

A-Engrossed
Senate Bill 493

Ordered by the House June 1
Including House Amendments dated June 1

Sponsored by Senator BATES (Pre-session filed.)

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.

Removes ability of Governor to disband university governing board or force university to take other action if university fails to make timely compliance with conditions established when State Board of Higher Education endorsed governing board.

[Requires university that fails to comply with conditions to have governing board vote on whether to disband or retain governing board.]

Requires Higher Education Coordinating Commission to notify Legislative Assembly and relevant governing board, in addition to Governor, if university fails to make timely compliance with conditions.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to disbanding governing boards at public universities; amending section 168a, chapter 768,
3 Oregon Laws 2013; and declaring an emergency.

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

5 **SECTION 1.** Section 168a, chapter 768, Oregon Laws 2013, as amended by section 1, chapter
6 83, Oregon Laws 2014, and section 10, chapter 113, Oregon Laws 2014, is amended to read:

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

9 (a) Within two weeks after receiving the notification, the Governor shall inform the President
10 of the Senate, the Speaker of the House of Representatives and the Legislative Counsel of the no-
11 tification; and

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

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

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

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

23 (B) Not endorse the university's decision.

24 (C) Endorse the university's decision subject to conditions recommended by the State Board of

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 Higher Education and endorsed by the Governor.

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

4 (a) The State Board of Higher Education and the president of the university seeking a governing
5 board must mutually agree on the conditions that will be recommended by the board to the Gover-
6 nor. In order for a university to be endorsed under subsection (2)(b)(C) of this section, the Governor
7 must receive and choose to endorse the recommended conditions not later than the date set forth
8 in subsection (2)(b) of this section.

9 (b) The conditions recommended for a university seeking a governing board may include, but are
10 not limited to, financial thresholds that must be met by the governing board or other coordination
11 conditions to ensure the university's financial stability and the stability of the university's programs.

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

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

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

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

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

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

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

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