

B-Engrossed House Bill 3199

Ordered by the House June 29
Including House Amendments dated June 8 and June 29

Sponsored by COMMITTEE ON REVENUE

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.

Modifies authority for issuance of state bonds for benefit of university with governing board.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state bonds issued for the benefit of a university with a governing board; creating new
3 provisions; amending ORS 283.095, 286A.035, 291.445, 351.054, 351.160, 351.170, 351.190, 351.353,
4 351.369, 351.379, 351.545, 351.735, 352.107, 352.129, 352.138 and 352.360 and sections 10 and 13,
5 chapter 904, Oregon Laws 2009, section 12, chapter 615, Oregon Laws 2011, section 165, chapter
6 768, Oregon Laws 2013, and section 22, chapter 121, Oregon Laws 2014; repealing ORS 351.300,
7 351.304, 351.345, 351.350, 351.450, 351.455, 351.460, 351.473, 351.476, 351.479, 351.482 and 351.485;
8 and declaring an emergency.

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

10 **SECTION 1. Sections 2 to 13 of this 2015 Act are added to and made a part of ORS**
11 **chapter 286A.**

12 **SECTION 2. As used in sections 2 to 13 of this 2015 Act:**

13 **(1) "Article XI-F(1) bonds" means bonds issued under the authority of Article XI-F(1) of**
14 **the Oregon Constitution for the benefit of a public university.**

15 **(2) "Article XI-G bonds" means bonds issued under the authority of Article XI-G of the**
16 **Oregon Constitution for the benefit of a public university.**

17 **(3) "Bond-related costs" means:**

18 **(a) The costs of paying the principal of, the interest on and the premium, if any, on**
19 **higher education bonds;**

20 **(b) The costs and expenses of issuing, administering and maintaining higher education**
21 **bonds including, but not limited to:**

22 **(A) Costs and expenses of redeeming higher education bonds;**

23 **(B) Amounts due in connection with credit enhancement devices or agreements for ex-**
24 **change of interest rates; and**

25 **(C) Fees, administrative costs and expenses of the State Treasurer, the Oregon Depart-**
26 **ment of Administrative Services or the Higher Education Coordinating Commission, includ-**
27 **ing the costs of consultants or advisers retained by the State Treasurer, the department or**
28 **the commission;**

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 (c) The costs of funding reserves for the higher education bonds;

2 (d) Capitalized interest for the higher education bonds;

3 (e) Rebates or penalties due to the United States in connection with the higher education
4 bonds;

5 (f) Expenses and liabilities arising from an inquiry, audit or other action relating to the
6 higher education bonds by a federal or state regulatory body, including, but not limited to,
7 legal expenses; and

8 (g) Any other costs or expenses that the State Treasurer, the department or the com-
9 mission determines are necessary or desirable in connection with issuing and maintaining
10 the higher education bonds.

11 (4) "Federal tax benefit" means the excludability of interest on higher education bonds
12 from gross income under the Internal Revenue Code, the qualification of higher education
13 bonds for any federal interest subsidy payment or any other tax-advantaged status granted
14 under the Internal Revenue Code.

15 (5) "Grant contract" means a contract approved by the department and executed by a
16 public university and the commission that establishes the terms and conditions for issuance
17 of Article XI-G bonds and the disbursement of proceeds to the public university.

18 (6) "Higher education bonds" means Article XI-F(1) bonds and Article XI-G bonds.

19 (7) "Loan agreement" means a contract approved by the department and executed by a
20 public university and the commission that establishes the terms and conditions for issuance
21 of Article XI-F(1) bonds, lending of bond proceeds and loan repayment.

22 (8) "Loan repayment schedule" means the schedule of repayment of loans made with
23 proceeds of Article XI-F(1) bonds that a public university is obligated to make to the State
24 of Oregon pursuant to a loan agreement.

25 (9) "Matching amount" means moneys unconditionally available to a public university for
26 the same or similar purposes as the proceeds of Article XI-G bonds issued for the benefit
27 of the public university and meeting the requirements set forth in Article XI-G, section 1 (3),
28 of the Oregon Constitution.

29 (10) "Public university" means any institution established as a public university under
30 ORS 352.002.

31 (11) "Revenue sufficiency" means the condition of having revenues, not including
32 amounts appropriated by the Legislative Assembly from the General Fund, that are
33 conservatively estimated to be lawfully available and sufficient to pay debt service on par-
34 ticular Article XI-F(1) bonds and operate the projects financed with the proceeds of those
35 Article XI-F(1) bonds.

36 **SECTION 3.** (1) In accordance with the applicable provisions of this chapter, the State
37 Treasurer, with the concurrence of the Director of the Oregon Department of Administrative
38 Services, may issue Article XI-F(1) bonds if:

39 (a) The Higher Education Coordinating Commission requests that bonds be issued for the
40 purposes specified in Article XI-F(1) of the Oregon Constitution, plus an amount determined
41 by the State Treasurer to pay estimated bond-related costs;

42 (b) The issuance does not exceed the budget authorization for bond issuance established
43 under ORS 286A.035; and

44 (c) A loan agreement is executed under section 4 of this 2015 Act prior to sale of the
45 bonds.

1 (2) The State Treasurer may issue Article XI-F(1) bonds for the purpose of refunding
2 Article XI-F(1) bonds, with the concurrence of a public university that received proceeds of
3 Article XI-F(1) bonds to be refunded.

4 (3) The State Treasurer shall deposit the net proceeds of Article XI-F(1) bonds in one or
5 more project funds established in the State Treasury or with a third party under contract
6 with the Oregon Department of Administrative Services and approved by the State Treas-
7 urer. Net proceeds of Article XI-F(1) bonds must be expended for the purposes described in
8 the commission's budget authorization.

9 (4) If at any time the department and the commission jointly determine that the net
10 proceeds of Article XI-F(1) bonds deposited in a project fund pursuant to subsection (3) of
11 this section exceed the cost of the project described in the commission's budget authori-
12 zation, the department may allocate and transfer the excess amount as determined by the
13 department to other project funds, the Article XI-F(1) Bond Fund established under section
14 5 of this 2015 Act or the Article XI-F(1) Bond Administration Fund established under section
15 6 of this 2015 Act. Before transferring an excess amount under this subsection, the depart-
16 ment shall consult with the public university for whose benefit the Article XI-F(1) bonds
17 were issued, but the department may transfer an excess amount without the approval of the
18 public university. Excess amounts may not be transferred to a project fund for the project
19 of another public university unless the applicable loan agreements and loan repayment
20 schedules are amended to reflect the transfer.

21 (5) Article XI-F(1) bonds are direct general obligations of the State of Oregon and must
22 contain a direct promise on behalf of the State of Oregon to pay the principal of, the interest
23 on and the premium, if any, on the Article XI-F(1) bonds. The State of Oregon shall pledge
24 its full faith and credit and taxing power to the payment of the principal of, the interest on
25 and the premium, if any, on Article XI-F(1) bonds, and the ad valorem taxing power of the
26 State of Oregon may be pledged to pay Article XI-F(1) bonds.

27 **SECTION 4.** Prior to the sale of any Article XI-F(1) bonds, a public university and the
28 Higher Education Coordinating Commission shall enter into a loan agreement that includes:

29 (1) A representation by the public university that it has revenue sufficiency for the Ar-
30 ticle XI-F(1) bonds;

31 (2) A loan repayment schedule and a covenant of the public university to make all re-
32 quired loan repayment schedule payments to the commission prior to the date any bond debt
33 service payments are due on the Article XI-F(1) bonds that financed the loan;

34 (3) Terms and conditions obligating the public university to maintain any federal tax
35 benefits related to the Article XI-F(1) bonds and to execute and deliver any required tax
36 certificates or agreements in connection with any federal tax benefits related to the Article
37 XI-F(1) bonds; and

38 (4) Terms and conditions indemnifying the State of Oregon against regulatory or
39 bondholder liability due to the action or inaction of the public university related to the Ar-
40 ticle XI-F(1) bonds.

41 **SECTION 5.** (1) The Article XI-F(1) Bond Fund is established in the State Treasury,
42 separate and distinct from the General Fund, or with a third party under contract with the
43 Oregon Department of Administrative Services and approved by the State Treasurer. Moneys
44 in the Article XI-F(1) Bond Fund may be invested as provided in ORS 286A.025 and 293.701
45 to 293.857, and interest earned on the fund must be credited to the fund. Moneys credited to

1 the Article XI-F(1) Bond Fund are continuously appropriated to the department for the
2 purpose of paying, when due, the principal of, the interest on and the premium, if any, on
3 outstanding Article XI-F(1) bonds. The department shall deposit in the fund:

4 (a) Capitalized or accrued interest on Article XI-F(1) bonds;

5 (b) Moneys, if any, appropriated or otherwise provided by the Legislative Assembly for
6 deposit in the fund;

7 (c) Reserves, if any, established for the payment of Article XI-F(1) bonds;

8 (d) Moneys transferred from a project fund under section 3 (4) of this 2015 Act;

9 (e) Moneys received as payment under a loan agreement or the schedule provided under
10 ORS 351.379;

11 (f) Moneys received from ad valorem taxes levied pursuant to ORS 291.445; and

12 (g) Moneys provided by the Legislative Assembly in lieu of ad valorem taxes levied pur-
13 suant to ORS 291.445.

14 (2) The department shall credit any interest earnings in the fund on amounts paid by a
15 public university pursuant to a loan agreement or the schedule provided under ORS 351.379
16 that exceed the amount needed to repay outstanding Article XI-F(1) bonds issued for the
17 benefit of the public university against the payment obligations of the public university under
18 a loan agreement or the schedule provided under ORS 351.379.

19 (3) At the request of the department, the State Treasurer may create or cause to be
20 created separate accounts in the fund for reserves and debt service for each series of Article
21 XI-F(1) bonds.

22 **SECTION 6.** (1) The Article XI-F(1) Bond Administration Fund is established in the State
23 Treasury, separate and distinct from the General Fund, or with a third party under contract
24 with the Oregon Department of Administrative Services and approved by the State Treas-
25 urer. Moneys in the Article XI-F(1) Bond Administration Fund may be invested as provided
26 in ORS 286A.025 and 293.701 to 293.857, and interest earned on the fund must be credited to
27 the fund. Moneys credited to the Article XI-F(1) Bond Administration Fund are continuously
28 appropriated to the department for payment of bond-related costs. The department shall
29 credit to the fund:

30 (a) Proceeds of Article XI-F(1) bonds that were issued to pay bond-related costs; and

31 (b) Moneys appropriated or otherwise provided by the Legislative Assembly for deposit
32 in the fund.

33 (2) At the request of the department, the State Treasurer may create or cause to be
34 created separate accounts in the Article XI-F(1) Bond Administration Fund.

35 **SECTION 7.** The Higher Education Coordinating Commission shall request that the Gov-
36 ernor include in the Governor's budget request to the Legislative Assembly for each
37 biennium amounts that are sufficient to pay:

38 (1) The costs of loan agreement disbursements during the biennium to public universities
39 for the costs of projects to be financed by the issuance of Article XI-F(1) bonds;

40 (2) The debt service due during the biennium for any Article XI-F(1) bonds that have been
41 or will be issued;

42 (3) Amounts billed during the biennium by the Oregon Department of Administrative
43 Services, or the commission, under section 13 (2) of this 2015 Act; and

44 (4) Any bond-related costs associated with any Article XI-F(1) bonds.

45 **SECTION 8.** (1) In accordance with the applicable provisions of this chapter, the State

1 **Treasurer, with the concurrence of the Director of the Oregon Department of Administrative**
2 **Services, may issue Article XI-G bonds if:**

3 (a) **The Higher Education Coordinating Commission requests that bonds be issued for the**
4 **purposes specified in Article XI-G of the Oregon Constitution, plus an amount determined**
5 **by the State Treasurer to pay estimated bond-related costs;**

6 (b) **The issuance does not exceed the budget authorization for bond issuance established**
7 **under ORS 286A.035; and**

8 (c) **A grant contract is executed under section 9 of this 2015 Act prior to sale of the**
9 **bonds.**

10 (2) **The State Treasurer may issue Article XI-G bonds for the purpose of refunding Arti-**
11 **cle XI-G bonds without a request from the commission when the State Treasurer determines**
12 **it is in the best interests of the State of Oregon to refund Article XI-G bonds.**

13 (3) **The State Treasurer shall deposit the net proceeds of Article XI-G bonds in one or**
14 **more project funds established in the State Treasury or with a third party under contract**
15 **with the Oregon Department of Administrative Services and approved by the State Treas-**
16 **urer. Net proceeds of Article XI-G bonds must be expended for the purposes described in the**
17 **commission's budget authorization.**

18 (4) **If at any time the department and the commission jointly determine that the net**
19 **proceeds of Article XI-G bonds deposited in a project fund pursuant to subsection (3) of this**
20 **section exceed the cost of the project described in the commission's budget authorization,**
21 **the department may allocate and transfer the excess amount as determined by the depart-**
22 **ment to other project funds, the Article XI-G Bond Fund established under section 10 of this**
23 **2015 Act or the Article XI-G Bond Administration Fund established under section 11 of this**
24 **2015 Act.**

25 (5) **Article XI-G bonds are direct general obligations of the State of Oregon and must**
26 **contain a direct promise on behalf of the State of Oregon to pay the principal of, the interest**
27 **on and the premium, if any, on the Article XI-G bonds. The State of Oregon shall pledge its**
28 **full faith and credit and taxing power to the payment of the principal of, the interest on and**
29 **the premium, if any, on Article XI-G bonds, and the ad valorem taxing power of the State**
30 **of Oregon may be pledged to pay Article XI-G bonds.**

31 **SECTION 9. Prior to the sale of any Article XI-G bonds, a public university and the**
32 **Higher Education Coordinating Commission shall enter into a grant contract that includes:**

33 (1) **A certification that the requirement for a matching amount is satisfied;**

34 (2) **Terms and conditions obligating the public university to maintain any federal tax**
35 **benefit related to the Article XI-G bonds and to execute and deliver any required tax certif-**
36 **icates or agreements in connection with any federal tax benefit related to the Article XI-G**
37 **bonds; and**

38 (3) **Terms and conditions indemnifying the State of Oregon against regulatory or**
39 **bondholder liability due to the action or inaction of the public university related to the Ar-**
40 **ticle XI-G bonds.**

41 **SECTION 10. (1) The Article XI-G Bond Fund is established in the State Treasury, sepa-**
42 **rate and distinct from the General Fund, or with a third party under contract with the**
43 **Oregon Department of Administrative Services and approved by the State Treasurer. Mon-**
44 **neys in the Article XI-G Bond Fund may be invested as provided in ORS 286A.025 and 293.701**
45 **to 293.857, and interest earned on the fund must be credited to the fund. Moneys credited to**

1 the Article XI-G Bond Fund are continuously appropriated to the department for the purpose
2 of paying, when due, the principal of, the interest on and the premium, if any, on outstanding
3 Article XI-G bonds. The department shall deposit in the fund:

4 (a) Capitalized or accrued interest on Article XI-G bonds;

5 (b) Moneys appropriated or otherwise provided by the Legislative Assembly for deposit
6 in the fund;

7 (c) Reserves, if any, established for the payment of Article XI-G bonds;

8 (d) Moneys transferred from a project fund under section 8 (4) of this 2015 Act;

9 (e) Moneys received from ad valorem taxes levied pursuant to ORS 291.445; and

10 (f) Moneys provided by the Legislative Assembly in lieu of ad valorem taxes levied under
11 ORS 291.445.

12 (2) At the request of the department, the State Treasurer may create or cause to be
13 created separate accounts in the fund for reserves and debt service for each series of Article
14 XI-G bonds.

15 **SECTION 11.** (1) The Article XI-G Bond Administration Fund is established in the State
16 Treasury, separate and distinct from the General Fund, or with a third party under contract
17 with the Oregon Department of Administrative Services and approved by the State Treas-
18 urer. Moneys in the Article XI-G Bond Administration Fund may be invested as provided in
19 ORS 286A.025 and 293.701 to 293.857, and interest earned on the fund must be credited to the
20 fund. Moneys credited to the Article XI-G Bond Administration Fund are continuously ap-
21 propriated to the department for payment of bond-related costs. The department shall credit
22 to the fund:

23 (a) Proceeds of Article XI-G bonds that were issued to pay bond-related costs; and

24 (b) Moneys appropriated or otherwise provided by the Legislative Assembly for deposit
25 in the fund.

26 (2) At the request of the department, the State Treasurer may create or cause to be
27 created separate accounts in the Article XI-G Bond Administration Fund.

28 **SECTION 12.** The Higher Education Coordinating Commission shall request that the
29 Governor include in the Governor's budget request to the Legislative Assembly for each
30 biennium amounts that are sufficient to pay:

31 (1) The costs of grant contract disbursements during the biennium for any projects to
32 be financed by the issuance of Article XI-G bonds;

33 (2) The debt service due during the biennium for any Article XI-G bonds that have been
34 or will be issued;

35 (3) Amounts billed during the biennium by the Oregon Department of Administrative
36 Services, or the commission, under section 13 (2) of this 2015 Act; and

37 (4) Any bond-related costs associated with any Article XI-G bonds.

38 **SECTION 13.** (1) The Oregon Department of Administrative Services may, in consultation
39 with the Higher Education Coordinating Commission, adopt rules for the purpose of carrying
40 out sections 2 to 12 this 2015 Act including, but not limited to, establishing:

41 (a) Fees and costs to be paid by public universities for administration of higher education
42 bonds, including reasonable fees and expenses of the State Treasurer as provided in ORS
43 286A.014;

44 (b) The form, content and timing of information to be submitted by public universities
45 to be used by the commission and the State Treasurer to evaluate revenue sufficiency for

1 **Article XI-F(1) bonds and availability and sufficiency of matching amounts for Article XI-G**
2 **bonds; and**

3 **(c) Standards, terms and conditions for maintaining federal tax benefits related to higher**
4 **education bonds.**

5 **(2) The department or the commission, or both, may periodically bill a public university,**
6 **without duplicating costs billed by contract, for the public university's proportional share of**
7 **costs incurred by the department, or the commission, in connection with higher education**
8 **bonds, including, but not limited to:**

9 **(a) Bond-related costs of higher education bonds issued or proposed to be issued to fi-**
10 **nance or refinance projects of the public university; and**

11 **(b) Costs of legal or financial consultants or advisors, including, without limitation, bond**
12 **counsel to the State of Oregon, for services that are provided at the request of a public**
13 **university in connection with higher education bonds that are issued or proposed to be is-**
14 **sued.**

15 **(3) The department and the commission may each bill at such intervals as may be es-**
16 **tablished in the department's or commission's own procedures and shall deposit the moneys**
17 **paid by the public university in the applicable bond fund, bond administration fund or other**
18 **fund relating to higher education bonds, as the department or commission determines is**
19 **appropriate. A public university that receives a bill for bond-related costs shall pay the**
20 **amount billed by the time and in the manner designated in the billing statement.**

21 **(4)(a) The department may enter into agreements with Oregon Health and Science Uni-**
22 **versity to:**

23 **(A) Receive payments from Oregon Health and Science University of amounts used to pay**
24 **debt service on bonds issued by the State Treasurer to finance joint projects of Oregon**
25 **Health and Science University and one or more public universities; or**

26 **(B) To administer tax compliance obligations of Oregon Health and Science University**
27 **pursuant to agreements between Oregon Health and Science University and the Oregon**
28 **University System.**

29 **(b) Solely for the purposes of receiving payments of amounts used to pay debt service**
30 **and administering tax compliance obligations related to the bonds, the department may be**
31 **a successor to, or an assignee of, the Oregon University System under agreements between**
32 **Oregon Health and Science University and the Oregon University System.**

33 **(c) The department may not assume any obligations or liability as the successor to, or**
34 **assignee of, the Oregon University System under any agreements between Oregon Health and**
35 **Science University and the Oregon University System, except for obligations or liability re-**
36 **lating to the receipt of amounts used to pay debt service and the administration of tax**
37 **compliance obligations.**

38 **NOTE:** Section 14 was deleted by amendment. Subsequent sections were not renumbered.

39 **SECTION 15.** ORS 291.445 is amended to read:

40 291.445. (1) Before July 1 of each fiscal year, the Oregon Department of Administrative Services
41 shall request from the appropriate state agency a certificate as prescribed in this section. The re-
42 quest shall be made by letter to the agency.

43 (2) Each state agency authorized to issue general obligation bonds that are ordinarily to be re-
44 paid from other than General Fund appropriations shall, on or before August 15 of each fiscal year:

45 (a) Certify to the Director of the Oregon Department of Administrative Services that the

1 amounts available or that will become available during the current year to the bond program debt
2 service fund to pay bond principal and interest that has accrued or will accrue during the current
3 year are sufficient and will be sufficient to pay bond program principal and interest scheduled for
4 payment during the current year; or

5 (b) Certify to the Director of the Oregon Department of Administrative Services that the
6 amounts available or that will become available during the current year to the bond program debt
7 service fund will not be sufficient to pay bond program principal and interest scheduled for payment
8 during the current year. A certificate issued under this paragraph shall specify the amount of the
9 anticipated current year deficit. The Director of the Oregon Department of Administrative Services
10 shall review and confirm the correctness of each certification made under this paragraph.

11 (3) On or before August 15 of each fiscal year, the administrative division of the Oregon De-
12 partment of Administrative Services that has primary responsibility for accounting for each general
13 obligation bond program in which the bond principal and interest is ordinarily to be repaid from
14 General Fund appropriations shall:

15 (a) Certify to the Director of the Oregon Department of Administrative Services that the
16 amounts available or that will become available during the current year from General Fund appro-
17 priations to defray program bond principal and interest that has accrued or will accrue during the
18 current year are sufficient and will be sufficient to pay program bond principal and interest sched-
19 uled for payment during the current year; or

20 (b) Certify to the Director of the Oregon Department of Administrative Services that the
21 amounts available or that will become available during the current year from General Fund appro-
22 priations will not be sufficient to pay program bond principal and interest scheduled for payment
23 during the current year. A certificate issued under this paragraph shall specify the amount of the
24 anticipated current year deficit.

25 (4)(a) If a deficit in funds available to pay principal and interest in any general obligation bond
26 program is certified and confirmed under subsection (2) or certified under subsection (3) of this
27 section, the amount of the deficit, together with any deficit that is certified for any other general
28 obligation bond program shall upon certification constitute a state tax levy on property that shall
29 be apportioned among and charged to the several counties in that proportion which the total as-
30 sessed value of all the taxable property in each county bears to the total assessed value of all the
31 taxable property of the state as equalized.

32 (b) If any agency fails to make the certification under subsection (2) or (3) of this section with
33 respect to any general obligation bond fund program, the Oregon Department of Administrative
34 Services shall determine the amount of revenue and other funds that are available and the amount
35 of taxes, if any, that should be levied in addition to the revenues and funds, to pay bond principal
36 and interest under the program for the fiscal year in question. The additional amount so determined
37 shall thereupon constitute a state tax levy on property that shall be apportioned, certified, collected
38 and distributed as if determined and certified as a deficit by the agency. The Oregon Department
39 of Administrative Services shall charge the agency for cost recovery for time spent on that agency's
40 behalf.

41 (5) Immediately after the department has determined the amount of a state tax levy on property
42 in accordance with subsection (4) of this section, a certificate of levy, signed by the director of the
43 department, shall be filed in the office of the department. If no state levy is required for the fiscal
44 or tax year, a certificate so stating and signed by the director shall be filed in the office of the de-
45 partment.

1 (6) If, for any reason, after the close of any regular session of the Legislative Assembly, it be-
2 comes necessary to reduce General Fund appropriations, General Fund appropriations for a debt
3 service fund of a general obligation bond program described under subsection (3) of this section may
4 not be reduced.

5 (7) For purposes of this section:

6 (a) State agencies that are authorized to issue general obligation bonds ordinarily to be repaid
7 from other than General Fund appropriations include but are not limited to:

8 (A) The Director of Veterans' Affairs, as authorized by Article XI-A of the Oregon Constitution
9 and ORS chapter 407 (veterans loans).

10 (B) The [*State Board of Higher Education*] **Higher Education Coordinating Commission, for**
11 **bonds** [*as*] authorized by Article XI-F(1) of the Oregon Constitution and [*ORS 351.350*] **section 3**
12 **of this 2015 Act (higher education building projects).**

13 (C) The Department of Environmental Quality, as authorized by Article XI-H of the Oregon
14 Constitution and ORS 468.195 to 468.260 (pollution control).

15 (D) The Water Resources Commission and the Water Resources Director, as authorized by Ar-
16 ticle XI-I(1) of the Oregon Constitution and ORS 541.700 to 541.855 (water development).

17 (E) The Housing and Community Services Department, as authorized by Article XI-I(2) of the
18 Oregon Constitution and ORS 456.515 to 456.725 and 458.505 to 458.515 (housing).

19 (F) The Director of the State Department of Energy, as authorized by Article XI-J of the Oregon
20 Constitution and ORS 470.220 to 470.290 (small scale energy projects).

21 (G) Other agencies as required by the Oregon Department of Administrative Services by rule
22 adopted using the criterion of this subsection.

23 (b) Each agency authorized to issue general obligation bonds that are ordinarily to be repaid
24 from other than General Fund appropriations shall determine the amount of revenues or other funds
25 that are available and the amount of taxes, if any, that should be levied for the ensuing year in the
26 manner required under rules adopted by the Oregon Department of Administrative Services and
27 make the certification required under subsection (2) of this section.

28 (8)(a) State agencies that are authorized to issue general obligation bonds that are ordinarily to
29 be repaid from General Fund appropriations include but are not limited to:

30 (A) The State Board of Forestry and the State Forester, as authorized by Article XI-E of the
31 Oregon Constitution and ORS 530.210 to 530.280 (state reforestation).

32 (B) The **Higher Education Coordinating Commission** [*State Board of Higher Education*], as
33 authorized by Article XI-G of the Oregon Constitution and **section 8 of this 2015 Act** [*ORS*
34 *351.345*] (higher education and community colleges).

35 (C) Other agencies as required by the Oregon Department of Administrative Services by rule
36 adopted using the criterion of this subsection.

37 (b) Each agency authorized to issue general obligation bonds ordinarily to be repaid from Gen-
38 eral Fund appropriations shall furnish any data required by the Oregon Department of Administra-
39 tive Services to determine the amount of revenues or other funds that are available and the amount
40 of taxes, if any, that should be levied for the ensuing year and the administrative division of the
41 Oregon Department of Administrative Services that has primary responsibility for accounting shall
42 make the determination for purposes of the making of the certification required under subsection (3)
43 of this section.

44 **SECTION 16.** ORS 351.054 is amended to read:

45 351.054. (1) The Higher Education Coordinating Commission is authorized to:

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

5 [(2)] (b) Allocate moneys, from funds appropriated to the commission and other available mon-
6 eys, among [*the office of the Chancellor of the Oregon University System and*] public universities listed
7 in ORS 352.002.

8 **(2) The commission shall certify to the Legislative Assembly, in any funding request**
9 **pursuant to subsection (1)(a) of this section for state bonds under Article XI-F(1) of the**
10 **Oregon Constitution for the benefit of a public university listed in ORS 352.002, its evaluation**
11 **of the revenue sufficiency, as defined in section 2 of this 2015 Act, of the public university**
12 **that will receive the proceeds of any Article XI-F(1) bonds approved by the Legislative As-**
13 **sembly.**

14 **SECTION 17.** ORS 351.369 is amended to read:

15 351.369. (1) A university with a governing board may elect to remain eligible to receive proceeds
16 of state bonds. If a university with a governing board requests the State Treasurer to issue state
17 bonds for the benefit of the university with a governing board that are authorized under Article
18 XI-F(1) or XI-Q of the Oregon Constitution or ORS 283.085 to 283.092, and the state bonds are in-
19 tended to be repaid in whole or in part by university revenues or other moneys under the control
20 of the university, the State Treasurer must review and approve all plans to issue revenue bonds of
21 the university and to execute other obligations related to the revenue bonds.

22 (2) The State Treasurer shall limit the scope of review and approval under subsection (1) of this
23 section to consideration of periodic cash flow projections and other information necessary to deter-
24 mine the sufficiency of the cash flow of the university with a governing board to pay any loans from
25 state agencies funded with the proceeds of state bonds and to pay costs for:

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

28 (b) Revenue bonds issued pursuant to ORS 351.365 to 351.379.

29 (3) A university with a governing board that issues revenue bonds of the university, or executes
30 other obligations related to the revenue bonds, without the approval of the State Treasurer as pro-
31 vided in subsection (2) of this section is not eligible to receive proceeds of the state bonds described
32 in subsection (1) of this section and that are intended to be repaid in whole or in part by university
33 revenues or other moneys under the control of the university on or after August 14, 2013.

34 [(4) *For the purposes of ORS chapter 286A, a university with a governing board has the powers*
35 *and duties of a related agency as described in ORS 352.138 (10) with respect to state bonds that:]*

36 [(a) *Were issued before August 14, 2013, for the benefit of a university with a governing board and*
37 *that remain outstanding; and]*

38 [(b) *Are authorized under ORS 286A.035 and issued on or after August 14, 2013, for the benefit*
39 *of a university with a governing board.]*

40 **SECTION 18.** ORS 351.379 is amended to read:

41 351.379. (1) ORS 351.365 to 351.379 do not impair the obligations, as defined in ORS 286A.100,
42 or agreements of the State of Oregon or the State Board of Higher Education with respect to state
43 bonds issued before August 14, 2013, for the benefit of a university with a governing board.

44 (2) A university with a governing board [*and the Oregon University System*] shall take all actions
45 necessary to ensure full compliance with the operative documents executed with respect to state

1 bonds issued before, on or after August 14, 2013, by the State Treasurer for the benefit of the uni-
2 versity with a governing board.

3 (3) The State Treasurer, **in consultation with the Oregon Department of Administrative**
4 **Services**, [*and the Oregon University System*] shall [*promptly*] **at least annually** provide a university
5 [*that acquires*] **with** a governing board [*with*] a schedule of outstanding state bonds and other obli-
6 gations for which the university must pay, including the payment dates and amounts, or methods for
7 determining the amounts. **To prepare the schedule, the State Treasurer may request and rely**
8 **upon information produced by one or more universities with a governing board or a shared**
9 **services enterprise of the universities that provides services related to debt management.**
10 The schedule must include amounts sufficient to pay principal, interest and premium, if any, on the
11 state bonds, and to pay administrative and other costs of the State of Oregon that are related to the
12 state bonds or other obligations. If the State Treasurer issues state bonds for the benefit of a uni-
13 versity with a governing board on or after August 14, 2013, that are intended to be repaid in whole
14 or in part by university revenues or other moneys under the control of the university, the schedule
15 shall be amended to include such state bonds and the amounts to be paid by the university. In the
16 absence of manifest error, the schedule provided by the State Treasurer [*and the Oregon University*
17 *System*] to a university with a governing board is binding on the university. The university with a
18 governing board shall pay the amounts specified in the schedule provided by the State Treasurer
19 [*and the Oregon University System*] on or before the dates specified in the schedule from the legally
20 available revenue of the university and on a pari passu basis with the payment of any revenue bonds
21 of the university issued pursuant to ORS 351.374.

22 (4) At the request of the State Treasurer, a university with a governing board shall provide the
23 State Treasurer with periodic cash flow projections and other information that allow the State
24 Treasurer to review and approve the sufficiency of the university's cash flow to pay amounts spec-
25 ified in the schedule described in subsection (3) of this section and to pay amounts owed under loans
26 from state agencies that were funded with the proceeds of state bonds.

27 (5) Moneys deposited with the State Treasurer[, *the Controller of the Oregon University System*]
28 or the Oregon Department of Administrative Services in a debt service reserve account or otherwise
29 for the portion of the debt service associated with obligations entered into before August 14, 2013,
30 for the benefit of a university with a governing board must remain with the State Treasurer[, *the*
31 *Controller of the Oregon University System*] or the Oregon Department of Administrative Services
32 until the obligations have been retired or defeased. Earnings on moneys described in this subsection
33 must be credited to the account or fund in which the moneys are held.

34 (6) The principal, interest, premium, if any, and any issuance costs of state bonds issued before,
35 on or after August 14, 2013, for the benefit of a university with a governing board, and any related
36 credit enhancement device or interest rate exchange agreement, shall be paid from the sources
37 identified in the laws and operative documents authorizing the state bonds. The university with a
38 governing board for which the state bonds were issued shall pay any other expenses and liabilities,
39 including, but not limited to, legal expenses arising from an inquiry, audit or other action by a fed-
40 eral or state regulatory body, unless the expense or liability results solely from the negligence or
41 willful misconduct of a state agency.

42 (7) Pursuant to ORS chapter 180, on behalf of the State Treasurer or any other state agency,
43 the Attorney General shall appear, commence, prosecute or defend any action, suit, matter, cause
44 or proceeding arising from any state bond issued for the benefit of a university with a governing
45 board and any related credit enhancement device or interest rate exchange agreement. As soon as

1 practicable after a governing board is established by a university pursuant to ORS 352.054, the
2 university with a governing board and the State Treasurer shall enter into an agreement that ad-
3 dresses reimbursement of reasonable costs and expenses associated with the legal representation of
4 the State Treasurer in connection with state bonds issued for the benefit of the university with a
5 governing board before, on or after August 14, 2013, and any other topic necessary for the Depart-
6 ment of Justice to provide legal representation to the State Treasurer in connection with state
7 bonds issued for the benefit of the university with a governing board and to provide representation
8 related to funds and accounts or services provided under ORS 352.135.

9 (8) A university with a governing board shall assume responsibility[, *in accordance with agree-*
10 *ments entered into with the Department of Justice and the State Treasurer,*] for the indemnity and
11 defense of university officers, agents and employees with regard to, as applicable, claims asserted
12 and actions commenced in connection with state bonds issued for the benefit of the university with
13 a governing board.

14 **SECTION 19.** ORS 351.735, as amended by section 2, chapter 83, Oregon Laws 2014, and section
15 1, chapter 113, Oregon Laws 2014, is amended to read:

16 351.735. (1) As used in this section, “student access programs” means scholarship, loan, grant
17 and access programs described in ORS chapter 348.

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

21 (3) The Higher Education Coordinating Commission shall:

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

23 (A) State goals and associated achievement compacts for the state post-secondary education
24 system, including community colleges and public universities listed in ORS 352.002, and for student
25 access programs.

26 (B) Strategic investments in the state’s community colleges, public universities and student ac-
27 cess programs necessary to achieve state post-secondary education goals.

28 (C) Coordination of the post-secondary elements of data collection and structure, with the advice
29 and recommendation of the state’s independent institutions, community colleges and public univer-
30 sities, as appropriate, in order to assist the Oregon Education Investment Board in the construction
31 of a state longitudinal data system, as authorized by law.

32 (b) Adopt a strategic plan for achieving state post-secondary education goals, taking into con-
33 sideration the contributions of this state’s independent institutions, philanthropic organizations and
34 other organizations dedicated to helping Oregonians reach state goals. State post-secondary educa-
35 tion goals as described in this section should include, but need not be limited to:

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

37 (B) Increasing this state’s global economic competitiveness and the quality of life of its resi-
38 dents;

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

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

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

43 (c)(A) Each biennium, after receiving funding requests from the state’s community colleges and
44 public universities as authorized by law, recommend to the Governor and the Oregon Education
45 Investment Board a consolidated higher education budget request aligned with the strategic plan

1 described in subsection (3)(b) of this section, including appropriations for:

2 (i) Student access programs;

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

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

7 (iv) New facilities or programs;

8 (v) Capital improvements and deferred maintenance; and

9 (vi) Special initiatives and investments.

10 (B) In the development of the consolidated higher education budget request:

11 (i) Determine the costs necessary to provide quality post-secondary education;

12 (ii) Solicit input from educators, education policy experts, appropriate legislative committees,
13 students and other persons interested in the development of the funding model; and

14 (iii) Solicit public input regarding educational priorities.

15 (d) Adopt rules governing the distribution of appropriations from the Legislative Assembly to
16 community colleges, public universities listed in ORS 352.002 and student access programs. These
17 rules must be based on allocation formulas developed in consultation with the state's community
18 colleges and public universities, as appropriate.

19 (e) Approve or disapprove any significant change to the academic program of a community col-
20 lege or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the
21 commission shall consider the recommendation from the community college or public university
22 seeking to make the change to an academic program that is issued pursuant to the obligation of the
23 governing board of a community college or public university to review and approve academic pro-
24 grams. The commission shall ensure that approved programs:

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

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

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

30 (D) Are allocated among Oregon's community colleges and public universities to maximize the
31 achievement of statewide needs and requirements.

32 (f) For public universities listed in ORS 352.002:

33 (A) Approve the mission statement adopted by a governing board of a public university or by
34 the State Board of Higher Education.

35 (B) Review and determine whether a proposed annual increase of resident undergraduate en-
36 rollment fees, as described in ORS 351.063, of greater than five percent is appropriate.

37 (C) Advise the Governor and the Legislative Assembly on issues of university governance.

38 (D) Approve and authorize degrees.

39 **(E) Perform the evaluation and certification required by ORS 351.054.**

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

42 (h) Oversee the licensing of career schools under ORS 345.010 to 345.450.

43 (i) Have the authority to enter into and administer interstate agreements regarding the pro-
44 vision of post-secondary distance education. The participation by an educational institution that is
45 not based in this state in distance learning courses or programs that are part of an interstate

1 agreement entered into and administered under this paragraph does not constitute operating in this
2 state for purposes of ORS 348.594 to 348.615. The commission, by rule, may impose a fee on any
3 educational institution that seeks to operate under or participate in such interstate agreements. The
4 fee amount shall be established to recover designated expenses incurred by the commission in par-
5 ticipating in such agreements.

6 (4) In addition to the duties described in subsections (2) and (3) of this section, the Higher Ed-
7 ucation Coordinating Commission shall advise the Legislative Assembly, the Governor, community
8 colleges, public universities and other state boards and commissions on policies in order to:

9 (a) Ensure or improve access to higher education by diverse and underserved populations.

10 (b) Encourage student success and completion initiatives.

11 (c) Improve the coordination of the provision of educational services, including:

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

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

14 (C) Applied baccalaureate and other transfer degrees;

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

16 (E) Reciprocity agreements with other states.

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

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

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

26 (5) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter
27 183, may adopt administrative rules.

28 (6) With the exception of the rulemaking authority granted in subsection (5) of this section, the
29 Higher Education Coordinating Commission may delegate any of its powers, duties or functions to
30 a committee of the commission or to the executive director of the commission.

31 (7) The Higher Education Coordinating Commission may establish technical or advisory com-
32 mittees to assist the commission in exercising its powers, duties and functions.

33 (8) The Higher Education Coordinating Commission may exercise only powers, duties and func-
34 tions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by law,
35 all other authorities reside at the institutional level with the respective boards of the post-secondary
36 institutions.

37 **SECTION 20.** ORS 351.735, as amended by section 2, chapter 83, Oregon Laws 2014, and
38 sections 1 and 2, chapter 113, Oregon Laws 2014, is amended to read:

39 351.735. (1) As used in this section, "student access programs" means scholarship, loan, grant
40 and access programs described in ORS chapter 348.

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

44 (3) The Higher Education Coordinating Commission shall:

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

1 cation system, including community colleges and public universities listed in ORS 352.002, and for
2 student access programs.

3 (b) Determine strategic investments in the state's community colleges, public universities and
4 student access programs necessary to achieve state post-secondary education goals.

5 (c) Coordinate the post-secondary elements of data collection and structure, with the advice and
6 recommendation of the state's independent institutions, community colleges and public universities,
7 as appropriate, in order to construct a state longitudinal data system.

8 (d) Adopt a strategic plan for achieving state post-secondary education goals, taking into con-
9 sideration the contributions of this state's independent institutions, philanthropic organizations and
10 other organizations dedicated to helping Oregonians reach state goals. State post-secondary educa-
11 tion goals as described in this section should include, but need not be limited to:

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

13 (B) Increasing this state's global economic competitiveness and the quality of life of its resi-
14 dents;

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

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

17 (E) Tracking progress toward meeting the state's post-secondary education goals established in
18 the strategic plan described in this paragraph.

19 (e)(A) Each biennium, after receiving funding requests from the state's community colleges and
20 public universities as authorized by law, recommend to the Governor a consolidated higher educa-
21 tion budget request aligned with the strategic plan described in subsection (3)(d) of this section, in-
22 cluding appropriations for:

23 (i) Student access programs;

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

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

28 (iv) New facilities or programs;

29 (v) Capital improvements and deferred maintenance; and

30 (vi) Special initiatives and investments.

31 (B) In the development of the consolidated higher education budget request:

32 (i) Determine the costs necessary to provide quality post-secondary education;

33 (ii) Solicit input from educators, education policy experts, appropriate legislative committees,
34 students and other persons interested in the development of the funding model; and

35 (iii) Solicit public input regarding educational priorities.

36 (f) Adopt rules governing the distribution of appropriations from the Legislative Assembly to
37 community colleges, public universities listed in ORS 352.002 and student access programs. These
38 rules must be based on allocation formulas developed in consultation with the state's community
39 colleges and public universities, as appropriate.

40 (g) Approve or disapprove any significant change to the academic program of a community col-
41 lege or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the
42 commission shall consider the recommendation from the community college or public university
43 seeking to make the change to an academic program that is issued pursuant to the obligation of the
44 governing board of a community college or public university to review and approve academic pro-
45 grams. The commission shall ensure that approved programs:

- 1 (A) Are consistent with the mission statement of the community college or public university;
- 2 (B) Do not unnecessarily duplicate academic programs offered by Oregon's other community
3 colleges or public universities;
- 4 (C) Are not located in a geographic area that will cause undue hardship to Oregon's other
5 community colleges or public universities; and
- 6 (D) Are allocated among Oregon's community colleges and public universities to maximize the
7 achievement of statewide needs and requirements.
- 8 (h) For public universities listed in ORS 352.002:
- 9 (A) Approve the mission statement adopted by a governing board of a public university or by
10 the State Board of Higher Education.
- 11 (B) Review and determine whether a proposed annual increase of resident undergraduate en-
12 rollment fees, as described in ORS 351.063, of greater than five percent is appropriate.
- 13 (C) Advise the Governor and the Legislative Assembly on issues of university governance.
- 14 (D) Approve and authorize degrees.
- 15 **(E) Perform the evaluation and certification required by ORS 351.054.**
- 16 (i) Authorize degrees to be offered by independent post-secondary institutions in this state under
17 ORS 348.594 to 348.615.
- 18 (j) Oversee the licensing of career schools under ORS 345.010 to 345.450.
- 19 (k) Have the authority to enter into and administer interstate agreements regarding the pro-
20 vision of post-secondary distance education. The participation by an educational institution that is
21 not based in this state in distance learning courses or programs that are part of an interstate
22 agreement entered into and administered under this paragraph does not constitute operating in this
23 state for purposes of ORS 348.594 to 348.615. The commission, by rule, may impose a fee on any
24 educational institution that seeks to operate under or participate in such interstate agreements. The
25 fee amount shall be established to recover designated expenses incurred by the commission in par-
26 ticipating in such agreements.
- 27 (4) In addition to the duties described in subsections (2) and (3) of this section, the Higher Ed-
28 ucation Coordinating Commission shall advise the Legislative Assembly, the Governor, community
29 colleges, public universities and other state boards and commissions on policies in order to:
- 30 (a) Ensure or improve access to higher education by diverse and underserved populations.
- 31 (b) Encourage student success and completion initiatives.
- 32 (c) Improve the coordination of the provision of educational services, including:
- 33 (A) Transfers and coenrollment throughout the higher education system;
- 34 (B) Accelerated college credit programs for high school students;
- 35 (C) Applied baccalaureate and other transfer degrees;
- 36 (D) Programs and grants that span multiple institutions; and
- 37 (E) Reciprocity agreements with other states.
- 38 (d) In coordination with the State Board of Education, enhance the use and quality of dual
39 credit, career and technical pathways and efforts to create a culture of college attendance in this
40 state.
- 41 (e) In coordination with the State Workforce Investment Board, local workforce investment
42 boards, the Oregon Health and Science University and independent institutions, ensure that the
43 state's colleges and universities offer programs in high-demand occupations that meet Oregon's
44 workforce needs.
- 45 (f) Improve economies of scale by encouraging and facilitating the use of the shared services

1 among post-secondary institutions in this state.

2 (5) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter
3 183, may adopt administrative rules.

4 (6) With the exception of the rulemaking authority granted in subsection (5) of this section, the
5 Higher Education Coordinating Commission may delegate any of its powers, duties or functions to
6 a committee of the commission or to the executive director of the commission.

7 (7) The Higher Education Coordinating Commission may establish technical or advisory com-
8 mittees to assist the commission in exercising its powers, duties and functions.

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

13 **SECTION 21.** ORS 352.107 is amended to read:

14 352.107. (1) A university with a governing board may:

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

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

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

24 (d) Establish, collect and use charges, fines and fees for services, facilities, operations and pro-
25 grams.

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

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

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

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

37 (i) Spend all available moneys without appropriation or expenditure limitation approval from the
38 Legislative Assembly, except for moneys received by a university with a governing board pursuant
39 to a funding request submitted under ORS 352.089 (4) and the proceeds of state bonds issued for the
40 benefit of a university with a governing board. The proceeds of state bonds issued for the benefit
41 of a university with a governing board must be held pursuant to an agreement entered into by the
42 State Treasurer and a university with a governing board under ORS 352.135 (2). [*The provisions of*
43 *ORS 351.450, 351.455 and 351.460 do not apply to state bonds issued for the benefit of a university*
44 *with a governing board pursuant to Article XI-F(1) or XI-G of the Oregon Constitution.*]

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

1 convey, mortgage, pledge or otherwise encumber, sell, manage, operate, lease, lease-purchase, li-
2 cense, lend, invest in, improve, develop, use, expend and dispose of real property.

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

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

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

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

13 (o) Hire or retain attorneys for the provision of all legal services. A university with a governing
14 board shall reimburse the State Treasurer for legal fees incurred in connection with state bonds
15 issued at the request of **the Higher Education Coordinating Commission on behalf of the uni-**
16 **versity.**

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

20 (q) Subject to the procedures set forth in ORS 352.089, establish, supervise and control academic
21 and other programs, units of operation and standards, qualifications, policies and practices relating
22 to university matters such as admissions, curriculum, grading, student conduct, credits, scholarships
23 and the granting of academic degrees, certificates and other forms of recognition.

24 (r) Enforce and recover any fees, charges and fines, including but not limited to tuition and
25 mandatory enrollment fees.

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

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

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

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

36 **SECTION 22.** ORS 352.129 is amended to read:

37 352.129. (1) Notwithstanding ORS 352.102 and 352.107 and section 169, chapter 768, Oregon Laws
38 2013, the amendments to ORS 243.107 and 351.094 by sections 88 and 113, chapter 768, Oregon Laws
39 2013, and the operative date set forth in section 171, chapter 768, Oregon Laws 2013, a university
40 with a governing board shall continue to participate with other public universities listed in ORS
41 352.002 in all shared administrative services relating to:

42 (a) Employee benefits, including but not limited to group insurance or deferred compensation
43 plans authorized by ORS 351.094;

44 (b) Collective bargaining with any statewide bargaining unit that includes employees of two or
45 more public universities listed in ORS 352.002; and

1 (c) Risk management, the purchase of insurance or the management of a self-insurance program
2 authorized by ORS 351.096 or 352.107.

3 (2) The shared administrative services listed in subsection (1) of this section must be done under
4 the same terms, conditions, funding model and policy frameworks as those that exist on August 14,
5 2013, until July 1, 2015. On and after July 1, 2015, public universities listed in ORS 352.002 may
6 choose to participate in shared services under an alternative shared services model.

7 (3) Two or more public universities listed in ORS 352.002, including universities with governing
8 boards, may participate in shared services not described in subsection (1) of this section, including
9 but not limited to shared services involving legal services and information technology.

10 (4) Pursuant to ORS 352.025, and in order to ensure that the establishment of universities with
11 governing boards does not negatively impact public universities that do not have governing boards,
12 if a university with a governing board stops participating in a service shared by two or more public
13 universities listed in ORS 352.002, including but not limited to the shared services listed in this
14 section, and the withdrawal from the service has a negative effect on the remaining public univer-
15 sities, the Higher Education Coordinating Commission shall compensate universities suffering a
16 negative impact through either reduction of appropriations made to the university with a governing
17 board or any other method found to be appropriate by the commission.

18 (5) The office of the Chancellor of the Oregon University System shall coordinate public uni-
19 versity shared services described in this section until a new entity to coordinate shared services is
20 operational.

21 **(6)(a) A university with a governing board shall participate in shared services providing**
22 **for maintenance of federal tax benefits relating to state bonds issued for the benefit of the**
23 **university prior to April 30, 2015, unless the university opts out of shared services as de-**
24 **scribed in paragraph (b) of this subsection.**

25 **(b) A university with a governing board may opt out of the shared services described in**
26 **paragraph (a) of this subsection only if the Oregon Department of Administrative Services**
27 **has adopted rules under section 13 of this 2015 Act relating to standards, terms and condi-**
28 **tions for maintaining federal tax benefits that apply to universities with governing boards**
29 **that opt out of shared services described in paragraph (a) of this subsection.**

30 **(c) As used in this subsection, “federal tax benefits” has the meaning given that term in**
31 **section 2 of this 2015 Act.**

32 **SECTION 23.** ORS 352.138, as amended by section 6, chapter 113, Oregon Laws 2014, and sec-
33 tion 17, chapter 121, Oregon Laws 2014, is amended to read:

34 352.138. (1) The following entities are not subject to any provision of law enacted after January
35 1, 2013, that is unique to governmental entities unless the following entities are expressly named:

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

37 (b) Any not-for-profit organization or other entity if the equity of the entity is owned or con-
38 trolled exclusively by a university with a governing board and if the organization or entity is cre-
39 ated by the university to advance any of the university’s statutory missions.

40 (2) Notwithstanding subsection (1) of this section, the provisions of ORS 30.260 to 30.460, 33.710,
41 33.720, 200.005 to 200.025, 200.045 to 200.090, 236.605 to 236.640, 279.835, 279.840, 279.850 and 297.040
42 and ORS chapters 35, 190, 192 and 244 apply to a university with a governing board under the same
43 terms as they apply to public bodies other than the state.

44 (3) Except as otherwise provided by law, the provisions of ORS 35.550 to 35.575, 180.060, 180.210
45 to 180.235, 184.305 to 184.345, 190.480, 190.490, 200.035, 243.696, 357.805 to 357.895 and 656.017 (2)

1 and ORS chapters 182, 183, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291, 292, 293, 294, 295
2 and 297 do not apply to a university with a governing board.

3 (4) Notwithstanding subsections (1) and (3) of this section, ORS 240.167, 279C.600 to 279C.625,
4 279C.800, 279C.810, 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860,
5 279C.865, 279C.870 and 292.043 apply to a university with a governing board under the same terms
6 as they apply to public bodies other than the state.

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

10 (6) Except as set forth in subsection (3) of this section, ORS 243.650 to 243.782 and 276.073 to
11 276.090 and ORS chapters 238 and 238A apply to a university with a governing board under the
12 same terms as they apply to the state.

13 (7) ORS 351.065, 351.067, 351.642, 351.643, 351.644, 351.646, 351.656, 351.658, 352.012 and 352.375
14 apply to a university with a governing board, except that the board or university shall exercise the
15 responsibilities and authorities of the State Board of Higher Education, the Higher Education Co-
16 ordinating Commission or the Oregon University System.

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

21 (9) ORS 351.692, 351.695 and 351.697 apply to a governing board, except that the board has the
22 responsibilities and authorities with respect to the university it governs that the State Board of
23 Higher Education and the Oregon University System have with respect to the public universities
24 identified in ORS 351.011. A university with a governing board may not issue a tax credit certificate
25 under ORS 351.692, 351.695 and 351.697 that will cause the public universities listed in ORS 352.002
26 to owe the General Fund more than \$6 million at any one time under ORS 351.692, 351.695 and
27 351.697.

28 *[(10) If state bonds are issued for the benefit of a university with a governing board, the university
29 shall have the powers and duties of a related agency, as defined in ORS 286A.001, to the extent nec-
30 essary for the issuance of the state bonds and the administration of the proceeds of the state bonds.]*

31 *[(11)]* (10) If state bonds are issued for the benefit of a university with a governing board under
32 Article XI-Q of the Oregon Constitution[,]:

33 (a) *[the university]* **The Higher Education Coordinating Commission** shall have the powers
34 and duties of a project agency, as defined in ORS 286A.816, to the extent necessary for the issuance
35 of the state bonds and the administration of the proceeds of the state bonds[.]; **and**

36 (b) **The university and the Higher Education Coordinating Commission shall enter into**
37 **grant contracts or loan agreements that comply with rules adopted by the Oregon Depart-**
38 **ment of Administrative Services relating to:**

39 (A) **Disbursement of project funds by a project agency through grant contracts or loan**
40 **agreements;**

41 (B) **Submission of a request for project funds to the commission under ORS 351.054; and**

42 (C) **Any other matters determined by the Oregon Department of Administrative Services**
43 **to be necessary for the administration of the Article XI-Q bond program.**

44 *[(12)]* (11) Nothing in this section may be construed so that statutory provisions that are not set
45 forth in this section apply to a university with a governing board.

1 **SECTION 24.** ORS 283.095 is amended to read:

2 283.095. (1) As used in this section:

3 (a) “Financing agreement” has the meaning given that term in ORS 283.085.

4 (b) “State agency” has the meaning given that term in ORS 283.089.

5 (2) *[Except as provided in ORS 351.304:]*

6 [(a)] If authorized by a provision of law other than ORS 283.085 to 283.092, a state agency may
7 enter into a financing agreement with a principal amount of \$100,000 or less.

8 [(b)] (3) Notwithstanding any authority in a provision of law other than ORS 283.085 to 283.092,
9 a state agency may not enter into a financing agreement in an amount that exceeds \$100,000.

10 **SECTION 25.** Section 10, chapter 904, Oregon Laws 2009, as amended by section 7, chapter 99,
11 Oregon Laws 2010, and section 3, chapter 15, Oregon Laws 2011, is amended to read:

12 **Sec. 10.** (1) Pursuant to Article XI-G of the Oregon Constitution and ORS 351.345 (**2013 Edition**)
13 and ORS chapter 286A, the State Board of Higher Education may sell, with the approval of the State
14 Treasurer, general obligation bonds of the State of Oregon of the kind and character and within the
15 limits prescribed by Article XI-G of the Oregon Constitution, as the board determines, but in no
16 event may the board sell more than the aggregate principal sum of \$139,900,479 par value for the
17 biennium beginning July 1, 2009. The moneys realized from the sale of the bonds shall be appropri-
18 ated and may be expended for the purposes set forth in section 2 (3)(h), chapter 845, Oregon Laws
19 2001, section 2 (6)(h) and (p), chapter 787, Oregon Laws 2005, section 2 (4)(a) and (L), (5)(h) and (6)(g)
20 and (h), chapter 761, Oregon Laws 2007, and section 6 (1)(b) and (d), (2)(a), (3), (4)(b), (c) and (d),
21 (5)(a), (6)(b) and (7)(a), chapter 904, Oregon Laws 2009, and for payment for capitalized interest and
22 costs incidental to issuance of the bonds.

23 (2) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
24 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
25 Constitution in section 6 (1)(b), chapter 904, Oregon Laws 2009, are matched pursuant to section 14,
26 chapter 904, Oregon Laws 2009.

27 (3) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
28 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
29 Constitution in section 6 (1)(d), chapter 904, Oregon Laws 2009, are matched pursuant to section 15,
30 chapter 904, Oregon Laws 2009.

31 (4) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
32 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
33 Constitution in section 6 (2)(a), chapter 904, Oregon Laws 2009, are matched pursuant to section 16,
34 chapter 904, Oregon Laws 2009.

35 (5) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
36 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
37 Constitution in section 6 (3), chapter 904, Oregon Laws 2009, are matched pursuant to section 18,
38 chapter 904, Oregon Laws 2009.

39 (6) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
40 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
41 Constitution in section 6 (4)(b), chapter 904, Oregon Laws 2009, are matched pursuant to section 19,
42 chapter 904, Oregon Laws 2009.

43 (7) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
44 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
45 Constitution in section 6 (4)(c), chapter 904, Oregon Laws 2009, are matched pursuant to section 20,

1 chapter 904, Oregon Laws 2009.

2 (8) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
3 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
4 Constitution in section 6 (4)(d), chapter 904, Oregon Laws 2009, are matched pursuant to section 21,
5 chapter 904, Oregon Laws 2009.

6 (9) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
7 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
8 Constitution in section 6 (5)(a), chapter 904, Oregon Laws 2009, are matched pursuant to section 22,
9 chapter 904, Oregon Laws 2009.

10 (10) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
11 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
12 Constitution in section 6 (6)(b), chapter 904, Oregon Laws 2009, are matched pursuant to section 23,
13 chapter 904, Oregon Laws 2009.

14 (11) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds
15 available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon
16 Constitution in section 6 (7)(a), chapter 904, Oregon Laws 2009, are matched pursuant to section 24,
17 chapter 904, Oregon Laws 2009.

18 **SECTION 26.** Section 13, chapter 904, Oregon Laws 2009, is amended to read:

19 **Sec. 13.** Notwithstanding ORS 351.345 (**2013 Edition**) and section 6, **chapter 904, Oregon Laws**
20 **2009** [*of this 2009 Act*], the State Board of Higher Education may issue bonds for a project listed in
21 section 6 (1)(b) and (d), (2), (3), (4)(b), (c) and (d), (5)(a), (6)(b) and (7)(a), **chapter 904, Oregon Laws**
22 **2009** [*of this 2009 Act*]:

23 (1) If the total amount from other revenues, including federal funds, identified for the project in
24 the expenditure limitation in section 6, **chapter 904, Oregon Laws 2009**, [*of this 2009 Act*] has been
25 received by the State Board of Higher Education; or

26 (2) After reporting to the Emergency Board or the Joint Committee on Ways and Means, if the
27 total amount from other revenues, including federal funds, identified for the project in the expendi-
28 ture limitation in section 6, **chapter 904, Oregon Laws 2009**, [*of this 2009 Act*] has not been re-
29 ceived by the State Board of Higher Education.

30 **SECTION 27.** Section 12, chapter 615, Oregon Laws 2011, is amended to read:

31 **Sec. 12.** Pursuant to Article XI-G of the Oregon Constitution, and ORS 286A.025 to 286A.095
32 and 351.345 (**2013 Edition**), the State Board of Higher Education may sell, with the approval of the
33 State Treasurer, general obligation bonds of the State of Oregon of the kind and character and
34 within the limits prescribed by Article XI-G of the Oregon Constitution, as the board determines,
35 but in no event may the board sell more than the aggregate principal sum of \$17,608,000 par value
36 for the biennium beginning July 1, 2011. The moneys realized from the sale of the bonds shall be
37 appropriated and may be expended for the purposes set forth in section 6 (1)(d), (2)(a), (3), (4)(b) and
38 (6)(b), chapter 904, Oregon Laws 2009, and for payment for capitalized interest and costs incidental
39 to issuance of the bonds.

40 **SECTION 28.** ORS 286A.035 is amended to read:

41 286A.035. (1) Each related agency shall report the plans of the related agency for the issuance
42 of bonds during the next biennium. The related agency shall submit the related agency's report to
43 the Governor by a date determined by the Governor and shall include in the report a description
44 of bonds that the related agency intends to retire or defease during the next biennium.

45 (2) On or before a date determined by the Governor, the State Treasurer shall advise the Gov-

1 error on the prudent maximum amount of bonds to be issued for each bond program. The State
2 Treasurer shall consider available economic and financial data in preparing advice to be given to
3 the Governor.

4 (3) As part of the Governor's budget report described in ORS 291.216, the Governor shall:

5 (a) Consider the prudent maximum amounts advised by the State Treasurer pursuant to sub-
6 section (2) of this section to determine the Governor's total recommended amount; and

7 (b) Recommend to the Legislative Assembly the total amount of bonds the State Treasurer may
8 issue for each bond program for a biennium.

9 (4) *[Except as otherwise provided in ORS 351.476,]* The Legislative Assembly shall determine the
10 amount of bonds the State Treasurer may issue for each state agency for a biennium. If the Legis-
11 lative Assembly fails to make the determination described in this subsection by the first day of the
12 biennium, the unused portion of the authorization the Legislative Assembly made for the preceding
13 biennium is deemed to carry forward for the current biennium at the amount authorized for the
14 preceding biennium until the earlier of:

15 (a) The date on which legislation authorizing the amount of bonds for the current biennium is
16 enacted; or

17 (b) The date on which the Legislative Assembly adjourns sine die.

18 (5) *[Except as otherwise provided in ORS 351.476,]* The amount of bonds that may be issued under
19 bond programs may be modified by the Governor. However, the Governor may not modify the
20 amount of bonds that may be issued under bond programs in a way that would cause the maximum
21 amount established by the Legislative Assembly for a category of bond programs to be exceeded if
22 the Legislative Assembly:

23 (a) Has categorized the bonds that may be issued under bond programs as general obligation,
24 direct revenue and pass-through revenue bonds; and

25 (b) Assigned a maximum amount to each category.

26 (6) This section applies to bonds:

27 (a) Unless the bonds are expressly exempted from the requirements of this section.

28 (b) Except refunding bonds.

29 **SECTION 29.** ORS 351.160 is amended to read:

30 351.160. (1) The State Board of Higher Education may undertake the construction of any build-
31 ing or structure for higher education when the board conservatively estimates that the Oregon
32 University System will have sufficient revenues to pay the operating costs and any indebtedness for
33 the building or structure. For purposes of this section, "revenues" includes all funds available to the
34 board except amounts appropriated by the Legislative Assembly from the General Fund. The board
35 may enter into contracts for the acquisition, erection, improvement, repair, equipping and furnishing
36 of buildings and structures for dormitories, housing, boarding, off-street motor vehicle parking fa-
37 cilities and other purposes for higher education pursuant to Article XI-F(1) of the Oregon Constitu-
38 tion, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505.

39 (2) The board may also undertake the acquisition or construction of those buildings and struc-
40 tures that the Legislative Assembly has determined will benefit higher education institutions or ac-
41 tivities, and may enter into contracts with persons, firms or corporations for the acquisition,
42 erection, improvement, repair, equipping and furnishing of such buildings and structures pursuant
43 to Article XI-G of the Oregon Constitution *[and ORS 351.345]*.

44 **SECTION 30.** ORS 351.170 is amended to read:

45 351.170. (1) The State Board of Higher Education may establish rates, charges and fees for use

1 of buildings, structures and projects under its control. The rates and charges shall be sufficient, in
2 the judgment of the board and with other available revenues, as defined in ORS 351.160, to pay the
3 operating costs and any indebtedness for the buildings, structures and projects.

4 (2) The board shall charge and collect from each regular student a building fee at a rate not to
5 exceed \$45 for each regular term, for not less than three terms in each regular academic year, and
6 not to exceed \$67.50 if instruction is on a semester basis, or an equivalent rate of charge when in-
7 struction is on a different basis. The board is authorized to maintain adequate accounts for bonds
8 outstanding. The fee shall be in addition to tuition and other fees charged to students [*and shall be*
9 *deposited in the appropriate subaccount of the account maintained in the Oregon University System*
10 *Fund under ORS 351.460*].

11 **SECTION 31.** ORS 351.190 is amended to read:

12 351.190. The State Board of Higher Education may obtain, by donation, purchase, agreement or
13 condemnation, the title to any land authorized to be acquired by ORS 351.345 (**2013 Edition**), 351.350
14 (**2013 Edition**) and 351.450 (**2013 Edition**). Condemnation proceedings instituted by the board shall
15 be conducted in accordance with ORS chapter 35.

16 **SECTION 32.** ORS 351.353 is amended to read:

17 351.353. (1) The State Board of Higher Education may undertake the construction of an off-street
18 motor vehicle parking facility in Portland, Oregon, for higher education pursuant to Article XI-F(1),
19 Oregon Constitution, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505. The parking facility
20 shall be for the use of the students and staff members of the board. The board shall establish the
21 rates, charges and fees for use of the parking facility in accordance with the provisions of ORS
22 351.170.

23 (2) Bonds may be sold to finance the facility described in this section, in an amount authorized
24 and under the conditions prescribed by ORS 351.350 (**2013 Edition**).

25 **SECTION 33.** ORS 351.545 is amended to read:

26 351.545. (1) An account in the Oregon University System Fund established by ORS 351.506 is
27 designated to provide for the payment of principal and interest of bonds issued under the authority
28 of Article XI-F(1) of the Oregon Constitution and ORS 351.350 (**2013 Edition**) in an amount equal
29 to the amount authorized for expenditure by section 3 (2)(b), chapter 709, Oregon Laws 1971, and
30 expended as provided therein. Income and interest derived from moneys in the account are credited
31 to the account.

32 (2) The account designated by this section consists of moneys received as net revenues from the
33 isolation facilities for which the expenditure of funds is authorized by section 3 (2)(b), chapter 709,
34 Oregon Laws 1971, including gifts, grants and building fees, moneys received as accrued interest on
35 bonds sold, earnings from investments on the account, the proceeds of the sale of refunding bonds
36 and any accrued interest on such refunding bonds, moneys appropriated to the account by the Leg-
37 islative Assembly and moneys received for the purposes of the account from all other sources.
38 Moneys in the account may be used only for the purposes provided in subsection (1) of this section.

39 (3) If the account designated by this section has a balance after the purpose for which the ac-
40 count was created has been fulfilled, or the account and the investments of the account, will, in the
41 judgment of the board, be sufficient to meet in full the principal of and the interest upon all Higher
42 Education Isolation Facility bonds, then any excess moneys may be transferred by the board to an
43 account to be used for research related to veterinary medicine.

44 **SECTION 34.** Section 165, chapter 768, Oregon Laws 2013, is amended to read:

45 **Sec. 165.** Notwithstanding ORS 196.438, 351.350 (**2013 Edition**), 352.230, 352.239, 352.247,

1 352.610, 526.225, 542.710, 561.364, 566.210, 567.005, [567.035,] 567.210, 567.260, 567.455, 567.505, 567.510
2 and 567.580, if the president of Oregon State University notifies the Governor that the university
3 will become a university with a governing board in the manner set forth in section 168 or 168a,
4 **chapter 768, Oregon Laws 2013** [of this 2013 Act], the university shall act independently, rather
5 than under the direction, control or management of the State Board of Higher Education.

6 **SECTION 35.** ORS 352.360 is amended to read:

7 352.360. (1) The State Board of Higher Education may enact such regulations as the board deems
8 convenient or necessary to provide for the policing, control and regulation of traffic and parking
9 of vehicles on the property of any public university listed in ORS 351.011. The regulations may
10 provide for the registration of vehicles, the designation of parking areas and the assessment and
11 collection of reasonable fees and charges for parking. The board may require that before a quarterly
12 or yearly parking privilege for any vehicle is granted to any full-time or part-time student to use
13 board property, the student must show that the vehicle is operated by a student holding a valid
14 driver license, that the vehicle is currently registered and that the student driving the vehicle is
15 insured under a motor vehicle liability insurance policy that meets the requirements described under
16 ORS 806.080 or that the student or owner of the vehicle has provided the Department of Transpor-
17 tation with other satisfactory proof of compliance with the financial responsibility requirements of
18 this state.

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

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

34 (4) All fees and charges for parking privileges and violations are deposited in a designated ac-
35 count in the Oregon University System Fund established by ORS 351.506 for the purpose of defraying
36 the costs of constructing bicycle racks and bicycle lanes and of traffic control, enforcement of traffic
37 and parking regulations and maintenance and operation of parking facilities and for the purpose of
38 acquiring and constructing additional parking facilities for vehicles at the various public universi-
39 ties and offices, departments and activities under the control of the board. [*Fees and charges may*
40 *also be credited to the account in the Oregon University System Fund designated by ORS 351.460.*]
41 Parking fees shall be established at levels no greater than those required to finance the con-
42 struction, operation and maintenance of parking facilities on the same campus of the public univer-
43 sity for which the parking is provided. Notwithstanding ORS 351.072, parking fees or changes in fees
44 shall be adopted in accordance with standards issued by the board.

45 (5) Every peace officer may enforce the regulations made by the board under subsection (1) of

1 this section. The board, for the purpose of enforcing its standards and regulations governing traffic
2 control, may appoint peace officers who have the same authority as other peace officers as defined
3 in ORS 133.005.

4 (6) The board and any municipal corporation or any department, agency or political subdivision
5 of this state may enter into agreements or contracts with each other for the purpose of providing
6 a uniform system of enforcement of the standards and regulations of the board enacted pursuant to
7 subsection (1) of this section.

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

18 **SECTION 36.** Section 22, chapter 121, Oregon Laws 2014, is amended to read:

19 **Sec. 22.** (1) Before the State Treasurer may issue the OHSU Cancer Challenge Article XI-G
20 Bonds:

21 (a) The Oregon Department of Administrative Services and Oregon Health and Science Univer-
22 sity must enter into a grant agreement in which the parties:

23 (A) Establish terms and conditions related to the grant, disbursement and use of \$161,490,000 in
24 net proceeds of the OHSU Cancer Challenge Article XI-G Bonds and interest earnings; and

25 (B) Provide for granting of \$161,490,000 to the university upon satisfaction of the terms and
26 conditions imposed in the grant agreement.

27 (b) The department must certify to the State Treasurer that the grant agreement has been en-
28 tered into between the department and the university and that the university has certified to the
29 department that the university has:

30 (A) Satisfied all material conditions precedent to its receipt of the matching funds; and

31 (B) Satisfied all material conditions precedent to its receipt of at least \$800 million in gifts and
32 legally irrevocable pledges.

33 (2) The terms and conditions of the grant agreement may:

34 (a) Impose restrictions on the use of the grant.

35 (b) Require that the \$161,490,000 in bond proceeds be granted directly to a trustee or escrow
36 agent.

37 (c) Impose other requirements that the department determines are in the best interest of the
38 State of Oregon as necessary to:

39 (A) Issue, sell or preserve the tax-exempt status, if any, of the OHSU Cancer Challenge Article
40 XI-G Bonds; and

41 (B) Administer the grant.

42 (3) The department shall transfer the grant to the university when the department is satisfied
43 that the university has complied, or will comply, with all of the terms and conditions imposed by
44 Article XI-G of the Oregon Constitution, sections 19 to 23, **chapter 121, Oregon Laws 2014**, [of this
45 2014 Act] and the grant agreement required by this section.

1 (4) Subject to the approval of the State Treasurer, the department may:

2 (a) Enter into agreements with a trustee or escrow agent regarding the disbursement and use
3 of the moneys granted to the university; and

4 (b) Transfer the moneys granted to the university directly to a trustee or escrow agent.

5 [(5) *ORS 351.450, 351.455 and 351.460 do not apply to OHSU Cancer Challenge Article XI-G*
6 *Bonds or to Oregon Health and Science University in connection with the bonds.*]

7 **SECTION 37. Notwithstanding any other provision of law, the unexpended proceeds, and**
8 **any interest earnings thereon, of bonds issued by the State Treasurer for the benefit of a**
9 **university with a governing board that have not been transferred to a university prior to**
10 **July 1, 2015, and are not subject to transfer pursuant to a loan, grant or other agreement**
11 **entered into between the State of Oregon and a university with a governing board or the**
12 **Oregon University System, are transferred to and made available for expenditure by the**
13 **public university on whose behalf the bonds were issued before the effective date of this 2015**
14 **Act.**

15 **SECTION 38. ORS 351.300, 351.304, 351.345, 351.350, 351.450, 351.455, 351.460, 351.473,**
16 **351.476, 351.479, 351.482 and 351.485 are repealed.**

17 **SECTION 39. Notwithstanding any other law limiting expenditures, the limitation on**
18 **expenditures established by section 2 (2), chapter _____, Oregon Laws 2015 (Enrolled Sen-**
19 **ate Bill 5502), for the biennium beginning July 1, 2015, as the maximum limit for payment**
20 **of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and fed-**
21 **eral funds received from charges, but excluding lottery funds and federal funds not described**
22 **in section 2, chapter _____, Oregon Laws 2015 (Enrolled Senate Bill 5502), collected or re-**
23 **ceived by the Oregon Department of Administrative Services for the Chief Financial Office**
24 **is increased by \$637,294.**

25 **SECTION 40. This 2015 Act being necessary for the immediate preservation of the public**
26 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
27 **on its passage.**