

**PROPOSED AMENDMENTS TO
HOUSE BILL 3199**

1 On page 1 of the printed bill, delete lines 3 and 4 and insert “provisions;
2 amending ORS 283.095, 286A.035, 291.445, 351.054, 351.160, 351.170, 351.190,
3 351.353, 351.369, 351.379, 351.545, 351.735, 352.107, 352.129, 352.138 and 352.360
4 and sections 10 and 13, chapter 904, Oregon Laws 2009, section 12, chapter
5 615, Oregon Laws 2011, section 165, chapter 768, Oregon Laws 2013, and
6 section 22, chapter 121, Oregon Laws 2014; repealing ORS 351.300, 351.304,
7 351.345, 351.350, 351.450, 351.455, 351.460, 351.473, 351.476, 351.479, 351.482 and
8 351.485; and declaring an emergency.”.

9 Delete lines 6 through 32 and delete pages 2 through 8 and insert:

10 **“SECTION 1. Sections 2 to 13 of this 2015 Act are added to and made**
11 **a part of ORS 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**
14 **of Article XI-F(1) of the Oregon Constitution for the benefit of a public**
15 **university.**

16 **“(2) ‘Article XI-G bonds’ means bonds issued under the authority**
17 **of Article XI-G of the Oregon Constitution for the benefit of a public**
18 **university.**

19 **“(3) ‘Bond-related costs’ means:**

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

22 **“(b) The costs and expenses of issuing, administering and main-**

1 **taining higher education bonds including, but not limited to:**

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

3 **“(B) Amounts due in connection with credit enhancement devices**
4 **or agreements for exchange of interest rates; and**

5 **“(C) Fees, administrative costs and expenses of the State Treasurer,**
6 **the Oregon Department of Administrative Services or the Higher Ed-**
7 **ucation Coordinating Commission, including the costs of consultants**
8 **or advisers retained by the State Treasurer, the department or the**
9 **commission;**

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

11 **“(d) Capitalized interest for the higher education bonds;**

12 **“(e) Rebates or penalties due to the United States in connection**
13 **with the higher education bonds;**

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

17 **“(g) Any other costs or expenses that the State Treasurer, the de-**
18 **partment or the commission determines are necessary or desirable in**
19 **connection with issuing and maintaining the higher education bonds.**

20 **“(4) ‘Federal tax benefit’ means the excludability of interest on**
21 **higher education bonds from gross income under the Internal Revenue**
22 **Code, the qualification of higher education bonds for any federal in-**
23 **terest subsidy payment or any other tax-advantaged status granted**
24 **under the Internal Revenue Code.**

25 **“(5) ‘Grant contract’ means a contract approved by the department**
26 **and executed by a public university and the commission that estab-**
27 **lishes the terms and conditions for issuance of Article XI-G bonds and**
28 **the disbursement of proceeds to the public university.**

29 **“(6) ‘Higher education bonds’ means Article XI-F(1) bonds and Ar-**
30 **ticle XI-G bonds.**

1 “(7) ‘Loan agreement’ means a contract approved by the depart-
2 ment and executed by a public university and the commission that
3 establishes the terms and conditions for issuance of Article XI-F(1)
4 bonds, lending of bond proceeds and loan repayment.

5 “(8) ‘Loan repayment schedule’ means the schedule of repayment
6 of loans made with proceeds of Article XI-F(1) bonds that a public
7 university is obligated to make to the State of Oregon pursuant to a
8 loan agreement.

9 “(9) ‘Matching amount’ means moneys unconditionally available to
10 a public university for the same or similar purposes as the proceeds
11 of Article XI-G bonds issued for the benefit of the public university
12 and meeting the requirements set forth in Article XI-G, section 1 (3),
13 of the Oregon Constitution.

14 “(10) ‘Public university’ means any institution established as a
15 public university under ORS 352.002.

16 “(11) ‘Revenue sufficiency’ means the condition of having revenues,
17 not including amounts appropriated by the Legislative Assembly from
18 the General Fund, that are conservatively estimated to be lawfully
19 available and sufficient to pay debt service on particular Article
20 XI-F(1) bonds and operate the projects financed with the proceeds of
21 those Article XI-F(1) bonds.

22 “SECTION 3. (1) In accordance with the applicable provisions of this
23 chapter, the State Treasurer, with the concurrence of the Director of
24 the Oregon Department of Administrative Services, may issue Article
25 XI-F(1) bonds if:

26 “(a) The Higher Education Coordinating Commission requests that
27 bonds be issued for the purposes specified in Article XI-F(1) of the
28 Oregon Constitution, plus an amount determined by the State Treas-
29 urer to pay estimated bond-related costs;

30 “(b) The issuance does not exceed the budget authorization for bond

1 issuance established under ORS 286A.035; and

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

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

8 “(3) The State Treasurer shall deposit the net proceeds of Article
9 XI-F(1) bonds in one or more project funds established in the State
10 Treasury or with a third party approved by the State Treasurer and
11 the Oregon Department of Administrative Services. Net proceeds of
12 Article XI-F(1) bonds must be expended for the purposes described in
13 the commission’s budget authorization.

14 “(4) If at any time the department and the commission jointly de-
15 termine that the net proceeds of Article XI-F(1) bonds deposited in a
16 project fund pursuant to subsection (3) of this section exceed the cost
17 of the project described in the commission’s budget authorization, the
18 department may allocate and transfer the excess amount as deter-
19 mined by the department to other project funds, the Article XI-F(1)
20 Bond Fund established under section 5 of this 2015 Act or the Article
21 XI-F(1) Bond Administration Fund established under section 6 of this
22 2015 Act. Before transferring an excess amount under this subsection,
23 the department shall consult with the public university for whose
24 benefit the Article XI-F(1) bonds were issued, but the department may
25 transfer an excess amount without the approval of the public univer-
26 sity. Excess amounts may not be transferred to a project fund for the
27 project of another public university unless the applicable loan agree-
28 ments and loan repayment schedules are amended to reflect the
29 transfer.

30 “(5) Article XI-F(1) bonds are direct general obligations of the State

1 of Oregon and must contain a direct promise on behalf of the State
2 of Oregon to pay the principal of, the interest on and the premium,
3 if any, on the Article XI-F(1) bonds. The State of Oregon shall pledge
4 its full faith and credit and taxing power to the payment of the prin-
5 cipal of, the interest on and the premium, if any, on Article XI-F(1)
6 bonds, and the ad valorem taxing power of the State of Oregon may
7 be pledged to pay Article XI-F(1) bonds.

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

11 **“(1)** A representation by the public university that it has revenue
12 sufficiency for the Article XI-F(1) bonds;

13 **“(2)** A loan repayment schedule and a covenant of the public uni-
14 versity to make all required loan repayment schedule payments to the
15 commission prior to the date any bond debt service payments are due
16 on the Article XI-F(1) bonds that financed the loan;

17 **“(3)** Terms and conditions obligating the public university to main-
18 tain any federal tax benefits related to the Article XI-F(1) bonds and
19 to execute and deliver any required tax certificates or agreements in
20 connection with any federal tax benefits related to the Article XI-F(1)
21 bonds; and

22 **“(4)** Terms and conditions indemnifying the State of Oregon against
23 regulatory or bondholder liability due to the action or inaction of the
24 public university related to the Article XI-F(1) bonds.

25 **“SECTION 5. (1)** The Article XI-F(1) Bond Fund is established in the
26 State Treasury, separate and distinct from the General Fund, or with
27 a third party under contract with the Oregon Department of Admin-
28 istrative Services and approved by the State Treasurer. Moneys in the
29 Article XI-F(1) Bond Fund may be invested as provided in ORS
30 286A.025 and 293.701 to 293.857, and interest earned on the fund must

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

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

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

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

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

13 “(e) Moneys received as payment under a loan agreement or the
14 schedule provided under ORS 351.379;

15 “(f) Moneys received in payment of a bill for bond-related costs paid
16 by a public university under section 13 (2) of this 2015 Act;

17 “(g) Moneys received from ad valorem taxes levied pursuant to ORS
18 291.445; and

19 “(h) Moneys provided by the Legislative Assembly in lieu of ad
20 valorem taxes levied pursuant to ORS 291.445.

21 “(2) The department shall credit any interest earnings in the fund
22 on amounts paid by a public university pursuant to a loan agreement
23 or the schedule provided under ORS 351.379 that exceed the amount
24 needed to repay outstanding Article XI-F(1) bonds issued for the ben-
25 efit of the public university against the payment obligations of the
26 public university under a loan agreement or the schedule provided
27 under ORS 351.379.

28 “(3) At the request of the department, the State Treasurer may
29 create or cause to be created separate accounts in the fund for re-
30 serves and debt service for each series of Article XI-F(1) bonds.

1 **“SECTION 6. (1) The Article XI-F(1) Bond Administration Fund is**
2 **established in the State Treasury, separate and distinct from the**
3 **General Fund, or with a third party under contract with the Oregon**
4 **Department of Administrative Services and approved by the State**
5 **Treasurer. Moneys in the Article XI-F(1) Bond Administration Fund**
6 **may be invested as provided in ORS 286A.025 and 293.701 to 293.857, and**
7 **interest earned on the fund must be credited to the fund. Moneys**
8 **credited to the Article XI-F(1) Bond Administration Fund are contin-**
9 **uously appropriated to the department for payment of bond-related**
10 **costs. The department shall credit to the fund:**

11 **“(a) Proceeds of Article XI-F(1) bonds that were issued to pay**
12 **bond-related costs;**

13 **“(b) Moneys appropriated or otherwise provided by the Legislative**
14 **Assembly for deposit in the fund; and**

15 **“(c) Moneys received from a public university in payment of a bill**
16 **for bond-related costs that are not credited to the Article XI-F(1) Bond**
17 **Fund.**

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

21 **“SECTION 7. The Higher Education Coordinating Commission shall**
22 **request that the Governor include in the Governor’s budget request**
23 **to the Legislative Assembly for each biennium amounts that are suf-**
24 **ficient to pay:**

25 **“(1) The costs of loan agreement disbursements during the**
26 **biennium to public universities for the costs of projects to be financed**
27 **by the issuance of Article XI-F(1) bonds;**

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

30 **“(3) Amounts billed during the biennium by the Oregon Department**

1 of Administrative Services under section 13 (2) of this 2015 Act; and

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

4 **“SECTION 8. (1) In accordance with the applicable provisions of this**
5 **chapter, the State Treasurer, with the concurrence of the Director of**
6 **the Oregon Department of Administrative Services, may issue Article**
7 **XI-G bonds if:**

8 “(a) The Higher Education Coordinating Commission requests that
9 bonds be issued for the purposes specified in Article XI-G of the
10 Oregon Constitution, plus an amount determined by the State Treas-
11 urer to pay estimated bond-related costs;

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

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

16 “(2) The State Treasurer may issue Article XI-G bonds for the pur-
17 pose of refunding Article XI-G bonds without a request from the
18 commission when the State Treasurer determines it is in the best in-
19 terests of the State of Oregon to refund Article XI-G bonds.

20 “(3) The State Treasurer shall deposit the net proceeds of Article
21 XI-G bonds in one or more project funds established in the State
22 Treasury or with a third party approved by the State Treasurer and
23 the Oregon Department of Administrative Services. Net proceeds of
24 Article XI-G bonds must be expended for the purposes described in the
25 commission’s budget authorization.

26 “(4) If at any time the department and the commission jointly de-
27 termine that the net proceeds of Article XI-G bonds deposited in a
28 project fund pursuant to subsection (3) of this section exceed the cost
29 of the project described in the commission’s budget authorization, the
30 department may allocate and transfer the excess amount as deter-

1 mined by the department to other project funds, the Article XI-G Bond
2 Fund established under section 10 of this 2015 Act or the Article XI-G
3 Bond Administration Fund established under section 11 of this 2015
4 Act.

5 “(5) Article XI-G bonds are direct general obligations of the State
6 of Oregon and must contain a direct promise on behalf of the State
7 of Oregon to pay the principal of, the interest on and the premium,
8 if any, on the Article XI-G bonds. The State of Oregon shall pledge its
9 full faith and credit and taxing power to the payment of the principal
10 of, the interest on and the premium, if any, on Article XI-G bonds,
11 and the ad valorem taxing power of the State of Oregon may be
12 pledged to pay Article XI-G bonds.

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

16 “(1) A certification that the requirement for a matching amount is
17 satisfied;

18 “(2) Terms and conditions obligating the public university to main-
19 tain any federal tax benefit related to the Article XI-G bonds and to
20 execute and deliver any required tax certificates or agreements in
21 connection with any federal tax benefit related to the Article XI-G
22 bonds; and

23 “(3) Terms and conditions indemnifying the State of Oregon against
24 regulatory or bondholder liability due to the action or inaction of the
25 public university related to the Article XI-G bonds.

26 **“SECTION 10.** (1) The Article XI-G Bond Fund is established in the
27 State Treasury, separate and distinct from the General Fund, or with
28 a third party under contract with the Oregon Department of Admin-
29 istrative Services and approved by the State Treasurer. Moneys in the
30 Article XI-G Bond Fund may be invested as provided in ORS 286A.025

1 and 293.701 to 293.857, and interest earned on the fund must be credited
2 to the fund. Moneys credited to the Article XI-G Bond Fund are con-
3 tinuously appropriated to the department for the purpose of paying,
4 when due, the principal of, the interest on and the premium, if any,
5 on outstanding Article XI-G bonds. The department shall deposit in
6 the fund:

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

8 “(b) Moneys appropriated or otherwise provided by the Legislative
9 Assembly for deposit in the fund;

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

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

14 “(e) Moneys received in payment of a bill for bond-related costs paid
15 by a public university under section 13 (2) of this 2015 Act;

16 “(f) Moneys received from ad valorem taxes levied pursuant to ORS
17 291.445; and

18 “(g) Moneys provided by the Legislative Assembly in lieu of ad
19 valorem taxes levied under ORS 291.445.

20 “(2) At the request of the department, the State Treasurer may
21 create or cause to be created separate accounts in the fund for re-
22 serves and debt service for each series of Article XI-G bonds.

23 “SECTION 11. (1) The Article XI-G Bond Administration Fund is
24 established in the State Treasury, separate and distinct from the
25 General Fund, or with a third party under contract with the Oregon
26 Department of Administrative Services and approved by the State
27 Treasurer. Moneys in the Article XI-G Bond Administration Fund may
28 be invested as provided in ORS 286A.025 and 293.701 to 293.857, and in-
29 terest earned on the fund must be credited to the fund. Moneys cred-
30 ited to the Article XI-G Bond Administration Fund are continuously

1 appropriated to the department for payment of bond-related costs. The
2 department shall credit to the fund:

3 “(a) Proceeds of Article XI-G bonds that were issued to pay bond-
4 related costs;

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

7 “(c) Moneys received from a public university in payment of a bill
8 for bond-related costs that are not credited to the Article XI-G Bond
9 Fund.

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

13 **“SECTION 12.** The Higher Education Coordinating Commission
14 shall request that the Governor include in the Governor’s budget re-
15 quest to the Legislative Assembly for each biennium amounts that are
16 sufficient to pay:

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

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

21 “(3) Amounts billed during the biennium by the Oregon Department
22 of Administrative Services under section 13 (2) of this 2015 Act; and

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

24 **“SECTION 13.** (1) The Oregon Department of Administrative Ser-
25 vices may adopt rules for the purpose of carrying out sections 2 to 12
26 this 2015 Act including, but not limited to, establishing:

27 “(a) Fees and costs to be paid by public universities for adminis-
28 tration of higher education bonds, including reasonable fees and ex-
29 penses of the State Treasurer as provided in ORS 286A.014;

30 “(b) The form, content and timing of information to be submitted

1 by public universities to be used by the Higher Education Coordinating
2 Commission and the State Treasurer to evaluate revenue sufficiency
3 for Article XI-F(1) bonds and availability and sufficiency of matching
4 amounts for Article XI-G bonds; and

5 “(c) Standards, terms and conditions for maintaining federal tax
6 benefits related to higher education bonds.

7 “(2) The department may periodically bill a public university
8 through the Higher Education Coordinating Commission, without du-
9 plicating costs billed by contract, for the public university’s propor-
10 tional share of costs incurred by the department in connection with
11 higher education bonds, including, but not limited to:

12 “(a) Bond-related costs of higher education bonds issued or pro-
13 posed to be issued to finance or refinance projects of the public uni-
14 versity; and

15 “(b) Costs of legal or financial consultants or advisors, including,
16 without limitation, bond counsel to the State of Oregon, for services
17 that are provided at the request of a public university in connection
18 with higher education bonds that are issued or proposed to be issued.

19 “(3) The department may bill at such intervals as may be estab-
20 lished in the department’s procedures and shall deposit moneys paid
21 by the public university in the applicable bond fund or bond adminis-
22 tration fund for the higher education bonds, as the department deter-
23 mines is appropriate. A public university that receives a bill for
24 bond-related costs shall pay the amount billed by the time and in the
25 manner designated in the billing statement.

26 “**NOTE:** Section 14 was deleted by amendment. Subsequent sections were
27 not renumbered.

28 “**SECTION 15.** ORS 291.445 is amended to read:

29 “291.445. (1) Before July 1 of each fiscal year, the Oregon Department of
30 Administrative Services shall request from the appropriate state agency a

1 certificate as prescribed in this section. The request shall be made by letter
2 to the agency.

3 “(2) Each state agency authorized to issue general obligation bonds that
4 are ordinarily to be repaid from other than General Fund appropriations
5 shall, on or before August 15 of each fiscal year:

6 “(a) Certify to the Director of the Oregon Department of Administrative
7 Services that the amounts available or that will become available during the
8 current year to the bond program debt service fund to pay bond principal
9 and interest that has accrued or will accrue during the current year are
10 sufficient and will be sufficient to pay bond program principal and interest
11 scheduled for payment during the current year; or

12 “(b) Certify to the Director of the Oregon Department of Administrative
13 Services that the amounts available or that will become available during the
14 current year to the bond program debt service fund will not be sufficient to
15 pay bond program principal and interest scheduled for payment during the
16 current year. A certificate issued under this paragraph shall specify the
17 amount of the anticipated current year deficit. The Director of the Oregon
18 Department of Administrative Services shall review and confirm the cor-
19 rectness of each certification made under this paragraph.

20 “(3) On or before August 15 of each fiscal year, the administrative divi-
21 sion of the Oregon Department of Administrative Services that has primary
22 responsibility for accounting for each general obligation bond program in
23 which the bond principal and interest is ordinarily to be repaid from General
24 Fund appropriations shall:

25 “(a) Certify to the Director of the Oregon Department of Administrative
26 Services that the amounts available or that will become available during the
27 current year from General Fund appropriations to defray program bond
28 principal and interest that has accrued or will accrue during the current
29 year are sufficient and will be sufficient to pay program bond principal and
30 interest scheduled for payment during the current year; or

1 “(b) Certify to the Director of the Oregon Department of Administrative
2 Services that the amounts available or that will become available during the
3 current year from General Fund appropriations will not be sufficient to pay
4 program bond principal and interest scheduled for payment during the cur-
5 rent year. A certificate issued under this paragraph shall specify the amount
6 of the anticipated current year deficit.

7 “(4)(a) If a deficit in funds available to pay principal and interest in any
8 general obligation bond program is certified and confirmed under subsection
9 (2) or certified under subsection (3) of this section, the amount of the deficit,
10 together with any deficit that is certified for any other general obligation
11 bond program shall upon certification constitute a state tax levy on property
12 that shall be apportioned among and charged to the several counties in that
13 proportion which the total assessed value of all the taxable property in each
14 county bears to the total assessed value of all the taxable property of the
15 state as equalized.

16 “(b) If any agency fails to make the certification under subsection (2) or
17 (3) of this section with respect to any general obligation bond fund program,
18 the Oregon Department of Administrative Services shall determine the
19 amount of revenue and other funds that are available and the amount of
20 taxes, if any, that should be levied in addition to the revenues and funds, to
21 pay bond principal and interest under the program for the fiscal year in
22 question. The additional amount so determined shall thereupon constitute a
23 state tax levy on property that shall be apportioned, certified, collected and
24 distributed as if determined and certified as a deficit by the agency. The
25 Oregon Department of Administrative Services shall charge the agency for
26 cost recovery for time spent on that agency’s behalf.

27 “(5) Immediately after the department has determined the amount of a
28 state tax levy on property in accordance with subsection (4) of this section,
29 a certificate of levy, signed by the director of the department, shall be filed
30 in the office of the department. If no state levy is required for the fiscal or

1 tax year, a certificate so stating and signed by the director shall be filed in
2 the office of the department.

3 “(6) If, for any reason, after the close of any regular session of the Leg-
4 islative Assembly, it becomes necessary to reduce General Fund appropri-
5 ations, General Fund appropriations for a debt service fund of a general
6 obligation bond program described under subsection (3) of this section may
7 not be reduced.

8 “(7) For purposes of this section:

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

12 “(A) The Director of Veterans’ Affairs, as authorized by Article XI-A of
13 the Oregon Constitution and ORS chapter 407 (veterans loans).

14 “(B) The [*State Board of Higher Education*] **Higher Education Coordi-**
15 **nating Commission, for bonds** [*as*] authorized by Article XI-F(1) of the
16 Oregon Constitution and [*ORS 351.350*] **section 3 of this 2015 Act (higher**
17 **education** building projects).

18 “(C) The Department of Environmental Quality, as authorized by Article
19 XI-H of the Oregon Constitution and ORS 468.195 to 468.260 (pollution con-
20 trol).

21 “(D) The Water Resources Commission and the Water Resources Director,
22 as authorized by Article XI-I(1) of the Oregon Constitution and ORS 541.700
23 to 541.855 (water development).

24 “(E) The Housing and Community Services Department, as authorized by
25 Article XI-I(2) of the Oregon Constitution and ORS 456.515 to 456.725 and
26 458.505 to 458.515 (housing).

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

30 “(G) Other agencies as required by the Oregon Department of Adminis-

1 trative Services by rule adopted using the criterion of this subsection.

2 “(b) Each agency authorized to issue general obligation bonds that are
3 ordinarily to be repaid from other than General Fund appropriations shall
4 determine the amount of revenues or other funds that are available and the
5 amount of taxes, if any, that should be levied for the ensuing year in the
6 manner required under rules adopted by the Oregon Department of Admin-
7 istrative Services and make the certification required under subsection (2)
8 of this section.

9 “(8)(a) State agencies that are authorized to issue general obligation
10 bonds that are ordinarily to be repaid from General Fund appropriations in-
11 clude but are not limited to:

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

15 “(B) The **Higher Education Coordinating Commission** [*State Board of*
16 *Higher Education*], as authorized by Article XI-G of the Oregon Constitution
17 and **section 8 of this 2015 Act** [*ORS 351.345*] (higher education and com-
18 munity colleges).

19 “(C) Other agencies as required by the Oregon Department of Adminis-
20 trative Services by rule adopted using the criterion of this subsection.

21 “(b) Each agency authorized to issue general obligation bonds ordinarily
22 to be repaid from General Fund appropriations shall furnish any data re-
23 quired by the Oregon Department of Administrative Services to determine
24 the amount of revenues or other funds that are available and the amount of
25 taxes, if any, that should be levied for the ensuing year and the administra-
26 tive division of the Oregon Department of Administrative Services that has
27 primary responsibility for accounting shall make the determination for pur-
28 poses of the making of the certification required under subsection (3) of this
29 section.

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

1 “351.054. (1) The Higher Education Coordinating Commission is author-
2 ized to:

3 “[~~(1)~~] (a) Request, as part of the funding request under ORS 351.052, ap-
4 propriations for budgetary items, including but not limited to education and
5 general operations, statewide public services, state funded debt service, cap-
6 ital improvements, deferred maintenance, special initiatives and investments;
7 and

8 “[~~(2)~~] (b) Allocate moneys, from funds appropriated to the commission and
9 other available moneys, among [*the office of the Chancellor of the Oregon*
10 *University System and*] public universities listed in ORS 352.002.

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

18 **“SECTION 17.** ORS 351.369 is amended to read:

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

28 “(2) The State Treasurer shall limit the scope of review and approval
29 under subsection (1) of this section to consideration of periodic cash flow
30 projections and other information necessary to determine the sufficiency of

1 the cash flow of the university with a governing board to pay any loans from
2 state agencies funded with the proceeds of state bonds and to pay costs for:

3 “(a) State bonds issued for the benefit of the university with a governing
4 board pursuant to Article XI-F(1) or XI-Q of the Oregon Constitution or ORS
5 283.085 to 283.092; and

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

7 “(3) A university with a governing board that issues revenue bonds of the
8 university, or executes other obligations related to the revenue bonds, with-
9 out the approval of the State Treasurer as provided in subsection (2) of this
10 section is not eligible to receive proceeds of the state bonds described in
11 subsection (1) of this section and that are intended to be repaid in whole or
12 in part by university revenues or other moneys under the control of the
13 university on or after August 14, 2013.

14 “[*(4) For the purposes of ORS chapter 286A, a university with a governing*
15 *board has the powers and duties of a related agency as described in ORS*
16 *352.138 (10) with respect to state bonds that:*]

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

19 “[*(b) Are authorized under ORS 286A.035 and issued on or after August*
20 *14, 2013, for the benefit of a university with a governing board.*]

21 **“SECTION 18.** ORS 351.379 is amended to read:

22 “351.379. (1) ORS 351.365 to 351.379 do not impair the obligations, as de-
23 fined in ORS 286A.100, or agreements of the State of Oregon or the State
24 Board of Higher Education with respect to state bonds issued before August
25 14, 2013, for the benefit of a university with a governing board.

26 “(2) A university with a governing board [*and the Oregon University*
27 *System*] shall take all actions necessary to ensure full compliance with the
28 operative documents executed with respect to state bonds issued before, on
29 or after August 14, 2013, by the State Treasurer for the benefit of the uni-
30 versity with a governing board.

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

26 “(4) At the request of the State Treasurer, a university with a governing
27 board shall provide the State Treasurer with periodic cash flow projections
28 and other information that allow the State Treasurer to review and approve
29 the sufficiency of the university’s cash flow to pay amounts specified in the
30 schedule described in subsection (3) of this section and to pay amounts owed

1 under loans from state agencies that were funded with the proceeds of state
2 bonds.

3 “(5) Moneys deposited with the State Treasurer[, *the Controller of the*
4 *Oregon University System*] or the Oregon Department of Administrative Ser-
5 vices in a debt service reserve account or otherwise for the portion of the
6 debt service associated with obligations entered into before August 14, 2013,
7 for the benefit of a university with a governing board must remain with the
8 State Treasurer[, *the Controller of the Oregon University System*] or the
9 Oregon Department of Administrative Services until the obligations have
10 been retired or defeased. Earnings on moneys described in this subsection
11 must be credited to the account or fund in which the moneys are held.

12 “(6) The principal, interest, premium, if any, and any issuance costs of
13 state bonds issued before, on or after August 14, 2013, for the benefit of a
14 university with a governing board, and any related credit enhancement de-
15 vice or interest rate exchange agreement, shall be paid from the sources
16 identified in the laws and operative documents authorizing the state bonds.
17 The university with a governing board for which the state bonds were issued
18 shall pay any other expenses and liabilities, including, but not limited to,
19 legal expenses arising from an inquiry, audit or other action by a federal or
20 state regulatory body, unless the expense or liability results solely from the
21 negligence or willful misconduct of a state agency.

22 “(7) Pursuant to ORS chapter 180, on behalf of the State Treasurer or any
23 other state agency, the Attorney General shall appear, commence, prosecute
24 or defend any action, suit, matter, cause or proceeding arising from any state
25 bond issued for the benefit of a university with a governing board and any
26 related credit enhancement device or interest rate exchange agreement. As
27 soon as practicable after a governing board is established by a university
28 pursuant to ORS 352.054, the university with a governing board and the State
29 Treasurer shall enter into an agreement that addresses reimbursement of
30 reasonable costs and expenses associated with the legal representation of the

1 State Treasurer in connection with state bonds issued for the benefit of the
2 university with a governing board before, on or after August 14, 2013, and
3 any other topic necessary for the Department of Justice to provide legal
4 representation to the State Treasurer in connection with state bonds issued
5 for the benefit of the university with a governing board and to provide rep-
6 resentation related to funds and accounts or services provided under ORS
7 352.135.

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

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

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

18 “(2) The Higher Education Coordinating Commission shall be guided by
19 the legislative findings in ORS 341.009, 351.001 and 351.003 and the goals and
20 mission of post-secondary education set forth 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-
24 secondary education system, including community colleges and public uni-
25 versities listed in ORS 352.002, and for student access programs.

26 “(B) Strategic investments in the state’s community colleges, public uni-
27 versities and student access programs necessary to achieve state post-
28 secondary education goals.

29 “(C) Coordination of the post-secondary elements of data collection and
30 structure, with the advice and recommendation of the state’s independent

1 institutions, community colleges and public universities, as appropriate, in
2 order to assist the Oregon Education Investment Board in the construction
3 of a state longitudinal data system, as authorized by law.

4 “(b) Adopt a strategic plan for achieving state post-secondary education
5 goals, taking into consideration the contributions of this state’s independent
6 institutions, philanthropic organizations and other organizations dedicated
7 to helping Oregonians reach state goals. State post-secondary education
8 goals as described in this section should include, but need not be limited to:

9 “(A) Increasing the educational attainment of the population;

10 “(B) Increasing this state’s global economic competitiveness and the
11 quality of life of its residents;

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

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

15 “(E) Tracking progress toward meeting the state’s post-secondary educa-
16 tion goals established in the strategic plan described in this paragraph.

17 “(c)(A) Each biennium, after receiving funding requests from the state’s
18 community colleges and public universities as authorized by law, recommend
19 to the Governor and the Oregon Education Investment Board a consolidated
20 higher education budget request aligned with the strategic plan described in
21 subsection (3)(b) of this section, including appropriations for:

22 “(i) Student access programs;

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

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

28 “(iv) New facilities or programs;

29 “(v) Capital improvements and deferred maintenance; and

30 “(vi) Special initiatives and investments.

1 “(B) In the development of the consolidated higher education budget re-
2 quest:

3 “(i) Determine the costs necessary to provide quality post-secondary edu-
4 cation;

5 “(ii) Solicit input from educators, education policy experts, appropriate
6 legislative committees, students and other persons interested in the develop-
7 ment of the funding model; and

8 “(iii) Solicit public input regarding educational priorities.

9 “(d) Adopt rules governing the distribution of appropriations from the
10 Legislative Assembly to community colleges, public universities listed in
11 ORS 352.002 and student access programs. These rules must be based on al-
12 location formulas developed in consultation with the state’s community col-
13 leges and public universities, as appropriate.

14 “(e) Approve or disapprove any significant change to the academic pro-
15 gram of a community college or a public university listed in ORS 352.002. In
16 reaching a decision under this paragraph, the commission shall consider the
17 recommendation from the community college or public university seeking to
18 make the change to an academic program that is issued pursuant to the ob-
19 ligation of the governing board of a community college or public university
20 to review and approve academic programs. The commission shall ensure that
21 approved programs:

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

24 “(B) Do not unnecessarily duplicate academic programs offered by
25 Oregon’s other community colleges or public universities;

26 “(C) Are not located in a geographic area that will cause undue hardship
27 to Oregon’s other community colleges or public universities; and

28 “(D) Are allocated among Oregon’s community colleges and public uni-
29 versities to maximize the achievement of statewide needs and requirements.

30 “(f) For public universities listed in ORS 352.002:

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

3 “(B) Review and determine whether a proposed annual increase of resi-
4 dent undergraduate enrollment fees, as described in ORS 351.063, of greater
5 than five percent is appropriate.

6 “(C) Advise the Governor and the Legislative Assembly on issues of uni-
7 versity governance.

8 “(D) Approve and authorize degrees.

9 “(E) **Perform the evaluation and certification required by ORS**
10 **351.054.**

11 “(g) Authorize degrees to be offered by independent post-secondary insti-
12 tutions in this state under ORS 348.594 to 348.615.

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

14 “(i) Have the authority to enter into and administer interstate agreements
15 regarding the provision of post-secondary distance education. The partic-
16 ipation by an educational institution that is not based in this state in dis-
17 tance learning courses or programs that are part of an interstate agreement
18 entered into and administered under this paragraph does not constitute op-
19 erating in this state for purposes of ORS 348.594 to 348.615. The commission,
20 by rule, may impose a fee on any educational institution that seeks to oper-
21 ate under or participate in such interstate agreements. The fee amount shall
22 be established to recover designated expenses incurred by the commission in
23 participating in such agreements.

24 “(4) In addition to the duties described in subsections (2) and (3) of this
25 section, the Higher Education Coordinating Commission shall advise the
26 Legislative Assembly, the Governor, community colleges, public universities
27 and other state boards and commissions on policies in order to:

28 “(a) Ensure or improve access to higher education by diverse and under-
29 served populations.

30 “(b) Encourage student success and completion initiatives.

1 “(c) Improve the coordination of the provision of educational services,
2 including:

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

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

5 “(C) Applied baccalaureate and other transfer degrees;

6 “(D) Programs and grants that span multiple institutions; and

7 “(E) Reciprocity agreements with other states.

8 “(d) In coordination with the State Board of Education, enhance the use
9 and quality of dual credit, career and technical pathways and efforts to cre-
10 ate a culture of college attendance in this state.

11 “(e) In coordination with the State Workforce Investment Board, local
12 workforce investment boards, the Oregon Health and Science University and
13 independent institutions, ensure that the state’s colleges and universities
14 offer programs in high-demand occupations that meet Oregon’s workforce
15 needs.

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

18 “(5) The Higher Education Coordinating Commission, in a manner con-
19 sistent with ORS chapter 183, may adopt administrative rules.

20 “(6) With the exception of the rulemaking authority granted in subsection
21 (5) of this section, the Higher Education Coordinating Commission may del-
22 egate any of its powers, duties or functions to a committee of the commission
23 or to the executive director of the commission.

24 “(7) The Higher Education Coordinating Commission may establish tech-
25 nical or advisory committees to assist the commission in exercising its pow-
26 ers, duties and functions.

27 “(8) The Higher Education Coordinating Commission may exercise only
28 powers, duties and functions expressly granted by the Legislative Assembly.
29 Except as otherwise expressly provided by law, all other authorities reside
30 at the institutional level with the respective boards of the post-secondary

1 institutions.

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

5 “351.735. (1) As used in this section, ‘student access programs’ means
6 scholarship, loan, grant and access programs described in ORS chapter 348.

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

10 “(3) The Higher Education Coordinating Commission shall:

11 “(a) Develop state goals and associated achievement compacts for the
12 state post-secondary education system, including community colleges and
13 public universities listed in ORS 352.002, and for student access programs.

14 “(b) Determine strategic investments in the state’s community colleges,
15 public universities and student access programs necessary to achieve state
16 post-secondary education goals.

17 “(c) Coordinate the post-secondary elements of data collection and struc-
18 ture, with the advice and recommendation of the state’s independent insti-
19 tutions, community colleges and public universities, as appropriate, in order
20 to construct a state longitudinal data system.

21 “(d) Adopt a strategic plan for achieving state post-secondary education
22 goals, taking into consideration the contributions of this state’s independent
23 institutions, philanthropic organizations and other organizations dedicated
24 to helping Oregonians reach state goals. State post-secondary education
25 goals as described in this section should include, but need not be limited to:

26 “(A) Increasing the educational attainment of the population;

27 “(B) Increasing this state’s global economic competitiveness and the
28 quality of life of its residents;

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

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

2 “(E) Tracking progress toward meeting the state’s post-secondary educa-
3 tion goals established in the strategic plan described in this paragraph.

4 “(e)(A) Each biennium, after receiving funding requests from the state’s
5 community colleges and public universities as authorized by law, recommend
6 to the Governor a consolidated higher education budget request aligned with
7 the strategic plan described in subsection (3)(d) of this section, including
8 appropriations for:

9 “(i) Student access programs;

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

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

15 “(iv) New facilities or programs;

16 “(v) Capital improvements and deferred maintenance; and

17 “(vi) Special initiatives and investments.

18 “(B) In the development of the consolidated higher education budget re-
19 quest:

20 “(i) Determine the costs necessary to provide quality post-secondary edu-
21 cation;

22 “(ii) Solicit input from educators, education policy experts, appropriate
23 legislative committees, students and other persons interested in the develop-
24 ment of the funding model; and

25 “(iii) Solicit public input regarding educational priorities.

26 “(f) Adopt rules governing the distribution of appropriations from the
27 Legislative Assembly to community colleges, public universities listed in
28 ORS 352.002 and student access programs. These rules must be based on al-
29 location formulas developed in consultation with the state’s community col-
30 leges and public universities, as appropriate.

1 “(g) Approve or disapprove any significant change to the academic pro-
2 gram of a community college or a public university listed in ORS 352.002. In
3 reaching a decision under this paragraph, the commission shall consider the
4 recommendation from the community college or public university seeking to
5 make the change to an academic program that is issued pursuant to the ob-
6 ligation of the governing board of a community college or public university
7 to review and approve academic programs. The commission shall ensure that
8 approved programs:

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

11 “(B) Do not unnecessarily duplicate academic programs offered by
12 Oregon’s other community colleges or public universities;

13 “(C) Are not located in a geographic area that will cause undue hardship
14 to Oregon’s other community colleges or public universities; and

15 “(D) Are allocated among Oregon’s community colleges and public uni-
16 versities to maximize the achievement of statewide needs and requirements.

17 “(h) For public universities listed in ORS 352.002:

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

20 “(B) Review and determine whether a proposed annual increase of resi-
21 dent undergraduate enrollment fees, as described in ORS 351.063, of greater
22 than five percent is appropriate.

23 “(C) Advise the Governor and the Legislative Assembly on issues of uni-
24 versity governance.

25 “(D) Approve and authorize degrees.

26 “(E) **Perform the evaluation and certification required by ORS**
27 **351.054.**

28 “(i) Authorize degrees to be offered by independent post-secondary insti-
29 tutions in this state under ORS 348.594 to 348.615.

30 “(j) Oversee the licensing of career schools under ORS 345.010 to 345.450.

1 “(k) Have the authority to enter into and administer interstate agree-
2 ments regarding the provision of post-secondary distance education. The
3 participation by an educational institution that is not based in this state in
4 distance learning courses or programs that are part of an interstate agree-
5 ment entered into and administered under this paragraph does not constitute
6 operating in this state for purposes of ORS 348.594 to 348.615. The commis-
7 sion, by rule, may impose a fee on any educational institution that seeks to
8 operate under or participate in such interstate agreements. The fee amount
9 shall be established to recover designated expenses incurred by the commis-
10 sion in participating in such agreements.

11 “(4) In addition to the duties described in subsections (2) and (3) of this
12 section, the Higher Education Coordinating Commission shall advise the
13 Legislative Assembly, the Governor, community colleges, public universities
14 and other state boards and commissions on policies in order to:

15 “(a) Ensure or improve access to higher education by diverse and under-
16 served populations.

17 “(b) Encourage student success and completion initiatives.

18 “(c) Improve the coordination of the provision of educational services,
19 including:

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

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

22 “(C) Applied baccalaureate and other transfer degrees;

23 “(D) Programs and grants that span multiple institutions; and

24 “(E) Reciprocity agreements with other states.

25 “(d) In coordination with the State Board of Education, enhance the use
26 and quality of dual credit, career and technical pathways and efforts to cre-
27 ate a culture of college attendance in this state.

28 “(e) In coordination with the State Workforce Investment Board, local
29 workforce investment boards, the Oregon Health and Science University and
30 independent institutions, ensure that the state’s colleges and universities

1 offer programs in high-demand occupations that meet Oregon’s workforce
2 needs.

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

5 “(5) The Higher Education Coordinating Commission, in a manner con-
6 sistent with ORS chapter 183, may adopt administrative rules.

7 “(6) With the exception of the rulemaking authority granted in subsection
8 (5) of this section, the Higher Education Coordinating Commission may del-
9 egate any of its powers, duties or functions to a committee of the commission
10 or to the executive director of the commission.

11 “(7) The Higher Education Coordinating Commission may establish tech-
12 nical or advisory committees to assist the commission in exercising its pow-
13 ers, duties and functions.

14 “(8) The Higher Education Coordinating Commission may exercise only
15 powers, duties and functions expressly granted by the Legislative Assembly.
16 Except as otherwise expressly provided by law, all other authorities reside
17 at the institutional level with the respective boards of the post-secondary
18 institutions.

19 **“SECTION 21.** ORS 352.107 is amended to read:

20 “352.107. (1) A university with a governing board may:

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

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

27 “(c) Make any and all contracts and agreements, enter into any partner-
28 ship, joint venture or other business arrangement and create and participate
29 fully in the operation of any business structure, including but not limited to
30 the development of business structures and networks with any public or

1 private government, nonprofit or for-profit person or entity, that in the
2 judgment of the university or the governing board is necessary or appropri-
3 ate.

4 “(d) Establish, collect and use charges, fines and fees for services, facili-
5 ties, operations and programs.

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

11 “(f) Acquire, purchase, purchase on a contractual basis, borrow, receive,
12 own, hold, control, convey, sell, manage, operate, lease, lease-purchase, li-
13 cense, lend, invest in, issue, improve, develop, use, expend and dispose of
14 personal property, including intellectual property, of any nature, tangible or
15 intangible.

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

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

19 “(i) Spend all available moneys without appropriation or expenditure
20 limitation approval from the Legislative Assembly, except for moneys re-
21 ceived by a university with a governing board pursuant to a funding request
22 submitted under ORS 352.089 (4) and the proceeds of state bonds issued for
23 the benefit of a university with a governing board. The proceeds of state
24 bonds issued for the benefit of a university with a governing board must be
25 held pursuant to an agreement entered into by the State Treasurer and a
26 university with a governing board under ORS 352.135 (2). [*The provisions of*
27 *ORS 351.450, 351.455 and 351.460 do not apply to state bonds issued for the*
28 *benefit of a university with a governing board pursuant to Article XI-F(1) or*
29 *XI-G of the Oregon Constitution.*]

30 “(j) Acquire, purchase, purchase on a contractual basis, borrow, receive,

1 own, hold, control, convey, mortgage, pledge or otherwise encumber, sell,
2 manage, operate, lease, lease-purchase, license, lend, invest in, improve, de-
3 velop, use, expend and dispose of real property.

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

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

10 “(m) Establish policies for the organization, administration and develop-
11 ment of the university which, to the extent set forth in those policies, shall
12 have the force of law and may be enforced through university procedures
13 that include an opportunity for appeal and in any court of competent juris-
14 diction.

15 “(n) Sue in its own name, be sued in its own name and issue and enforce
16 subpoenas in its own name.

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

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

26 “(q) Subject to the procedures set forth in ORS 352.089, establish, super-
27 vise and control academic and other programs, units of operation and stan-
28 dards, qualifications, policies and practices relating to university matters
29 such as admissions, curriculum, grading, student conduct, credits, scholar-
30 ships and the granting of academic degrees, certificates and other forms of

1 recognition.

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

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

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

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

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

15 **“SECTION 22.** ORS 352.129 is amended to read:

16 “352.129. (1) Notwithstanding ORS 352.102 and 352.107 and section 169,
17 chapter 768, Oregon Laws 2013, the amendments to ORS 243.107 and 351.094
18 by sections 88 and 113, chapter 768, Oregon Laws 2013, and the operative date
19 set forth in section 171, chapter 768, Oregon Laws 2013, a university with a
20 governing board shall continue to participate with other public universities
21 listed in ORS 352.002 in all shared administrative services relating to:

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

24 “(b) Collective bargaining with any statewide bargaining unit that in-
25 cludes employees of two or more public universities listed in ORS 352.002;
26 and

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

29 “(2) The shared administrative services listed in subsection (1) of this
30 section must be done under the same terms, conditions, funding model and

1 policy frameworks as those that exist on August 14, 2013, until July 1, 2015.
2 On and after July 1, 2015, public universities listed in ORS 352.002 may
3 choose to participate in shared services under an alternative shared services
4 model.

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

9 “(4) Pursuant to ORS 352.025, and in order to ensure that the establish-
10 ment of universities with governing boards does not negatively impact public
11 universities that do not have governing boards, if a university with a gov-
12 erning 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
14 services listed in this section, and the withdrawal from the service has a
15 negative effect on the remaining public universities, the Higher Education
16 Coordinating Commission shall compensate universities suffering a negative
17 impact through either reduction of appropriations made to the university
18 with a governing board or any other method found to be appropriate by the
19 commission.

20 “(5) The office of the Chancellor of the Oregon University System shall
21 coordinate public university shared services described in this section until
22 a new entity to coordinate shared services is operational.

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

28 **“(b) A university with a governing board may opt out of the shared**
29 **services described in paragraph (a) of this subsection only if the**
30 **Oregon Department of Administrative Services has adopted rules un-**

1 **der section 13 of this 2015 Act relating to standards, terms and condi-**
2 **tions for maintaining federal tax benefits that apply to universities**
3 **with governing boards that opt out of shared services described in**
4 **paragraph (a) of this subsection.**

5 **“(c) As used in this subsection, ‘federal tax benefits’ has the**
6 **meaning given that term in section 2 of this 2015 Act.**

7 **“SECTION 23.** ORS 352.138, as amended by section 6, chapter 113, Oregon
8 Laws 2014, and section 17, chapter 121, Oregon Laws 2014, is amended to
9 read:

10 “352.138. (1) The following entities are not subject to any provision of law
11 enacted after January 1, 2013, that is unique to governmental entities unless
12 the following entities are expressly named:

13 “(a) A university with a governing board; and

14 “(b) Any not-for-profit organization or other entity if the equity of the
15 entity is owned or controlled exclusively by a university with a governing
16 board and if the organization or entity is created by the university to ad-
17 vance any of the university’s statutory missions.

18 “(2) Notwithstanding subsection (1) of this section, the provisions of ORS
19 30.260 to 30.460, 33.710, 33.720, 200.005 to 200.025, 200.045 to 200.090, 236.605
20 to 236.640, 279.835, 279.840, 279.850 and 297.040 and ORS chapters 35, 190, 192
21 and 244 apply to a university with a governing board under the same terms
22 as they apply to public bodies other than the state.

23 “(3) Except as otherwise provided by law, the provisions of ORS 35.550 to
24 35.575, 180.060, 180.210 to 180.235, 184.305 to 184.345, 190.480, 190.490, 200.035,
25 243.696, 357.805 to 357.895 and 656.017 (2) and ORS chapters 182, 183, 240, 270,
26 273, 276, 278, 279A, 279B, 279C, 282, 283, 291, 292, 293, 294, 295 and 297 do not
27 apply to a university with a governing board.

28 “(4) Notwithstanding subsections (1) and (3) of this section, ORS 240.167,
29 279C.600 to 279C.625, 279C.800, 279C.810, 279C.825, 279C.830, 279C.835,
30 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865, 279C.870 and

1 292.043 apply to a university with a governing board under the same terms
2 as they apply to public bodies other than the state.

3 “(5) Notwithstanding subsection (2) of this section, ORS 190.430 and
4 192.105 do not apply to a university with a governing board or any organ-
5 ization or other entity described in subsection (1) of this section.

6 “(6) Except as set forth in subsection (3) of this section, ORS 243.650 to
7 243.782 and 276.073 to 276.090 and ORS chapters 238 and 238A apply to a
8 university with a governing board under the same terms as they apply to the
9 state.

10 “(7) ORS 351.065, 351.067, 351.642, 351.643, 351.644, 351.646, 351.656, 351.658,
11 352.012 and 352.375 apply to a university with a governing board, except that
12 the board or university shall exercise the responsibilities and authorities of
13 the State Board of Higher Education, the Higher Education Coordinating
14 Commission or the Oregon University System.

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

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

28 “[10] *If state bonds are issued for the benefit of a university with a gov-*
29 *erning board, the university shall have the powers and duties of a related*
30 *agency, as defined in ORS 286A.001, to the extent necessary for the issuance*

1 *of the state bonds and the administration of the proceeds of the state bonds.]*

2 “[~~(11)~~] (10) If state bonds are issued for the benefit of a university with
3 a governing board under Article XI-Q of the Oregon Constitution[,]:

4 “(a) [*the university*] **The Higher Education Coordinating Commission**
5 shall have the powers and duties of a project agency, as defined in ORS
6 286A.816, to the extent necessary for the issuance of the state bonds and the
7 administration of the proceeds of the state bonds[.]; **and**

8 “(b) **The university and the Higher Education Coordinating Com-**
9 **mission shall enter into grant contracts or loan agreements that**
10 **comply with rules adopted by the Oregon Department of Administra-**
11 **tive Services relating to:**

12 “(A) **Disbursement of project funds by a project agency through**
13 **grant contracts or loan agreements;**

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

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

19 “[~~(12)~~] (11) Nothing in this section may be construed so that statutory
20 provisions that are not set forth in this section apply to a university with
21 a governing board.

22 “**SECTION 24.** ORS 283.095 is amended to read:

23 “283.095. (1) As used in this section:

24 “(a) ‘Financing agreement’ has the meaning given that term in ORS
25 283.085.

26 “(b) ‘State agency’ has the meaning given that term in ORS 283.089.

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

28 “[*(a)*] If authorized by a provision of law other than ORS 283.085 to
29 283.092, a state agency may enter into a financing agreement with a principal
30 amount of \$100,000 or less.

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

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

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

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

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

1 “(4) In compliance with the requirements of Article XI-G of the Oregon
2 Constitution, funds available under the expenditure limitation for bonds is-
3 sued pursuant to Article XI-G of the Oregon Constitution in section 6 (2)(a),
4 chapter 904, Oregon Laws 2009, are matched pursuant to section 16, chapter
5 904, Oregon Laws 2009.

6 “(5) In compliance with the requirements of Article XI-G of the Oregon
7 Constitution, funds available under the expenditure limitation for bonds is-
8 sued pursuant to Article XI-G of the Oregon Constitution in section 6 (3),
9 chapter 904, Oregon Laws 2009, are matched pursuant to section 18, chapter
10 904, Oregon Laws 2009.

11 “(6) In compliance with the requirements of Article XI-G of the Oregon
12 Constitution, funds available under the expenditure limitation for bonds is-
13 sued pursuant to Article XI-G of the Oregon Constitution in section 6 (4)(b),
14 chapter 904, Oregon Laws 2009, are matched pursuant to section 19, chapter
15 904, Oregon Laws 2009.

16 “(7) In compliance with the requirements of Article XI-G of the Oregon
17 Constitution, funds available under the expenditure limitation for bonds is-
18 sued pursuant to Article XI-G of the Oregon Constitution in section 6 (4)(c),
19 chapter 904, Oregon Laws 2009, are matched pursuant to section 20, chapter
20 904, Oregon Laws 2009.

21 “(8) In compliance with the requirements of Article XI-G of the Oregon
22 Constitution, funds available under the expenditure limitation for bonds is-
23 sued pursuant to Article XI-G of the Oregon Constitution in section 6 (4)(d),
24 chapter 904, Oregon Laws 2009, are matched pursuant to section 21, chapter
25 904, Oregon Laws 2009.

26 “(9) In compliance with the requirements of Article XI-G of the Oregon
27 Constitution, funds available under the expenditure limitation for bonds is-
28 sued pursuant to Article XI-G of the Oregon Constitution in section 6 (5)(a),
29 chapter 904, Oregon Laws 2009, are matched pursuant to section 22, chapter
30 904, Oregon Laws 2009.

1 “(10) In compliance with the requirements of Article XI-G of the Oregon
2 Constitution, funds available under the expenditure limitation for bonds is-
3 sued pursuant to Article XI-G of the Oregon Constitution in section 6 (6)(b),
4 chapter 904, Oregon Laws 2009, are matched pursuant to section 23, chapter
5 904, Oregon Laws 2009.

6 “(11) In compliance with the requirements of Article XI-G of the Oregon
7 Constitution, funds available under the expenditure limitation for bonds is-
8 sued pursuant to Article XI-G of the Oregon Constitution in section 6 (7)(a),
9 chapter 904, Oregon Laws 2009, are matched pursuant to section 24, chapter
10 904, Oregon Laws 2009.

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

13 **“Sec. 13.** Notwithstanding ORS 351.345 (2013 Edition) and section 6,
14 **chapter 904, Oregon Laws 2009** [*of this 2009 Act*], the State Board of Higher
15 Education may issue bonds for a project listed in section 6 (1)(b) and (d), (2),
16 (3), (4)(b), (c) and (d), (5)(a), (6)(b) and (7)(a), **chapter 904, Oregon Laws**
17 **2009** [*of this 2009 Act*]:

18 “(1) If the total amount from other revenues, including federal funds,
19 identified for the project in the expenditure limitation in section 6, **chapter**
20 **904, Oregon Laws 2009**, [*of this 2009 Act*] has been received by the State
21 Board of Higher Education; or

22 “(2) After reporting to the Emergency Board or the Joint Committee on
23 Ways and Means, if the total amount from other revenues, including federal
24 funds, identified for the project in the expenditure limitation in section 6,
25 **chapter 904, Oregon Laws 2009**, [*of this 2009 Act*] has not been received by
26 the State Board of Higher Education.

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

29 **“Sec. 12.** Pursuant to Article XI-G of the Oregon Constitution, and ORS
30 286A.025 to 286A.095 and 351.345 (2013 Edition), the State Board of Higher

1 Education may sell, with the approval of the State Treasurer, general obli-
2 gation bonds of the State of Oregon of the kind and character and within the
3 limits prescribed by Article XI-G of the Oregon Constitution, as the board
4 determines, but in no event may the board sell more than the aggregate
5 principal sum of \$17,608,000 par value for the biennium beginning July 1,
6 2011. The moneys realized from the sale of the bonds shall be appropriated
7 and may be expended for the purposes set forth in section 6 (1)(d), (2)(a), (3),
8 (4)(b) and (6)(b), chapter 904, Oregon Laws 2009, and for payment for capi-
9 talized interest and costs incidental to issuance of the bonds.

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

11 “286A.035. (1) Each related agency shall report the plans of the related
12 agency for the issuance of bonds during the next biennium. The related
13 agency shall submit the related agency’s report to the Governor by a date
14 determined by the Governor and shall include in the report a description of
15 bonds that the related agency intends to retire or defease during the next
16 biennium.

17 “(2) On or before a date determined by the Governor, the State Treasurer
18 shall advise the Governor on the prudent maximum amount of bonds to be
19 issued for each bond program. The State Treasurer shall consider available
20 economic and financial data in preparing advice to be given to the Governor.

21 “(3) As part of the Governor’s budget report described in ORS 291.216, the
22 Governor shall:

23 “(a) Consider the prudent maximum amounts advised by the State Treas-
24 urer pursuant to subsection (2) of this section to determine the Governor’s
25 total recommended amount; and

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

28 “(4) [*Except as otherwise provided in ORS 351.476,*] The Legislative As-
29 sembly shall determine the amount of bonds the State Treasurer may issue
30 for each state agency for a biennium. If the Legislative Assembly fails to

1 make the determination described in this subsection by the first day of the
2 biennium, the unused portion of the authorization the Legislative Assembly
3 made for the preceding biennium is deemed to carry forward for the current
4 biennium at the amount authorized for the preceding biennium until the
5 earlier of:

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

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

9 “(5) [*Except as otherwise provided in ORS 351.476,*] The amount of bonds
10 that may be issued under bond programs may be modified by the Governor.
11 However, the Governor may not modify the amount of bonds that may be
12 issued under bond programs in a way that would cause the maximum amount
13 established by the Legislative Assembly for a category of bond programs to
14 be exceeded if the Legislative Assembly:

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

17 “(b) Assigned a maximum amount to each category.

18 “(6) This section applies to bonds:

19 “(a) Unless the bonds are expressly exempted from the requirements of
20 this section.

21 “(b) Except refunding bonds.

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

23 “351.160. (1) The State Board of Higher Education may undertake the
24 construction of any building or structure for higher education when the
25 board conservatively estimates that the Oregon University System will have
26 sufficient revenues to pay the operating costs and any indebtedness for the
27 building or structure. For purposes of this section, ‘revenues’ includes all
28 funds available to the board except amounts appropriated by the Legislative
29 Assembly from the General Fund. The board may enter into contracts for the
30 acquisition, erection, improvement, repair, equipping and furnishing of

1 buildings and structures for dormitories, housing, boarding, off-street motor
2 vehicle parking facilities and other purposes for higher education pursuant
3 to Article XI-F(1) of the Oregon Constitution, ORS 351.160 to 351.190, 351.350
4 to 351.460 and 351.505.

5 “(2) The board may also undertake the acquisition or construction of
6 those buildings and structures that the Legislative Assembly has determined
7 will benefit higher education institutions or activities, and may enter into
8 contracts with persons, firms or corporations for the acquisition, erection,
9 improvement, repair, equipping and furnishing of such buildings and struc-
10 tures pursuant to Article XI-G of the Oregon Constitution [*and ORS*
11 *351.345*].

12 **“SECTION 30.** ORS 351.170 is amended to read:

13 “351.170. (1) The State Board of Higher Education may establish rates,
14 charges and fees for use of buildings, structures and projects under its con-
15 trol. The rates and charges shall be sufficient, in the judgment of the board
16 and with other available revenues, as defined in ORS 351.160, to pay the
17 operating costs and any indebtedness for the buildings, structures and
18 projects.

19 “(2) The board shall charge and collect from each regular student a
20 building fee at a rate not to exceed \$45 for each regular term, for not less
21 than three terms in each regular academic year, and not to exceed \$67.50 if
22 instruction is on a semester basis, or an equivalent rate of charge when in-
23 struction is on a different basis. The board is authorized to maintain ade-
24 quate accounts for bonds outstanding. The fee shall be in addition to tuition
25 and other fees charged to students [*and shall be deposited in the appropriate*
26 *subaccount of the account maintained in the Oregon University System Fund*
27 *under ORS 351.460*].

28 **“SECTION 31.** ORS 351.190 is amended to read:

29 “351.190. The State Board of Higher Education may obtain, by donation,
30 purchase, agreement or condemnation, the title to any land authorized to be

1 acquired by ORS 351.345 (**2013 Edition**), 351.350 (**2013 Edition**) and 351.450
2 (**2013 Edition**). Condemnation proceedings instituted by the board shall be
3 conducted in accordance with ORS chapter 35.

4 **“SECTION 32.** ORS 351.353 is amended to read:

5 “351.353. (1) The State Board of Higher Education may undertake the
6 construction of an off-street motor vehicle parking facility in Portland,
7 Oregon, for higher education pursuant to Article XI-F(1), Oregon Constitu-
8 tion, ORS 351.160 to 351.190, 351.350 to 351.460 and 351.505. The parking fa-
9 cility shall be for the use of the students and staff members of the board.
10 The board shall establish the rates, charges and fees for use of the parking
11 facility in accordance with the provisions of ORS 351.170.

12 “(2) Bonds may be sold to finance the facility described in this section,
13 in an amount authorized and under the conditions prescribed by ORS 351.350
14 (**2013 Edition**).

15 **“SECTION 33.** ORS 351.545 is amended to read:

16 “351.545. (1) An account in the Oregon University System Fund estab-
17 lished by ORS 351.506 is designated to provide for the payment of principal
18 and interest of bonds issued under the authority of Article XI-F(1) of the
19 Oregon Constitution and ORS 351.350 (**2013 Edition**) in an amount equal to
20 the amount authorized for expenditure by section 3 (2)(b), chapter 709,
21 Oregon Laws 1971, and expended as provided therein. Income and interest
22 derived from moneys in the account are credited to the account.

23 “(2) The account designated by this section consists of moneys received
24 as net revenues from the isolation facilities for which the expenditure of
25 funds is authorized by section 3 (2)(b), chapter 709, Oregon Laws 1971, in-
26 cluding gifts, grants and building fees, moneys received as accrued interest
27 on bonds sold, earnings from investments on the account, the proceeds of the
28 sale of refunding bonds and any accrued interest on such refunding bonds,
29 moneys appropriated to the account by the Legislative Assembly and moneys
30 received for the purposes of the account from all other sources. Moneys in

1 the account may be used only for the purposes provided in subsection (1) of
2 this section.

3 “(3) If the account designated by this section has a balance after the
4 purpose for which the account was created has been fulfilled, or the account
5 and the investments of the account, will, in the judgment of the board, be
6 sufficient to meet in full the principal of and the interest upon all Higher
7 Education Isolation Facility bonds, then any excess moneys may be trans-
8 ferred by the board to an account to be used for research related to
9 veterinary medicine.

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

12 **“Sec. 165.** Notwithstanding ORS 196.438, 351.350 (**2013 Edition**), 352.230,
13 352.239, 352.247, 352.610, 526.225, 542.710, 561.364, 566.210, 567.005, [567.035,]
14 567.210, 567.260, 567.455, 567.505, 567.510 and 567.580, if the president of
15 Oregon State University notifies the Governor that the university will be-
16 come a university with a governing board in the manner set forth in section
17 168 or 168a, **chapter 768, Oregon Laws 2013** [*of this 2013 Act*], the univer-
18 sity shall act independently, rather than under the direction, control or
19 management of the State Board of Higher Education.

20 **“SECTION 35.** ORS 352.360 is amended to read:

21 “352.360. (1) The State Board of Higher Education may enact such regu-
22 lations as the board deems convenient or necessary to provide for the polic-
23 ing, control and regulation of traffic and parking of vehicles on the property
24 of any public university listed in ORS 351.011. The regulations may provide
25 for the registration of vehicles, the designation of parking areas and the as-
26 sessment and collection of reasonable fees and charges for parking. The
27 board may require that before a quarterly or yearly parking privilege for any
28 vehicle is granted to any full-time or part-time student to use board property,
29 the student must show that the vehicle is operated by a student holding a
30 valid driver license, that the vehicle is currently registered and that the

1 student driving the vehicle is insured under a motor vehicle liability insur-
2 ance policy that meets the requirements described under ORS 806.080 or that
3 the student or owner of the vehicle has provided the Department of Trans-
4 portation with other satisfactory proof of compliance with the financial re-
5 sponsibility requirements of this state.

6 “(2) The regulations enacted pursuant to subsection (1) of this section
7 shall be enforced administratively under procedures adopted by the board for
8 each public university. Administrative and disciplinary sanctions may be
9 imposed upon students, faculty and staff for violation of the regulations, in-
10 cluding but not limited to, a reasonable monetary penalty which may be de-
11 ducted from student deposits, and faculty or staff salaries or other funds in
12 the possession of the public university. The board shall provide opportunity
13 for hearing for the determination of controversies in connection with impo-
14 sition of fines or penalties. The board may prescribe procedures for such
15 hearings despite the provisions of ORS 183.413 to 183.470. Persons other than
16 students, faculty or staff may voluntarily submit to the hearing procedures
17 prescribed by the board, and shall be bound by the results of the hearing.
18 The powers granted to the board by this section are supplemental to the
19 existing powers of the board with respect to the government of activities of
20 students, faculty and staff and the control and management of property under
21 its jurisdiction.

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

26 “(4) All fees and charges for parking privileges and violations are depos-
27 ited in a designated account in the Oregon University System Fund estab-
28 lished by ORS 351.506 for the purpose of defraying the costs of constructing
29 bicycle racks and bicycle lanes and of traffic control, enforcement of traffic
30 and parking regulations and maintenance and operation of parking facilities

1 and for the purpose of acquiring and constructing additional parking facili-
2 ties for vehicles at the various public universities and offices, departments
3 and activities under the control of the board. [*Fees and charges may also be*
4 *credited to the account in the Oregon University System Fund designated by*
5 *ORS 351.460.*] Parking fees shall be established at levels no greater than
6 those required to finance the construction, operation and maintenance of
7 parking facilities on the same campus of the public university for which the
8 parking is provided. Notwithstanding ORS 351.072, parking fees or changes
9 in fees shall be adopted in accordance with standards issued by the board.

10 “(5) Every peace officer may enforce the regulations made by the board
11 under subsection (1) of this section. The board, for the purpose of enforcing
12 its standards and regulations governing traffic control, may appoint peace
13 officers who have the same authority as other peace officers as defined in
14 ORS 133.005.

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

20 “(7) In proceedings brought to enforce regulations enacted pursuant to
21 subsection (1) of this section, it shall be sufficient to charge the defendant
22 by an unsworn written notice in accordance with the provisions of ORS
23 221.333. In any case in which the defendant is not subject to and does not
24 voluntarily submit to the hearing procedures prescribed under subsection (2)
25 of this section, proceedings to enforce regulations enacted pursuant to sub-
26 section (1) of this section shall be brought in the name of the board in a
27 circuit court, a justice court or a city court for offenses committed within
28 the territorial jurisdiction of such court. Such courts shall have concurrent
29 jurisdiction over offenses committed within their respective jurisdictions. All
30 fines, penalties and court costs recovered shall be paid to the clerk of the

1 court involved and shall be disposed of as provided in ORS 153.640 to 153.680.

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

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

6 “(a) The Oregon Department of Administrative Services and Oregon
7 Health and Science University must enter into a grant agreement in which
8 the parties:

9 “(A) Establish terms and conditions related to the grant, disbursement
10 and use of \$161,490,000 in net proceeds of the OHSU Cancer Challenge Ar-
11 ticle XI-G Bonds and interest earnings; and

12 “(B) Provide for granting of \$161,490,000 to the university upon satisfac-
13 tion of the terms and conditions imposed in the grant agreement.

14 “(b) The department must certify to the State Treasurer that the grant
15 agreement has been entered into between the department and the university
16 and that the university has certified to the department that the university
17 has:

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

20 “(B) Satisfied all material conditions precedent to its receipt of at least
21 \$800 million in gifts and legally irrevocable pledges.

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

23 “(a) Impose restrictions on the use of the grant.

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

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

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

30 “(B) Administer the grant.

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

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

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

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

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

14 **“SECTION 37. Notwithstanding any other provision of law, the un-**
15 **expended proceeds, and any interest earnings thereon, of bonds issued**
16 **by the State Treasurer for the benefit of a university with a governing**
17 **board that have not been transferred to a university prior to July 1,**
18 **2015, and are not subject to transfer pursuant to a loan, grant or other**
19 **agreement entered into between the State of Oregon and a university**
20 **with a governing board or the Oregon University System, are trans-**
21 **ferred to and made available for expenditure by the public university**
22 **on whose behalf the bonds were issued before the effective date of this**
23 **2015 Act.**

24 **“SECTION 38. ORS 351.300, 351.304, 351.345, 351.350, 351.450, 351.455,**
25 **351.460, 351.473, 351.476, 351.479, 351.482 and 351.485 are repealed.**

26 **“SECTION 39. This 2015 Act being necessary for the immediate**
27 **preservation of the public peace, health and safety, an emergency is**
28 **declared to exist, and this 2015 Act takes effect on its passage.”.**

29