

Enrolled Senate Bill 493

Sponsored by Senator BATES (Presession filed.)

CHAPTER

AN ACT

Relating to disbanding governing boards at public universities; amending section 168a, chapter 768, Oregon Laws 2013; and declaring an emergency.

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

SECTION 1. Section 168a, chapter 768, Oregon Laws 2013, as amended by section 1, chapter 83, Oregon Laws 2014, and section 10, chapter 113, Oregon Laws 2014, is amended to read:

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

(a) Within two weeks after receiving the notification, the Governor shall inform the President of the Senate, the Speaker of the House of Representatives and the Legislative Counsel of the notification; and

(b) Not later than February 1, 2014, the Governor shall appoint all of the members of the governing board in the manner set forth in ORS 352.076.

(2)(a) If the president of Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University determines that the university should become a university with a governing board, the president shall notify the Governor and the State Board of Higher Education of the university's intent. Notification under this subsection must occur during the period beginning March 1, 2014, and ending May 15, 2014.

(b) Within 45 days of receiving notification under this subsection from a university president, the State Board of Higher Education shall take one of the following actions:

(A) Endorse the university's decision. If the State Board of Higher Education endorses the university's decision, the board shall immediately communicate any endorsement to the Governor.

(B) Not endorse the university's decision.

(C) Endorse the university's decision subject to conditions recommended by the State Board of Higher Education and endorsed by the Governor.

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

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

(b) The conditions recommended for a university seeking a governing board may include, but are not limited to, financial thresholds that must be met by the governing board or other coordi-

nation conditions to ensure the university's financial stability and the stability of the university's programs.

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

[(4)(a)] (4) A university whose decision is endorsed with conditions under subsection (2)(b)(C) of this section must fulfill the conditions not later than the date, if any, specified by the State Board of Higher Education and university president and endorsed by the Governor. If the Higher Education Coordinating Commission determines, as a result of a financial review and performance audit of the university and its governing board, that the university has not met the necessary conditions by the specified date, the commission shall notify the Governor, **the Legislative Assembly and the governing board of its determination.**

[(b) Within 90 days of receiving a notification under paragraph (a) of this subsection, the Governor may suspend the governing board and direct the university's administration to report to the governing board of a different university, direct the university to adopt a different governance structure or decide that the university should retain its governing board. Absent legislative action, the Governor's action is final and, unless the Governor decides to retain the governing board of the university, the governing board is disbanded at the conclusion of the next regular session of the Legislative Assembly.]

(5) Upon receiving notification that the State Board of Higher Education has endorsed a university's decision to become a university with a governing board under subsection (2)(b)(A) of this section, or upon endorsing a university's decision to become a university with a governing board under subsection (2)(b)(C) of this section, the Governor shall:

(a) Inform the President of the Senate, the Speaker of the House of Representatives and the Legislative Counsel that the university will become a university with a governing board; and

(b) Not later than six months after receiving the notification, appoint all of the members of the governing board in the manner set forth in ORS 352.076.

(6) Notwithstanding section 169, chapter 768, Oregon Laws 2013, if Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University becomes a university with a governing board under subsection (2) of this section, the president of that university shall take over administrative responsibilities for the university from the State Board of Higher Education on July 1, 2015.

SECTION 2. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Passed by Senate April 23, 2015

Repassed by Senate June 9, 2015

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House June 4, 2015

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Tina Kotek, Speaker of House

Received by Governor:

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Approved:

.....M,....., 2015

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2015

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Jeanne P. Atkins, Secretary of State