

B-Engrossed
House Bill 2409

Ordered by the House May 29
Including House Amendments dated February 24 and May 29

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)

SUMMARY

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

Repeals unfunded higher education loan, scholarship and grant programs.

Combines fund accounts for alternative student loan program, scholarships for foster youth and Nursing Services Program to allow consolidated accounting.

Separates statute regarding scholarships for foster youth and scholarships for dependent children of deceased and disabled public safety officers into two statutes.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to student aid; creating new provisions; amending ORS 327.425, 327.430, 327.482, 327.484,
3 348.180, 348.250, 348.270, 348.280, 348.530, 348.570, 348.665, 348.685, 348.690 and 442.540; repealing
4 ORS 348.040, 348.050, 348.070, 348.090, 348.095, 348.186, 348.210, 348.230, 348.265, 348.310, 348.320,
5 348.330, 348.340, 348.350, 348.360, 348.370, 348.390, 348.427, 348.429, 348.431, 348.433 and 348.436;
6 and declaring an emergency.

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

8 **SECTION 1. ORS 348.040, 348.050, 348.070, 348.090, 348.095, 348.186, 348.210, 348.230, 348.265,**
9 **348.427, 348.429, 348.431, 348.433 and 348.436 are repealed.**

10 **SECTION 2. ORS 348.310, 348.320, 348.330, 348.340, 348.350, 348.360, 348.370 and 348.390 are**
11 **repealed.**

12 **SECTION 3. The repeal of ORS 348.310, 348.320, 348.330, 348.340, 348.350, 348.360, 348.370**
13 **and 348.390 by section 2 of this 2015 Act becomes operative on July 1, 2017.**

14 **SECTION 4. (1) The Community Service Voucher Fund is abolished. Any moneys re-**
15 **maining in the Community Service Voucher Fund on the effective date of this 2015 Act that**
16 **are unexpended, unobligated and not subject to any conditions are transferred to the General**
17 **Fund.**

18 **(2) The Rural Medical Education Loan Fund is abolished. Any moneys remaining in the**
19 **Rural Medical Education Loan Fund on the operative date of the repeal of ORS 348.390 by**
20 **section 2 of this 2015 Act that are unexpended, unobligated and not subject to any conditions**
21 **are transferred to the General Fund.**

22 **SECTION 5. ORS 348.270, as amended by section 1, chapter 12, Oregon Laws 2014, is amended**
23 **to read:**

24 348.270. (1) In addition to any other scholarships provided by law, the Higher Education Coor-
25 dinating Commission shall award scholarships [*in any public university listed in ORS 352.002, in the*

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

1 *Oregon Health and Science University, in any community college operated under ORS chapter 341, or*
2 *in any Oregon-based regionally accredited independent institution,]* to any [student] **individual** apply-
3 ing for enrollment or [who is] enrolled [therein,] **in an institution of higher education** who is[.]

4 [(a)] the natural child, adopted child or stepchild of any public safety officer, reserve officer or
5 volunteer firefighter who, in the line of duty, was killed or so disabled, as determined by the Exec-
6 utive Director of the Office of Student Access and Completion, that:

7 [(A)] (a) The income of the public safety officer is less than that earned by public safety officers
8 performing duties comparable to those performed at the highest rank or grade attained by the public
9 safety officer; or

10 [(B)] (b) The income of the reserve officer or volunteer firefighter working in their primary
11 profession or type of employment is less than that earned by individuals in the same profession or
12 type of employment with similar levels of education and experience.[; or]

13 [(b) A current foster child or former foster child who enrolls in an institution of higher education
14 as an undergraduate student not later than three years from the date the student was removed from the
15 care of the Department of Human Services, the date the student graduated from high school or the date
16 the student received the equivalent of a high school diploma, whichever date is earliest.]

17 (2) **Except as provided in this subsection,** scholarships awarded under this section [to students
18 who are dependents of public safety officers, reserve officers or volunteer firefighters or who are current
19 foster children or former foster children] shall **be in an amount** equal to the amount of tuition and
20 all fees levied by the institution **of higher education** against the recipient of the scholarship.
21 [However,] Scholarships awarded to students who attend independent institutions may not exceed the
22 amount of tuition and all fees levied by the University of Oregon.

23 (3) If a student who is the dependent of a deceased public safety officer, reserve officer or vol-
24 unteer firefighter continues to remain enrolled in a public university listed in ORS 352.002, [or] a
25 community college or an **Oregon-based, regionally accredited** independent institution [within the
26 State of Oregon], the student [shall be] **is** entitled to renewal of the scholarship until the student has
27 received the equivalent of four years of undergraduate education and four years of post-graduate
28 education.

29 (4) If a student who is [a current foster child or former foster child or who is] the dependent of
30 a public safety officer, reserve officer or volunteer firefighter with a disability continues to remain
31 enrolled in a public university listed in ORS 352.002, [or] a community college or an **Oregon-based,**
32 **regionally accredited** independent institution [within the State of Oregon], the student [shall be] **is**
33 entitled to renewal of the scholarship until the student has received the equivalent of four years of
34 undergraduate education.

35 (5) The Executive Director of the Office of Student Access and Completion may require proof
36 of a student's relationship to a public safety officer, reserve officer or volunteer firefighter described
37 in subsection (1) of this section [or proof that a student is a current foster child or former foster
38 child].

39 (6) As used in this section:

40 [(a) "Former foster child" has the meaning given that term in ORS 351.293.]

41 (a) **"Institution of higher education" means a public university listed in ORS 352.002, the**
42 **Oregon Health and Science University, a community college operated under ORS chapter 341**
43 **or an Oregon-based, regionally accredited independent institution.**

44 (b) "Public safety officer" means:

45 (A) A firefighter or police officer as those terms are defined in ORS 237.610.

1 (B) A member of the Oregon State Police.

2 (C) A police officer commissioned by a university under ORS 352.383 or 353.125.

3 [(D) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011.]

4 (c) "Reserve officer" has the meaning given that term in ORS 133.005.

5 (d) "Volunteer firefighter" has the meaning given that term in ORS 652.050.

6 **SECTION 6.** ORS 348.270, as amended by section 51, chapter 644, Oregon Laws 2011, section
7 3, chapter 116, Oregon Laws 2013, section 37, chapter 180, Oregon Laws 2013, section 93, chapter
8 747, Oregon Laws 2013, and section 2, chapter 12, Oregon Laws 2014, is amended to read:

9 348.270. (1) In addition to any other scholarships provided by law, the Higher Education Coor-
10 dinating Commission shall award scholarships [*in any public university listed in ORS 352.002, in the*
11 *Oregon Health and Science University, in any community college operated under ORS chapter 341, or*
12 *in any Oregon-based regionally accredited independent institution,*] to any [*student*] **individual** apply-
13 ing for enrollment or [*who is*] enrolled [*therein,*] **in an institution of higher education** who is[.]

14 [(a)] the natural child, adopted child or stepchild of any public safety officer, reserve officer or
15 volunteer firefighter who, in the line of duty, was killed or so disabled, as determined by the Exec-
16 utive Director of the Office of Student Access and Completion, that:

17 [(A)] (a) The income of the public safety officer is less than that earned by public safety officers
18 performing duties comparable to those performed at the highest rank or grade attained by the public
19 safety officer; or

20 [(B)] (b) The income of the reserve officer [or volunteer firefighter working in their primary
21 profession or type of employment is less than that earned by individuals in the same profession or
22 type of employment with similar levels of education and experience.]; or]

23 [(b) A current foster child or former foster child who enrolls in an institution of higher education
24 as an undergraduate student not later than three years from the date the student was removed from the
25 care of the Department of Human Services, the date the student graduated from high school or the date
26 the student received the equivalent of a high school diploma, whichever date is earliest.]

27 (2) **Except as provided in this subsection,** scholarships awarded under this section [*to students*
28 *who are dependents of public safety officers, reserve officers or volunteer firefighters or who are current*
29 *foster children or former foster children*] shall **be in an amount** equal **to** the amount of tuition and
30 all fees levied by the institution **of higher education** against the recipient of the scholarship.
31 [*However,*] Scholarships awarded to students who attend independent institutions may not exceed the
32 amount of tuition and all fees levied by the University of Oregon.

33 (3) If a student who is the dependent of a deceased public safety officer, reserve officer or vol-
34 unteer firefighter continues to remain enrolled in a public university listed in ORS 352.002, [*or*] a
35 community college or an **Oregon-based, regionally accredited** independent institution [*within the*
36 *State of Oregon*], the student [*shall be*] **is** entitled to renewal of the scholarship until the student has
37 received the equivalent of four years of undergraduate education and four years of post-graduate
38 education.

39 (4) If a student who is [*a current foster child or former foster child or who is*] the dependent of
40 a public safety officer, reserve officer or volunteer firefighter with a disability continues to remain
41 enrolled in a public university listed in ORS 352.002, [*or*] a community college or an **Oregon-based,**
42 **regionally accredited** independent institution [*within the State of Oregon*], the student [*shall be*] **is**
43 entitled to renewal of the scholarship until the student has received the equivalent of four years of
44 undergraduate education.

45 (5) The Executive Director **of the Office of Student Access and Completion** may require proof

1 of a student's relationship to a public safety officer, reserve officer or volunteer firefighter described
2 in subsection (1) of this section [*or proof that a student is a current foster child or former foster*
3 *child*].

4 (6) As used in this section:

5 [(a) "Former foster child" has the meaning given that term in ORS 351.293.]

6 (a) **"Institution of higher education" means a public university listed in ORS 352.002, the**
7 **Oregon Health and Science University, a community college operated under ORS chapter 341**
8 **or an Oregon-based, regionally accredited independent institution.**

9 (b) "Public safety officer" means:

10 (A) A firefighter or police officer as those terms are defined in ORS 237.610.

11 (B) A member of the Oregon State Police.

12 (C) A police officer commissioned by a university under ORS 352.383 or 353.125.

13 (c) "Reserve officer" has the meaning given that term in ORS 133.005.

14 (d) "Volunteer firefighter" has the meaning given that term in ORS 652.050.

15 **SECTION 7. (1) As used in this section:**

16 (a) **"Former foster child" has the meaning given that term in ORS 351.293.**

17 (b) **"Institution of higher education" means a public university listed in ORS 352.002, the**
18 **Oregon Health and Science University, a community college operated under ORS chapter 341**
19 **or an Oregon-based, regionally accredited independent institution.**

20 (2) **In addition to any other scholarships provided by law, the Higher Education Coordin-**
21 **ating Commission shall award scholarships to any individual applying for enrollment or**
22 **enrolled in an institution of higher education who is a current foster child or former foster**
23 **child.**

24 (3) **Scholarships awarded under this section shall be in an amount to be determined by**
25 **the commission based on the funds that are made available for the awarding year.**

26 (4) **If a student who is a current foster child or former foster child continues to remain**
27 **enrolled in a public university listed in ORS 352.002, a community college or an Oregon-based,**
28 **regionally accredited independent institution, the student is entitled to apply for renewal of**
29 **the scholarship until the student has received the equivalent of four years of undergraduate**
30 **education.**

31 (5) **The Executive Director of the Office of Student Access and Completion may require**
32 **proof that a student is a current foster child or former foster child.**

33 **SECTION 8.** ORS 348.570 is amended to read:

34 348.570. (1)(a) There is established in the State Treasury a fund, separate and distinct from the
35 General Fund, to be known as the Oregon Student Assistance Fund [*for investment as provided by*
36 *ORS 293.701 to 293.857 and for the payment of the expenses of the Higher Education Coordinating*
37 *Commission in carrying out the purposes of ORS 348.210 to 348.250, 348.285, 348.505 to 348.615,*
38 *348.696 and 348.992*]. Interest earned by the fund shall be credited to the fund.

39 (b) **The fund shall consist of moneys appropriated to the Higher Education Coordinating**
40 **Commission for deposit into the fund, collections and penalties received by the Executive**
41 **Director of the Office of Student Access and Completion under ORS 442.545 and any do-**
42 **nations or grants received by the commission for a purpose of the fund.**

43 (c) **Moneys in the fund are continuously appropriated to the commission for:**

44 (A) **Investments as provided by ORS 293.701 to 293.857;**

45 (B) **The payment of expenses of the commission in carrying out the purposes of ORS**

1 **348.250, 348.285, 348.505 to 348.615, 348.625 to 348.695, 348.696 and 348.992;**

2 **(C) The payment of expenses of the Nursing Services Program created in ORS 442.540;**
3 **and**

4 **(D) The purpose of carrying out the provisions of section 7 of this 2015 Act.**

5 **(d) The commission shall use moneys in the fund for those purposes for which the mon-**
6 **eys were provided to or received or collected by the commission.**

7 *[(2) There is established in the State Treasury a fund, separate and distinct from the General Fund,*
8 *to be known as the Alternative Student Loan Program Fund for investment as provided by ORS*
9 *293.701 to 293.857 and for the payment of expenses of the commission in carrying out the purposes of*
10 *ORS 348.625 to 348.695. This fund, including the interest earnings on the fund, if any, is continuously*
11 *appropriated to the commission for those purposes for which such funds were provided to, received or*
12 *collected by the commission.]*

13 *[(3)(a) There is established in the General Fund an account to be known as the Nursing Services*
14 *Account. Funds in the account shall be used for the payment of expenses of the Nursing Services*
15 *Program created in ORS 442.540.]*

16 *[(b) The account shall consist of:]*

17 *[(A) Funds appropriated to the commission for deposit into the account;]*

18 *[(B) Collections and penalties received by the Executive Director of the Office of Student Access*
19 *and Completion under ORS 442.545; and]*

20 *[(C) Any donations or grants received by the commission for purposes of the Nursing Services*
21 *Program.]*

22 *[(c) Any funds in the account that are not expended in any biennium shall be retained in the ac-*
23 *count and may be expended in subsequent biennia.]*

24 *[(4) There is established in the State Treasury a fund, separate and distinct from the General Fund,*
25 *to be known as the Foster Youth Scholarship Fund. Moneys received from appropriations, donations*
26 *and grants shall be credited to the fund. Moneys in the fund are continuously appropriated to the*
27 *commission for the purposes of investment, as provided by ORS 293.701 to 293.857, and for carrying*
28 *out the provisions of ORS 348.270 (1)(b). Interest earned by the fund shall be credited to the fund.]*

29 *[(5)]* **(2)** There is established in the State Treasury a fund, separate and distinct from the Gen-
30 eral Fund, to be known as the ASPIRE Program Fund. Moneys received from donations and grants
31 shall be credited to the ASPIRE Program Fund. Moneys in the fund are continuously appropriated
32 to the commission for the purposes of investment, as provided by ORS 293.701 to 293.857, and for
33 carrying out the provisions of ORS 348.500. Interest earned by the fund shall be credited to the fund.

34 *[(6)(a)]* **(3)(a)** There is established in the State Treasury the Nursing Faculty Loan Repayment
35 Fund, separate and distinct from the General Fund. Interest earned on the Nursing Faculty Loan
36 Repayment Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to
37 the commission for carrying out ORS 348.440 to 348.448. The Nursing Faculty Loan Repayment Fund
38 consists of:

39 **(A)** Moneys appropriated to the commission for the Nursing Faculty Loan Repayment Program
40 created in ORS 348.444; and

41 **(B)** Grants, gifts or donations received by the commission for the program.

42 **(b)** Any unexpended funds in the fund at the end of a biennium shall be retained in the fund and
43 may be expended in subsequent biennia.

44 **SECTION 9. (1) The Alternative Student Loan Program Fund, Nursing Services Account**
45 **and Foster Youth Scholarship Fund are abolished.**

1 **(2) Any moneys remaining in the funds or account on the effective date of this 2015 Act**
2 **that are unexpended, unobligated and not subject to any conditions are transferred to the**
3 **Oregon Student Assistance Fund.**

4 **SECTION 10.** ORS 327.425 is amended to read:

5 327.425. (1) All moneys belonging to the Common School Fund and not required to meet current
6 expenses shall be loaned by the Department of State Lands at a rate of interest fixed by the de-
7 partment [*except as otherwise specified in ORS 348.050 (3)*]. The department may consult with and
8 obtain the recommendation of the Oregon Investment Council in fixing the interest rate.

9 (2) Common School Fund moneys may be loaned in accordance with the repayment plan con-
10 tained in ORS 327.440 [*and in ORS 348.050 (4)*], except that loans on property within the corporate
11 limits of towns or cities shall be payable in not more than 15 years on the amortization plan.

12 (3) If at any time there is a Common School Fund surplus over and above all loans applied for,
13 such portion of the surplus as the department deems proper may be invested as provided in ORS
14 293.701 to 293.857. The department may require the State Treasurer to deposit any such surplus,
15 until it is able to loan same, in qualified state depositories, upon the same terms and conditions as
16 other public funds are deposited therein, in which event any interest received from any such state
17 depository shall be credited to the fund on which such interest was earned.

18 (4) [*Except as provided in ORS 348.050 (3),*] The department may reduce the rate of interest to
19 be paid upon outstanding loans from the Common School Fund and any trust fund placed in its
20 charge, to correspond with the rate of interest to be paid upon new loans, but no reduction in rate
21 of interest shall be made upon any of the loans until interest at the old rate has been paid in full
22 to date of receipt of remittance at the office of the department.

23 **SECTION 11.** ORS 327.430 is amended to read:

24 327.430. (1) The principal and interest of all loans shall be paid in lawful money of the United
25 States.

26 (2) [*Except for loans to students authorized by ORS 348.050,*] Loans shall be secured by note
27 specifying the fund from which the loan is made and mortgage to the Department of State Lands
28 on improved land within this state, or upon range or grazing land therein. Except as provided in
29 ORS 273.815, the security for a secured loan shall be not less than twice the value of the amount
30 loaned, and, except as otherwise provided in subsection (3) of this section, shall be of unexceptional
31 title and free from all encumbrances. A secured loan may be secured by a deposit of obligations of
32 the United States or of bonds or warrants of this state of a face value of not less than 25 percent
33 in excess of such loans.

34 (3) The department is not prohibited by subsection (2) of this section from making a secured loan
35 merely because the land securing the loan is:

36 (a) Situated in an irrigation district, taking into consideration the amount of bonded indebt-
37 edness of the district as compared with the valuation of the real property of the district.

38 (b) Subject to a reservation of mineral rights.

39 (c) Subject to a lease of any kind.

40 (d) Subject to a statutory lien for public improvements.

41 (e) Subject to an easement.

42 **SECTION 12.** ORS 327.482 is amended to read:

43 327.482. Out of the moneys in the General Fund, there is continuously appropriated such sums
44 as are necessary but not to exceed \$100,000 in total to reimburse the Common School Fund for [*any*
45 *loss which may result from the failure of any student to repay the amounts loaned to the student under*

1 *ORS 348.050, and for* any amount [*which*] **that** may result from the failure of loans to earn at least
2 four percent interest. The computation required to determine the interest earned on the loans shall
3 be made annually, and the amount required to reimburse the fund shall be paid annually.

4 **SECTION 13.** ORS 327.484 is amended to read:

5 327.484. Moneys may be withdrawn **annually on July 1** [*periodically*] from the General Fund by
6 order of the Department of State Lands to be credited to the Common School Fund [*to reimburse the*
7 *Common School Fund for any loss which may result from the failure of any student to repay the*
8 *amounts loaned to the student under ORS 348.050 and annually on July 1*] to pay to the Common
9 School Fund any amount resulting from the failure of the total student loans to earn at least four
10 percent interest in the preceding fiscal year.

11 **SECTION 14.** ORS 348.180 is amended to read:

12 348.180. As used in this section and ORS [*348.186,*] 348.205, [*348.230,*] 348.250, 348.260 and
13 348.285:

14 (1) "Cost of education" includes but is not limited to, tuition, fees and living expenses.

15 (2) "Eligible post-secondary institution" means:

16 (a) A public university listed in ORS 352.002;

17 (b) A community college operated under ORS chapter 341;

18 (c) The Oregon Health and Science University; or

19 (d) An Oregon-based, generally accredited, not-for-profit institution of higher education.

20 (3) "Qualified student" means any resident student who plans to attend an eligible post-
21 secondary institution and who:

22 (a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;

23 (b) Is enrolled in an eligible program as defined by rule of the Higher Education Coordinating
24 Commission; and

25 (c) Is making satisfactory academic progress as defined by rule of the commission.

26 **SECTION 15.** ORS 348.250 is amended to read:

27 348.250. (1) Grants established under ORS [*348.230 and*] 348.260 shall be awarded by the Higher
28 Education Coordinating Commission in the manner provided in this section.

29 (2) Persons interested in obtaining a grant established under ORS [*348.230 and*] 348.260 may
30 apply to the Executive Director of the Office of Student Access and Completion for a grant.

31 (3) The executive director shall screen or cause to be screened the applications and shall de-
32 termine for each available grant the person best qualified to receive that grant. A qualified appli-
33 cant is eligible to receive a grant established under ORS [*348.230 and*] 348.260 if:

34 (a) The applicant's financial need is such that in the opinion of the executive director financial
35 aid is warranted; and

36 (b) The applicant plans to be a student at the eligible post-secondary institution where the grant
37 is to be used.

38 (4) The executive director shall not discriminate for or against any applicant for a grant.

39 (5) Nothing in **this section or** ORS [*348.210 to*] 348.260, 348.505 to 348.615, 348.696 [*and*] **or**
40 348.992 shall be construed to require any institution to admit a grant recipient or to attempt to
41 control or influence the policies of the institution.

42 (6) Whenever funds are not available to award grants to all qualified students, the executive
43 director may give priority to applicants who are or plan to be full-time students at the eligible
44 post-secondary institution where the grant is to be used. A student shall be considered to be a
45 full-time student if the combination of credit hours at more than one eligible post-secondary insti-

1 tution equals full-time attendance, according to the institution disbursing the grant funds.

2 (7) As used in this section, “discriminate” has the meaning given “discrimination” in ORS
3 659.850.

4 **SECTION 16.** ORS 348.280 is amended to read:

5 348.280. (1) The Higher Education Coordinating Commission shall:

6 (a) Determine which students are eligible to receive scholarships under ORS 348.270 **and sec-**
7 **tion 7 of this 2015 Act.**

8 (b) Grant the appropriate scholarships under ORS 348.270 **and section 7 of this 2015 Act.**

9 (c) Make necessary rules for application and distribution of the benefits available under ORS
10 348.270 and this section **and section 7 of this 2015 Act.**

11 (d) In awarding scholarships pursuant to its authority under ORS 348.520, give priority to stu-
12 dents who are eligible to receive scholarships under ORS 348.270 **and section 7 of this 2015 Act.**

13 (2) The Higher Education Coordinating Commission shall establish rules and procedures neces-
14 sary to carry out the provisions of ORS 348.270 and this section **and section 7 of this 2015 Act,**
15 including but not limited to the usual and customary rules for analyzing financial need.

16 **SECTION 17.** ORS 348.530 is amended to read:

17 348.530. The Higher Education Coordinating Commission may:

18 (1) Negotiate for and contract with private and governmental agencies for the establishment of
19 financial aid programs.

20 (2) Receive gifts of any type, including gifts of stock and real property, for the purpose of es-
21 tablishing, continuing and increasing financial aid.

22 (3) Administer any form of financial aid submitted to and accepted for administration by the
23 commission.

24 (4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and
25 other reasonable expenses, including refund of overpayment of fees, that are related to and neces-
26 sary for making and protecting guaranteed loans and recovering moneys and loans and management
27 of property acquired in connection with such loans.

28 (5) Sue and be sued.

29 (6) Cooperatively coordinate all types of financial aid activities.

30 *[(7) Establish a State of Oregon scholar program to recognize students with outstanding academic*
31 *achievement and other demonstrated attributes. The students will not necessarily receive financial*
32 *aid.]*

33 *[(8) Guarantee loans by eligible lending institutions to student residents of the State of Oregon who*
34 *are enrolled or accepted for enrollment at any eligible institution, nonresident students enrolled or ac-*
35 *cepted for enrollment in an institution of higher education or community college in Oregon, and parents*
36 *of those students, under the provisions of the Higher Education Act of 1965 as amended.]*

37 *[(9)] (7) Deny financial aid to any student owing a refund or in default on financial aid previ-*
38 *ously made available to that student.*

39 *[(10) Establish and implement any program permitted under federal law to guaranty agencies, in-*
40 *cluding administrative garnishment and wage withholding under Public Law 102-164, section 605.]*

41 **SECTION 18.** ORS 348.665 is amended to read:

42 348.665. Bonds authorized under ORS 348.570 and 348.625 to 348.695 shall be issued in accord-
43 ance with the provisions of ORS chapter 286A. The State Treasurer, in consultation with the Higher
44 Education Coordinating Commission, may establish special accounts or subaccounts in the [*Alter-*
45 *native Student Loan Program Fund created*] **Oregon Student Assistance Fund established** by ORS

1 348.570 and may pledge the assets or the revenues, or any portion of the assets or revenues, of the
2 alternative student loan program.

3 **SECTION 19.** ORS 348.685 is amended to read:

4 348.685. The official action authorizing the issuance of bonds under ORS 348.570 and 348.625 to
5 348.695 may contain covenants, notwithstanding that such covenants may limit the exercises of
6 powers conferred by ORS 348.570 and 348.625 to 348.695 in the following respects and in such other
7 respects as the state, acting through the State Treasurer, in consultation with the Higher Education
8 Coordinating Commission, or the designee of the commission, may decide:

9 (1) The use and disposition of the revenues from repayment;

10 (2) The creation and maintenance of special accounts or subaccounts in the [*Alternative Student*
11 *Loan Program Fund created*] **Oregon Student Assistance Fund established** by ORS 348.570 and
12 the regulation, use and disposition thereof;

13 (3) The purpose or purposes to which the proceeds of sale of bonds may be applied and the use
14 and disposition of such proceeds;

15 (4) The events of default and the rights and liabilities arising thereon and the terms and condi-
16 tions upon which the holders of any bonds may bring any suit or action on such bonds or on any
17 coupons appurtenant thereto;

18 (5) The issuance of other or additional bonds or instruments payable from or constituting a
19 charge against the revenues from repayment;

20 (6) The keeping of books of account and the inspection and audit of books of account;

21 (7) The terms and conditions upon which any or all of the bonds shall become or may be de-
22 clared due before maturity and the terms and conditions upon which such declaration and its con-
23 sequences may be waived;

24 (8) The rights, liabilities, powers and duties arising upon the breach of any covenants, conditions
25 or obligations;

26 (9) The appointing of and vesting in a trustee or trustees of the right to hold or dispose of any
27 funds, accounts, revenues or assets of the alternative student loan program, to receive or assign any
28 pledge of the funds, accounts, revenues or assets or to enforce any covenants made to secure or to
29 pay the bonds, the powers and duties of such trustee or trustees, and the limitation of the liabilities
30 of the trustee or trustees;

31 (10) The terms and conditions upon which the holder or holders of the bonds, or the holders of
32 any proportion or percentage of them, may enforce any covenants made under ORS 348.570 and
33 348.625 to 348.695; and

34 (11) A procedure by which the terms of any official action authorizing bonds or of any other
35 contract with bondholders, including but not limited to an indenture of trust or similar instrument,
36 may be amended or abrogated, and the amount of bonds to which the holders may consent, and the
37 manner in which the consent may be given.

38 **SECTION 20.** ORS 348.690 is amended to read:

39 348.690. (1) Revenue bonds issued under ORS 348.570 and 348.625 to 348.695:

40 (a) Shall not be payable from nor charged upon any funds other than the revenue pledged to the
41 payment thereof, except as provided in this section, nor shall the state be subject to any liability
42 thereon. No holder or holders of such bonds shall ever have the right to compel any exercise of the
43 taxing power of the state to pay any such bonds or the interest thereon, nor to enforce payment
44 thereof against any property of the state.

45 (b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of

1 the state other than the [*Alternative Student Loan Program Fund created*] **Oregon Student Assist-**
2 **ance Fund established** by ORS 348.570, any account or subaccount thereof or student loans, if any,
3 owned or acquired by the Higher Education Coordinating Commission pursuant to the alternative
4 student loan program.

5 (2) Each bond issued under ORS 348.570 and 348.625 to 348.695 shall recite in substance that the
6 bond, including interest on the bond, is payable solely from the revenue pledged to the payment of
7 the bond. No such bond shall constitute a debt of the state or a lending of the credit of the state
8 within the meaning of any constitutional or statutory limitation. However, nothing in ORS 348.570
9 and 348.625 to 348.695 is intended to impair the rights of holders of bonds to enforce covenants made
10 for the security of the bonds as provided in ORS 348.685.

11 **SECTION 21.** ORS 442.540 is amended to read:

12 442.540. (1) There is created the Nursing Services Program, to be administered by the Executive
13 Director of the Office of Student Access and Completion pursuant to rules adopted by the Higher
14 Education Coordinating Commission. The purpose of the program is to provide loan repayments on
15 behalf of nurses who agree to practice in nursing critical shortage areas.

16 (2) To be eligible to participate in the program, a nurse or prospective nurse shall submit a
17 letter of interest to the executive director. Applicants who are selected for participation according
18 to criteria adopted by the commission under subsection (3) of this section shall sign a letter of
19 agreement stipulating that the applicant agrees to abide by the terms of the program described in
20 ORS 442.545.

21 (3) The commission shall by rule adopt, in consultation with the Oregon State Board of Nursing
22 and the Office of Rural Health, criteria for participation in the program.

23 (4) The Oregon State Board of Nursing by rule shall annually identify, in consultation with the
24 Office of Rural Health, those areas that are considered nursing critical shortage areas.

25 (5) Amounts paid to the executive director as penalties under ORS 442.545 shall be credited and
26 deposited in the [*Nursing Services Account created under*] **Oregon Student Assistance Fund es-**
27 **tablished by** ORS 348.570. The commission, in consultation with the Oregon State Board of Nursing,
28 by rule shall allow waiver of all or part of any fees or penalties owed to the executive director due
29 to circumstances that prevent a nurse from fulfilling a service obligation under ORS 442.545.

30 **SECTION 22. This 2015 Act being necessary for the immediate preservation of the public**
31 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
32 **on its passage.**

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