

A-Engrossed House Bill 3011

Ordered by the House June 25
Including House Amendments dated June 25

Sponsored by Representative NOSSE; Representative EVANS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Appropriates moneys from General Fund to Oregon Health Authority for expenses related to hospital nurse staffing program.]

Extends Veteran Educational Bridge Grant Program.

Modifies time period for certain study conducted by Legislative Fiscal Officer.

Transfers uncommitted balance of certain lottery allocation to related fund.

Modifies authorized purposes for expenditures from Public Defense Services Account.

Increases number of circuit court judges.

Repeals law limiting expenditures by Department of Education from moneys transferred from Education Stability Fund to State School Fund. Authorizes expenditure from State School Fund for administration of statewide facilities assessment program. Authorizes retention of moneys in Fund for Student Success for reserve purposes. Authorizes expenditure from Early Learning Account for certain purposes related to early learning facilities.

Authorizes expenditures from Wage Security Fund for investigations of unlawful discrimination.

Directs Department of Justice to submit biennial report to chairpersons of Joint Committee on Ways and Means on litigation involving state.

Modifies authorized purposes for expenditures from Housing Acquisition Fund.

Establishes requirements for certain contracts for certain capital construction projects financed with federal American Rescue Plan Act moneys.

Declares emergency, effective *[July 1, 2021]* on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; creating new provisions; amending ORS 3.012, 151.225,
3 173.420, 326.125, 327.001, 327.008 and 652.409 and sections 6 and 8, chapter 527, Oregon Laws
4 2019, and section 9, chapter 671, Oregon Laws 2019; repealing section 5, chapter _____,
5 Oregon Laws 2021 (Enrolled Senate Bill 5514); and declaring an emergency.

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

DEPARTMENT OF VETERANS' AFFAIRS

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8
9
10 **SECTION 1.** Section 6, chapter 527, Oregon Laws 2019, is amended to read:

11 **Sec. 6.** (1) Sections 1 and 2 *[of this 2019 Act]*, **chapter 527, Oregon Laws 2019**, are repealed
12 on January 2, *[2022]* **2024**.

13 (2) Any moneys remaining in the Veteran Educational Bridge Grant Program Fund established
14 under section 2 *[of this 2019 Act]*, **chapter 527, Oregon Laws 2019**, on *[January 2, 2022]* **the date**
15 **specified in subsection (1) of this section**, after reversion of unspent lottery allocations to the
16 Veterans' Service Fund established under ORS 406.140, shall be transferred to the Veterans' Edu-
17 cational Aid Account established under ORS 408.090.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 tration and support of the public defense system;

2 (b) *[Reimburse]* **Reimbursement** of the State Court Administrator under ORS 151.216 (1)(i); and

3 *[(c) Pay other expenses in connection with the legal representation of persons for which the com-*
4 *mission is responsible by law, including expenses incurred in the administration of the public defense*
5 *system.]*

6 (c) **Legal representation of parents and children involved in foster care for which**
7 **matching funds under 45 C.F.R. 1356.60(c) may be used.**

8 (2) *[All moneys received by the Judicial Department under ORS 135.050 (8), 151.487 (1), 419A.211,*
9 *419B.198 (1), 419C.203 (1) or 419C.535 (2)]* **The following moneys** shall be deposited in the Public
10 Defense Services Account[.]:

11 (a) **Moneys received by the commission from the State Court Administrator under ORS**
12 **151.216 (1)(i);**

13 (b) **Moneys received by the Judicial Department under ORS 135.050 (8), 151.487 (1),**
14 **419A.211, 419B.198 (1), 419C.203 (1) or 419C.535;**

15 (c) **Federal matching funds received under 45 C.F.R. 1356.60(c); and**

16 (d) **Miscellaneous revenues and receipts of the commission.**

17 (3) All gifts, grants or contributions accepted by the commission under ORS 151.216 shall be
18 deposited in a separate subaccount created in the Public Defense Services Account to be used by
19 the commission for the purpose for which the gift, grant or contribution was given or granted.

20
21 **JUDICIAL DEPARTMENT**

22
23 **SECTION 8.** ORS 3.012 is amended to read:

24 3.012. (1) The judicial districts, the counties constituting the judicial districts and the number
25 of circuit court judges for each judicial district are as follows:

26 (a) The first judicial district consists of Jackson County and has 10 judges.

27 (b) The second judicial district consists of Lane County and has 15 judges.

28 (c) The third judicial district consists of Marion County and has 15 judges.

29 (d) The fourth judicial district consists of Multnomah County and has 38 judges.

30 (e) The fifth judicial district consists of Clackamas County and has 11 judges.

31 (f) The sixth judicial district consists of the counties of Morrow and Umatilla and has five
32 judges.

33 (g) The seventh judicial district consists of the counties of Gilliam, Hood River, Sherman, Wasco
34 and Wheeler and has four judges.

35 (h) The eighth judicial district consists of Baker County and has one judge.

36 (i) The ninth judicial district consists of Malheur County and has two judges.

37 (j) The tenth judicial district consists of the counties of Union and Wallowa and has two judges.

38 (k) The eleventh judicial district consists of Deschutes County and has *[seven]* **nine** judges.

39 (L) The twelfth judicial district consists of Polk County and has three judges.

40 (m) The thirteenth judicial district consists of Klamath County and has five judges.

41 (n) The fourteenth judicial district consists of Josephine County and has five judges.

42 (o) The fifteenth judicial district consists of the counties of Coos and Curry and has six judges.

43 (p) The sixteenth judicial district consists of Douglas County and has five judges.

44 (q) The seventeenth judicial district consists of Lincoln County and has three judges.

45 (r) The eighteenth judicial district consists of Clatsop County and has three judges.

1 (s) The nineteenth judicial district consists of Columbia County and has three judges.

2 (t) The twentieth judicial district consists of Washington County and has 15 judges.

3 (u) The twenty-first judicial district consists of Benton County and has three judges.

4 (v) The twenty-second judicial district consists of the counties of Crook and Jefferson and has
5 three judges.

6 (w) The twenty-third judicial district consists of Linn County and has five judges.

7 (x) The twenty-fourth judicial district consists of the counties of Grant and Harney and has one
8 judge.

9 (y) The twenty-fifth judicial district consists of Yamhill County and has four judges.

10 (z) The twenty-sixth judicial district consists of Lake County and has one judge.

11 (aa) The twenty-seventh judicial district consists of Tillamook County and has two judges.

12 (2) The Secretary of State shall designate position numbers equal to the number of judges in
13 each of the judicial districts established by this section. The positions shall reflect any qualifications
14 established by ORS 3.041.

15
16 **DEPARTMENT OF EDUCATION**

17
18 **SECTION 9. Section 5, chapter __, Oregon Laws 2021 (Enrolled Senate Bill 5514), is re-**
19 **pealed.**

20 **SECTION 10.** ORS 326.125 is amended to read:

21 326.125. For the purpose of assisting school districts with capital costs, the Office of School
22 Facilities is established within the Department of Education. The office shall be responsible for:

23 (1) Distributing hardship grants to school districts with facility needs. Grants awarded under
24 this section may not exceed \$500,000 and shall be provided to school districts based on the order in
25 which the Department of Education receives the completed applications for the grants. A school
26 district may be eligible for a grant under this subsection if the school district meets requirements
27 established by the State Board of Education by rule, including any requirements to provide matching
28 funds.

29 (2) Providing technical assistance and establishing and maintaining standards for facilities as-
30 sessments and long-range facilities plans for school districts.

31 (3) Administering a certification program for qualified providers of technical assistance for the
32 purposes described in subsection (2) of this section.

33 (4) Providing grants to school districts for the cost of technical assistance for the purposes de-
34 scribed in subsection (2) of this section. The State Board of Education may establish by rule re-
35 quirements for a school district to receive a grant under this subsection. Grants for a school district
36 under this subsection may not exceed:

37 (a) \$20,000 for a facilities assessment;

38 (b) \$25,000 for a long-range facilities plan;

39 (c) \$25,000 for an assessment of school district facilities for potential environmental hazards
40 under ORS 332.331; and

41 (d) \$25,000 for a seismic assessment or other specialized assessment.

42 (5) Maintaining the Oregon School Facilities Database. The database must include information
43 that:

44 (a) Assists with analyzing, planning and prioritizing school capital improvement needs for school
45 districts by providing district-to-district and school-to-school comparisons; and

1 (b) Is required by the State Board of Education by rule.

2 (6) Administering the grant program described in ORS 286A.801.

3 **(7) Administering a statewide facilities assessment program.**

4 **SECTION 11.** ORS 327.008 is amended to read:

5 327.008. (1)(a) There is established a State School Fund in the General Fund.

6 (b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,
7 grants, donations and other moneys from public and private sources for the State School Fund.
8 Moneys received as provided in this paragraph shall be deposited into the State School Fund.

9 (c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly,
10 moneys transferred from the Fund for Student Success, moneys transferred from the Education Sta-
11 bility Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b)
12 of this subsection.

13 (d) The State School Fund is continuously appropriated to the Department of Education for the
14 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,
15 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961.

16 (2) There shall be apportioned from the State School Fund to each school district a State School
17 Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant
18 and a transportation grant and a high cost disabilities grant minus local revenue, computed as pro-
19 vided in ORS 327.011 and 327.013.

20 (3) For the first school year after a public charter school ceases to operate because of dissol-
21 ution or closure or because of termination or nonrenewal of a charter, there shall be apportioned
22 from the State School Fund to each school district that had sponsored a public charter school that
23 ceased to operate an amount equal to the school district's general purpose grant per extended
24 ADMw multiplied by five percent of the ADM of the public charter school for the previous school
25 year.

26 (4) There shall be apportioned from the State School Fund to each education service district a
27 State School Fund grant as calculated under ORS 327.019.

28 (5) All figures used in the determination of the distribution of the State School Fund shall be
29 estimates for the same year as the distribution occurs, unless otherwise specified.

30 (6) Numbers of students in average daily membership used in the distribution formula shall be
31 the numbers as of June of the year of distribution.

32 (7) A school district may not use the portion of the State School Fund grant that is attributable
33 to the facility grant for capital construction costs.

34 (8) The total amount of the State School Fund that is distributed as facility grants may not ex-
35 ceed [~~\$7~~] **\$3** million in any biennium. If the total amount to be distributed as facility grants exceeds
36 this limitation, the Department of Education shall prorate the amount of funds available for facility
37 grants among those school districts that qualified for a facility grant. If the total amount to be dis-
38 tributed as facility grants does not exceed this limitation, any remaining amounts shall be expended
39 for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

40 (9) Each biennium, the Department of Education may expend from the State School Fund no
41 more than [~~\$6~~] **\$10** million for expenses incurred by the Office of School Facilities under ORS 326.125
42 (2) to [~~(6)~~] **(7)**.

43 (10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Fa-
44 cility Account established in ORS 327.022 the amount necessary to pay the costs of educational
45 services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

1 (11) Each fiscal year, the Department of Education shall transfer the amount of \$55 million from
2 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

3 (12)(a) Each biennium, the Department of Education shall transfer \$39.5 million from the State
4 School Fund to the Educator Advancement Fund established under ORS 342.953.

5 (b) For the purpose of making the transfer under this subsection:

6 (A) The total amount available for all distributions from the State School Fund shall be reduced
7 by \$6 million;

8 (B) The amount distributed to school districts from the State School Fund under this section and
9 ORS 327.013 shall be reduced by \$16.75 million; and

10 (C) The amount distributed to education service districts from the State School Fund under this
11 section and ORS 327.019 shall be reduced by \$16.75 million.

12 (c) For each biennium, the amounts identified in this subsection shall be adjusted by the same
13 percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204
14 direct the state agencies to adjust their agency budget requests for special payments under ORS
15 291.216 (6)(a)(C).

16 (13) Each biennium, the Department of Education shall transfer \$12.5 million from the State
17 School Fund to the Statewide English Language Learner Program Account established under ORS
18 327.344.

19 (14) Each fiscal year, the Department of Education may expend up to \$550,000 from the State
20 School Fund for the contract described in ORS 329.488. The amount distributed to education service
21 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the
22 amount expended by the department under this subsection.

23 (15) Each biennium, the Department of Education may expend up to \$350,000 from the State
24 School Fund to provide administration of and support for the development of talented and gifted
25 education under ORS 343.404.

26 (16) Each biennium, the Department of Education may expend up to \$150,000 from the State
27 School Fund for the administration of a program to increase the number of speech-language
28 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

29 (17) Each biennium, the Department of Education shall transfer \$2 million from the State School
30 Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.
31 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School
32 Facilities Fund under this subsection only as grants for costs associated with testing for elevated
33 levels of lead in water used for drinking or food preparation.

34 **SECTION 12.** ORS 327.001, as amended by section 1, chapter 11, Oregon Laws 2020 (first special
35 session), is amended to read:

36 327.001. (1) The Fund for Student Success is established in the State Treasury, separate and
37 distinct from the General Fund.

38 (2) The Fund for Student Success shall consist of moneys appropriated by the Legislative As-
39 sembly, moneys transferred to the fund under ORS 317A.155 and moneys received as provided in
40 subsection (3) of this section.

41 (3) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,
42 grants, donations and other moneys from public and private sources for the Fund for Student Suc-
43 cess. Moneys received as provided in this subsection shall be deposited into the Fund for Student
44 Success.

45 (4) Moneys in the Fund for Student Success are continuously appropriated to the department for:

1 (a) Transfer for each biennium to the State School Fund in the amount calculated by the Leg-
2 islative Fiscal Officer and the Legislative Revenue Officer to be the sum of:

3 (A) At least \$40 million, for the purpose of a transfer under ORS 327.008 (11) to the High Cost
4 Disabilities Account established in ORS 327.348; and

5 (B) The amount of change in General Fund revenue to be collected in the biennium due to the
6 amendments to ORS 316.037 by section 56, chapter 122, Oregon Laws 2019, and the operation of ORS
7 317A.100 to 317A.158.

8 **(b) Retention as a reserve for cash flow and revenue shortfall purposes.**

9 [(b)] (c) Of the amount in the Fund for Student Success that is not dedicated for transfer as
10 prescribed by paragraph (a) of this subsection **or retained under paragraph (b) of this**
11 **subsection**, transfer to other education accounts as follows:

12 (A) At least 50 percent to the Student Investment Account established in ORS 327.175.

13 (B) Up to 30 percent to the Statewide Education Initiatives Account established in ORS 327.250.

14 (C) At least 20 percent to the Early Learning Account established in ORS 327.269.

15 (5) The department shall make the transfers prescribed by subsection (4) of this section on a
16 periodic basis. The transfers must be in amounts that, based on the most recent data available to
17 the department, ensure that the amounts and percentages identified in subsection (4) of this section
18 are satisfied by the end of the biennium.

19 **SECTION 13. In addition to the uses of the Early Learning Account that are authorized**
20 **by ORS 327.274, for the biennium ending June 30, 2021, the Department of Education and the**
21 **Early Learning Division may expend moneys from the Early Learning Account for the pur-**
22 **pose of funding the construction, renovation and equipping of early learning and child care**
23 **facilities in a manner that is consistent with the statewide early learning system plan over-**
24 **seen by the Early Learning Council.**

25
26 **BUREAU OF LABOR AND INDUSTRIES**

27
28 **SECTION 14.** ORS 652.409 is amended to read:

29 652.409. (1) The Wage Security Fund is established separate and distinct from the General Fund.
30 After deduction of the amounts provided in ORS 657.439 (2)(a), all moneys received by the Employ-
31 ment Department pursuant to ORS 657.439 (2)(a) shall be paid into the State Treasury and credited
32 to the Wage Security Fund. All income earned on moneys in the Wage Security Fund invested by
33 the State Treasurer shall accrue to the fund.

34 (2) All income earned on moneys in the Wage Security Fund, and all other moneys in the fund,
35 are appropriated continuously to the Commissioner of the Bureau of Labor and Industries primarily
36 to carry out the provisions of ORS 652.414. Moneys in the fund may also be used, within the [*divi-*
37 *sion*] **divisions** of the Bureau of Labor and Industries that [*enforces*] **enforce** wage and hour laws
38 **and state laws concerning civil rights**, to investigate and enforce claims of underpaid and unpaid
39 wages under this chapter and ORS chapter 653 **and to investigate conduct that may constitute**
40 **an unlawful practice under ORS chapter 659A.**

41
42 **DEPARTMENT OF JUSTICE**

43
44 **SECTION 15. On or before March 1 of each odd-numbered year, the Department of Jus-**
45 **tice shall submit a report to the chairpersons of the standing or interim Joint Committee**

1 on Ways and Means regarding materially significant or noteworthy litigation involving the
2 state that is ongoing or that concluded in the biennium preceding the report.
3 Notwithstanding ORS 192.311 to 192.478, the report described in this section is not a public
4 record and is not subject to public inspection.

5
6 **HOUSING AND COMMUNITY SERVICES**
7

8 **SECTION 16.** Section 9, chapter 671, Oregon Laws 2019, is amended to read:

9 **Sec. 9.** (1) The Housing Acquisition Fund is established in the State Treasury, separate and
10 distinct from the General Fund. Interest earned by the Housing Acquisition Fund must be credited
11 to the fund. The Housing Acquisition Fund consists of [*moneys deposited in the fund under section*
12 *8 of this 2019 Act and may include*] moneys appropriated, allocated, deposited or transferred to the
13 fund by the Legislative Assembly or otherwise and interest earned on moneys in the fund.

14 (2) Moneys in the fund are continuously appropriated to the Housing and Community Services
15 Department [*for disbursement for the purposes set forth in section 8 of this 2019 Act*] **to provide**
16 **funding for loans to purchasers of land for affordable housing and naturally occurring af-**
17 **fordable housing.**

18
19 **AMERICAN RESCUE PLAN ACT PROJECTS**
20

21 **SECTION 17.** (1) A public body that is carrying out a qualified project shall require each
22 contractor in a contract with an estimated cost of \$200,000 or greater to:

23 (a) Enter into a project labor agreement that, at a minimum, provides for payment of
24 wages at or above the prevailing rate of wage;

25 (b) Employ apprentices to perform 15 percent of the work hours that workers in
26 apprenticeable occupations perform under the contract, in a manner consistent with the
27 apprentices' respective apprenticeship training programs;

28 (c) Establish and execute a plan for outreach, recruitment and retention of women, mi-
29 nority individuals and veterans to perform work under the contract, with the aspirational
30 target of having at least 15 percent of total work hours performed by individuals in one or
31 more of those groups; and

32 (d) Require any subcontractor engaged by the contractor to abide by the requirements
33 set forth in paragraphs (a), (b) and (c) of this subsection, if the work to be performed under
34 the subcontract has an estimated cost of \$200,000 or greater.

35 (2) The requirements of subsection (1) of this section do not apply to a contract for a
36 qualified project if the public body carrying out the qualified project demonstrates to the
37 Oregon Department of Administrative Services that:

38 (a) The qualified project is primarily located in a county that is characterized as non-
39 metropolitan by the United States Office of Management and Budget; and

40 (b) Compliance with the requirements would, with respect to the contract:

41 (A) Cause significant expense or delay; or

42 (B) Limit the pool of bidders to fewer than three.

43 (3) As used in this section:

44 (a) "Apprentice" has the meaning given that term in ORS 660.010.

45 (b) "Apprenticeable occupation" has the meaning given that term in ORS 660.010.

1 (c) "Apprenticeship training program" means the total system of apprenticeship that a
2 particular local joint committee, as defined in ORS 660.010, operates, including the local joint
3 committee's registered standards and all other terms and conditions for qualifying, recruit-
4 ing, selecting, employing and training apprentices in an apprenticeable occupation.

5 (d) "Minority individual" has the meaning given that term in ORS 200.005.

6 (e) "Prevailing rate of wage" has the meaning given that term in ORS 279C.800.

7 (f) "Public body" has the meaning given that term in ORS 174.109.

8 (g) "Qualified project" means a project:

9 (A) For capital improvements to water, sewer, broadband or transportation
10 infrastructure;

11 (B) That has an estimated project cost of at least \$10 million; and

12 (C) That utilizes at least \$750,000 of moneys made available to the state under the
13 American Rescue Plan Act of 2021 (P.L. 117-2).

14 (h) "Veteran" has the meaning given that term in ORS 408.225.

15 (i) "Woman" has the meaning given that term in ORS 200.005.

16
17 **UNIT CAPTIONS**

18
19 **SECTION 18.** The unit captions used in this 2021 Act are provided only for the conven-
20 ience of the reader and do not become part of the statutory law of this state or express any
21 legislative intent in the enactment of this 2021 Act.

22
23 **EMERGENCY CLAUSE**

24
25 **SECTION 19.** This 2021 Act being necessary for the immediate preservation of the public
26 peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect
27 on its passage.