

SB 54-1
(LC 500)
4/11/17 (DRG/ps)

Requested by Senator ROBLAN

**PROPOSED AMENDMENTS TO
SENATE BILL 54**

1 On page 1 of the printed bill, line 2, after “universities;” delete the rest
2 of the line and insert “amending ORS 291.035, 350.075, 350.090, 350.095,
3 350.278, 352.025, 352.027, 352.029, 352.033, 352.039, 352.061, 352.076, 352.084,
4 352.087, 352.089, 352.096, 352.113, 352.118, 352.124, 352.129, 352.135, 352.138,
5 352.141, 352.146, 352.226, 352.388, 352.402, 352.408, 352.415, 352.442 and
6 352.450.”.

7 Delete lines 4 through 28 and delete page 2 and insert:

8 **“SECTION 1.** ORS 350.075, as amended by section 5, chapter 30, Oregon
9 Laws 2016, and section 55, chapter 117, Oregon Laws 2016, is amended to
10 read:

11 “350.075. (1) As used in this section, ‘student access programs’ means
12 scholarship, loan, grant and access programs described in ORS chapter 348.

13 “(2) The Higher Education Coordinating Commission shall be guided by
14 the legislative findings in ORS 341.009, 350.001 and 350.005 and the goals and
15 mission of post-secondary education set forth in ORS 350.009 and 350.014.

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

17 “(a) Develop state goals for the state post-secondary education system,
18 including community colleges and public universities listed in ORS 352.002,
19 and for student access programs.

20 “(b) Determine strategic investments in the state’s community colleges,
21 public universities and student access programs necessary to achieve state

1 post-secondary education goals.

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

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

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

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

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

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

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

19 “(e)(A) Each biennium, after receiving funding requests from the state’s
20 community colleges and public universities as authorized by law, recommend
21 to the Governor a consolidated higher education agency request budget
22 aligned with the strategic plan described in paragraph (d) of this subsection,
23 including appropriations for:

24 “(i) Student access programs;

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

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

30 “(iv) New facilities or programs;

1 “(v) Capital improvements and deferred maintenance; [*and*]

2 “(vi) Special initiatives and investments; **and**

3 **“(vii) Any other program, duty or function a public university listed**
4 **in ORS 352.002 is authorized to undertake.**

5 “(B) In the development of the consolidated higher education agency re-
6 quest budget:

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

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

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

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

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

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

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

30 “(C) Are not located in a geographic area that will cause undue hardship

1 to Oregon’s other community colleges or public universities; and

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

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

5 “(A) Approve the mission statement adopted by a governing board of a
6 public university.

7 “(B) Review and determine whether a proposed annual increase of resi-
8 dent undergraduate enrollment fees of greater than five percent is appropri-
9 ate.

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

12 “(D) Approve and authorize degrees.

13 “(E) Perform the evaluation and certification required by ORS 350.095.

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

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

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

27 “(L) Coordinate and collaborate with the Chief Education Office as pro-
28 vided by section 1, chapter 519, Oregon Laws 2011.

29 “(4)(a) The Higher Education Coordinating Commission shall implement
30 a process to resolve student complaints against any school operating in this

1 state. As part of the process implemented under this subsection, the com-
2 mission may:

3 “(A) Receive student complaints from students regarding a school;

4 “(B) Specify the type of information that must be included in a student
5 complaint;

6 “(C) Investigate any student complaint filed against a school;

7 “(D) Establish a process to review and resolve student complaints against
8 a school, including but not limited to reviewing school records, holding ad-
9 ministrative hearings and issuing final orders;

10 “(E) Assess a fee to cover the costs of any proceeding brought under this
11 subsection, including but not limited to the costs of an investigation or ad-
12 ministrative hearing;

13 “(F) Require a school to make full or partial restitution to a student or
14 to cease an act or practice that is challenged in a student complaint;

15 “(G) Adopt rules to implement the provisions of this subsection; and

16 “(H) Enter into agreements to implement the provisions of this sub-
17 section.

18 “(b) Any hearing held under this subsection is subject to the provisions
19 of ORS chapter 183.

20 “(c) As used in this subsection:

21 “(A) ‘School’ means a school that meets the requirements of ORS 348.597
22 (2)(a); and

23 “(B) ‘Student’ means a person who is enrolled or accepted for enrollment
24 at a school for the purpose of obtaining a degree, certificate or other recog-
25 nized educational credential offered by that school.

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

30 “(a) Ensure or improve access to higher education by diverse and under-

1 served populations.

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

3 “(c) Improve the coordination of the provision of educational services,
4 including:

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

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

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

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

9 “(E) Reciprocity agreements with other states.

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

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

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

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

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

26 “[8] *The Higher Education Coordinating Commission may establish tech-*
27 *nical or advisory committees to assist the commission in exercising its powers,*
28 *duties and functions.]*

29 “[9] (8) The Higher Education Coordinating Commission may exercise
30 only powers, duties and functions expressly granted by the Legislative As-

1 ssembly. Except as otherwise expressly provided by law, all other authorities
2 reside at the institutional level with the respective boards of the post-
3 secondary institutions.

4 **SECTION 2.** ORS 350.075, as amended by section 61, chapter 774, Oregon
5 Laws 2015, section 6, chapter 30, Oregon Laws 2016, and section 56, chapter
6 117, Oregon Laws 2016, is amended to read:

7 “350.075. (1) As used in this section, ‘student access programs’ means
8 scholarship, loan, grant and access programs described in ORS chapter 348.

9 “(2) The Higher Education Coordinating Commission shall be guided by
10 the legislative findings in ORS 341.009, 350.001 and 350.005 and the goals and
11 mission of post-secondary education set forth in ORS 350.009 and 350.014.

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

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

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

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

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

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

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

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

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

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

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

11 “(i) Student access programs;

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

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

17 “(iv) New facilities or programs;

18 “(v) Capital improvements and deferred maintenance; [*and*]

19 “(vi) Special initiatives and investments; **and**

20 “(vii) **Any other program, duty or function a public university listed**
21 **in ORS 352.002 is authorized to undertake.**

22 “(B) In the development of the consolidated higher education agency re-
23 quest budget:

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

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

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

30 “(f) Adopt rules governing the distribution of appropriations from the

1 Legislative Assembly to community colleges, public universities listed in
2 ORS 352.002 and student access programs. These rules must be based on al-
3 location formulas developed in consultation with the state’s community col-
4 leges and public universities, as appropriate.

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

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

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

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

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

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

22 “(A) Approve the mission statement adopted by a governing board of a
23 public university.

24 “(B) Review and determine whether a proposed annual increase of resi-
25 dent undergraduate enrollment fees of greater than five percent is appropri-
26 ate.

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

29 “(D) Approve and authorize degrees.

30 “(E) Perform the evaluation and certification required by ORS 350.095.

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

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

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

14 “(4)(a) The Higher Education Coordinating Commission shall implement
15 a process to resolve student complaints against any school operating in this
16 state. As part of the process implemented under this subsection, the com-
17 mission may:

18 “(A) Receive student complaints from students regarding a school;

19 “(B) Specify the type of information that must be included in a student
20 complaint;

21 “(C) Investigate any student complaint filed against a school;

22 “(D) Establish a process to review and resolve student complaints against
23 a school, including but not limited to reviewing school records, holding ad-
24 ministrative hearings and issuing final orders;

25 “(E) Assess a fee to cover the costs of any proceeding brought under this
26 subsection, including but not limited to the costs of an investigation or ad-
27 ministrative hearing;

28 “(F) Require a school to make full or partial restitution to a student or
29 to cease an act or practice that is challenged in a student complaint;

30 “(G) Adopt rules to implement the provisions of this subsection; and

1 “(H) Enter into agreements to implement the provisions of this sub-
2 section.

3 “(b) Any hearing held under this subsection is subject to the provisions
4 of ORS chapter 183.

5 “(c) As used in this subsection:

6 “(A) ‘School’ means a school that meets the requirements of ORS 348.597
7 (2)(a); and

8 “(B) ‘Student’ means a person who is enrolled or accepted for enrollment
9 at a school for the purpose of obtaining a degree, certificate or other recog-
10 nized educational credential offered by that school.

11 “(5) In addition to the duties described in subsections (2) to (4) 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 “(6) The Higher Education Coordinating Commission, in a manner con-
6 sistent with ORS chapter 183, may adopt administrative rules.

7 “(7) With the exception of the rulemaking authority granted in subsection
8 (6) 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 “[8] *The Higher Education Coordinating Commission may establish tech-
12 nical or advisory committees to assist the commission in exercising its powers,
13 duties and functions.*]

14 “[9] (8) The Higher Education Coordinating Commission may exercise
15 only powers, duties and functions expressly granted by the Legislative As-
16 sembly. Except as otherwise expressly provided by law, all other authorities
17 reside at the institutional level with the respective boards of the post-
18 secondary institutions.

19 **“SECTION 3.** ORS 350.095 is amended to read:

20 “350.095. (1) The Higher Education Coordinating Commission is author-
21 ized to:

22 “(a) Request, as part of the funding request under ORS 350.090, appropri-
23 ations for budgetary items, including but not limited to education and gen-
24 eral operations, statewide public services, state funded debt service, capital
25 improvements, deferred maintenance, special initiatives and investments **or**
26 **any other purpose listed under ORS 350.075 (3)(e);** and

27 “(b) Allocate moneys, from funds appropriated to the commission and
28 other available moneys, to public universities listed in ORS 352.002.

29 “(2) The commission shall certify to the Legislative Assembly, in any
30 funding request pursuant to subsection (1)(a) of this section for state bonds

1 under Article XI-F(1) of the Oregon Constitution for the benefit of a public
2 university listed in ORS 352.002, its evaluation of the revenue sufficiency,
3 as defined in ORS 286A.830, of the public university that will receive the
4 proceeds of any Article XI-F(1) bonds approved by the Legislative Assembly.

5 **“SECTION 4.** ORS 350.090, as amended by section 57, chapter 117, Oregon
6 Laws 2016, is amended to read:

7 *“350.090. [(1)(a) On or before April 1 of each even-numbered year, each*
8 *public university listed in ORS 352.002 must submit to an office designated*
9 *by the Higher Education Coordinating Commission as being responsible for*
10 *university coordination a funding request applicable to the biennium beginning*
11 *on July 1 of the following year; and]*

12 *“[(b) On or before May 1 of each even-numbered year, the office designated*
13 *under paragraph (a) of this subsection shall consolidate the funding requests*
14 *from public universities listed in ORS 352.002 and submit the consolidated*
15 *funding requests to the Higher Education Coordinating Commission.]*

16 *“[(2)] (1) On or before September 1 of each even-numbered year, the*
17 *Higher Education Coordinating Commission shall submit a **consolidated***
18 *funding request to the Governor on behalf of all the public universities listed*
19 *in ORS 352.002.*

20 *“[(3)] (2) The Governor’s budget may include the Higher Education Co-*
21 *ordinating Commission’s funding request for public universities listed in ORS*
22 *352.002. Any funding request approved by the Legislative Assembly must*
23 *specify that the moneys be appropriated to the Higher Education Coordi-*
24 *nating Commission for allocation to the public universities listed in ORS*
25 *352.002.*

26 **“(3) The Higher Education Coordinating Commission may adopt**
27 **rules necessary for the administration of this section.**

28 **“SECTION 5.** ORS 352.061 is amended to read:

29 *“352.061. (1) On an annual basis, the Higher Education Coordinating*
30 *Commission shall submit to the Legislative Assembly an evaluation of [each*

1 *university with a governing board.] public universities listed in ORS*
2 **352.002. Each public university must be evaluated in the manner re-**
3 **quired by this section once every two years. As part of the evaluation**
4 **submitted to the Legislative Assembly,** the commission may make rec-
5 ommendations [*to the Legislative Assembly*] regarding the ability of the uni-
6 versity to meet academic goals and fulfill its fiduciary responsibilities.

7 “(2) The evaluation must include:

8 “(a) A report on the university’s achievement of outcomes, measures of
9 progress, goals and targets;

10 “(b) An assessment of the university’s progress toward achieving the
11 mission of all education beyond high school as described in ORS 350.014; and

12 “(c) An assessment as to how well the establishment of a governing board
13 at the university comports with the findings set forth in ORS 352.025.

14 **“(3) The Higher Education Coordinating Commission may adopt**
15 **rules necessary for the administration of this section.**

16 **“SECTION 6.** ORS 350.278 is amended to read:

17 “350.278. (1) A public university listed in ORS 352.002 may not disclose
18 the Social Security number of a student who is attending the public univer-
19 sity.

20 “(2) Subsection (1) of this section does not apply if the public university
21 discloses the Social Security number:

22 “(a) At the request of a law enforcement agency or an agency providing
23 support enforcement services under ORS 25.080;

24 “(b) After obtaining written permission for the disclosure from the stu-
25 dent to whom the number refers;

26 “(c) In the payment of wages or benefits;

27 “(d) In the payment or collection of taxes or of a debt owed by the student
28 to whom the number refers; [*or*]

29 “(e) For purposes of statistical analysis[.]; **or**

30 **“(f) As otherwise required by law.**

1 **SECTION 7.** ORS 352.025 is amended to read:

2 “352.025. (1) The Legislative Assembly finds that the State of Oregon will
3 benefit from having public universities with governing boards that:

4 “(a) Provide transparency, public accountability and support for the uni-
5 versity.

6 “(b) Are close to and closely focused on the individual university.

7 “[(c) *Do not negatively impact public universities that do not have govern-*
8 *ing boards.*]

9 “[(d)] (c) Lead to greater access and affordability for Oregon residents
10 and do not disadvantage Oregon students relative to out-of-state students.

11 “[(e)] (d) Act in the best interests of both the university and the State
12 of Oregon as a whole.

13 “[(f)] (e) Promote the academic success of students in support of the
14 mission of all education beyond high school as described in ORS 350.014.

15 “(2) The Legislative Assembly also finds that:

16 “(a) Even with universities with governing boards, there are economy-of-
17 scale benefits to having a coordinated university system.

18 “(b) Even with universities with governing boards, shared services may
19 continue to be shared among universities.

20 “(c) Legal title to all real property, whether acquired before or after the
21 creation of a governing board, through state funding, revenue bonds or
22 philanthropy, shall be taken and held in the name of the State of Oregon,
23 acting by and through the governing board.

24 “(d) The Legislative Assembly has a responsibility to monitor the success
25 of governing boards at fulfilling their missions, their compacts and the
26 principles stated in this section.

27 **SECTION 8.** ORS 352.027 is amended to read:

28 “352.027. Chapter 768, Oregon Laws 2013, is intended to preserve the au-
29 tonomy of the **public** universities listed in ORS 352.002 [*whether they are*
30 *governed by a university governing board or a university consortium board*].

1 **SECTION 9.** ORS 352.029 is amended to read:

2 “352.029. As used in ORS 352.025 to 352.146 and 352.388 to 352.415:

3 “(1) ‘Governing board’ means a governing board of a public university
4 listed in ORS 352.002 that manages the affairs of the university by exercising
5 and carrying out all of the powers, rights and duties that are expressly
6 conferred upon the governing board by law, or that are implied by law or
7 are incident to such powers, rights and duties.

8 “(2) ‘State bonds’ means ‘bonds’ as defined in ORS 286A.001 that are is-
9 sued by the State Treasurer.

10 “[(3) ‘University with a governing board’ means a public university listed
11 in ORS 352.002 that has established a governing board.]

12 **SECTION 10.** ORS 352.076 is amended to read:

13 “352.076. (1) A governing board for a public university must be formed and
14 maintained as provided in this section.

15 “(2)(a) Except as provided in subsection (3) of this section, the Governor
16 shall appoint all of the 11 to 15 members of the governing board, subject to
17 confirmation by the Senate in the manner provided in ORS 171.562 and
18 171.565.

19 “(b) The governing board must include one person who is a student en-
20 rolled at the university. The student shall be a voting member of the board.

21 “(c) The governing board must include one person who is a member of the
22 faculty of the university and one person who is a member of the nonfaculty
23 staff of the university. For each appointment made under this paragraph, the
24 Governor may appoint the person as either a voting or nonvoting member
25 of the governing board.

26 “(3) The president of the university shall be an ex officio nonvoting
27 member of the governing board.

28 “(4)(a) Except as provided in paragraph (b) of this subsection, the term
29 of office for each appointed member of the governing board is four years.

30 “(b) The term of office of each student, faculty and nonfaculty staff

1 member of the governing board is two years.

2 “(c) A member of the governing board may not be appointed to serve more
3 than two consecutive full terms.

4 “(d) The Governor may remove any appointed member of the governing
5 board at any time for cause, after notice and public hearing, but may not
6 remove more than three members within a period of four years, unless it is
7 for corrupt conduct in office.

8 “(e) Vacancies shall be filled by appointment by the Governor for the re-
9 mainder of the unexpired term.

10 “(5) The faculty and nonfaculty staff members of the governing board may
11 not participate in any discussions or action by the board or attend any
12 executive session of the board involving collective bargaining issues that
13 affect faculty or nonfaculty staff at the university.

14 “(6) The governing board shall select one of its members as chairperson
15 and another as vice chairperson for such terms and with duties and powers
16 as the board considers necessary for the performance of the functions of
17 those offices. The governing board shall adopt bylaws concerning how a
18 quorum is constituted and when a quorum is necessary.

19 “(7) The governing board shall meet at least [*once quarterly*] **four times**
20 **per year**, and may meet at the call of the chairperson or a majority of the
21 voting members of the board.

22 “**SECTION 11.** ORS 352.084 is amended to read:

23 “352.084. Notwithstanding the term of office specified in ORS 352.076, the
24 [*initial*] term of a member appointed to a governing board by the Governor
25 may be adjusted so that one-half, as nearly as possible, of the members of the
26 board are appointed biennially.

27 “**SECTION 12.** ORS 352.089, as amended by section 59, chapter 117,
28 Oregon Laws 2016, is amended to read:

29 “352.089. (1) A **public university listed in ORS 352.002** [*with a governing*
30 *board*] shall adopt a mission statement for the university, and shall forward

1 the statement to *[an office designated by]* the Higher Education Coordinating
2 Commission *[as being responsible for university coordination]*.

3 “(2) A **public university listed in ORS 352.002** *[with a governing board]*
4 shall submit any significant change in the university’s academic programs
5 to *[an office designated by]* the Higher Education Coordinating Commission
6 *[as being responsible for university coordination]*. The *[office]* **commission**
7 shall establish a process for reviewing the **significant** program change *[and*
8 *submitting it to the Higher Education Coordinating Commission]* for approval.
9 The commission shall establish, by rule, what constitutes a significant
10 change to a university’s academic program. The commission shall further
11 ensure that approved programs:

12 “(a) Are consistent with the mission statement of the university;

13 “(b) Do not unnecessarily duplicate academic programs offered by
14 Oregon’s other public universities;

15 “(c) Are not located in a geographic area that will cause undue hardship
16 to Oregon’s other public universities; and

17 “(d) Are allocated among Oregon’s public universities to maximize the
18 achievement of statewide needs and requirements.

19 “[~~(3)~~(a) *On or before April 1 of each even-numbered year, each university*
20 *listed in ORS 352.002 must submit to an office designated by the Higher Ed-*
21 *ucation Coordinating Commission as being responsible for university coordi-*
22 *nation a funding request applicable to the biennium beginning on July 1 of the*
23 *following year. On or before May 1 of each even-numbered year, the office shall*
24 *consolidate the funding requests from public universities listed in ORS 350.090*
25 *and submit the consolidated funding requests to the commission.]*

26 “[~~(b)~~] **(3)(a)** Pursuant to ORS 350.090, **on or before September 1 of each**
27 **even-numbered year**, the Higher Education Coordinating Commission shall
28 submit a **consolidated** funding request to the Governor on behalf of all
29 public universities listed in ORS 352.002.

30 “[~~(c)~~] **(b)** The Governor’s budget may include funding requests from public

1 universities[, *including universities with governing boards*].

2 “(4) As part of a funding request submitted under subsection (3) of this
3 section, a **public university listed in ORS 352.002** [*with a governing board*]
4 may request, and appropriations may include **but are not limited to**, fund-
5 ing for education and general operations, statewide public services, state-
6 funded debt service, capital improvements, deferred maintenance, special
7 initiatives and investments **or any other purpose authorized by ORS**
8 **350.075 (3)(e)**. Any moneys appropriated to pay debt service for state bonds
9 must be held by the State Treasurer pursuant to an agreement entered into
10 by the State Treasurer and a **public university** [*with a governing board*] un-
11 der ORS 352.135 (2).

12 “(5) A public university listed in ORS 352.002 that wishes to request the
13 issuance of state bonds, including a **public university** [*with a governing*
14 *board*] that elects to remain eligible to receive proceeds of state bonds under
15 ORS 352.402, must make a request to this effect to [*an office designated by*]
16 the Higher Education Coordinating Commission [*as being responsible for*
17 *university coordination*]. The [*office*] **commission** shall establish a process
18 for reviewing the request to issue state bonds [*and submit the request to the*
19 *commission*]. The commission shall decide whether, and in what manner, to
20 make a request for the issuance of state bonds to the Legislative Assembly.

21 “(6)(a) Each public university listed in ORS 352.002[, *including universi-*
22 *ties with governing boards,*] shall respond to a request for data from the
23 Legislative Assembly or other state body by submitting the requested infor-
24 mation to [*an office designated by*] the Higher Education Coordinating Com-
25 mission [*as being responsible for university coordination*]. The [*office*]
26 **commission** shall consolidate the data received from public universities
27 [*and provide the data to the commission*]. The commission shall be responsible
28 for providing the data to the Legislative Assembly or other requesting entity.

29 “(b) As used in this subsection, ‘data’ means any information that, as of
30 August 14, 2013, is collected by [*an office designated by*] the Higher Educa-

1 tion Coordinating Commission [*as being responsible for university coordi-*
2 *nation*] from each university and reported to the Legislative Assembly or any
3 other state entity, including but not limited to retention and graduation
4 rates and demographic information on students.

5 **“SECTION 13.** ORS 352.129 is amended to read:

6 **“352.129. (1) Public universities listed in ORS 352.002 shall, by agree-**
7 **ment, establish a system of shared administrative services for the:**
8 [*Notwithstanding ORS 352.087 and 352.102 and section 169, chapter 768,*
9 *Oregon Laws 2013, the amendments to ORS 243.107 and 351.094 (renumbered*
10 *352.237) by sections 88 and 113, chapter 768, Oregon Laws 2013, and the oper-*
11 *ative date set forth in section 171, chapter 768, Oregon Laws 2013, until July*
12 *1, 2019, each university with a governing board shall continue to participate*
13 *with other public universities listed in ORS 352.002 in all shared administra-*
14 *tive services relating to:]*

15 “[*a*] *The following employee benefits:]*

16 **“(a) Maintenance of federal tax benefits relating to state bonds is-**
17 **sued for the benefit of each public university prior to April 30, 2015;**

18 **“(b) Performance of administrative services relating to the follow-**
19 **ing employee benefits:**

20 **“(A) Group insurance or deferred compensation plans authorized by ORS**
21 **352.237;**

22 **“(B) The Public Employees Retirement System or another plan authorized**
23 **under ORS chapter 238 or 238A;**

24 **“(C) The Optional Retirement Plan authorized by ORS 243.800; and**

25 **“(D) A public university tax-deferred investment plan that obtains the**
26 **advantages of 26 U.S.C. 403(b) and is authorized by ORS 243.820; and**

27 **“[(b)] (c) Collective bargaining with any statewide bargaining unit that**
28 **includes employees of two or more public universities listed in ORS 352.002.**

29 **“(2)(a) A public university listed in ORS 352.002 may opt out of the**
30 **shared administrative service listed in subsection (1)(a) of this section**

1 **only if the Oregon Department of Administrative Services has adopted**
2 **rules under ORS 286A.863 relating to standards, terms and conditions**
3 **for maintaining federal tax benefits that apply to public universities**
4 **listed in ORS 352.002 that opt out of shared administrative services**
5 **described in subsection (1)(a) of this section.**

6 **“(b) Prior to July 1, 2019, a public university listed in ORS 352.002**
7 **must provide the same scope and overall value of each employee ben-**
8 **efit listed in subsection (1)(b) of this section as is required by the**
9 **statutes referenced in subsection (1)(b) of this section.** *[During the pe-*
10 *riod a public university listed in ORS 352.002 is required to participate in*
11 *shared administrative services under subsection (1) of this section, the public*
12 *university must provide the same scope and overall value of each employee*
13 *benefit listed in subsection (1)(a) of this section as is required by the statutes*
14 *referenced in subsection (1)(a) of this section.]*

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

20 **“[(4)(a)] (3)(a) Two or more public universities listed in ORS 352.002 may**
21 **participate in shared services not described in subsection (1) of this section,**
22 **including but not limited to shared services involving legal services and in-**
23 **formation technology.**

24 **“(b) If a public university listed in ORS 352.002, or a community college,**
25 **negotiates a contract with one or more third party financial firms, as defined**
26 **in ORS 348.015, to provide disbursement and management services of finan-**
27 **cial aid funds, or management of financial accounts, to enrolled students, the**
28 **public university or community college shall undertake reasonable efforts to**
29 **establish collaboration agreements with other public universities or commu-**
30 **nity colleges to negotiate the services.**

1 “[(5)(a) A university with a governing board shall participate in shared
2 services providing for maintenance of federal tax benefits relating to state
3 bonds issued for the benefit of the university prior to April 30, 2015, unless the
4 university opts out of shared services as described in paragraph (b) of this
5 subsection.]

6 “[(b) A university with a governing board may opt out of the shared ser-
7 vices described in paragraph (a) of this subsection only if the Oregon Depart-
8 ment of Administrative Services has adopted rules under ORS 286A.863
9 relating to standards, terms and conditions for maintaining federal tax bene-
10 fits that apply to universities with governing boards that opt out of shared
11 services described in paragraph (a) of this subsection.]

12 “[(c)] (4) As used in this [subsection] **section**, ‘federal tax benefits’ has the
13 meaning given that term in ORS 286A.830.

14 “**SECTION 14.** ORS 291.035 is amended to read:

15 “291.035. (1) As used in this section:

16 “(a)(A) ‘Information technology initiative’ means a project to develop or
17 provide, with a state contracting agency’s or public corporation’s own per-
18 sonnel and resources, or to obtain by means of a procurement or set of re-
19 lated procurements:

20 “(i) New hardware, software or services for data processing, office auto-
21 mation or telecommunications;

22 “(ii) An overhaul, upgrade or replacement of a substantial portion of the
23 hardware or software in an existing data processing, office automation or
24 telecommunications system; or

25 “(iii) A substantial expansion of existing data processing, office auto-
26 mation or telecommunications services.

27 “(B) ‘Information technology initiative’ does not include:

28 “(i) A procurement for preliminary quality assurance services or quality
29 management services;

30 “(ii) A routine update to or purchase of hardware or software within an

1 existing data processing, office automation or telecommunications system;

2 “(iii) A renewal of an existing contract for data processing, office auto-
3 mation or telecommunications services under terms and conditions that are
4 substantially the same as in the existing contract; or

5 “(iv) A replacement of a component of an existing data processing, office
6 automation or telecommunications system that is not essential for the system
7 to function as designed or that occurs at the end of the component’s antic-
8 ipated life cycle.

9 “(b) ‘Preliminary quality assurance services’ means a set of services in
10 which a contractor provides an independent and objective review of a state
11 contracting agency’s or a public corporation’s plans, specifications, esti-
12 mates, documentation, available resources and overall purpose for an infor-
13 mation technology initiative, including services in which the contractor
14 evaluates a proposed information technology initiative against applicable
15 quality standards and best practices from private industry and other sources.

16 “(c) ‘Procurement’ has the meaning given that term in ORS 279A.010.

17 “(d)(A) ‘Public corporation’ means a corporation:

18 “(i) The operations of which are subject to control by this state or by an
19 agency or instrumentality of this state, or by officers of this state or of an
20 agency or instrumentality of this state;

21 “(ii) That is organized, at least in part, to serve a public purpose; and

22 “(iii) That receives public funds or other support from an entity described
23 in sub-subparagraph (i) of this subparagraph.

24 “(B) ‘Public corporation’ does not include:

25 “(i) A person or entity described in ORS 174.108 (3);

26 “(ii) A city, county, local service district, school district, education ser-
27 vice district, community college district or community college service district
28 or a **public university listed in ORS 352.002** [*with a governing board listed*
29 *in ORS 352.054*]; or

30 “(iii) An administrative subdivision of an entity described in sub-

1 subparagraph (ii) of this subparagraph.

2 “(e) ‘Quality management services’ means a set of services in which a
3 contractor provides an independent and objective review and evaluation of
4 a state contracting agency’s, a public corporation’s or another contractor’s
5 performance with respect to an information technology initiative, such as
6 services in which the contractor:

7 “(A) Identifies quality standards that apply or should apply to the infor-
8 mation technology initiative;

9 “(B) Suggests methods and means by which the state contracting agency,
10 the public corporation or the other contractor may meet quality standards
11 identified in subparagraph (A) of this paragraph;

12 “(C) Reviews and evaluates the state contracting agency’s, the public
13 corporation’s or the other contractor’s performance regularly as the infor-
14 mation technology initiative progresses from start to finish;

15 “(D) Identifies omissions or gaps in the state contracting agency’s, the
16 public corporation’s or the other contractor’s planning, execution, control,
17 methodology, communication or reporting as the information technology in-
18 itiative progresses from start to finish;

19 “(E) Identifies risks in the state contracting agency’s, the public
20 corporation’s or the other contractor’s plans or approach to designing, de-
21 veloping or implementing the information technology initiative and suggests
22 methods to reduce, mitigate or eliminate the risks;

23 “(F) Assists the state contracting agency or the public corporation in
24 testing or otherwise evaluating the hardware, software or services that are
25 developed, provided or obtained as part of an information technology initi-
26 ative to determine whether the hardware, software or services conform with
27 the quality standards identified in subparagraph (A) of this paragraph;

28 “(G) Advises the State Chief Information Officer, the state contracting
29 agency or the public corporation as to whether the hardware, software or
30 services that are developed, provided or obtained as part of an information

1 technology initiative meet the contracting agency’s or the public
2 corporation’s needs, specifications or expectations and otherwise enable the
3 state contracting agency or the public corporation to achieve the objectives
4 for the information technology initiative; or

5 “(H) Identifies unsatisfactory performance and suggests methods the State
6 Chief Information Officer, the state contracting agency, the public corpo-
7 ration or the other contractor might use to eliminate the causes of unsatis-
8 factory performance.

9 “(f) ‘State contracting agency’ has the meaning given that term in ORS
10 279A.010.

11 “(2)(a) A state contracting agency or a public corporation that implements
12 an information technology initiative shall obtain quality management ser-
13 vices from a qualified contractor if the value of the information technology
14 initiative exceeds \$5 million or if the information technology initiative meets
15 criteria or standards that the State Chief Information Officer specifies by
16 rule or policy.

17 “(b) A state contracting agency or public corporation may, subject to ORS
18 279B.040, procure preliminary quality assurance services from a contractor
19 if the information technology initiative meets the standards set forth in
20 paragraph (a) of this subsection or if the state contracting agency or public
21 corporation otherwise believes that the preliminary quality assurance ser-
22 vices will enable the contracting agency or public corporation to implement
23 an information technology initiative successfully.

24 “(3) A state contracting agency or public corporation may not artificially
25 divide or fragment an information technology initiative so as to avoid the
26 application of this section.

27 “(4) Notwithstanding any procurement authority that a state contracting
28 agency or a public corporation has that is not subject to the authority of the
29 Director of the Oregon Department of Administrative Services or the State
30 Chief Information Officer under ORS 279A.050 (2) or (7), the state contract-

1 ing agency or public corporation is subject to the provisions of subsection
2 (2) of this section and shall consult with and follow the rules, policies and
3 procedures of the State Chief Information Officer in determining the extent
4 of preliminary quality assurance services or quality management services
5 that the state contracting agency or public corporation will require for an
6 information technology initiative.

7 “(5)(a) If a state contracting agency or a public corporation awards a
8 contract for preliminary quality assurance services or quality management
9 services, the contract must provide that at the same time a contractor pro-
10 vides a preliminary or final report to the contract administrator, the con-
11 tractor shall also provide a copy of the report to:

12 “(A) The State Chief Information Officer;

13 “(B) The Director of the Oregon Department of Administrative Services;

14 “(C) The Legislative Fiscal Officer; and

15 “(D) As appropriate for the specific information technology initiative, to:

16 “(i) The director of the state contracting agency or, if a board or com-
17 mission sets policy for the state contracting agency, to the board or com-
18 mission; or

19 “(ii) The governing body of the public corporation.

20 “(b) The state contracting agency or public corporation shall provide the
21 contractor with names, addresses and other contact information the con-
22 tractor needs to comply with paragraph (a) of this subsection.

23 “(6) This section does not apply to the Secretary of State or the State
24 Treasurer.

25 “**SECTION 15.** ORS 352.033 is amended to read:

26 “352.033. A **public university listed in ORS 352.002** [*with a governing*
27 *board*] is a governmental entity performing governmental functions and ex-
28 exercising governmental powers. A **public university listed in ORS 352.002**
29 [*with a governing board*] is not considered a unit of local or municipal gov-
30 ernment or a state agency, board, commission or institution for purposes of

1 state statutes or constitutional provisions.

2 **“SECTION 16.** ORS 352.039 is amended to read:

3 “352.039. (1) A **public** university **listed in ORS 352.002** [*with a governing*
4 *board*] is created to carry out public missions and services in keeping with
5 principles of public accountability and fundamental public policy, guided by
6 the legislative findings in ORS 350.001 and 350.005 and consistent with the
7 goals and mission described in ORS 350.009 and 350.014.

8 “(2) A **public** university **listed in ORS 352.002** [*with a governing board*]
9 is an independent public body with statewide purposes and missions and
10 without territorial boundaries. A **public** university [*with a governing board*]
11 shall exercise and carry out all of the powers, rights and privileges, within
12 and outside this state, that are expressly conferred upon the **public** univer-
13 sity [*with a governing board*], or that are implied by law or are incident to
14 such powers, rights and duties.

15 **“SECTION 17.** ORS 352.087 is amended to read:

16 “352.087. (1) A **public** university **listed in ORS 352.002** [*with a governing*
17 *board*] may:

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

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

24 “(c) Make any and all contracts and agreements, enter into any partner-
25 ship, joint venture or other business arrangement and create and participate
26 fully in the operation of any business structure, including but not limited to
27 the development of business structures and networks with any public or
28 private government, nonprofit or for-profit person or entity, that in the
29 judgment of the university or the governing board is necessary or appropri-
30 ate.

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

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

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

13 “(g) Establish employee benefit plans of any type, subject to ORS 352.237.

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

16 “(i) Spend all available moneys without appropriation or expenditure
17 limitation approval from the Legislative Assembly, except for moneys re-
18 ceived by a **public** university [*with a governing board*] pursuant to a funding
19 request submitted under ORS 352.089 (3) and the proceeds of state bonds is-
20 sued for the benefit of a **public** university [*with a governing board*]. The
21 proceeds of state bonds issued for the benefit of a **public** university [*with a*
22 *governing board*] must be held pursuant to an agreement entered into by the
23 State Treasurer and a **public** university [*with a governing board*] under ORS
24 352.135 (2).

25 “(j) Acquire, purchase, purchase on a contractual basis, borrow, receive,
26 own, hold, control, convey, mortgage, pledge or otherwise encumber, sell,
27 manage, operate, lease, lease-purchase, license, lend, invest in, improve, de-
28 velop, use, expend and dispose of real property.

29 “(k) Erect, construct, improve, remodel, develop, repair, maintain, equip,
30 furnish, lease, lend, convey, sell, manage, operate, use and dispose of any

1 building, structure, land or project.

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

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

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

12 “(o) Hire or retain attorneys for the provision of all legal services. A
13 **public** university [*with a governing board*] shall reimburse the State Treas-
14 urer for legal fees incurred in connection with state bonds issued at the re-
15 quest of the Higher Education Coordinating Commission on behalf of the
16 university.

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

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

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

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

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

3 “(2) The budget for a **public university listed in ORS 352.002** [*with a*
4 *governing board*] shall be prepared in accordance with generally accepted
5 accounting principles and adopted by the governing board in accordance with
6 ORS 192.610 to 192.690.

7 “(3) A governing board **of a public university listed in ORS 352.002** or
8 **a public** university [*with a governing board*] may perform any other acts that
9 in the judgment of the governing board or university are required, necessary
10 or appropriate to accomplish the rights and responsibilities granted to the
11 governing board or university by law.

12 **“SECTION 18.** ORS 352.096 is amended to read:

13 “352.096. (1)(a) In consultation with the Governor, or the Governor’s
14 designee, the governing board **of a public university listed in ORS 352.002**
15 shall appoint and employ a president of the university.

16 “(b) The governing board shall prescribe the president’s compensation and
17 terms and conditions of employment.

18 “(2) The president of [*the*] **a public university listed in ORS 352.002** is
19 the president of the faculty. The president is also the executive and govern-
20 ing officer of the university, except as otherwise provided by statute or
21 action of the governing board. Subject to the supervision of the governing
22 board, the president of the university has authority to direct the affairs of
23 the university.

24 “(3) Except in the case of an interim or acting president, the hiring
25 committee for the president of a **public university listed in ORS 352.002**
26 [*with a governing board*] shall include representatives of the university
27 community and at least one other president of a public university based in
28 Oregon.

29 “(4) The governing board **of a public university listed in ORS 352.002**
30 is responsible for the reappointment or removal of the president of the uni-

1 iversity.

2 “(5) A **public** university **listed in ORS 352.002** [*with a governing board*]
3 may appoint and employ any instructional, administrative, professional,
4 trade, occupational and other personnel as are necessary or appropriate and
5 establish their compensation and terms and conditions of employment, sub-
6 ject to the limitations set forth in ORS 352.124 (1) and (2).

7 “**SECTION 19.** ORS 352.113 is amended to read:

8 “352.113. (1) Legal title to all real property acquired by a **public** uni-
9 versity **listed in ORS 352.002** [*with a governing board*] must be taken and
10 held in the name of the State of Oregon, acting by and through the governing
11 board **of the public university**. Legal title to all real property conveyed to
12 a **public** university [*with a governing board*] is considered to be conveyed to
13 and vested in the State of Oregon, acting by and through the governing
14 board. Authorized conveyances of all real property, other than university
15 lands, acquired by or vested in the State of Oregon for the use or benefit of
16 the university must be executed in the name of the State of Oregon, acting
17 by and through the governing board, by the chairperson of the governing
18 board.

19 “(2) The governing board has custody and control of and shall care for
20 all real property used for university purposes. Management, maintenance,
21 encumbrance, disposal and preservation of all real property used for univer-
22 sity purposes, whether the real property is acquired before or after the es-
23 tablishment of a governing board, is the responsibility of the governing
24 board. Unless the governing board has granted prior consent, real property
25 taken and held under this section may only be encumbered by the State of
26 Oregon in accordance with state law and in a manner that would not impair
27 the financial condition of the university or the rights of the holders of any
28 obligations of the university issued or incurred under any master indenture
29 or other financing agreement.

30 “(3) Legal title to all personal property acquired, constructed, remodeled,

1 repaired, equipped or furnished with the proceeds of bonds issued pursuant
2 to Article XI-Q of the Oregon Constitution for the benefit of a **public** uni-
3 versity **listed in ORS 352.002** [*with a governing board*] must be taken and
4 held in the name of the State of Oregon, acting by and through the governing
5 board. The governing board has custody and control of the personal property
6 and shall care for the personal property owned by the State of Oregon. When
7 the Article XI-Q bonds are no longer outstanding, legal title to the personal
8 property automatically by operation of law transfers to and vests in the
9 **public** university [*with a governing board*] for whose benefit the Article XI-Q
10 bonds were issued.

11 “(4) Unless the State Treasurer has granted prior consent, real or per-
12 sonal property held in the name of the State of Oregon, or in which the State
13 of Oregon has an ownership or other legal interest, that was acquired, con-
14 structed, improved with or otherwise directly benefited by the proceeds of
15 outstanding state bonds, may not be:

16 “(a) Used by a governing board in a manner that would give rise to pri-
17 vate business use; or

18 “(b) Sold, transferred, encumbered, leased or otherwise disposed of by a
19 governing board. The reference to leases in this paragraph does not apply to
20 residential leases that a governing board enters into with students, faculty
21 or employees of the university.

22 **“SECTION 20.** ORS 352.118 is amended to read:

23 “352.118. (1) A governing board may, in its sole discretion, do all of the
24 following:

25 “(a) Police, control and regulate traffic and parking of vehicles on uni-
26 versity property.

27 “(b) Establish a police department and commission one or more employees
28 as police officers in the manner and with all of the privileges and immunities
29 set forth in ORS 352.121. When a governing board establishes a police de-
30 partment and commissions one or more employees as police officers, the

1 president of the university, in cooperation with the chief of the police de-
2 partment, shall establish a process by which the university will receive and
3 respond to complaints involving the policies of the police department and the
4 conduct of the police officers.

5 “(c) Commission special campus security officers who, when acting in the
6 scope of their employment, shall have stop and frisk authority as set forth
7 in ORS 131.605 to 131.625 and probable cause arrest authority and the ac-
8 companying immunities as set forth in ORS 133.310 and 133.315. Special
9 campus security officers may not be authorized to carry firearms as police
10 officers and, except as provided in subsection (2) of this section, may not be
11 considered police officers for purposes of ORS 181A.355, 238.005, 243.005 or
12 243.736.

13 “(2) A **public university listed in ORS 352.002** [*with a governing board*],
14 acting by and through its special campus security officers, is a criminal
15 justice agency for purposes of rules adopted pursuant to ORS 181A.280 (3).

16 “**SECTION 21.** ORS 352.124 is amended to read:

17 “352.124. (1) A **public university listed in ORS 352.002** [*with a governing*
18 *board*] shall engage in collective bargaining with local bargaining organiza-
19 tions of the employees of the university.

20 “(2) A **public university listed in ORS 352.002** [*with a governing board*]
21 shall participate in a collective bargaining partnership with other public
22 universities in this state for the purpose of engaging in collective bargaining
23 with existing statewide bargaining organizations of the employees of the
24 public university. The collective bargaining partnership shall be established
25 by written agreement.

26 “(3) Subject to the authority of the Secretary of State to audit public ac-
27 counts, a **public university listed in ORS 352.002** [*with a governing board*]
28 may conduct an independent audit if the governing board **of the public**
29 **university** considers the audit advisable. Subject to ORS 297.250, the inde-
30 pendent audit is subject to the exclusive discretion and control of the uni-

1 versity. The independent audit is subject to disclosure pursuant to ORS
2 192.410 to 192.505.

3 **“SECTION 22.** ORS 352.135 is amended to read:

4 “352.135. (1) All moneys collected or received by a **public** university
5 **listed in ORS 352.002** [*with a governing board*], placed to the credit of the
6 governing board **of the public university** and remaining unexpended and
7 unobligated on July 1, 2014, or the date that the board is established,
8 whichever is later, and all moneys collected or received by a **public** univer-
9 sity [*with a governing board*] after that date, may be:

10 “(a) Deposited into one or more accounts established by the board in de-
11 positories insured by the Federal Deposit Insurance Corporation or the Na-
12 tional Credit Union Share Insurance Fund, and the governing board shall
13 ensure that sufficient collateral secures any amount of funds on deposit that
14 exceeds the limits of the coverage of the Federal Deposit Insurance Corpo-
15 ration or the National Credit Union Share Insurance Fund; or

16 “(b) Held, kept, pledged, controlled, conveyed, managed, used, loaned, ex-
17 pended and invested as set forth in ORS 352.087 and 352.102.

18 “(2) Upon a request by the State Treasurer, a **public** university **listed in**
19 **ORS 352.002** [*with a governing board*] shall enter into a written agreement
20 with the state that provides for the State Treasurer to receive, hold, keep,
21 manage and invest any amounts under the control of the university that the
22 State Treasurer determines should be held by the State Treasurer to provide
23 for payment of state bonds and other state obligations that are to be paid
24 from appropriations described in ORS 352.089 (4), revenues of the university
25 or other moneys under the control of the university. The agreement may, at
26 the request of the State Treasurer, require the university to pay the costs
27 incurred by the State Treasurer in connection with entering into and carry-
28 ing out the agreement.

29 “(3) Upon a request by a **public** university **listed in ORS 352.002** [*with*
30 *a governing board*], the State Treasurer may receive, hold, keep, manage and

1 invest any or all moneys, appropriations, gifts, bequests or revenues of the
2 university from any source in accordance with an agreement entered into
3 between the State Treasurer and the university and with the policies and
4 procedures established by the State Treasurer, including the recoupment of
5 costs incurred by the State Treasurer in carrying out these tasks.

6 “(4) As used in this section, ‘depository’ has the meaning given that term
7 in ORS 295.001.

8 **“SECTION 23.** ORS 352.138, as amended by section 8, chapter 31, Oregon
9 Laws 2016, is amended to 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 **public** university **listed in ORS 352.002** [*with a governing board*];
14 and

15 “(b) Any not-for-profit organization or other entity if the equity of the
16 entity is owned or controlled exclusively by a **public** university [*with a*
17 *governing board*] and if the organization or entity is created by the univer-
18 sity to advance any of the university’s statutory missions.

19 “(2) Notwithstanding subsection (1) of this section and ORS 352.033, the
20 provisions of ORS 30.260 to 30.460, 33.710, 33.720, 200.005 to 200.025, 200.045
21 to 200.090, 236.605 to 236.640, 279.835, 279.840, 279.850 and 297.040 and ORS
22 chapters 35, 190, 192 and 244 apply to a **public** university **listed in ORS**
23 **352.002** [*with a governing board*] under the same terms as they apply to
24 public bodies other than the state.

25 “(3) Except as otherwise provided by law, the provisions of ORS 35.550 to
26 35.575, 180.060, 180.210 to 180.235, 184.305 to 184.345, 190.480, 190.490, 200.035,
27 243.696, 357.805 to 357.895 and 656.017 (2) and ORS chapters 182, 183, 240, 270,
28 273, 276, 278, 279A, 279B, 279C, 282, 283, 291, 292, 293, 294, 295 and 297 do not
29 apply to a **public** university **listed in ORS 352.002** [*with a governing*
30 *board*].

1 “(4)(a) Notwithstanding subsections (1) and (3) of this section and ORS
2 352.033, ORS 240.167, 279C.600 to 279C.625, 279C.800, 279C.810, 279C.825,
3 279C.827, 279C.830, 279C.835, 279C.836, 279C.838, 279C.840, 279C.845, 279C.850,
4 279C.855, 279C.860, 279C.865, 279C.870 and 292.043 apply to a **public** univer-
5 sity **listed in ORS 352.002** [*with a governing board*] under the same terms
6 as they apply to public bodies other than the state.

7 “(b) Notwithstanding subsections (1) and (3) of this section, ORS 279C.800
8 to 279C.870 apply to an agreement under the terms of which a private entity
9 constructs, reconstructs, renovates or paints an improvement on real prop-
10 erty owned by a **public** university **listed in ORS 352.002** [*with a governing*
11 *board*] or by a not-for-profit organization or other entity that a **public** uni-
12 versity [*with a governing board*] owns or controls exclusively.

13 “(5) Notwithstanding subsection (2) of this section, ORS 190.430 and
14 192.105 do not apply to a **public** university **listed in ORS 352.002** [*with a*
15 *governing board*] or any organization or other entity described in subsection
16 (1) of this section.

17 “(6) Notwithstanding ORS 352.033, except as set forth in subsection (3)
18 of this section, ORS 243.650 to 243.782 and 276.073 to 276.090 and ORS chap-
19 ters 238 and 238A apply to a **public** university **listed in ORS 352.002** [*with*
20 *a governing board*] under the same terms as they apply to the state.

21 “(7) ORS 350.285, 350.290, 352.198, 352.226, 352.232, 352.293, 352.296, 352.303,
22 352.309 and 352.313 apply to a **public** university **listed in ORS 352.002** [*with*
23 *a governing board*].

24 “(8) Notwithstanding ORS 352.033, a **public** university **listed in ORS**
25 **352.002** [*with a governing board*] and its agents and employees remain subject
26 to all statutes and administrative rules of this state that create rights, ben-
27 efits or protections in favor of military veterans, service members and fami-
28 lies of service members to the same extent as an agency of this state would
29 be subject to such statutes and administrative rules.

30 “(9) Notwithstanding ORS 352.033, ORS 350.540, 350.545 and 350.550 apply

1 to a **public** university **listed in ORS 352.002** [*with a governing board*]. A
2 **public** university [*with a governing board*] may not issue a tax credit certifi-
3 cate under ORS 350.540, 350.545 and 350.550 that will cause the General
4 Fund to be owed more than \$8.4 million at any one time under ORS 350.540,
5 350.545 and 350.550.

6 “(10) If state bonds are issued for the benefit of a **public** university **listed**
7 **in ORS 352.002** [*with a governing board*] under Article XI-Q of the Oregon
8 Constitution:

9 “(a) The Higher Education Coordinating Commission shall have the pow-
10 ers and duties of a project agency, as defined in ORS 286A.816, to the extent
11 necessary for the issuance of the state bonds and the administration of the
12 proceeds of the state bonds; and

13 “(b) The university and the Higher Education Coordinating Commission
14 shall enter into grant contracts or loan agreements that comply with rules
15 adopted by the Oregon Department of Administrative Services relating to:

16 “(A) Disbursement of project funds by a project agency through grant
17 contracts or loan agreements;

18 “(B) Submission of a request for project funds to the commission under
19 ORS 350.095; and

20 “(C) Any other matters determined by the Oregon Department of Admin-
21 istrative Services to be necessary for the administration of the Article XI-Q
22 bond program.

23 “(11) Nothing in this section may be construed so that statutory pro-
24 visions that are not set forth in this section apply to a **public** university
25 **listed in ORS 352.002** [*with a governing board*].

26 “**SECTION 24.** ORS 352.141 is amended to read:

27 “352.141. A **public** university **listed in ORS 352.002** [*with a governing*
28 *board*] may open, establish, lay out and dedicate to the public use any streets
29 through lands owned by or used for the university. When such streets are
30 opened, established and laid out, they are declared to be dedicated to the

1 public use. The university may declare that it is the road authority pursuant
2 to ORS 810.010 (4) for any or all roads through lands owned by or used for
3 the university.

4 **“SECTION 25.** ORS 352.146 is amended to read:

5 “352.146. The president and professors constitute the faculty and as such
6 have the immediate government and discipline of a **public** university **listed**
7 **in ORS 352.002** [*with a governing board*] and the students therein, except as
8 otherwise provided by law or action of the governing board **of the public**
9 **university**. The faculty may, subject to the supervision of the governing
10 board and ORS 352.089, prescribe the course of study to be pursued in the
11 university and the textbooks to be used.

12 **“SECTION 26.** ORS 352.226 is amended to read:

13 “352.226. (1) A governing board as defined in ORS 352.029 may, for the
14 public university under its control, adopt standards and specific orders by
15 or through the president of each public university governing access to per-
16 sonnel records of the public university or office, department or activity that
17 are less than 25 years old.

18 “(2) Standards adopted under subsection (1) of this section shall require
19 that personnel records be subjected to restrictions on access unless upon a
20 finding by the president of the public university that the public interest in
21 maintaining individual rights to privacy in an adequate educational envi-
22 ronment would not suffer by disclosure of such records. Access to such re-
23 cords may be limited to designated classes of information or persons, or to
24 stated times and conditions, or to both, but cannot be limited for records
25 more than 25 years old.

26 “(3) A standard or order promulgated pursuant to this section may not
27 deny to a faculty member full access to the member’s personnel file or re-
28 cords kept by the public university, except as provided in subsections (7) and
29 (8) of this section.

30 “(4) The number of files relating to the evaluation of a faculty member

1 is limited to three, to be kept in designated, available locations.

2 “(5) Any evaluation received by telephone must be documented in each
3 of the faculty member’s files by means of a written summary of the conver-
4 sation with the names of the conversants identified.

5 “(6) A faculty member is entitled to submit, for placement in the three
6 files, evidence rebutting, correcting, amplifying or explaining any document
7 contained therein and other material that the member believes might be of
8 assistance in the evaluation process.

9 “(7) Letters and other information submitted in confidence to the State
10 Board of Higher Education or its public universities, offices, departments or
11 activities prior to July 1, 1975, shall be maintained in the files designated
12 by the governing board of the public university currently employing the
13 faculty member. However, if a faculty member requests access to those files,
14 the anonymity of the contributor of letters and other information obtained
15 prior to July 1, 1975, shall be protected. The full text shall be made available
16 except that portions of the text that would serve to identify the contributor
17 shall be excised by a faculty committee. Only the names of the contributors
18 and the excised portions of the documents may be kept in a file other than
19 the three prescribed by subsection (4) of this section.

20 “(8)(a) Confidential letters and other information submitted to or solicited
21 after July 1, 1975, by the State Board of Higher Education or its public
22 universities, offices, departments or activities prior to the employment of a
23 prospective faculty member are exempt from the provisions of this section.
24 However, if the member is currently employed by a public university or its
25 offices, departments or activities, the confidential preemployment materials
26 shall be placed in the three authorized files. If a faculty member requests
27 access to the member’s files, the anonymity of the contributor of confidential
28 preemployment letters and other preemployment information shall be pro-
29 tected. The full text shall be made available, except that portions of the text
30 that would serve to identify the contributor shall be excised and retained in

1 a file other than the three designated in subsection (4) of this section.

2 “(b) Confidential letters and other information submitted to or solicited
3 by a public university listed in ORS 352.002 after the date that the university
4 [*became a university with*] **obtained** a governing board, and prior to the em-
5 ployment of a prospective faculty member are exempt from the provisions of
6 this section. However, if the member is employed by the university, the
7 confidential preemployment materials shall be placed in the three authorized
8 files. If a faculty member requests access to the member’s files, the ano-
9 nymity of the contributor of confidential preemployment letters and other
10 preemployment information shall be protected. The full text shall be made
11 available, except that portions of the text that would serve to identify the
12 contributor shall be excised and retained in a file other than the three des-
13 igned in subsection (4) of this section.

14 “(9) Classroom survey evaluation by students of a faculty member’s
15 classroom or laboratory performance shall be anonymous. The record of
16 tabulated reports shall be placed in at least one of the files designated in
17 subsection (4) of this section. All survey instruments used to obtain evalu-
18 ation data shall be returned to the faculty member.

19 “(10) A public university listed in ORS 352.002 and, after July 1, 1975, but
20 before the date on which the public university **obtained** [*became a university*
21 *with*] a governing board, the State Board of Higher Education and its public
22 universities, offices, departments or activities, when evaluating its employed
23 faculty members, may not solicit or accept letters, documents or other ma-
24 terials, given orally or in written form, from individuals or groups who wish
25 their identity kept anonymous or the information they provide kept confi-
26 dential.

27 “(11) A standard or order promulgated pursuant to this section does not
28 limit the authority of a public university to prepare, without identification
29 of individual persons who have not consented thereto, statistical or demo-
30 graphic reports from personnel records.

1 “(12) Any category of personnel records specifically designated as confi-
2 dential pursuant to valid standards or orders pursuant to this section is not
3 a public record for the purposes of ORS 192.420.

4 “(13) As used in this section, ‘personnel records’ means records containing
5 information kept by the public university, office, department or activity
6 concerning a faculty member and furnished by the faculty member or by
7 others about the faculty member at the request of the faculty member or the
8 public university, office, department or activity, including, but not limited
9 to, information concerning discipline, membership activity, employment per-
10 formance or other personal records of individual persons.

11 **“SECTION 27.** ORS 352.388 is amended to read:

12 “352.388. As used in ORS 352.388 to 352.415:

13 “(1) ‘Bond-related costs’ means:

14 “(a) The costs of paying the principal of, the interest on and the premium,
15 if any, on revenue bonds.

16 “(b) The costs and expenses of issuing, administering and maintaining
17 revenue bonds, including, but not limited to, the costs and expenses of:

18 “(A) Redeeming revenue bonds.

19 “(B) Paying amounts due in connection with credit enhancement devices
20 or agreements for exchange of interest rates.

21 “(C) Paying the fees, administrative costs and expenses of a **public uni-**
22 **versity listed in ORS 352.002** [*with a governing board*] related to revenue
23 bonds, including, but not limited to, the costs of consultants, bond trustees,
24 remarketing agents, escrow agents, arbitrage rebate consultants, calculation
25 agents and advisers retained by the university.

26 “(c) The costs of funding reserves for the revenue bonds.

27 “(d) Capitalized interest for the revenue bonds.

28 “(e) Rebates or penalties due to the United States in connection with the
29 revenue bonds.

30 “(f) Any other costs or expenses that a **public university** [*with a govern-*

1 *ing board*] determines are necessary or desirable in connection with issuing
2 and maintaining the revenue bonds.

3 “(2) ‘Credit enhancement device’ means an agreement or contractual re-
4 lationship between a **public** university **listed in ORS 352.002** [*with a gov-*
5 *erning board*] and a bank, trust company, insurance company, surety bonding
6 company, pension fund or other financial institution or entity providing ad-
7 ditional credit on or security for a revenue bond.

8 “(3) ‘For the benefit of a **public** university [*with a governing board*’
9 means, in relation to state bonds:

10 “(a) Before August 14, 2013, the portion of the proceeds of the state bonds
11 that was used to finance property, projects or liabilities on behalf of the
12 State Board of Higher Education and for the benefit of a **public** university
13 **listed in ORS 352.002** [*with a governing board*] in pursuing the purposes and
14 missions of the university.

15 “(b) On or after August 14, 2013, the portion of the proceeds of the state
16 bonds a **public** university **listed in ORS 352.002** [*with a governing board*] is
17 eligible to receive under ORS 352.402 to finance property, projects or liabil-
18 ities on behalf of and for the benefit of a **public** university [*with a governing*
19 *board*] in pursuing the purposes and missions of the university.

20 “(4) ‘Obligation’ means:

21 “(a) A revenue bond;

22 “(b) The commitment of a **public** university **listed in ORS 352.002** [*with*
23 *a governing board*] in connection with a credit enhancement device; or

24 “(c) An agreement for exchange of interest rates.

25 “(5) ‘Operative document’ means a bond declaration, trust agreement,
26 indenture, security agreement or other document in which a **public** univer-
27 sity **listed in ORS 352.002** [*with a governing board*] makes a pledge.

28 “(6) ‘Pledge’ means:

29 “(a) To create a lien on revenue or property.

30 “(b) A lien created on revenue or property.

1 “(7) ‘Revenue’ means tuition, fees, charges, rents, revenues, interest, div-
2 idends, receipts and other income of a **public** university **listed in ORS**
3 **352.002** [*with a governing board*], except moneys received by the university
4 from taxes collected by the State of Oregon.

5 “(8) ‘Revenue bond’:

6 “(a) Means a contractual undertaking or instrument of a **public** univer-
7 sity **listed in ORS 352.002** [*with a governing board*] to repay borrowed mon-
8 eys, which undertaking or instrument is secured by a pledge of all or part
9 of the revenue of the university.

10 “(b) Does not mean a credit enhancement device or a state bond.

11 **“SECTION 28.** ORS 352.402 is amended to read:

12 “352.402. (1) A **public** university **listed in ORS 352.002** [*with a governing*
13 *board*] may elect to remain eligible to receive proceeds of state bonds. If a
14 **public** university [*with a governing board*] requests the State Treasurer to
15 issue state bonds for the benefit of the university [*with a governing board*]
16 that are authorized under Article XI-F(1) or XI-Q of the Oregon Constitution
17 or ORS 283.085 to 283.092, and the state bonds are intended to be repaid in
18 whole or in part by university revenues or other moneys under the control
19 of the university, the State Treasurer must review and approve all plans to
20 issue revenue bonds of the university and to execute other obligations re-
21 lated to the revenue bonds.

22 “(2) The State Treasurer shall limit the scope of review and approval
23 under subsection (1) of this section to consideration of periodic cash flow
24 projections and other information necessary to determine the sufficiency of
25 the cash flow of the **public** university **listed in ORS 352.002** [*with a gov-*
26 *erning board*] to pay any loans from state agencies funded with the proceeds
27 of state bonds and to pay costs for:

28 “(a) State bonds issued for the benefit of the **public** university **listed in**
29 **ORS 352.002** [*with a governing board*] pursuant to Article XI-F(1) or XI-Q of
30 the Oregon Constitution or ORS 283.085 to 283.092; and

1 “(b) Revenue bonds issued pursuant to ORS 352.388 to 352.415.

2 “(3) A **public** university **listed in ORS 352.002** [*with a governing board*]
3 that issues revenue bonds of the university, or executes other obligations
4 related to the revenue bonds, without the approval of the State Treasurer
5 as provided in subsection (2) of this section is not eligible to receive proceeds
6 of the state bonds described in subsection (1) of this section and that are
7 intended to be repaid in whole or in part by university revenues or other
8 moneys under the control of the university on or after August 14, 2013.

9 “**SECTION 29.** ORS 352.408 is amended to read:

10 “352.408. (1) A **public** university **listed in ORS 352.002** [*with a governing*
11 *board*]:

12 “(a) May issue revenue bonds for any lawful purpose of the university in
13 accordance with ORS chapter 287A.

14 “(b) May issue under ORS 287A.360 to 287A.380 refunding bonds of the
15 same character and tenor as the revenue bonds replaced.

16 “(2) For the purposes of ORS 271.390 and ORS chapter 287A, a **public**
17 university **listed in ORS 352.002** [*with a governing board*] is a public body.

18 “(3) ORS 287A.150 does not apply to revenue bonds issued by a **public**
19 university **listed in ORS 352.002** [*with a governing board*].

20 “(4) A **public** university **listed in ORS 352.002** [*with a governing board*]:

21 “(a) May grant leases of real property held by a trustee or lender for a
22 term that ends on the date on which all amounts due under the operative
23 documents have been paid, or provision for payment has been made, or for
24 a term of up to 20 years after the last scheduled payment under the operative
25 documents, whichever is sooner. The leases may grant the trustee or lender
26 the right to evict the university and exclude the university from possession
27 of the real property for the term of the lease if the university fails to pay
28 when due the amounts scheduled to be paid under the operative documents
29 or otherwise defaults under the operative documents. Upon default, the
30 trustee or lender may sublease the real property to third parties and apply

1 any rents to payments scheduled to be made under the operative documents.

2 “(b) May not mortgage, pledge or grant a security interest in, or other-
3 wise encumber, real or personal property that has been pledged or leased to
4 provide security for, or acquired, constructed, improved with, or otherwise
5 directly benefited by, the proceeds of outstanding state bonds, except as
6 provided in ORS 352.113 (4).

7 “(5) Revenue bonds and other obligations authorized by this section:

8 “(a) Are revenue bonds or obligations of a political subdivision of the
9 State of Oregon.

10 “(b) Are not an indebtedness or obligation of the State of Oregon and are
11 not a charge upon revenue or property of the State of Oregon, except as
12 provided in subsection (4) of this section.

13 “(c) Are not a charge upon any revenue or property of a **public** university
14 **listed in ORS 352.002** [*with a governing board*] unless the revenue or prop-
15 erty is pledged to secure the revenue bonds or other obligations.

16 “(d) Are not payable from, and may not be secured by a pledge of or lien
17 on, any amounts a **public** university [*with a governing board*] is required to:

18 “(A) Deposit with the State Treasurer pursuant to ORS 352.135 (2); or

19 “(B) Pay to the State Treasurer pursuant to a schedule described in ORS
20 352.415.

21 **“SECTION 30.** ORS 352.415 is amended to read:

22 “352.415. (1) ORS 352.388 to 352.415 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 **public** university [*with a governing board*] **listed**
26 **in ORS 352.002.**

27 “(2) A **public** university **listed in ORS 352.002** [*with a governing board*]
28 shall take all actions necessary to ensure full compliance with the operative
29 documents executed with respect to state bonds issued before, on or after
30 August 14, 2013, by the State Treasurer for the benefit of the **public** uni-

1 versity *[with a governing board]*.

2 “(3) The State Treasurer, in consultation with the Oregon Department of
3 Administrative Services, shall at least annually provide a **public** university
4 **listed in ORS 352.002** *[with a governing board]* a schedule of outstanding
5 state bonds and other obligations for which the university must pay, in-
6 cluding the payment dates and amounts, or methods for determining the
7 amounts. To prepare the schedule, the State Treasurer may request and rely
8 upon information produced by one or more universities with a governing
9 board or a shared services enterprise of the universities that provides ser-
10 vices related to debt management. The schedule must include amounts suf-
11 ficient 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 **public** university *[with a governing board]* on or
15 after August 14, 2013, that are intended to be repaid in whole or in part by
16 university 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 to a **public** university *[with a governing*
20 *board]* is binding on the university. The **public** university *[with a governing*
21 *board]* shall pay the amounts specified in the schedule provided by the State
22 Treasurer on or before the dates specified in the schedule from the legally
23 available revenue of the university and on a *pari passu* basis with the pay-
24 ment of any revenue bonds of the university issued pursuant to ORS 352.408.

25 “(4) At the request of the State Treasurer, a **public** university **listed in**
26 **ORS 352.002** *[with a governing board]* shall provide the State Treasurer with
27 periodic cash flow projections and other information that allow the State
28 Treasurer to review and approve the sufficiency of the university’s cash flow
29 to pay amounts specified in the schedule described in subsection (3) of this
30 section and to pay amounts owed under loans from state agencies that were

1 funded with the proceeds of state bonds.

2 “(5) Moneys deposited with the State Treasurer or the Oregon Department
3 of Administrative Services in a debt service reserve account or otherwise for
4 the portion of the debt service associated with obligations entered into be-
5 fore August 14, 2013, for the benefit of a **public** university **listed in ORS**
6 **352.002** [*with a governing board*] must remain with the State Treasurer or the
7 Oregon Department of Administrative Services until the obligations have
8 been retired or defeased. Earnings on moneys described in this subsection
9 must be credited to the account or fund in which the moneys are held.

10 “(6) The principal, interest, premium, if any, and any issuance costs of
11 state bonds issued before, on or after August 14, 2013, for the benefit of a
12 **public** university **listed in ORS 352.002** [*with a governing board*], and any
13 related credit enhancement device or interest rate exchange agreement, shall
14 be paid from the sources identified in the laws and operative documents au-
15 thORIZING the state bonds. The **public** university [*with a governing board*] for
16 which the state bonds were issued shall pay any other expenses and liabil-
17 ities, including, but not limited to, legal expenses arising from an inquiry,
18 audit or other action by a federal or state regulatory body, unless the ex-
19 pense or liability results solely from the negligence or willful misconduct of
20 a state agency.

21 “(7) Pursuant to ORS chapter 180, on behalf of the State Treasurer or any
22 other state agency, the Attorney General shall appear, commence, prosecute
23 or defend any action, suit, matter, cause or proceeding arising from any state
24 bond issued for the benefit of a **public** university **listed in ORS 352.002**
25 [*with a governing board*] and any related credit enhancement device or in-
26 terest rate exchange agreement. As soon as practicable after a governing
27 board is established by a **public** university pursuant to ORS 352.054, the
28 university [*with a governing board*] and the State Treasurer shall enter into
29 an agreement that addresses reimbursement of reasonable costs and expenses
30 associated with the legal representation of the State Treasurer in connection

1 with state bonds issued for the benefit of the **public** university [*with a gov-*
2 *erning board*] before, on or after August 14, 2013, and any other topic nec-
3 essary for the Department of Justice to provide legal representation to the
4 State Treasurer in connection with state bonds issued for the benefit of the
5 **public** university [*with a governing board*] and to provide representation re-
6 lated to funds and accounts or services provided under ORS 352.135.

7 “(8) A **public** university **listed in ORS 352.002** [*with a governing board*]
8 shall assume responsibility for the indemnity and defense of university offi-
9 cers, agents and employees with regard to, as applicable, claims asserted and
10 actions commenced in connection with state bonds issued for the benefit of
11 the **public** university [*with a governing board*].

12 **“SECTION 31.** ORS 352.442 is amended to read:

13 “352.442. A **public** university **listed in ORS 352.002** [*with a governing*
14 *board*] may, in its discretion, accept financial assistance and grants, either
15 in the form of money or labor, from the United States or any of its agencies,
16 subject to the terms and conditions thereof, regardless of any laws of this
17 state in conflict with the regulations of the federal government with respect
18 thereto, and may also accept from others any donation or grant of land, to
19 be taken and held in the name of the State of Oregon, acting by and through
20 the governing board, or gift of money or other valuable gift or thing, for any
21 of the purposes contemplated by Article XI-F(1) and Article XI-G of the
22 Oregon Constitution and ORS 352.157 to 352.171. Unless enjoined by the
23 terms or conditions of any such gift or grant, the governing board may con-
24 vert the same, or any of them, into money, through sale or disposal thereof.

25 **“SECTION 32.** ORS 352.450 is amended to read:

26 “352.450. (1) The Public University Fund is established in the State
27 Treasury, separate and distinct from the General Fund. Any interest or
28 other investment income derived from moneys in the Public University Fund
29 is credited to the fund.

30 “(2) Except for moneys otherwise designated by statute or federal law, the

1 governing board of any public university listed in ORS 352.002 may place any
2 or all moneys received by it into the Public University Fund. Once deposited
3 in the fund, the moneys of a public university shall be commingled with
4 other moneys in the fund and are fungible, except to the extent they may be
5 separately accounted for by the public university designated under sub-
6 section (3)(a) of this section.

7 “(3)(a) Public universities listed in ORS 352.002 that choose to participate
8 in the Public University Fund shall, by agreement or other structure au-
9 thorized by law, designate the participating public university responsible for
10 the Public University Fund and identify any and all obligations necessary
11 for a participating public university listed in ORS 352.002 to serve as the
12 designated responsible party under this subsection.

13 “(b) The participating public universities shall inform the State Treasurer
14 of the designated public university responsible for the Public University
15 Fund. The participating public universities may change which participating
16 public university is responsible for the Public University Fund.

17 “(c) The State Treasurer may conclusively rely on a written instruction
18 from the public universities as to the designated public university responsi-
19 ble for the fund.

20 “(d) The designated public university shall inform the State Treasurer of
21 the personnel authorized to provide instructions to the State Treasurer with
22 respect to moneys in the fund. The State Treasurer may rely on instructions
23 from the authorized personnel of the designated public university related to
24 the deposit, withdrawal, investment, transfer, borrowing or lending of mon-
25 eys in the fund. The State Treasurer is not responsible for or liable to the
26 public universities for any error or omission in the instructions the State
27 Treasurer receives from the designated public university.

28 “(4) All moneys in the Public University Fund are continuously appro-
29 priated to the public university responsible for the Public University Fund,
30 to be used only in a manner consistent with the agreement or other structure

1 authorized by law as described in subsection (3) of this section.

2 “(5) The moneys in the Public University Fund may be invested as pro-
3 vided in ORS 293.701 to 293.857.

4 “(6) Public universities that participate in the Public University Fund
5 may, by agreement or other structure authorized by law, direct the public
6 university designated under subsection (3)(a) of this section to establish ac-
7 counts and subaccounts within the fund when the participating public uni-
8 versities determine that accounts or subaccounts are necessary or desirable.
9 Except when otherwise specified by a statute establishing an account, the
10 participating public universities or, as appropriate, the designated public
11 university, may credit any interest or income derived from moneys in the
12 fund to any account or subaccount within the fund.

13 “(7) Public universities that participate in the Public University Fund or,
14 as appropriate, the public university designated under subsection (3)(a) of
15 this section, shall keep a record of all moneys deposited into the fund. The
16 record shall indicate by separate cumulative accounts and subaccounts the
17 sources from which the moneys are derived and the individual activity or
18 program against which each withdrawal is charged.

19 “(8) Notwithstanding any other provision of law, public universities that
20 participate in the Public University Fund or, as appropriate, the public uni-
21 versity designated under subsection (3)(a) of this section, may transfer or
22 lend the moneys in the fund to other participating public universities listed
23 in ORS 352.002. The Public University Fund may be a borrowing fund for
24 purposes of ORS 293.205 to 293.225 and may borrow from the Oregon Short
25 Term Fund established in ORS 293.728 or other state funds. Subject to the
26 limitations of Article XI, section 7, of the Oregon Constitution, the Public
27 University Fund may be a lending fund for purposes of ORS 293.205 to
28 293.225 and may lend moneys to other state funds. The public university
29 designated under subsection (3)(a) of this section shall be the relevant state
30 agency or department for whom the State Treasurer may transfer funds or

1 with whom the State Treasurer may enter into an agreement pursuant to
2 ORS 293.205 to 293.225.

3 “(9) Notwithstanding any other provision of law, ORS 293.169, 293.171,
4 293.353, 293.406, 293.450, 293.455, 293.460 and 293.465 to 293.485 apply to
5 moneys in the Public University Fund and to checks, warrants or electronic
6 funds transfers from or to the fund. For purposes of ORS 293.169, 293.171,
7 293.353, 293.406, 293.450, 293.455, 293.460 and 293.465 to 293.485:

8 “(a) The public university designated under subsection (3)(a) of this sec-
9 tion is the relevant state agency or department; and

10 “(b) The personnel of the designated public university authorized to pro-
11 vide instructions to the State Treasurer are the relevant state officers.

12 “(10)(a) The State Treasurer may establish separate or commingled funds,
13 or establish separate or commingled accounts within funds established under
14 this subsection. The State Treasurer may establish separate or commingled
15 accounts within other funds in the State Treasury to receive, hold, keep,
16 manage or invest moneys of a **public** university **listed in ORS 352.002** [*with*
17 *a governing board*] pursuant to any agreements entered into by the State
18 Treasurer and the university under ORS 352.135. The moneys in a fund or
19 account established under this subsection may be invested as provided in
20 ORS 293.701 to 293.857 and any interest or other investment income derived
21 from the fund or account shall be credited to the fund or account. All moneys
22 held in a fund or account established under this subsection are continuously
23 appropriated to the relevant **public** university [*with a governing board*] that
24 has entered into an agreement with the State Treasurer under ORS 352.135
25 for the purpose of carrying out the powers and duties of the **public** univer-
26 sity [*with a governing board*] or the purposes for which the moneys were
27 donated.

28 “(b) Except for moneys held to provide for the payment of state bonds and
29 other state obligations described in ORS 352.089 (4), a **public** university
30 **listed in ORS 352.002** [*with a governing board*] may transfer or lend the

1 moneys held in the State Treasury pursuant to any agreements entered into
2 under ORS 352.135 to other public universities listed in ORS 352.002. A fund
3 or account in the State Treasury that holds moneys of a **public** university
4 [*with a governing board*] pursuant to an agreement entered into under ORS
5 352.135 may be a borrowing fund for purposes of ORS 293.205 to 293.225 and
6 may borrow from the Oregon Short Term Fund established in ORS 293.728
7 or other state funds. Subject to the limitations of Article XI, section 7, of
8 the Oregon Constitution, a fund or account in the State Treasury that holds
9 moneys of a **public** university [*with a governing board*] pursuant to an
10 agreement entered into under ORS 352.135 may be a lending fund for pur-
11 poses of ORS 293.205 to 293.225 and may lend moneys to other state funds.
12 The **public** university [*with a governing board*] that has entered into an
13 agreement with the State Treasurer under ORS 352.135 is the relevant state
14 agency or department for whom the State Treasurer may transfer funds or
15 with whom the State Treasurer may enter into an agreement pursuant to
16 ORS 293.205 to 293.225.

17 “(c) Notwithstanding any other provision of law, ORS 293.169, 293.171,
18 293.353, 293.406, 293.450, 293.455, 293.460 and 293.465 to 293.485 apply to
19 moneys received, held, kept, managed or invested by the State Treasurer for
20 a **public** university **listed in ORS 352.002** [*with a governing board*] pursuant
21 to an agreement entered into under ORS 352.135 and to checks, warrants or
22 electronic funds transfers from or to any funds or accounts established pur-
23 suant to this subsection. For purposes of ORS 293.169, 293.171, 293.353,
24 293.406, 293.450, 293.455, 293.460 and 293.465 to 293.485:

25 “(A) The **public** university [*with a governing board*] that has entered into
26 an agreement with the State Treasurer under ORS 352.135 is the relevant
27 state agency or department; and

28 “(B) The personnel of the **public** university [*with a governing board*] au-
29 thorized to provide instructions to the State Treasurer are the relevant state
30 officers.”.

