president or dean, or a person holding a position that is the equivalent of a president, vice president or dean.

**SECTION 24.** ORS 341.626 is amended to read:

341.626. (1) Subject to rules adopted by the Higher Education Coordinating Commission and to ORS 291.232 to 291.260, the [*Commissioner for Community College Services*] **Director of the Office of Community Colleges and Workforce Development** shall distribute state aid to each community college district and community college service district.

(2) The rules adopted by the commission shall provide:

(a) No state aid for hobby and recreation classes;

(b) Procedures for proper and accurate record keeping;

(c) Procedures that will [*insure*] **ensure** reasonable [*year to year*] **year-to-year** stability in the delivery of appropriated moneys to the colleges; and

(d) Procedures to [*insure*] **ensure** that the full state appropriation is [*delivered*] **distributed** to the colleges.

(3) Upon compliance with the rules adopted by the commission, the [commissioner] **director** shall, as soon as practicable following the receipt of required reports from the districts, prepare, certify and transmit to the Oregon Department of Administrative Services the names and the amounts due each district. The Oregon Department of Administrative Services shall audit the amounts certified by the [commissioner] **director** and draw its warrants on the State Treasury payable out of the General Fund to the districts.

**SECTION 25.** ORS 341.655 is amended to read:

341.655. (1) As used in this section, “approved expenses” means the operating expenses of community college districts for career and technical education programs that have been approved by the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development**.

(2) Federal moneys received for purposes of reimbursing community college districts for career and technical education programs may be used by the districts to pay approved expenses.

**SECTION 26.** ORS 341.665 is amended to read:

341.665. (1) The receiving community college shall be awarded funds from the contracted out-of-district funds [appropriated] **allocated** to the [Department] **Office** of Community Colleges and Workforce Development if the college operates the program under a contract with an apprenticeship training committee and the contract is approved by the [Department of Community Colleges and Workforce Development] **office**.

(2) A community college district may submit full-time equivalencies generated by apprenticeship programs to the [Department of Community Colleges and Workforce Development] **office** for reimbursement from the Community College Support Fund for purposes of ORS 341.626 but may not submit for reimbursement those full-time equivalencies generated through contracts under subsection (1) of this section.

**SECTION 27.** ORS 341.721 is amended to read:

341.721. (1) To provide funds to community college districts for the purposes specified in Article XI-G of the Oregon Constitution, the State Treasurer may issue bonds at the request of the Higher Education Coordinating Commission in accordance with the provisions of ORS chapter 286A.

(2) The State Treasurer may not issue bonds pursuant to Article XI-G of the Oregon Constitution under subsection (1) of this section for a community college project unless a grant agreement has been entered into pursuant to ORS 341.735 between the [Department] **Office** of Community Colleges and Workforce Development and the community college district that is receiving the bond proceeds.

**SECTION 28.** Section 11, chapter 2, Oregon Laws 2009, as amended by section 39, chapter 2, Oregon Laws 2011, is amended to read:

**Sec. 11.** (1) There is established in the General Fund an account to be known as the Chemeketa Community College Deferred Maintenance Account. Moneys in the account shall be used for deferred maintenance, capital renewal, code compliance and safety projects for the Chemeketa Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Chemeketa Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$5,082,500 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Chemeketa Community College District for the purposes listed in subsection (1) of this section.

**SECTION 29.** Section 12, chapter 2, Oregon Laws 2009, as amended by section 40, chapter 2, Oregon Laws 2011, is amended to read:

**Sec. 12.** (1) There is established in the General Fund an account to be known as the Clackamas Community College Deferred Maintenance Account. Moneys in the account shall be used for deferred maintenance, capital renewal, code compliance and safety projects for the Clackamas Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Clackamas Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$1,293,750 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Clackamas Community College District for the purposes listed in subsection (1) of this section.

**SECTION 30.** Section 13, chapter 2, Oregon Laws 2009, as amended by section 41, chapter 2, Oregon Laws 2011, is amended to read:

**Sec. 13.** (1) There is established in the General Fund an account to be known as the Portland Community College Deferred Maintenance Account. Moneys in the account shall be used for deferred maintenance, capital renewal, code compliance and safety projects for the Portland Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Portland Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$3,327,500 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.



(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Portland Community College District for the purposes listed in subsection (1) of this section.

**SECTION 31.** Section 14, chapter 2, Oregon Laws 2009, as amended by section 11, chapter 906, Oregon Laws 2009, is amended to read:

**Sec. 14.** (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the [Department] **Office** of Community Colleges and Workforce Development, the State Treasurer is authorized to issue lottery bonds for community college capital construction, deferred maintenance, capital renewal, code compliance and safety projects.

(2) The use of lottery bond proceeds is authorized based on the following findings:

(a) New buildings and facilities are needed in order that community colleges have adequate facilities for teaching.

(b) Having adequate community college buildings and facilities is essential to Oregon's healthy economic growth.

(c) Subsystems within community college buildings are wearing out and must be replaced so that community colleges have adequate facilities for teaching.

(d) Having safe and fully functioning community college facilities is essential to Oregon's healthy economic growth.

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section for:

(a) Capital construction may not exceed the amount of \$8,600,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

(b) Deferred maintenance, capital renewal, code compliance and safety projects may not exceed the amount of \$48,962,850 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

(4) Of the net proceeds of lottery bonds issued pursuant to this section for the biennium beginning July 1, 2009, an amount not to exceed \$13,700,000 shall be deposited in the [Department] **Office** of Community Colleges and Workforce Development Capital Construction, Deferred Maintenance and Capital Repair Project Fund established by section 15, chapter 2, Oregon Laws 2009.

**SECTION 32.** Section 15, chapter 2, Oregon Laws 2009, as amended by section 12, chapter 906, Oregon Laws 2009, and section 3, chapter 78, Oregon Laws 2012, is amended to read:

**Sec. 15.** (1) The [Department] **Office** of Community Colleges and Workforce Development Capital Construction, Deferred Maintenance and Capital Repair Project Fund is established separate and distinct from the General Fund. Interest earned by the [Department] **Office** of Community Colleges and Workforce Development Capital Construction, Deferred Maintenance and Capital Repair Project Fund shall be credited to the fund.

(2) Net proceeds of lottery bonds issued pursuant to section 14, chapter 2, Oregon Laws 2009, and section 2, **chapter 78, Oregon Laws 2012**, [of this 2012 Act] shall be deposited into the [Department] **Office** of Community Colleges and Workforce Development Capital Construction, Deferred Maintenance and Capital Repair Project Fund. Moneys in the fund are continuously appropriated to the [Department of Community Colleges and Workforce Development] **Higher Education Coordinating Commission** for the purpose of making grants to community college districts for capital construction, deferred maintenance, capital renewal, code compliance and safety projects.

**SECTION 33.** Section 26, chapter 904, Oregon Laws 2009, as amended by section 73, chapter 747, Oregon Laws 2013, is amended to read:

**Sec. 26.** Notwithstanding section 7, chapter 904, Oregon Laws 2009, at the request of the Higher Education Coordinating Commission, the State Treasurer may issue bonds for a project listed in section 7, chapter 904, Oregon Laws 2009:

(1) If the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 7, chapter 904, Oregon Laws 2009, has been received by the [Department] **Office** of Community Colleges and Workforce Development; or

(2) After the [department] **office** reports to the Emergency Board or the Joint Committee on Ways and Means, if the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 7, chapter 904, Oregon Laws 2009, has not been received by the [department] **office**.

**SECTION 34.** ORS 341.725 is amended to read:

341.725. (1) The Community College Capital Construction Fund is established **in the State Treasury**, separate and distinct from the General Fund. Interest earned on moneys in the Community College Capital Construction Fund shall be credited to the fund.

(2) Moneys in the Community College Capital Construction Fund are **continuously** appropriated [continuously] to the [Department of Community Colleges and Workforce Development] **Higher Education Coordinating Commission** and may be [disbursed] **distributed** by the [department] **commission** for the purposes described in [section 1 (2),] Article XI-G, **section 1 (2)**, of the Oregon Constitution, pursuant to grant agreements entered into between the [department] **Office of Community Colleges and Workforce Development** and community college districts under ORS 341.735.

**SECTION 35.** ORS 341.728 is amended to read:

341.728. (1) The Community College Bond Building Fund is established **in the State Treasury**, separate and distinct from the General Fund.

(2) The Community College Bond Building Fund shall consist of moneys realized from the sale of bonds issued pursuant to Article XI-G of the Oregon Constitution for the benefit of community college districts under ORS 341.721.

(3) Moneys in the Community College Bond Building Fund are **continuously** appropriated [continuously] to the [Department of Community Colleges and Workforce Development] **Higher Education Coordinating Commission** and may be [disbursed] **distributed** by the [department] **commission** for the purposes described in [section 1 (2),] Article XI-G, **section 1 (2)**, of the Oregon Constitution, including payment of costs related to issuing bonds and payment of debt service on bonds, pursuant to grant agreements entered into between the [department] **Office of Community Colleges and Workforce Development** and community college districts under ORS 341.735.

(4) Moneys in the Community College Bond Building Fund may be invested as provided in ORS 286A.025 until needed for [disbursement] **distribution** under subsection (3) of this section. If a surplus remains in the fund after disbursement, the surplus and earnings from temporary investments shall be credited to the Community College Bond Sinking Fund.

**SECTION 36.** ORS 341.731 is amended to read:

341.731. (1) The Community College Bond Sinking Fund is established **in the State Treasury**, separate and distinct from the General Fund. The Community College Bond Sinking Fund shall be used to provide for payment of the principal and the interest upon bonds issued under the authority of Article XI-G of the Oregon Constitution for the benefit of community college districts under ORS 341.721.

(2) Moneys in the fund are **continuously** appropriated [continuously] to the [Department of Community Colleges and Workforce Development] **Higher Education Coordinating Commission**.

(3) The fund may be invested by the State Treasurer, and earnings on the investments shall be credited to the fund.

(4) The fund shall consist of all moneys received from ad valorem taxes levied pursuant to ORS 291.445, all moneys that the Legislative Assembly may provide in lieu of such taxes, all moneys received as accrued interest upon bonds sold, all earnings from investments of the fund and the proceeds of the sale of refunding bonds.

(5) The [department] **commission** may credit the fund with moneys received from either a sale or interfund transfer of land, buildings or facilities.

(6)(a) The [department] **commission** may not use the fund for any purpose other than the purposes for which the fund was [created] **established**.

(b) Notwithstanding paragraph (a) of this subsection, the [department] **commission** may transfer any surplus in the fund to other funds designated by the [department] **commission** if a balance remains in the fund and:

(A) The purposes for which the fund was [created] **established** have been fulfilled; and

(B) A reserve sufficient to meet all existing and future obligations and liabilities of the fund has been set aside.

**SECTION 37.** ORS 341.735 is amended to read:

341.735. (1) For the purposes of distributing moneys held in the Community College Capital Construction Fund and the Community College Bond Building Fund, the [Department] **Office** of Community Colleges and Workforce Development shall enter into grant agreements with each community college district for whose projects moneys have been appropriated from the General Fund and are held pending [disbursement] **distribution** of the moneys. The grant agreements shall obligate the [department] **office** to distribute to each community college district any funds the district provides to the state to provide a General Fund match as required by Article XI-G of the Oregon Constitution and shall also obligate the department to distribute to each community college district any amounts that are credited to the Community College Bond Building Fund for a project of the district. The [department] **office** may impose reasonable conditions and reporting and accounting requirements in a grant agreement described in this section that are intended to ensure that the amounts distributed from the funds listed in this subsection will be used for the projects for which the amounts were distributed.

(2) The grant agreements shall also require that each community college district that receives amounts from the funds listed in subsection (1) of this section shall:

(a) Return to the state any amounts distributed from the Community College Bond Building Fund that are not required to complete the project of that district. Except as provided in this paragraph, the [department] **office** shall credit the returned amounts to the Community College Bond Sinking Fund. If the [department] **office**, with the approval of the State Treasurer, determines that the state's costs may be reduced by applying the returned amounts to other projects in lieu of issuing additional bonds for those projects, the returned amounts may be credited to the Community College Bond Building Fund.

(b) Take any action as determined by the state's bond counsel that is necessary to maintain the excludability of the interest paid by the state on the general obligation bonds that the state issues pursuant to Article XI-G of the Oregon Constitution to fund the Community College Bond Building Fund, that is necessary to obtain or maintain the ability of the state to receive federal interest subsidies on those bonds or that is necessary to obtain or maintain any other tax-advantaged treatment under the Internal Revenue Code.

(3) The [department] **office** may collect fees from community college districts that receive moneys under a grant agreement entered into under this section to cover the costs relating to the administration of the distribution of proceeds from general obligation bonds issued pursuant to Article XI-G of the Oregon Constitution to finance community college district projects and for executing the responsibilities of the department under the grant agreement. The [department] **office** shall deposit any moneys collected under this subsection in the [Department] **Office** of Community Colleges and Workforce Development Account.

**NOTE:** Section 38 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 39.** ORS 341.751 is amended to read:

341.751. (1) There is established in the General Fund an account to be known as the Blue Mountain Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Blue Mountain Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Blue Mountain Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

- (b) Donations;
  - (c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;
  - (d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and
  - (e) Proceeds from the sale of bonds issued by the community college district.
- (3) Interest earned on moneys in the account shall be credited to the account.
- (4) The account may not be credited with more than \$1 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.
- (5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Blue Mountain Community College District for the purposes listed in subsection (1) of this section.

**SECTION 40.** ORS 341.753 is amended to read:

341.753. (1) There is established in the General Fund an account to be known as the Central Oregon Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Central Oregon Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Central Oregon Community College District for the purposes listed in subsection (1) of this section:

- (a) Moneys from federal and local governments;
  - (b) Donations;
  - (c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;
  - (d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and
  - (e) Proceeds from the sale of bonds issued by the community college district.
- (3) Interest earned on moneys in the account shall be credited to the account.
- (4) The account may not be credited with more than \$11,478,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.
- (5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Central Oregon Community College District for the purposes listed in subsection (1) of this section.

**SECTION 41.** ORS 341.755 is amended to read:

341.755. (1) There is established in the General Fund an account to be known as the Chemeketa Community College Facility Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Chemeketa Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Chemeketa Community College District for the purposes listed in subsection (1) of this section:

- (a) Moneys from federal and local governments;
  - (b) Donations;
  - (c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;
  - (d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and
  - (e) Proceeds from the sale of bonds issued by the community college district.
- (3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$11,880,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Chemeketa Community College District for the purposes listed in subsection (1) of this section.

**SECTION 42.** ORS 341.757 is amended to read:

341.757. (1) There is established in the General Fund an account to be known as the Clackamas Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Clackamas Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Clackamas Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$13,156,250 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Clackamas Community College District for the purposes listed in subsection (1) of this section.

**SECTION 43.** ORS 341.759 is amended to read:

341.759. (1) There is established in the General Fund an account to be known as the Clatsop Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Clatsop Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Clatsop Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$11,500,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Clatsop Community College District for the purposes listed in subsection (1) of this section.

**SECTION 44.** ORS 341.762 is amended to read:

341.762. (1) There is established in the General Fund an account to be known as the Columbia Gorge Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Columbia Gorge Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Columbia Gorge Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$15,500,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Columbia Gorge Community College District for the purposes listed in subsection (1) of this section.

**SECTION 45.** ORS 341.764 is amended to read:

341.764. (1) There is established in the General Fund an account to be known as the Klamath Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Klamath Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Klamath Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$7,700,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Klamath Community College District for the purposes listed in subsection (1) of this section.

**SECTION 46.** ORS 341.766 is amended to read:

341.766. (1) There is established in the General Fund an account to be known as the Lane Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Lane Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Lane Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

- (b) Donations;
  - (c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;
  - (d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and
  - (e) Proceeds from the sale of bonds issued by the community college district.
- (3) Interest earned on moneys in the account shall be credited to the account.
- (4) The account may not be credited with more than \$14,750,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.
- (5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Lane Community College District for the purposes listed in subsection (1) of this section.

**SECTION 47.** ORS 341.768 is amended to read:

341.768. (1) There is established in the General Fund an account to be known as the Linn-Benton Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Linn-Benton Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Linn-Benton Community College District for the purposes listed in subsection (1) of this section:

- (a) Moneys from federal and local governments;
  - (b) Donations;
  - (c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;
  - (d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and
  - (e) Proceeds from the sale of bonds issued by the community college district.
- (3) Interest earned on moneys in the account shall be credited to the account.
- (4) The account may not be credited with more than \$3,731,250 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.
- (5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Linn-Benton Community College District for the purposes listed in subsection (1) of this section.

**SECTION 48.** ORS 341.771 is amended to read:

341.771. (1) There is established in the General Fund an account to be known as the Mt. Hood Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Mt. Hood Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Mt. Hood Community College District for the purposes listed in subsection (1) of this section:

- (a) Moneys from federal and local governments;
  - (b) Donations;
  - (c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;
  - (d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and
  - (e) Proceeds from the sale of bonds issued by the community college district.
- (3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$2,500,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Mt. Hood Community College District for the purposes listed in subsection (1) of this section.

**SECTION 49.** ORS 341.773 is amended to read:

341.773. (1) There is established in the General Fund an account to be known as the Oregon Coast Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Oregon Coast Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Oregon Coast Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$9,500,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Oregon Coast Community College District for the purposes listed in subsection (1) of this section.

**SECTION 50.** ORS 341.775 is amended to read:

341.775. (1) There is established in the General Fund an account to be known as the Portland Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Portland Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Portland Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$15,500,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Portland Community College District for the purposes listed in subsection (1) of this section.



**SECTION 51.** ORS 341.777 is amended to read:

341.777. (1) There is established in the General Fund an account to be known as the Rogue Community College Medford Instructional Facility Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for a joint instructional facility in Medford for Southern Oregon University and the Rogue Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Rogue Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$4,100,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Rogue Community College District for the purposes listed in subsection (1) of this section.

**SECTION 52.** ORS 341.779 is amended to read:

341.779. (1) There is established in the General Fund an account to be known as the Southwestern Oregon Community College Curry County Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Southwestern Oregon Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Southwestern Oregon Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$2,300,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Southwestern Oregon Community College District for the purposes listed in subsection (1) of this section.

**SECTION 53.** ORS 341.782 is amended to read:

341.782. (1) There is established in the General Fund an account to be known as the Tillamook Bay Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Tillamook Bay Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Tillamook Bay Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$4,900,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Tillamook Bay Community College District for the purposes listed in subsection (1) of this section.

**SECTION 54.** ORS 341.784 is amended to read:

341.784. (1) There is established in the General Fund an account to be known as the Treasure Valley Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Treasure Valley Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Treasure Valley Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$3,000,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Treasure Valley Community College District for the purposes listed in subsection (1) of this section.

**SECTION 55.** ORS 341.787 is amended to read:

341.787. (1) There is established in the General Fund an account to be known as the Umpqua Community College Facilities Account. Moneys in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution for the Umpqua Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the [Department] **Office** of Community Colleges and Workforce Development at the request of the Umpqua Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the [department] **office** at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the [department] **office** from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$8,500,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account are continuously appropriated to the [department] **Higher Education Coordinating Commission** and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Umpqua Community College District for the purposes listed in subsection (1) of this section.

**SECTION 56.** Section 14a, chapter 121, Oregon Laws 2014, is amended to read:

**Sec. 14a.** (1) The Cascades Hall Reacquisition Fund is established in the State Treasury, separate and distinct from the General Fund. Amounts in the Cascades Hall Reacquisition Fund may be invested as provided in ORS 293.701 to 293.857, and interest earned on the fund must be credited to the fund.

(2) Amounts credited to the fund are continuously appropriated to the [Department of Community Colleges and Workforce Development] **Higher Education Coordinating Commission** for the purpose of terminating the leasehold on, and remodeling, Cascades Hall on the campus of the Central Oregon Community College and for the purpose of paying bond-related costs. The [department] **commission** shall deposit in the fund:

(a) The net proceeds and interest earnings of lottery bonds issued pursuant to section 14, **chapter 121, Oregon Laws 2014** [of this 2014 Act];

(b) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit in the fund; and

(c) Gifts, grants or contributions received by the [department] **commission** for the purpose described in this section.

(3) The [department] **commission** may create separate accounts in the fund as appropriate for the management of moneys in the fund.

## WORKFORCE DEVELOPMENT STATUTES

**SECTION 57.** ORS 660.300, as amended by section 2, chapter 49, Oregon Laws 2014, is amended to read:

660.300. As used in ORS 660.300 to 660.364:

(1) “Chief elected official” means a county commissioner, a county judge or the mayor of the City of Portland.

[(2)] “Department” means the Department of Community Colleges and Workforce Development.]

[(3)] (2) “Federal Act” or “federal Workforce Investment Act” means the federal Workforce Investment Act of 1998 (enacted as P.L. 105-220 and codified as 29 U.S.C. 2801 et seq.).

[(4)] (3) “Local workforce investment area” means the City of Portland or a county when the city or county has been designated as a local workforce investment area under ORS 660.324. “Local workforce investment area” may include two or more counties that have joined together to form a local workforce investment area and that have been designated as a local workforce investment area under ORS 660.324.

[(5)] (4) “Local workforce investment board” means a board established pursuant to section 2832 of the federal Workforce Investment Act of 1998.

(5) “Office” means the Office of Community Colleges and Workforce Development.

(6) “Participant” means a person receiving services under Title I-B of the federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

(7) "Participant records" means records relating to matters such as grades, conduct, personal and academic evaluations, results of psychometric testing, counseling, disciplinary actions, if any, and other personal matters.

(8) "State workforce agencies" means state agencies that administer workforce programs.

(9) "Title I-B" means the adult, dislocated worker and youth programs delivered under the federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

(10) "Workforce development" means services designed to help individuals attain employment and progress along career pathways and to help businesses better achieve business goals by more easily finding skilled employees. "Workforce development" includes:

(a) Education, training and apprenticeship services;

(b) Labor market analysis;

(c) Employment and reemployment services;

(d) Employee recruitment and retention services; and

(e) Convening, coordinating, oversight and evaluation services for business and state workforce agencies.

(11) "Workforce programs" means programs that have a primary mission of helping individuals become employed, retain employment, increase wages and progress along career pathways and that are responsible for outcomes related to the primary mission.

**SECTION 58.** ORS 660.312, as amended by section 4, chapter 49, Oregon Laws 2014, is amended to read:

660.312. (1) The Governor shall be responsible for a coordinated and comprehensive response to education and workforce issues. The Governor shall appoint an Education and Workforce Policy Advisor, who serves at the pleasure of the Governor. The advisor shall, with the advice of such advisory committees as may be appointed or assigned, advise the Governor on policy, planning and coordination for education and workforce development in Oregon.

(2) The duties of the advisor shall include:

(a) Guiding the development of state-level policy related to education and workforce issues;

(b) Providing general direction and serving as a liaison between state and local efforts in education, training and workforce development;

(c) Ensuring, through collaboration with the leadership of local workforce investment boards, the alignment of statewide and local strategic plans, and the periodic reporting of performance in the implementation of such plans; and

(d) Consulting with local workforce investment boards on the development and implementation of a workforce performance measurement system.

(3) In the performance of duties, the advisor shall collectively involve state agencies, including but not limited to:

(a) The Department of Education;

(b) The Higher Education Coordinating Commission;

(c) The Oregon Business Development Department;

(d) The [Department] **Office** of Community Colleges and Workforce Development;

(e) The Employment Department;

(f) The Department of Human Services;

(g) The Bureau of Labor and Industries;

(h) The Department of Corrections; and

(i) The public universities with governing boards listed in ORS 352.054.

(4) The advisor shall seek input from key interested parties to help guide policy development, including but not limited to representatives of:

(a) Businesses and industry organizations;

(b) Labor and labor organizations;

(c) Local education providers, community colleges and other public and private post-secondary institutions of education and their governing boards;

(d) Local government;

- (e) Student, teacher, parent and faculty organizations;
- (f) Community-based organizations;
- (g) Public-private partnership organizations;
- (h) Independent nonprofit and proprietary post-secondary colleges and schools; and
- (i) The State Workforce Investment Board and local workforce investment boards.

(5) The advisor shall meet, on a regularly scheduled basis, with the local workforce investment boards and such others as necessary to ensure that local interests are represented. The advisor shall seek input, advice and feedback on policy issues affecting state and local education and workforce development from interested parties and any advisory committees appointed or assigned under this section.

(6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary to carry out the duties of the advisor.

**SECTION 59.** ORS 660.318 is amended to read:

660.318. (1) To implement and oversee state implementation of Title I-B, the [*Department*] **Office** of Community Colleges and Workforce Development may:

(a) Receive federal youth activities funds allotted to this state by the Secretary of Labor pursuant to Title I-B and allocate those funds that are not reserved according to an allocation formula recommended by the State Workforce Investment Board and approved by the Governor.

(b) Receive federal adult employment and training activities funds allotted to this state by the Secretary of Labor pursuant to Title I-B and allocate those funds that are not reserved according to an allocation formula recommended by the State Workforce Investment Board and approved by the Governor.

(c) Receive federal dislocated worker funds allotted to this state by the Secretary of Labor pursuant to Title I-B and allocate those funds that are not reserved according to an allocation formula recommended by the State Workforce Investment Board and approved by the Governor.

(d) Establish a procedure for use by local workforce investment boards to identify eligible providers of training services according to section 2864 of the federal Act and to maintain the list of providers identified as eligible by the boards in all local workforce investment areas in this state.

(e) Receive the comprehensive strategic plan developed and implemented by each local workforce investment board and review the plan, with input from representatives of state and local workforce programs, to determine if the plan meets the requirements of section 2833 of the federal Act and state policy.

(f) Approve the plans, after review by the State Workforce Investment Board, that are found to meet the requirements of Title I-B and review and approve any amendments to the plans.

(g) Carry out the required and allowable activities described in section 2864 of the federal Act with the advice of the Education and Workforce Policy Advisor.

(h) Pursuant to ORS 660.339, establish procedures to maintain the confidentiality of the names and records of participants in workforce programs for which the [*department*] **office** is responsible, including circumstances under which the names and records may be disclosed.

(i) Establish a method to set performance standards for the Secretary of Labor as required under section 2871 of the federal Act.

(j) Perform planning functions related to Title I-B programs and performance reporting.

(2)(a) Subject to the availability of funds from the federal Workforce Investment Act, the [*Department*] **Office** of Community Colleges and Workforce Development shall create and operate a summer youth employment program that reestablishes meaningful summer work experience for persons between the ages of 14 and 24 and that meets the requirements for funding under the federal Act.

(b) Programs funded under this subsection:

(A) Must include representatives of the business community in the planning, implementation and evaluation of the program.

(B) May provide for private and public sector employment opportunities.

(C) Shall be managed by local workforce investment boards in a manner that coordinates regional state-sponsored youth work experience programs.

(c) Local workforce investment boards responsible for managing programs created under this subsection shall provide training for business, labor and education leaders in use of best practices that [assure] **ensure** positive summer work experiences for participants.

(3) The [Department] **Office** of Community Colleges and Workforce Development shall collaborate with the State Workforce Investment Board and local workforce investment boards to collect data on summer work experience programs that identify successful summer work experiences and allow for the identification and dissemination of promising practices.

(4) The Higher Education Coordinating Commission, in consultation with the State Workforce Investment Board, may adopt rules pursuant to ORS chapter 183 to implement this section.

**SECTION 60.** ORS 660.339 is amended to read:

660.339. (1) All participant records maintained by the local workforce investment boards or any public or private agency involved in Title I-B programs shall be confidential and except as provided in ORS 660.300 to 660.364 shall be open for inspection only in accordance with [such rules as the Department of Community Colleges and Workforce Development shall adopt] **rules adopted by the Office of Community Colleges and Workforce Development.**

(2) A participant may provide written consent for the examination or release of any record pertaining to the participant.

(3) All information contained in participant files shall be available for inspection by the participant[,] and **by** the participant's parent or legal guardian if the participant is under 18 years of age. Participant behavioral records shall be released only in the presence of an individual qualified to explain or interpret the records.

(4) The [department] **office** may adopt rules to provide the circumstances under which participant names or records may be made available for inspection when:

(a) Ordered by a court of competent jurisdiction.

(b) Necessary to protect the health or safety of a participant or another.

(c) Necessary to provide information to state and local agencies administering ORS 412.001 to 412.161 and 412.991 and ORS chapters 418 and 657, other programs under the federal Workforce Investment Act of 1998 and other mandatory programs under this state's one-stop service delivery system.

(d) Necessary for program staff work or studies of a statistical or demographic nature.

(e) Necessary to carry out the planning and coordinating functions between state and local agencies under Title I-B of the federal Workforce Investment Act, other applicable state laws or those functions assigned by the Education and Workforce Policy Advisor.

**SECTION 61.** ORS 660.340 is amended to read:

660.340. (1) There is created in the [Department] **Office** of Community Colleges and Workforce Development the Oregon Employer Workforce Training Program. Subject to the availability of funding, the [department] **office** shall create and operate, and local workforce investment boards shall manage, the program for the purpose of:

(a) Assisting businesses and consortia of businesses in implementing projects that identify and provide cost-effective solutions to the issues of employee training, retention and advancement;

(b) Maximizing the utilization of public and private resources for providing training to employed persons in skills that are responsive to the need of businesses and industries in Oregon to become and to remain competitive on the national and international level; and

(c) Responding to the need of workers in Oregon to develop current job skills necessary to meet the current and future needs of employers.

(2)(a) Businesses in industries identified in the plans developed by local workforce investment boards as required by ORS 660.327 are eligible to participate in projects selected for participation in the program.

(b) Priority for approval of projects submitted under this subsection shall be given to businesses in industries that have the greatest impact on the local economy and emerging green jobs.

- (3) Local workforce investment boards shall:
- (a) Identify businesses and consortia of businesses for potential participation in the program;
  - (b) Develop and implement an application process for projects proposed for the program;
  - (c) Notwithstanding the provisions of the Public Contracting Code, use an open and competitive procurement process for agreements entered into with participants in the program;
  - (d) Require that businesses participating in a project provide private sector funding equal to the amount of state funding provided for the project; and
  - (e) Track and report to the [department] **office** the outcomes of projects implemented in the local workforce investment area, including, but not limited to:
    - (A) The number of businesses participating in approved projects;
    - (B) The number and types of projects completed;
    - (C) The number of employees receiving training;
    - (D) The number of jobs retained or created by the businesses participating in the project; and
    - (E) The value of the private sector funding provided.
- (4) The Higher Education Coordinating Commission shall adopt rules necessary for the implementation and operation of the program created under subsection (1) of this section. The rules shall include, but are not limited to, a process by which moneys may be appropriated and allocated to the local workforce investment boards to support projects identified by the local workforce investment boards under subsection (3) of this section.

**SECTION 62.** ORS 660.341 is amended to read:

660.341. The Oregon Employer Workforce Training Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Employer Workforce Training Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the [Department of Community Colleges and Workforce Development] **Higher Education Coordinating Commission** for the purposes of ORS 660.340.

**SECTION 63.** ORS 660.343 is amended to read:

660.343. (1) There is created in the [Department] **Office** of Community Colleges and Workforce Development the Oregon National Career Readiness Certification Program to certify the workplace and college readiness skills of Oregonians and to better prepare Oregonians for continued education and workforce training, successful employment and career advancement in a demand-driven, skills-based economy.

(2) Program services may be offered through public high schools, community colleges, local and regional career centers and any other institutions determined to be appropriate by the [department] **office** to residents of Oregon and to employees of businesses located in Oregon.

(3) Services provided by the program shall include, but are not limited to:

(a) An assessment process that identifies the proficiency level of program participants in work-ready skills including, but not limited to, reading, applied mathematics, locating information and any additional skills determined by the [department] **office** to be necessary to meet business and industry skill demands;

(b) Targeted instruction and remedial skills training to provide work-ready skills in which program participants are not proficient, as determined by the assessment process described in paragraph (a) of this subsection, and that have been identified by the [department] **office** as work-ready skills required by local employers;

(c) Issuance of a National Career Readiness Certificate to program participants who demonstrate proficiency in work-ready skills, as determined by the assessment process described in paragraph (a) of this subsection, and who satisfy any other requirements for certification adopted by the [department] **office** by rule;

(d) Providing information to school districts, community colleges and community college service districts about the National Career Readiness Certificate and the assessments, targeted instruction and remedial skills training available through the program; and

(e) An online database that:

(A) Serves as the repository for National Career Readiness Certificate attainment data.

(B) Provides online access to program data that enables employers to determine the work skill proficiency level of individual program participants and to locate certified individuals on a statewide or regional basis.

(C) Provides individual program participants the opportunity for career exploration, continuing education, job readiness practice and job searches.

(D) Provides individual program participants the opportunity to opt out of the database in accordance with rules adopted by the [department] office.

(4) The [Department] Office of Community Colleges and Workforce Development, after consultation with the **Higher Education Coordinating Commission, the State Workforce Investment Board[,] and the Department of Education [and the Higher Education Coordinating Commission],** shall adopt rules for the implementation and administration of the program created under subsection (1) of this section.

(5) By September 1 of each year, school districts, community colleges and community college service districts shall report to the [Department] Office of Community Colleges and Workforce Development the rate of participation in and the total number of students enrolled in the district or community college who utilized the services provided by the program in the most recently concluded school year.

(6) The [Department] Office of Community Colleges and Workforce Development shall submit a report on program outcomes and recommendations for improving and funding the program to the appropriate interim legislative committees and to the Governor by December 1 of each year. The report shall include a summary of the information required under subsection (5) of this section.

**SECTION 64.** ORS 660.346 is amended to read:

660.346. (1)(a) The [Department] Office of Community Colleges and Workforce Development, in collaboration with the Employment Department and the State Workforce Investment Board, shall develop and implement a demand-driven, skills-based integrated workforce delivery system focused on skills and talent development.

(b) The integrated workforce delivery system implemented under paragraph (a) of this subsection must include, and the [Department of Community Colleges and Workforce Development] office shall maintain, a workforce training inventory of prioritized occupations.

(c) The [Department of Community Colleges and Workforce Development] office shall prioritize recommendations for the allocation of workforce training resources by the integrated workforce delivery system based on occupational prioritization data developed by the Employment Department.

(2) The [Department of Community Colleges and Workforce Development] office shall adopt rules necessary for the implementation and administration of the integrated workforce delivery system developed under subsection (1) of this section.

**SECTION 65.** ORS 660.349 is amended to read:

660.349. (1)(a) There is created in the [Department] Office of Community Colleges and Workforce Development a program to make grants to pilot projects to promote hands-on experience and education in the fundamentals and core competencies in architecture, construction trades and engineering for high school juniors and seniors.

(b) Pilot projects funded by the program created under this subsection shall be based on collaborative efforts between local school districts, community colleges, business organizations and labor organizations that provide participants the opportunity for education and training in skills required to meet the workforce development needs of local, regional and statewide employers.

(c) The [department] office may apply for and receive grants and gifts from public and private sources to fund grants provided under this section.

(2) The program created under subsection (1) of this section for making grants to pilot projects shall ensure that:

(a) Local communities are informed about the availability of the grants;

(b) The pilot projects are geographically distributed throughout Oregon;

(c) Urban and rural participants have equal opportunity to access quality educational opportunities;



(d) Representatives of related, ongoing community efforts assist in the implementation of architecture, construction trades and engineering education and training; and

(e) The program and timelines are designed to minimize barriers to receiving funds.

(3) When considering applications for grants, the program shall give priority to pilot projects that:

(a) Provide access for high school juniors and seniors to architecture, construction trades and engineering education and training through the efforts of local and regional career centers and public-private consortia;

(b) In combination with other projects receiving funds, contribute to architecture, construction trades and engineering education and training opportunities in every part of the state;

(c) Use private and federal funds;

(d) Facilitate sharing of resources through public-private partnerships including collaboration among local school districts, community colleges, business organizations and labor organizations;

(e) Have a long-term strategic plan and lack only the necessary financial resources;

(f) Help students connect education and training with career planning and job opportunities through local and regional career centers implemented under the federal Workforce Investment Act;

(g) Provide articulated secondary and post-secondary education programs that are designed to lead to a degree or industry-specific skills certification; and

(h) Establish short-term training programs that meet the immediate needs of local and regional employers.

(4)(a) The [department] **office** shall include in the program created under subsection (1) of this section a process for the certification of instructors for the program to provide education and practical experience in architecture, construction trades and engineering.

(b) The [department] **office** shall adopt by rule requirements for the certification of instructors described in paragraph (a) of this subsection.

(c) Notwithstanding the requirements adopted under paragraph (b) of this subsection, a person qualified to serve as an instructor in a state-recognized apprenticeship program is qualified for certification as an instructor for projects implemented under this section.

**SECTION 66.** ORS 660.352 is amended to read:

660.352. [There] **The Youth Employment Enhancement Fund** is established in the State Treasury, separate and distinct from the General Fund[, *the Youth Employment Enhancement Fund*]. Moneys in the **Youth Employment Enhancement Fund** are **continuously** appropriated [*continuously*] to the [Department of Community Colleges and Workforce Development] **Higher Education Coordinating Commission** for the purposes of ORS 660.349.

**SECTION 67.** ORS 660.353 is amended to read:

660.353. (1) There is created in the [Department] **Office** of Community Colleges and Workforce Development the Oregon Youth Employment Program. Subject to the availability of funding, the [department] **office** shall create and operate, and local workforce investment boards shall manage, the program to provide meaningful work experience and workforce training for persons between the ages of 14 and 24.

(2) The program shall provide to participants in the program case management and support services that include, but are not limited to:

(a) Developing an individual development plan for the participant that outlines work readiness, career and educational goals;

(b) Work readiness instruction;

(c) At least 12 weeks of paid internships or other work experience; and

(d) Academic support for earning high school graduation credit, completion of a General Educational Development (GED) certificate program or earning college credit for work experience or internships provided through the program.

(3) The program:

(a) Plan, implementation procedures and evaluation criteria shall be described in the local plan developed by a local workforce investment board under ORS 660.327.

(b) May provide for public and private sector employment opportunities.

(4) Local workforce investment boards responsible for managing the program shall ensure appropriate training and positive work experiences for participants.

(5) The [department] **office** shall collaborate with the local workforce investment boards to collect data on youth work experience programs that identify successful work experiences and allow for the identification and dissemination of the most promising practices. The data collected shall also include the number of participants in the program, the number of participants that complete the program, the cost of internships and other work experiences provided, the academic credit earned by participants and the number of General Educational Development (GED) certificates earned by participants.

(6) The [department] **office** shall adopt rules necessary for the implementation and operation of the program created under subsection (1) of this section. The rules shall include, but are not limited to, establishing eligibility criteria for persons participating in the program.

**SECTION 68.** ORS 660.354 is amended to read:

660.354. The Oregon Youth Employment Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Youth Employment Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the [Department of Community Colleges and Workforce Development] **Higher Education Coordinating Commission** for the purposes of ORS 660.353.

## ECONOMIC DISLOCATION NOTIFICATION STATUTES

**SECTION 69.** ORS 285A.516 is amended to read:

285A.516. The [Department] **Office** of Community Colleges and Workforce Development is the state agency that shall be notified when an employer is required to provide written notice of a plant closing or mass layoff under section 3 of the Worker Adjustment and Retraining Notification Act (P.L. 100-379).

**SECTION 70.** ORS 285A.519 is amended to read:

285A.519. (1) The [Department] **Office** of Community Colleges and Workforce Development shall notify employers subject to the Worker Adjustment and Retraining Notification Act (P.L. 100-379) that the [Department] **Office** of Community Colleges and Workforce Development is the state agency that must be notified when [they] **the employers** are required to provide notice of a plant closing or mass layoff under the Worker Adjustment and Retraining Notification Act (P.L. 100-379).

(2) When notifying employers as provided in subsection (1) of this section, the [department] **office** shall provide employers with a statement of the programs, projects, expenditures and other forms of assistance the [department] **office** and other state agencies can provide to communities, employers and workers affected by a plant closing or mass layoff.

**SECTION 71.** ORS 285A.522 is amended to read:

285A.522. (1) The [Department] **Office** of Community Colleges and Workforce Development shall prepare an annual report concerning plant closings and mass layoffs in this state. The report shall describe in detail each plant closing or mass layoff during the period covered by the report and the assistance and services provided to the affected employers, workers and communities. The report shall also contain the most recent information available relating to the current status of the employer, workers and community affected by each plant closing or mass layoff.

(2) The report prepared under this section shall be presented to the Governor, the President of the Senate, the Speaker of the House of Representatives and appropriate legislative committees.

## PUBLIC FINANCIAL ADMINISTRATION STATUTES

**SECTION 72.** ORS 294.393 is amended to read:

294.393. (1) Each school district and each education service district shall prepare the estimates of expenditures required under ORS 294.388 in accordance with the classification of revenue and

expenditure accounts prescribed by the Department of Education in consultation with the Department of Revenue. The Department of Revenue is responsible for determining the district's compliance with this subsection.

(2) Each community college district shall prepare the estimates of expenditures required under ORS 294.388 in accordance with the classification of revenue and expenditure accounts prescribed by the [Department] **Office** of Community Colleges and Workforce Development in consultation with the Department of Revenue. The Department of Revenue is responsible for determining the district's compliance with this subsection.

(3) Notwithstanding ORS 294.388 (2), each municipal corporation that operates a public utility or hospital shall prepare estimates for the operations of each public utility or hospital in accordance with:

- (a) The applicable generally accepted system of accounts for the operations; or
- (b) The general system of accounts in ORS 294.305 to 294.565.

**SECTION 73.** ORS 294.456 is amended to read:

294.456. (1)(a) After the public hearing required under ORS 294.453 (1) and consideration of matters discussed at the public hearing, the governing body of a municipal corporation shall enact the ordinances or resolutions necessary to adopt the budget, to make the appropriations, to determine, make and declare the ad valorem property tax amount or rate to be certified to the assessor for either the ensuing year or each of the years of the ensuing budget period and to itemize and categorize the ad valorem property tax amount or rate as required under ORS 310.060.

(b) The governing body may amend the budget estimates and proposed ad valorem property tax amount or rate in the budget document before adoption under paragraph (a) of this subsection and after adoption if the post-adoption amendments are adopted prior to the commencement of the fiscal year or budget period to which the budget relates.

(c) Notwithstanding paragraph (b) of this subsection, unless the amended budget document is republished pursuant to ORS 294.438 or 294.448 in the same manner as the original budget and another public hearing is held pursuant to ORS 294.453 (1), or except to the extent ad valorem property taxes may be increased under ORS 294.476:

(A) The amount of estimated expenditures for each fund in an annual budget may not be increased by more than \$5,000 or 10 percent of the estimated expenditures, whichever is greater;

(B) The amount of estimated expenditures for each fund in a biennial budget may not be increased by more than \$10,000 or 10 percent of the estimated expenditures, whichever is greater; and

(C) The amount or rate of the total ad valorem property taxes to be certified by the municipal corporation to the assessor may not exceed the amount approved by the budget committee.

(2)(a) After a public hearing under ORS 294.453 (2) or (3), receipt of the certification of the tax supervising and conservation commission, if required, and consideration of any orders, recommendations or objections made by the tax supervising and conservation commission in accordance with law, the governing body of a municipal corporation shall enact the ordinances or resolutions necessary to adopt the budget, to make the appropriations, to determine, make and declare the ad valorem property tax amount or rate for either the ensuing fiscal year or each of the fiscal years of the ensuing budget period and to itemize and categorize the ad valorem property tax amount or rate as required under ORS 310.060.

(b) The action taken by the governing body under paragraph (a) of this subsection on each order, recommendation or objection made by the commission, with the reasons for the action, must be included in the ordinance or resolution adopting the budget.

(c) The governing body shall send a certified copy of the ordinance or resolution to the commission within 15 days after the date the ordinance or resolution is adopted.

(d) The governing body may amend the budget estimates, appropriations and ad valorem property tax amount or rate in the budget document before adoption under paragraph (a) of this subsection and after adoption if the post-adoption amendments are adopted prior to the commencement of the fiscal year or budget period to which the budget relates.

(e) Notwithstanding paragraph (d) of this subsection, unless the amended budget document is resubmitted to the tax supervising and conservation commission for another public hearing and for recommendations or objections of the commission, or except to the extent ad valorem property taxes may be increased under ORS 294.476:

(A) The amount of estimated expenditures for each fund in an annual budget may not be increased by more than \$5,000 or 10 percent of the estimated expenditures, whichever is greater;

(B) The amount of estimated expenditures for each fund in a biennial budget may not be increased by more than \$10,000 or 10 percent of the estimated expenditures, whichever is greater; and

(C) The amount or rate of the total ad valorem property taxes to be certified by the municipal corporation to the assessor may not exceed the amount approved by the budget committee.

(3)(a) Except as provided in subsections (4) and (5) of this section, the appropriations required under subsections (1) and (2) of this section must contain:

(A) One amount for each organizational unit or program of each fund that is the total of all amounts for personnel services, materials and services and capital outlay attributable to the organizational unit or program; and

(B) Separate amounts in each fund for operating expenses for personnel services, materials and services and capital outlay that cannot be allocated to a particular organizational unit or program and for debt service, special payments, interfund revenue transfers and operating contingencies.

(b) Separate amounts for activities within an organizational unit or program may be appropriated separately.

(c) For a municipal corporation to which the terms “organizational unit” and “program” do not apply, the appropriations must contain separate amounts for personnel services, materials and services, capital outlay, debt service, special payments, interfund revenue transfers and operating contingencies for each fund.

(4) For a school district or an education service district, the appropriations required under subsections (1) and (2) of this section must contain separate amounts in each major fund for each major function, as prescribed by the Department of Education in consultation with the Department of Revenue, including instruction, support services, enterprise and community services, facilities acquisition and construction, interfund revenue transfers, debt service and operating contingencies.

(5) For a community college district, the appropriations required under subsections (1) and (2) of this section must contain separate amounts in each fund for:

(a) Each major function, as prescribed by the [Department] Office of Community Colleges and Workforce Development in consultation with the Department of Revenue, including instruction, instructional support, student services, community services, college support services, interfund transfers, debt service and operating contingencies;

(b) Each major function as required under subsection (4) of this section; or

(c) Each program or each object classification required under subsection (3) of this section.

(6) Except as provided in ORS 294.338, 294.463, 294.466, 294.471, 294.473 and 294.478, after the governing body has enacted the ordinances or resolutions necessary to adopt the budget as required under this section, an expenditure, or encumbrance if encumbrance accounting is used, of public money may not be made for any purpose in an amount greater than the amount appropriated.

(7) The governing body of a municipal corporation shall record the amount or rate of ad valorem property taxes to be certified and the purposes for which the taxes will be used. Except as provided in ORS 294.476, the municipal corporation may not certify ad valorem property taxes in an amount or rate greater than the amount or rate recorded for the purposes indicated.

(8)(a) The governing body of a municipal corporation shall determine, make and declare ad valorem property taxes under subsections (1) and (2) of this section as a rate per \$1,000 of assessed value if the taxes are operating taxes as defined in ORS 310.055 (1) or rate-based local option taxes.

(b) The governing body shall determine, make and declare ad valorem property taxes under subsections (1) and (2) of this section as an amount if the taxes are certified as amount-based local option taxes, to pay principal and interest on exempt bonded indebtedness or to pay other government obligations described in section 11 (5), Article XI of the Oregon Constitution.

(c) Notwithstanding paragraph (a) of this subsection, the governing body may certify operating taxes as defined in ORS 310.055 (1) as a rate or an amount if less than the full authority is needed to balance the fund that will receive the taxes.

**EDUCATION STATUTES  
(STEM Investment Council)**

**SECTION 74.** ORS 326.500, as amended by section 4, chapter 739, Oregon Laws 2013, is amended to read:

326.500. (1) The STEM Investment Council is established. The council shall function under the joint direction and control of the State Board of Education and the State Board of Higher Education.

(2)(a) The council is established for the purpose of assisting the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** in jointly developing and overseeing a long-term strategy that advances the following educational goals related to science, technology, engineering and mathematics:

(A) Double the percentage of students in 4th and 8th grades who are proficient or advanced in mathematics and science, as determined using a nationally representative assessment of students' knowledge in mathematics and science; and

(B) Double the number of students who earn a post-secondary degree requiring proficiency in science, technology, engineering or mathematics.

(b) Achievement of the goals described in paragraph (a) of this subsection shall be determined based on a comparison between the 2014-2015 school year or academic year and the 2024-2025 school year or academic year.

(3) To advance the educational goals described in subsection (2) of this section, the council shall make recommendations to:

(a) The Superintendent of Public Instruction regarding the administration of the STEM Investment Grant Program established in ORS 327.380; and

(b) The Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** regarding other investments in science, technology, engineering and mathematics that are made or overseen by the State Board of Education or the State Board of Higher Education.

(4) The council consists of nine members from the private sector who are jointly appointed by the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** and serve at the pleasure of the superintendent[, *commissioner and chancellor*] **and the executive director**.

(5) To aid and advise the council in the performance of the council's duties, the council:

(a) Shall recruit educators and administrators from kindergarten through grade 12 and from post-secondary education to be nonvoting advisory members of the council;

(b) May recruit nonvoting advisory members to the council who are in addition to the members identified in paragraph (a) of this subsection; and

(c) May establish advisory and technical committees that the council considers necessary.

(6)(a) The Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** shall jointly appoint a council director. The council director shall serve at the pleasure of the superintendent[, *commissioner and chancellor*] **and executive director**.

(b) Except as otherwise directed by the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive**

**utive director of the Higher Education Coordinating Commission**, the activities of the council shall be directed and supervised by the council director.

(7) Members of the council are not entitled to compensation or reimbursement for expenses and serve as volunteers of the council.

(8) The council shall submit an annual report to the State Board of Education, the State Board of Higher Education and the Legislative Assembly on the progress made toward achieving the goals described in subsection (2) of this section and the distribution of funds under the STEM Investment Grant Program.

**SECTION 75.** ORS 326.500, as amended by sections 4 and 6, chapter 739, Oregon Laws 2013, is amended to read:

326.500. (1) The STEM Investment Council is established. The council shall function under the joint direction and control of the State Board of Education and the State Board of Higher Education.

(2)(a) The council is established for the purpose of assisting the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** in jointly developing and overseeing a long-term strategy that advances the following educational goals related to science, technology, engineering and mathematics:

(A) Having a specified percentage of students in 4th and 8th grades who are proficient or advanced in mathematics and science, as determined using a nationally representative assessment of students' knowledge in mathematics and science; and

(B) Having a specified number of students who earn a post-secondary degree requiring proficiency in science, technology, engineering or mathematics.

(b) Achievement of the goals described in paragraph (a) of this subsection shall be determined based on percentages and numbers determined by the council.

(3) To advance the educational goals described in subsection (2) of this section, the council shall make recommendations to:

(a) The Superintendent of Public Instruction regarding the administration of the STEM Investment Grant Program established in ORS 327.380; and

(b) The Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** regarding other investments in science, technology, engineering and mathematics that are made or overseen by the State Board of Education or the State Board of Higher Education.

(4) The council consists of nine members from the private sector who are jointly appointed by the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** and serve at the pleasure of the superintendent[, *commissioner and chancellor*] **and the executive director**.

(5) To aid and advise the council in the performance of the council's duties, the council:

(a) Shall recruit educators and administrators from kindergarten through grade 12 and from post-secondary education to be nonvoting advisory members of the council;

(b) May recruit nonvoting advisory members to the council who are in addition to the members identified in paragraph (a) of this subsection; and

(c) May establish advisory and technical committees that the council considers necessary.

(6)(a) The Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** shall jointly appoint a council director. The council director shall serve at the pleasure of the superintendent[, *commissioner and chancellor*] **and the executive director**.

(b) Except as otherwise directed by the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive**

**utive director of the Higher Education Coordinating Commission**, the activities of the council shall be directed and supervised by the council director.

(7) Members of the council are not entitled to compensation or reimbursement for expenses and serve as volunteers of the council.

(8) The council shall submit an annual report to the State Board of Education, the State Board of Higher Education and the Legislative Assembly on the progress made toward achieving the goals described in subsection (2) of this section and the distribution of funds under the STEM Investment Grant Program.

**(STEM Investment Grant Program)**

**SECTION 76.** ORS 327.380 is amended to read:

327.380. (1) The STEM Investment Grant Program is established to provide funding to school districts, community colleges and public universities listed in ORS 352.002 to advance the goals described in ORS 326.500 (2).

(2) The STEM Investment Council shall evaluate grant applications and make recommendations on the applications to the Chief Education Officer. Under the direction of the Chief Education Officer, the Department of Education shall distribute moneys for the grant program and otherwise administer the grant program.

(3)(a) An application for a grant awarded under this section may be submitted by:

(A) A school district;

(B) A community college district;

(C) A public university;

(D) The Department of Education;

*[(E) The Department of Community Colleges and Workforce Development;]*

*[(F) The Oregon University System;]*

**(E) The Higher Education Coordinating Commission;**

*[(G)] (F) Any other state agency; or*

*[(H)] (G) Any combination of entities identified in this paragraph that are organized as a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics.*

(b) A grant awarded under this section may be used for:

(A) Classroom or extracurricular activities that further the development of skills related to science, technology, engineering or mathematics; or

(B) A project that is related to science, technology, engineering or mathematics and that involves collaboration with a private entity.

(4) When evaluating applications for a grant, the council:

(a) Shall give priority to applications for activities or projects that produce the largest impact at the lowest cost or for the greatest number of students throughout this state, including grants for activities or projects that:

(A) Are determined by the council to be likely to become self-supporting within three years;

(B) Expand evidence-based, effective practices in science, technology, engineering or mathematics;

(C) Can be replicated by other entities in this state;

(D) Show evidence of attracting matching funds;

(E) If the applicant is an entity identified in subsection (3)(a)(A) to (C) of this section, have demonstrable support from the governing body of the entity;

(F) Help improve access by underrepresented groups to activities that involve science, technology, engineering or mathematics; or

(G) Are elements of a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics;

(b) May give priority to applications for activities or projects that benefit students in more than one student group among students in kindergarten through grade 12, students in community colleges and students in universities;

(c) Shall attempt to achieve a balance, as determined by the council, among grants that are awarded for the sole benefit of students in kindergarten through grade 12, students in community colleges and students in universities; and

(d) Shall take into consideration geographic and demographic diversity.

**SECTION 77.** ORS 327.380, as amended by section 8, chapter 739, Oregon Laws 2013, is amended to read:

327.380. (1) The STEM Investment Grant Program is established to provide funding to school districts, community colleges and public universities listed in ORS 352.002 to advance the goals described in ORS 326.500 (2).

(2) The STEM Investment Council shall evaluate grant applications and make recommendations on the applications to the Superintendent of Public Instruction. Under the direction of the Superintendent of Public Instruction, the Department of Education shall distribute moneys for the grant program and otherwise administer the grant program.

(3)(a) An application for a grant awarded under this section may be submitted by:

(A) A school district;

(B) A community college district;

(C) A public university;

(D) The Department of Education;

*[(E) The Department of Community Colleges and Workforce Development;]*

*[(F) The Oregon University System;]*

**(E) The Higher Education Coordinating Commission;**

*[(G)] (F) Any other state agency; or*

*[(H)] (G) Any combination of entities identified in this paragraph that are organized as a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics.*

(b) A grant awarded under this section may be used for:

(A) Classroom or extracurricular activities that further the development of skills related to science, technology, engineering or mathematics; or

(B) A project that is related to science, technology, engineering or mathematics and that involves collaboration with a private entity.

(4) When evaluating applications for a grant, the council:

(a) Shall give priority to applications for activities or projects that produce the largest impact at the lowest cost or for the greatest number of students throughout this state, including grants for activities or projects that:

(A) Are determined by the council to be likely to become self-supporting within three years;

(B) Expand evidence-based, effective practices in science, technology, engineering or mathematics;

(C) Can be replicated by other entities in this state;

(D) Show evidence of attracting matching funds;

(E) If the applicant is an entity identified in subsection (3)(a)(A) to (C) of this section, have demonstrable support from the governing body of the entity;

(F) Help improve access by underrepresented groups to activities that involve science, technology, engineering or mathematics; or

(G) Are elements of a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics;

(b) May give priority to applications for activities or projects that benefit students in more than one student group among students in kindergarten through grade 12, students in community colleges and students in universities;



- (c) Shall attempt to achieve a balance, as determined by the council, among grants that are awarded for the sole benefit of students in kindergarten through grade 12, students in community colleges and students in universities; and
- (d) Shall take into consideration geographic and demographic diversity.

**(Guidance and Support for Post-Secondary Aspirations Program)**

**SECTION 78.** ORS 327.815 is amended to read:

327.815. (1) The Oregon Education Investment Board shall establish the Guidance and Support for Post-Secondary Aspirations Program to:

(a) Increase the number of students in the ninth grade who are making satisfactory progress toward a high school diploma, a modified diploma or an extended diploma; and

(b) Increase the number of students who earn a high school diploma, a modified diploma or an extended diploma and who enroll in a post-secondary institution of higher education.

(2) To accomplish the purposes of the Guidance and Support for Post-Secondary Aspirations Program, moneys shall be distributed for strategic investments that advance at least one of the following missions:

(a) Supporting comprehensive systems of monitoring and support for struggling students.

(b) Ensuring that middle and high school students who had not considered enrolling in post-secondary education are directed toward, and able to access, post-secondary education opportunities that match their interests and abilities.

(3) Strategic investment moneys distributed as provided by this section shall be as follows:

(a) To the Oregon Student Access Commission for the purposes of supporting an expansion of Access to Student Assistance Programs in Reach of Everyone (ASPIRE) in public middle schools, public high schools and community-based sites across this state.

(b) To the Department of Education for the purposes of:

(A) Distributing moneys to school districts and nonprofit organizations to implement comprehensive systems for monitoring progress and providing individualized planning, mentoring, tutoring or other support services to students in grades 6 through 10 who are not making satisfactory progress toward a high school diploma, a modified diploma or an extended diploma.

(B) Creating a scholarship fund aimed at increasing access for underserved students to post-secondary institutions by paying for first-year college courses or accelerated college credit programs.

(c) To the [Department] **Office** of Community Colleges and Workforce Development for the purpose of distributing moneys to school districts, public schools, post-secondary institutions and nonprofit organizations to educate and engage underserved or first-generation college-bound students and their families through counseling programs, parent advocacy, parent education, college visits, college initiatives and assistance with obtaining financial aid.

**SECTION 79.** ORS 327.815, as amended by section 7, chapter 660, Oregon Laws 2013, is amended to read:

327.815. (1) The State Board of Education shall establish the Guidance and Support for Post-Secondary Aspirations Program to:

(a) Increase the number of students in the ninth grade who are making satisfactory progress toward a high school diploma, a modified diploma or an extended diploma; and

(b) Increase the number of students who earn a high school diploma, a modified diploma or an extended diploma and who enroll in a post-secondary institution of higher education.

(2) To accomplish the purposes of the Guidance and Support for Post-Secondary Aspirations Program, moneys shall be distributed for strategic investments that advance at least one of the following missions:

(a) Supporting comprehensive systems of monitoring and support for struggling students.

(b) Ensuring that middle and high school students who had not considered enrolling in post-secondary education are directed toward, and able to access, post-secondary education opportunities that match their interests and abilities.

(3) Strategic investment moneys distributed as provided by this section shall be as follows:

(a) To the Oregon Student Access Commission for the purposes of supporting an expansion of Access to Student Assistance Programs in Reach of Everyone (ASPIRE) in public middle schools, public high schools and community-based sites across this state.

(b) To the Department of Education for the purposes of:

(A) Distributing moneys to school districts and nonprofit organizations to implement comprehensive systems for monitoring progress and providing individualized planning, mentoring, tutoring or other support services to students in grades 6 through 10 who are not making satisfactory progress toward a high school diploma, a modified diploma or an extended diploma.

(B) Creating a scholarship fund aimed at increasing access for underserved students to post-secondary institutions by paying for first-year college courses or accelerated college credit programs.

(c) To the [Department] **Office** of Community Colleges and Workforce Development for the purpose of distributing moneys to school districts, public schools, post-secondary institutions and nonprofit organizations to educate and engage underserved or first-generation college-bound students and their families through counseling programs, parent advocacy, parent education, college visits, college initiatives and assistance with obtaining financial aid.

#### **(Education and Workforce Policy Advisor)**

**SECTION 80.** ORS 329.850 is amended to read:

329.850. (1) The Education and Workforce Policy Advisor, in consultation with the Department of Education, the [Department] **Office** of Community Colleges and Workforce Development, the Bureau of Labor and Industries, the Oregon Business Development Department and the Department of Human Services, shall propose policies and strategies consistent with this chapter.

(2) The Education and Workforce Policy Advisor's policies and strategies must take into account that:

(a) The state must promote innovative thinking with respect to the curriculum and educational delivery system of Oregon public schools;

(b) The state must require of all youth a level of achievement that prepares them to pursue college, career and technical education programs, apprenticeships, work-based training and school-to-work programs;

(c) Greater employer investment is essential in the ongoing training of all workers to meet workforce needs;

(d) The state must encourage Oregon businesses to improve productivity by creating high performance work organizations that provide high skills and high wage opportunities for youth and adults; and

(e) All employment-related training, education and job placement services and sources of funds must be coordinated among state agencies and boards and must complement the state's overall efforts on behalf of youth and adults.

#### **(Career and Technical Education)**

**SECTION 81.** ORS 344.070 is amended to read:

344.070. (1) The Oregon Department of Administrative Services may draw warrants upon any state fund to which federal funds for training or education have been credited, in payment of vouchers approved by the Superintendent of Public Instruction or the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development** pursuant to rules of the Higher Education Coordinating Commission, in favor of school districts,

education service districts and community college districts, for such sums, not exceeding \$100,000 for a single district in the aggregate, as the commission, by rule, shall determine. The warrants, upon delivery to the districts, shall constitute advances from state funds to enable the districts more readily to effectuate the purposes set forth in any federal law or regulation pertaining to career and technical education or other education or training sponsored by the federal government.

(2) The districts to which moneys are advanced shall be responsible for the full repayment to the state of all sums advanced. The advances are not within any limitation upon indebtedness prescribed by law for districts. The moneys advanced to districts may not exceed in the aggregate the moneys to the credit of the state fund from which they are paid, and shall constitute advances to the recipient district in anticipation of verified vouchers to be supplied therefor. The advances are to be used as revolving funds for the payment of the costs of career and technical education programs, including but not limited to job training, skill development and academic programs offered by youth job development organizations as defined in ORS 344.415. The advances shall be made only in those cases in which the federal government defrays all or part of the cost of such programs.

**SECTION 82.** ORS 344.080 is amended to read:

344.080. (1) All reimbursement vouchers for claims paid from the revolving funds [*mentioned*] **described** in ORS 344.070 shall be approved by the Superintendent of Public Instruction or the [*Commissioner for Community College Services*] **Director of the Office of Community Colleges and Workforce Development** pursuant to rules of the Higher Education Coordinating Commission. When vouchers are so approved, warrants covering the same shall be drawn by the Oregon Department of Administrative Services, payable from the appropriate fund, and be used to reimburse the revolving funds.

(2) The districts receiving the advances shall maintain their accounts and records so as to disclose at all times the true status of the unpaid vouchers issued for the reimbursement of the funds, the district warrants drawn against the funds advanced and the balances to the credit of the funds.

(3) The revolving funds and accounts shall be subject to examination and audit by the state in the manner provided by law for other state funds and accounts. The commission may require an audit of the revolving accounts and shall take proper precautions as to the safety of, and accountability for, all funds advanced.

(4) The commission may require the filing with it of a bond of a corporate surety duly licensed to transact business in this state to [*insure*] **ensure** the proper handling of and responsibility for any funds advanced. The bond shall be cumulative and supplemental to fidelity insurance coverage already held by the district concerned. The state may have recourse to any and all fidelity bonds of clerks or other financial officers of the district to protect such advances.

**SECTION 83.** ORS 344.090 is amended to read:

344.090. When it appears to the Superintendent of Public Instruction or the [*Commissioner for Community College Services*] **Director of the Office of the Colleges and Workforce Development** that the training and educational programs for which funds are advanced under ORS 344.070 have been completed, or that the need for the advances or revolving funds no longer exists, or that the sums advanced are not being properly handled or accounted for, the superintendent or [*commissioner*] **director** may require that all or part of the amounts advanced to any district shall be returned, with any interest earned, to the state funds or accounts from which the amounts originally were withdrawn. Upon receipt of notification from the superintendent or [*commissioner*] **director** that funds advanced are to be returned, the district concerned shall immediately repay the same to the State Treasurer, for credit to the proper fund or account. To the extent that funds advanced are so repaid, security or protection theretofore required by the Higher Education Coordinating Commission under ORS 344.080 (4) to [*insure*] **ensure** the safety of such funds may be released.

**SECTION 84.** ORS 344.125 is amended to read:

344.125. (1) Representatives from the Department of Education, the [*Department*] **Office** of Community Colleges and Workforce Development and the Bureau of Labor and Industries shall meet

at least four times each year for the purpose of promoting collaboration [*between*] **among** the agencies on issues related to career and technical education.

(2) Issues to be addressed by the agencies shall include the development and implementation of long-term goals that:

(a) Ensure that career and technical education programs are available at the public schools of this state and through youth job development organizations as defined in ORS 344.415, are founded on partnerships with business and industry and receive appropriate investments of time, money and other resources.

(b) Develop regional centers that establish any appropriate partnerships between public schools, community colleges, public universities, businesses, unions and other entities and that ensure that every student of this state has access to a regional center in person or online.

(c) Encourage the establishment of joint high school and community college advisory committees that may include representatives of public schools, community colleges, public universities, businesses and unions to:

(A) Make more effective use of resources;

(B) Promote articulation and pathways between high school programs and post-secondary school programs;

(C) Ensure that current industry workforce needs are considered and that curriculum is kept current with state standards; and

(D) Increase opportunities for internships, apprenticeships and other opportunities that may lead to employment in the region.

(d) Address academic requirements and regulatory barriers that inhibit successful movement of students in career and technical education from high schools to post-secondary school programs and the workforce.

(e) Implement accelerated college credit programs that allow students to move seamlessly from public schools to post-secondary education or training to the workforce.

(f) Increase professional development opportunities for teachers and learning opportunities for students through industry mentorships, internships, summer programs, after-school programs and career-based student leadership opportunities.

(g) Establish partnerships between public and private entities for the purpose of educating students, parents, teachers, school advisors, policymakers and the general public about the benefits and opportunities related to career and technical education.

(3) The agencies identified in subsection (1) of this section shall make a joint report by December 31 of each year to the appropriate legislative committees concerning progress on the development and implementation of the goals described in subsection (2) of this section and may submit recommendations for legislation that will promote opportunities related to career and technical education.

#### **(Oregon Nursing Shortage Coalition Committee)**

**SECTION 85.** ORS 353.606 is amended to read:

353.606. (1) There is created the Oregon Nursing Shortage Coalition Committee.

(2) The committee consists of 10 members, as follows:

(a) Two members who represent the Oregon State Board of Nursing appointed by the board.

(b) Two members who represent the Northwest Organization of Nurse Executives appointed by the Oregon State Board of Nursing from a list of persons submitted to the board by the Northwest Organization of Nurse Executives.

(c) Two members who represent the Oregon Nurses Association appointed by the Oregon State Board of Nursing from a list of persons submitted to the board by the Oregon Nurses Association.

(d) One member appointed by the Oregon State Board of Nursing who represents Oregon-based, generally accredited, not-for-profit private institutions of higher education from a list of persons submitted to the board by the Oregon Independent Colleges Association.

(e) Two members appointed by the [*Commissioner for Community College Services*] **Director of the Office of Community Colleges and Workforce Development** from a list of persons submitted to the [*commissioner*] **director** by the Oregon Community College Association.

(f) One member who represents Oregon Health and Science University appointed by the university.

(3) When appointing members to the committee, the Oregon State Board of Nursing, the [*Commissioner for Community College Services*] **Director of the Office of Community Colleges and Workforce Development** and Oregon Health and Science University shall ensure that there is at least one member from each of the following areas of the state:

- (a) Rural western Oregon.
- (b) Coastal Oregon.
- (c) Eastern Oregon.
- (d) Urban areas.

(4) The term of office of each member is four years, but a member serves at the pleasure of the appointing authority. Before the expiration of the term of a member, the appointing authority shall appoint a successor whose term begins on July 1 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the unexpired term.

(5) The committee shall elect one of its members to serve as chairperson and another to serve as vice chairperson, for the terms and with the duties and powers necessary for the performance of the functions of such offices as the committee determines.

(6) The committee shall meet at times and places specified by the call of the chairperson or of a majority of the members of the committee.

(7) A majority of the members of the committee constitutes a quorum for the transaction of business.

(8) Members of the committee are entitled to actual and necessary travel expenses in the manner and amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions of the committee shall be paid out of funds received by Oregon Health and Science University for that purpose.

(9) Oregon Health and Science University shall provide staff support to the committee.

## **CONFORMING AMENDMENTS**

**SECTION 86.** ORS 408.506 is amended to read:

408.506. The Department of Human Services, the Department of Transportation, the Housing and Community Services Department, the Employment Department, the Department of Justice, the Judicial Department, the Oregon University System, public universities with governing boards listed in ORS 352.054, the Bureau of Labor and Industries, the [*Department*] **Office** of Community Colleges and Workforce Development and the Department of Veterans' Affairs shall partner with the Oregon Military Department to provide reintegration services for veterans throughout this state through regional strategies.

**SECTION 87.** ORS 413.600 is amended to read:

413.600. (1) There is established within the Oregon Health Authority the Traditional Health Workers Commission.

(2) The Director of the Oregon Health Authority shall appoint the following 19 members to serve on the commission:

(a) Ten members, at least six of whom must be appointed from nominees provided by the Oregon Community Health Workers Association, who represent traditional health workers, including at least one member to represent each of the following:

- (A) Community health workers;
- (B) Personal health navigators;
- (C) Peer wellness specialists; and

- (D) Doulas;
- (b) One member who represents the [Department] **Office** of Community Colleges and Workforce Development;
- (c) One member who is a community health nurse who represents the Oregon Nurses Association;
- (d) One member who is a physician who represents the Oregon Medical Association;
- (e) One member selected from nominees provided by the Home Care Commission;
- (f) One member who represents coordinated care organizations;
- (g) One member who represents a labor organization;
- (h) One member who supervises traditional health workers at a community-based organization, local health department, as defined in ORS 433.235, or agency, as defined in ORS 183.310;
- (i) One member who represents community-based organizations or agencies, as defined in ORS 183.310, that provide for the training of traditional health workers; and
- (j) One member who represents a consumer of services provided by health workers who are not licensed by this state.

(3) In appointing members under subsection (2) of this section, the director shall consider whether the composition of the Traditional Health Workers Commission represents the geographic, ethnic, gender, racial, disability status, gender identity, sexual orientation and economic diversity of traditional health workers.

(4) The term of office of each member of the commission is three years, but a member serves at the pleasure of the director. Before the expiration of the term of a member, the director shall appoint a successor whose term begins on January 1 next following. A member is eligible for re-appointment. If there is a vacancy for any cause, the director shall make an appointment to become immediately effective for the unexpired term.

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

(6) Official action by the commission requires the approval of a majority of the members of the commission.

(7) The commission shall elect one of its members to serve as chairperson.

(8) The commission shall meet at times and places specified by the call of the chairperson or of a majority of the members of the commission.

(9) The commission may adopt rules necessary for the operation of the commission.

(10) A member of the commission is entitled to compensation and expenses as provided in ORS 292.495.

**SECTION 88.** ORS 417.799 is amended to read:

417.799. (1) The Department of Human Services is responsible for coordinating statewide planning for delivery of services to runaway and homeless youth and their families.

(2) The department shall recommend policies that integrate a system of services and support for runaway and homeless youth into the state's continuum of care for children who are 0 through 17 years of age. The department shall recommend policies for a system of services and support for youth who are 18 through 20 years of age and who continue to be or who become homeless.

(3) The department may work with the Youth Development Division, the Employment Department, the Housing and Community Services Department, the [Department] **Office** of Community Colleges and Workforce Development, the Department of Education and the Oregon Youth Authority to develop a comprehensive and coordinated approach for services and support for runaway and homeless youth and their families, including youth who are 18 through 20 years of age and who continue to be or who become homeless.

(4) In addition to the entities listed in subsection (3) of this section, the department shall include representatives of youth, nonprofit organizations and statewide coalitions related to runaway and homeless youth services and supports, including services and supports for youth who are 18 through 20 years of age and who continue to be or who become homeless, in the joint process described in subsection (3) of this section.

(5) The department may enter into and renew contracts with providers for the provision of services to runaway and homeless youth and their families, including services to youth who are 18 through 20 years of age and who continue to be or who become homeless.

**SECTION 89.** ORS 418.653 is amended to read:

418.653. (1) Subject to the availability of funds therefor, there is created an Oregon Youth Conservation Corps that shall provide emergency services, public conservation, rehabilitation and improvement programs. The corps shall be headed by a program director, and shall be administered through the [Department] **Office** of Community Colleges and Workforce Development.

(2) Upon implementation of subsection (1) of this section, there shall be created an Oregon Youth Conservation Corps Advisory Committee to consist of nine members, three to be appointed by the President of the Senate, three to be appointed by the Speaker of the House of Representatives and three public members to be appointed by the Governor. No more than one Senator and one Representative shall be appointed.

(3) Committee members may receive reimbursement of necessary and actual expenses under ORS 292.495 (2), but may not receive compensation under ORS 292.495 (1) or otherwise for participation as a committee member.

(4) Committee members may be removed by the appointing authority. Vacancies shall be filled by the appointing authority. Committee members shall serve for a term of three years and may be reappointed for an additional consecutive term.

(5) The advisory committee established under subsection (2) of this section shall advise the program director on the implementation of ORS 418.650 to 418.663.

**SECTION 90.** ORS 418.657 is amended to read:

418.657. (1) In consultation with the Oregon Youth Conservation Corps Advisory Committee and the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development**, the program director of the Oregon Youth Conservation Corps shall:

(a) Establish eligibility criteria for participants. Such criteria shall not render the program ineligible for federal funds. Participants shall be lawful permanent residents of [the] **this** state.

(b) Establish criteria in order to make the required determination that enrollment in the corps was not the reason that an individual ceased attendance at a secondary school.

(c) Assume that application of the eligibility and participation criteria results in enrollment of at least 75 percent disadvantaged and at-risk youth among the total number of participants.

(2) The program director, in consultation with the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development**, may take the following actions, including but not limited to:

(a) Applying for and accepting grants or contributions of funds from any public or private source;

(b) Making agreements with any local, state or federal agency to utilize any service, material or property of any such agency, where such agreements are considered reasonable and necessary; and

(c) Purchasing or contracting for necessary private services, equipment, materials and property where such are needed to carry out the projects approved for and undertaken by the corps.

(3) The Higher Education Coordinating Commission may adopt all necessary rules to carry out the purposes and objectives of the program and to regulate the standards of conduct and other operating guidelines for corps members and other personnel.

(4) Corps members are exempt from:

(a) State Personnel Relations Law; and

(b) ORS 279C.800 to 279C.870.

**SECTION 91.** ORS 418.658 is amended to read:

418.658. (1) The program director of the Oregon Youth Conservation Corps shall establish a separate program known as the Oregon Community Stewardship Corps. In addition to the established purposes of the Oregon Youth Conservation Corps, the purpose of the Oregon Community Stewardship Corps is to promote community service activities throughout the state for a broad cross

section of Oregon disadvantaged and at-risk youth through programs that also include appropriate educational and job training opportunities for participants.

(2) In addition to projects submitted under ORS 418.660 (1), projects of the Oregon Community Stewardship Corps may include, but shall not be limited to:

- (a) Child care services.
- (b) Elderly and disabled care services.
- (c) Literacy education programs.
- (d) Recycling and other waste reduction services.

(3) The Oregon Community Stewardship Corps shall offer employment and educational opportunities of at least three but not more than 12 months' duration for selected participants.

(4) Under rules adopted by the Higher Education Coordinating Commission, participants who successfully complete any 12-month program under this section shall be eligible for \$1,500 in tuition vouchers that can be used at any career school or post-secondary educational institution that is qualified to receive assistance through the Executive Director of the Office of Student Access and Completion.

(5) All Oregonians who are at least 13 years of age and under 25 years of age are eligible to participate in the program. To ensure that Oregon Community Stewardship Corps participants represent a broad cross section of Oregonians, special emphasis shall be given to recruiting school dropouts and other disadvantaged and at-risk youth, according to criteria established by the Oregon Youth Conservation Corps Advisory Committee.

(6) To the extent practicable, the program director shall enlist state and federal agencies, local government, nonprofit organizations and private businesses, and any combination of such entities, to act as sponsors for programs administered under this section. Selection of sponsors shall be based on criteria that include the following:

(a) The availability of other resources on a matching basis, including contributions from private sources, other federal, state and local agencies, and moneys available through the federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

(b) The provision of related educational and job training programs to participants, including but not limited to school and college coursework, General Educational Development (GED) tests equivalency training, project-related education and professional training;

(c) Assurances that proposed projects will not displace existing employees or duplicate existing private or government programs; and

(d) Assurances that proposed projects are devoted to the enhancement of the community and are not based in maintenance activities and that these projects meet an identified need.

(7) In consultation with the advisory committee and the [*Commissioner for Community College Services*] **Director of the Office of Community Colleges and Workforce Development**, the program director shall make grants for programs administered under this section.

**SECTION 92.** ORS 418.660 is amended to read:

418.660. (1) The programs established under ORS 418.650 to 418.663 may include, but shall not be limited to, projects such as:

- (a) Rangeland conservation, rehabilitation and improvement;
- (b) Endangered species and other wildlife habitat conservation, rehabilitation and improvement;
- (c) Urban revitalization;
- (d) Historical and cultural site preservation and maintenance;
- (e) Recreational area development, maintenance, improvement and beautification;
- (f) Road and trail maintenance and improvement;
- (g) Soil conservation work, including erosion control;
- (h) Flood, drought and storm damage assistance and relief;
- (i) Stream, lake, waterfront harbor and port improvement and pollution control;
- (j) Fish culture and habitat maintenance and improvement;
- (k) Insect, disease, rodent and other pestilence control;
- (L) Improvement of abandoned railroad land and right of way;



(m) Land reclamation and improvement, including strip-mined lands, public landscape work and tree planting programs;

(n) Energy conservation projects including assistance in the performance of energy efficiency audits, weatherization and renewable resource enhancement;

(o) Emergency assistance in times of natural or other disaster; and

(p) Recycling projects.

(2) In consultation with the Oregon Youth Conservation Corps Advisory Committee and the [Commissioner for Community College Services] **Director of the Office of Community Colleges and Workforce Development**, the program director of the Oregon Youth Conservation Corps shall ensure that projects selected under ORS 418.650 to 418.663 shall be consistent with all other provisions of applicable state and federal law relating to the management, oversight and administration of affected public lands.

**SECTION 93.** ORS 421.084 is amended to read:

421.084. (1) The Administrator of Correctional Education shall administer an adult basic skills development program for all individuals in the custody of the Department of Corrections. The program shall:

(a) Test individuals for basic reading and mathematics skills or, for individuals with limited English language proficiency, English speaking skills. Testing for basic intelligence, learning disabilities, developmental disabilities and adaptive behavior skills shall be administered as needed except that the administrator may accept equivalent test results from other sources.

(b) Except as provided in subsection (2) of this section, be mandatory for all individuals testing below a 8.0 grade equivalency on a standardized reading test approved by the National Reporting System for Adult Education of the United States Department of Education and by the Adult Basic Skills Program of the [Department] **Office of Community Colleges and Workforce Development**.

(c) Provide progress testing and certification.

(d) Provide strong incentives for entering the program and for achieving the minimum reading level and, for those individuals with demonstrated ability, provide incentives for making progress toward earning a General Educational Development (GED) certificate.

(e) Maintain records of an individual's achievement in the program and make those records available to the State Board of Parole and Post-Prison Supervision.

(2) Testing for basic skills and participation in the adult basic skills development program are not required for inmates:

(a) Sentenced to or otherwise confined by the department for less than one year;

(b) Sentenced to life imprisonment without parole;

(c) Sentenced to death;

(d) With developmental disabilities; or

(e) Who are specifically exempted by the Department of Corrections for security or health reasons.

**SECTION 94.** ORS 458.525 is amended to read:

458.525. (1) The Interagency Council on Hunger and Homelessness is established. The Director of the Housing and Community Services Department shall chair the council. In addition to the director, the council shall consist of 15 members as follows:

(a) One member representing each of the following:

(A) The Housing and Community Services Department.

(B) The Department of Corrections.

(C) The Oregon Business Development Department.

(D) The Early Learning Division.

(E) The Department of Education.

(F) The State Department of Agriculture.

(G) The Employment Department.

(H) The Department of Veterans' Affairs.

(I) The Department of Transportation.

- (J) The Oregon Youth Authority.
- (K) The [Department] Office of Community Colleges and Workforce Development.
- (L) The Department of Justice.
- (M) The Oregon Health Authority.
- (b) Two members representing the Department of Human Services. Of the two members representing that department:
  - (A) One shall have expertise on issues affecting services to adults and families.
  - (B) One shall have expertise on issues affecting services to seniors and to persons with disabilities.
- (2) Each council member must be the administrative head of the listed agency or an employee of that agency who is designated by the administrative head and who has an agency policy-making role affecting hunger, food programs, nutrition, homelessness or related issues.
- (3) The Hunger Relief Task Force shall adopt recommendations and proposals as the task force deems appropriate. The council shall be responsible for receiving the recommendations and proposals adopted by the task force and the recommendations of any state body relating to the issue of homelessness, and for forwarding the recommendations and proposals to state agencies or other public or private organizations for action that the council deems appropriate:
  - (a) To ensure the coordination of state agency hunger relief efforts and homelessness relief efforts;
  - (b) To ensure that food and nutrition programs, other hunger relief efforts and homelessness relief efforts operate efficiently and effectively;
  - (c) To monitor the utilization of federal hunger relief efforts and homelessness relief efforts and provide outreach to expand underutilized programs; and
  - (d) To encourage the coordination of state and local programs, public and private antipoverty programs affecting food distribution and programs for assisting the homeless.
- (4) The Director of the Housing and Community Services Department, in collaboration with the Director of Human Services, shall convene council meetings at least quarterly.
- (5) The Director of the Housing and Community Services Department shall provide the council with staff support the director deems appropriate, by using Housing and Community Services Department employees or by contract. The director shall also provide the council with supplies as the director deems appropriate.

**SECTION 95.** ORS 576.768 is amended to read:

- 576.768. (1) The report submitted by the Oregon Wine Board under ORS 182.472 must include a description of the long term strategic plan created by the board and a description of the progress made in implementing the statewide strategic objectives of the board during the most recent biennium.
- (2) Notwithstanding ORS 182.462:
    - (a) The board shall prepare and submit annual plans and a budget recommended by the board for promotion and for research during the next fiscal year.
    - (b) The board shall adopt rules specifying the procedures, criteria and timelines for the preparation and approval of the annual plans and budget for promotion and for research.
    - (c) The Director of the Oregon Business Development Department shall review the budget and plans submitted under this section. In reviewing the annual plans and budget, the director shall consider whether the information supplied by the board is factual and consistent with ORS 576.750 to 576.775 and the positive development of the Oregon wine grape growing and wine making industries. The director shall either approve the budget and plans prior to the commencement of the next fiscal year or disapprove and return the budget and plans to the board with conditions necessary for approval prior to the commencement of the next fiscal year. In reviewing the budget and plans, the director may consult with and receive coordinated support from:
      - (A) The State Department of Agriculture;
      - (B) The Oregon Tourism Commission;

(C) *[The Oregon University System, or if Oregon State University establishes a governing board,]* Oregon State University;

(D) The *[Department]* **Office** of Community Colleges and Workforce Development; and

(E) The Oregon Liquor Control Commission.

**SECTION 96.** ORS 657.350 is amended to read:

657.350. The Director of the Employment Department, in consultation with the *[Department]* **Office** of Community Colleges and Workforce Development, shall promulgate rules as necessary for the administration of ORS 657.335 to 657.360, including but not limited to procedures for approval, undertaking periodic reviews for continued approval, or for disapproval of career and technical training for an individual.

**SECTION 97.** ORS 657.734 is amended to read:

657.734. (1) As used in this section:

(a) “Public body” has the meaning given that term in ORS 192.410.

(b) “System participant” means:

(A) Mandatory partners under the federal Workforce Investment Act of 1998 (enacted as P.L. 105-220 and codified as 29 U.S.C. 2801 et seq.) and other one-stop system partners, which may include public bodies and private organizations; and

(B) Public bodies and private organizations that have been approved by the Director of the Employment Department, in consultation with the Education and Workforce Policy Advisor, to participate in the Performance Reporting Information System.

(2) There is established the Performance Reporting Information System for the purpose of collecting, analyzing and sharing statistical and demographic data for the development and reporting of workforce system performance measures.

(3) The Performance Reporting Information System is intended to share the data described in subsection (2) of this section, by agreement, with all system participants.

(4) The Director of the Employment Department shall administer and, in consultation with the Education and Workforce Policy Advisor, oversee the development of the Performance Reporting Information System. System participants shall be designated as participants in the system by rule of the Employment Department, in consultation with the Education and Workforce Policy Advisor. A system participant shall enter into an interagency or other applicable agreement with the director that:

(a) Establishes protocols for the collection and sharing of data in the system;

(b) Establishes safeguards for protecting the confidentiality of data in the system;

(c) Includes provisions regarding informed consent for sharing information obtained from individuals; and

(d) Provides for the sharing of costs for developing and maintaining the system.

(5)(a) All individual record information in the Performance Reporting Information System is confidential and may not be disclosed as a public record under the provisions of ORS 192.410 to 192.505. As administrator of the system, the director may view all data or individual record information in the system. System participants may not allow public access to information received from the system that identifies a particular individual unless required by law. System participants shall limit the disclosure of, or refuse to disclose, aggregate or summary level information when a small number of aggregated records or some other factor creates a reasonable risk that the identity of individuals may be discovered or disclosed.

(b) System participants shall provide information in a format that encodes identifying data, including the client’s Social Security number, using a formula unique to the system participant. In disclosing Social Security numbers to the system, system participants shall comply with any state and federal laws that govern the collection and use of Social Security numbers by the system participant and any additional requirements specified by the director, in consultation with the Education and Workforce Policy Advisor, that are included in the agreement entered into under subsection (4) of this section.

(6) The information in the Performance Reporting Information System is not a public record for purposes of ORS 192.410 to 192.505. For purposes of ORS 192.410 to 192.505, the information submitted to the system and the information received from the system is a public record, and the custodian of such information is the system participant that submits or receives the information. If the system participant receiving the information is not a public body, the department shall keep a copy of the system information sent to that system participant and shall be the custodian of that copy for purposes of ORS 192.410 to 192.505. As custodian, the department shall limit the disclosure of, or refuse to disclose, aggregate or summary level information when a small number of aggregated records or some other factor creates a reasonable risk that the identity of individuals may be discovered or disclosed. The department shall refer all other requests for disclosure of system information to the public body that is the custodian of the information.

(7) The department may charge a reasonable fee under ORS 192.440 for the disclosure of reports containing only aggregate data to individuals, public bodies or private organizations.

(8) If a system participant prepares or acquires a record that is confidential under federal or state law, including ORS 192.502 (2), the system participant does not violate state confidentiality laws by providing the information described in this section to the Performance Reporting Information System. Notwithstanding the provisions of ORS 279C.815 (4), 279C.850 (3), 657.665 and 660.339, the Bureau of Labor and Industries, the [Department] Office of Community Colleges and Workforce Development and the Employment Department are authorized to provide information to the system.

(9) Any individual who, without proper authority, discloses confidential information under this section may be disqualified from holding any appointment or employment with the State of Oregon. The department shall adopt by rule procedures to prevent disclosure of confidential information submitted to the Performance Reporting Information System.

**SECTION 98.** ORS 759.445 is amended to read:

759.445. (1) There is established in the State Treasury, separate and distinct from the General Fund, the Connecting Oregon Communities Fund. Moneys in the fund shall consist of amounts deposited in the fund under ORS 759.405 and any other moneys deposited by a telecommunications carrier that elects to be subject to ORS 759.405 and 759.410, including amounts deposited pursuant to a performance assurance plan implemented by a telecommunications carrier in connection with an application under 47 U.S.C. 271, as in effect on January 1, 2002. Interest earned on moneys in the fund shall accrue to the fund. Moneys in the fund may be invested as provided in ORS 293.701 to 293.857. Moneys in the fund shall be used to provide access to advanced telecommunications technology in elementary schools and high schools, colleges and universities, community colleges, public television corporations, rural health care providers, public libraries and other eligible persons.

(2) Two dedicated accounts shall be established within the Connecting Oregon Communities Fund for purposes of supporting education and public access to advanced telecommunications services. The first \$25 million of the moneys deposited in the Connecting Oregon Communities Fund in both 2000 and 2001 shall be appropriated to the School Technology Account established under subsection (3) of this section. Except as provided in subsection (8) of this section, any additional moneys available in the fund shall be appropriated to the Public Access Account established under subsection (4) of this section.

(3) There is established the School Technology Account within the Connecting Oregon Communities Fund. The purpose of the School Technology Account is to improve access to advanced telecommunications services for students attending public school in kindergarten through grade 12. Moneys in the account shall be expended as provided in section 34, chapter 1093, Oregon Laws 1999.

(4)(a) There is established the Public Access Account within the Connecting Oregon Communities Fund. The purpose of the Public Access Account is to improve access to advanced telecommunications services for community colleges, universities, public libraries and rural health care providers.

(b) If funding has not been provided from other sources, the first \$3 million available in the Public Access Account shall be transferred to the Oregon University System for the purpose of

funding the Oregon Wide Area Network project to provide and expand Internet access for the Oregon University System. The Oregon University System shall complete an audit of bandwidth utilization and report to the Joint Legislative Committee on Information Management and Technology during the Seventy-first Legislative Assembly in the manner provided in ORS 192.245.

(c) Following the transfer of funds described in paragraph (b) of this subsection, the next \$1 million available in the Public Access Account shall be transferred to the Oregon University System for Oregon State University for the purpose of providing virtual access to persons with disabilities.

(d) Following the transfer of funds as described in paragraphs (b) and (c) of this subsection, the next \$2 million available in the Public Access Account shall be transferred to the [*Department of Community Colleges and Workforce Development*] **Higher Education Coordinating Commission** for distribution to community colleges for the purpose of developing connectivity and distance education programs.

(e) Following the transfer of funds described in paragraphs (b) to (d) of this subsection, the next \$4 million available in the Public Access Account shall be transferred to the Oregon University System for video transport and network management services for the Oregon University System.

(f) Following the transfer of funds described in paragraphs (b) to (e) of this subsection, the next \$5.5 million available in the Public Access Account shall be transferred to the Oregon Public Broadcasting Corporation for the purpose of digitizing the state television network, using the Oregon Enterprise Network when possible.

(g) Following the transfer of funds described in paragraphs (b) to (f) of this subsection, the next \$500,000 available in the Public Access Account shall be transferred to the Southern Oregon Public Television Corporation for the purpose of digitizing the state television network, using the Oregon Enterprise Network when possible.

(h) Following the transfer of funds described in paragraphs (b) to (g) of this subsection, a public university listed in ORS 352.002 or the Oregon Health and Science University may apply for one-time matching funds up to \$1 million from the Public Access Account to endow a telecommunications chair for the purpose of increasing research and development of advanced telecommunications services applications. Only one chair may be endowed under this paragraph.

(5)(a) The Oregon Business Development Commission shall approve expenditure of any remaining moneys in the Public Access Account consistent with this section and ORS 759.430.

(b) Community colleges, public universities listed in ORS 352.002, public libraries, public television corporations and rural health care providers may apply to the Oregon Business Development Commission for funding from the Public Access Account under this subsection.

(c) Funds received from the account shall be used for the purchase of advanced telecommunications services, equipment or recurring costs of telecommunications connectivity. Priority shall be given to collaborative projects that improve access to advanced telecommunications services.

(d) Funds available in the Public Access Account under this subsection are continuously appropriated to the Oregon Business Development Department for the purposes described in this subsection.

(6) Public libraries and rural health care providers must apply for federal universal service support in order to be eligible for a grant from the Public Access Account.

(7) The video transport and network management services purchased with funds made available under this section shall be purchased through the Oregon Department of Administrative Services.

(8) Any moneys deposited in the Connecting Oregon Communities Fund under subsection (1) of this section pursuant to a performance assurance plan implemented by a telecommunications carrier in connection with an application under 47 U.S.C. 271, as in effect on January 1, 2002, shall be placed in the School Technology Account to be expended as provided in section 34, chapter 1093, Oregon Laws 1999.

**SECTION 99.** Section 1, chapter 90, Oregon Laws 2010, as amended by section 1, chapter 373, Oregon Laws 2011, is amended to read:

**Sec. 1.** (1) There is created the Grow Oregon Council, consisting of 19 members appointed as follows:

- (a) The President of the Senate shall appoint:
  - (A) Two members from among members of the Senate who shall be from different political parties.
  - (B) Two members representing municipal or regional economic development organizations.
  - (C) One member who shall be a current or former business leader with fast-growth business experience.
    - (b) The Speaker of the House of Representatives shall appoint:
      - (A) Two members from among members of the House of Representatives who shall be from different political parties.
      - (B) Two members representing municipal or regional economic development organizations.
      - (C) One member who shall be a current or former business leader with fast-growth business experience.
        - (D) One member representing a nonprofit business development organization.
    - (c) The [Chancellor of the Oregon University System] **executive director of the Higher Education Coordinating Commission** shall appoint:
      - (A) One member representing the **Oregon University** System who shall be a current or former business leader.
      - (B) **One member representing the community colleges in this state.**
    - (d) The Director of the Oregon Business Development Department shall appoint:
      - (A) One member representing the department.
      - (B) One member representing a small business development center who shall be a current or former business leader.
- [e] *The Department of Community Colleges and Workforce Development shall appoint one member representing the community colleges in this state.*
- [f] (e) The Governor shall appoint:
  - (A) Two members who are currently principals of Oregon-based companies, or have been principals of Oregon-based companies within the past five years; and
  - (B) Two members who represent trade associations.
- [g] (f) At least two of the nonlegislative members appointed should have knowledge of advanced market research tools and their application.
  - (2) The council shall:
    - (a) Identify and assess Oregon's continuum of business development services with particular attention to the needs of stage two, high-growth businesses, advanced market research, including but not limited to connectivity among business service providers, and infrastructure to support entrepreneurship and growth company capacity building.
    - (b) Collaborate with state and local governments and their departments, community colleges, institutions of higher education and business and economic development organizations to identify areas for program modification, enhancement, coordination and creation to deliver a more robust continuum of services for stage two, high-growth businesses consistent with the principles of economic gardening.
    - (c) Make recommendations to the Seventy-seventh Legislative Assembly for program modification, enhancement, coordination and creation to deliver a more robust continuum of services for stage two, high-growth businesses consistent with the principles of economic gardening.
    - (d) Recommend program areas in which Oregon University System graduate programs and community colleges may choose to participate in order to assist in providing a more robust continuum of services for stage two, high-growth businesses consistent with the principles of economic gardening, including but not limited to courses of study and internships.
    - (e) Make recommendations for criteria for stage two, high-growth businesses as the criteria relate to recommended strategies for fast-growth stage-two business development.
    - (f) Make recommendations for key metrics and outcomes to be measured should the state create an economic gardening program.

(g) Make recommendations for how an economic gardening program may fit within efforts under way to support the development of the state's minority, women and emerging small business enterprises.

(h) Explore opportunities for connecting market research and economic gardening services to capital access programs, including but not limited to the Building Opportunities for Oregon Small Business Today (BOOST) Account.

(i) Explore opportunities for facilitating the access of stage two, high-growth businesses to international markets.

(j) Advise the Oregon Business Development Department or other administering entity on a pilot program providing economic gardening services, if such a pilot program is authorized.

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

(4) Official action by the council requires the approval of a majority of the members of the council.

(5) The council shall elect one of its members to serve as chairperson.

(6) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(7)(a) The council shall meet at least once every three months, at times and places specified by the call of the chairperson or of a majority of the members of the council.

(b) The Grow Oregon Council shall cease meeting once the council:

(A) Completes its evaluation of the implementation of the pilot program providing economic gardening services, if such a program is authorized; or

(B) Recommends against implementation of a pilot program.

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

(9) Notwithstanding ORS 171.072, members of the council who are members of the Legislative Assembly are not entitled to mileage expenses or a per diem and serve as volunteers on the council. Other members of the council are not entitled to compensation or reimbursement for expenses and serve as volunteers on the council.

(10) All agencies of state government, as defined in ORS 174.111, are directed to assist the council in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the council consider necessary to perform their duties.

## **REPEAL**

**SECTION 100. ORS 341.739 and 348.890 are repealed.**

## **NAME CHANGE PROVISIONS**

**SECTION 101. (1)(a) The amendments to ORS 351.755 by sections 1 and 2 of this 2015 Act are intended to change the name of the "Department of Community Colleges and Workforce Development" to the "Office of Community Colleges and Workforce Development."**

**(b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel may substitute for words designating the "Department of Community Colleges and Workforce Development," wherever they occur in statutory law, other words designating the "Office of Community Colleges and Workforce Development."**

**(2)(a) The amendments to ORS 351.762 by sections 3 and 4 of this 2015 Act are intended to change the name of the "Commissioner for Community College Services" to the "Director of the Office of Community Colleges and Workforce Development."**

**(b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel may substitute for words designating the "Commissioner for Community College Services,"**

wherever they occur in statutory law, other words designating the “Director of the Office of Community Colleges and Workforce Development.”

(3)(a) The amendments to ORS 351.758 by sections 5 and 6 of this 2015 Act are intended to change the name of the “Department of Community Colleges and Workforce Development Account” to the “Office of Community Colleges and Workforce Development Account.”

(b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel may substitute for words designating the “Department of Community Colleges and Workforce Development Account,” wherever they occur in statutory law, other words designating the “Office of Community Colleges and Workforce Development Account.”

#### TRANSFER OF UNEXPENDED BALANCES

**SECTION 102.** (1) The unexpended balances authorized to be expended by the Department of Community Colleges and Workforce Development for a one-year period beginning July 1, 2015, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred from the Department of Community Colleges and Workforce Development to the Higher Education Coordinating Commission by the amendments to statutes by sections 1 to 99 of this 2015 Act by acquiring, constructing, improving, repairing, equipping and furnishing buildings, structures, land and other projects at community colleges pursuant to section 7 (1) and (7), chapter 904, Oregon Laws 2009, and section 4 (3), chapter \_\_\_\_\_, Oregon Laws 2015 (Enrolled House Bill 5006), are transferred to and are available for expenditure by the Higher Education Coordinating Commission for the one-year period specified for the purpose of administering and enforcing the duties, functions and powers transferred by the amendments to statutes by sections 1 to 99 of this 2015 Act.

(2) The unexpended balances authorized to be expended by the Department of Community Colleges and Workforce Development for a two-year period beginning July 1, 2015, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred from the Department of Community Colleges and Workforce Development to the Higher Education Coordinating Commission by the amendments to statutes by sections 1 to 99 of this 2015 Act for community college districts for capital construction, deferred maintenance capital renewal, code compliance and safety projects pursuant to section 2, chapter 78, Oregon Laws 2012, and section 11 (1), (3), (4) to (6), (8), (10), (11), (13), (14) and (17), chapter 79, Oregon Laws 2012, are transferred to and are available for expenditure by the Higher Education Coordinating Commission for the two-year period specified for the purpose of administering and enforcing the duties, functions and powers transferred by the amendments to statutes by sections 1 to 99 of this 2015 Act.

(3) The unexpended balances authorized to be expended by the Department of Community Colleges and Workforce Development for a period ending July 1, 2015, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred from the Department of Community Colleges and Workforce Development to the Higher Education Coordinating Commission by the amendments to statutes by sections 1 to 99 of this 2015 Act by acquiring, constructing, improving, repairing, equipping and furnishing buildings, structures, land and other projects at community colleges pursuant to section 7 (9), chapter 904, Oregon Laws 2009, are transferred to and are available for expenditure by the Higher Education Coordinating Commission for the six-year period specified for the purpose of administering and enforcing the duties, functions and powers transferred by the amendments to statutes by sections 1 to 99 of this 2015 Act.

(4) The unexpended balances authorized to be expended by the Department of Community Colleges and Workforce Development for a four-year period beginning July 1, 2015, from re-



venues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred from the Department of Community Colleges and Workforce Development to the Higher Education Coordinating Commission by the amendments to statutes by sections 1 to 99 of this 2015 Act by acquiring, constructing, improving, repairing, equipping and furnishing buildings, structures, land and other projects at community colleges pursuant to section 6 (2) to (5), (8), (9), (11) and (14), chapter 727, Oregon Laws 2013, and sections 3 (1) and 4, chapter 120, Oregon Laws 2014, are transferred to and are available for expenditure by the Higher Education Coordinating Commission for the four-year period specified for the purpose of administering and enforcing the duties, functions and powers transferred by the amendments to statutes by sections 1 to 99 of this 2015 Act.

**CAPTIONS**

**SECTION 103.** The unit captions used in this 2015 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2015 Act.

**EMERGENCY CLAUSE**

**SECTION 104.** This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect July 1, 2015.

**Passed by House March 2, 2015**

**Received by Governor:**

**Repassed by House June 1, 2015**

.....M.,....., 2015

**Approved:**

.....  
Timothy G. Sekerak, Chief Clerk of House

.....M.,....., 2015

.....  
Tina Kotek, Speaker of House

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Kate Brown, Governor

**Passed by Senate May 28, 2015**

**Filed in Office of Secretary of State:**

.....  
Peter Courtney, President of Senate

.....M.,....., 2015

.....  
Jeanne P. Atkins, Secretary of State