

Enrolled Senate Bill 270

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CHAPTER

AN ACT

Relating to the establishment of institutional boards for public universities in the Oregon University System; creating new provisions; amending ORS 21.007, 30.264, 30.864, 33.710, 36.145, 36.150, 36.155, 174.117, 184.631, 190.510, 190.520, 190.530, 190.540, 190.580, 190.590, 190.610, 192.501, 238.005, 238.200, 238.215, 238A.005, 243.107, 243.800, 243.820, 243.850, 243.910, 244.050, 270.100, 270.110, 273.155, 276.610, 276.612, 279A.025, 282.076, 284.540, 284.706, 286A.700, 287A.001, 291.055, 291.357, 291.375, 292.043, 292.044, 294.311, 297.250, 307.090, 307.095, 307.110, 307.112, 320.100, 329.810, 337.521, 340.310, 341.440, 342.443, 343.465, 343.961, 344.259, 344.753, 348.010, 348.205, 348.282, 348.283, 348.470, 348.603, 348.890, 348.900, 351.011, 351.015, 351.020, 351.047, 351.049, 351.052, 351.054, 351.062, 351.063, 351.065, 351.067, 351.070, 351.085, 351.094, 351.105, 351.110, 351.155, 351.165, 351.203, 351.205, 351.300, 351.310, 351.340, 351.509, 351.511, 351.516, 351.517, 351.518, 351.519, 351.521, 351.538, 351.539, 351.590, 351.626, 351.628, 351.638, 351.642, 351.643, 351.644, 351.646, 351.658, 351.692, 351.695, 351.697, 351.718, 351.735, 352.002, 352.006, 352.010, 352.012, 352.043, 352.046, 352.066, 352.068, 352.071, 352.074, 352.245, 352.360, 353.440, 354.090, 357.004, 358.575, 366.785, 401.922, 408.095, 408.506, 430.651, 442.830, 461.543, 468A.245, 471.580, 471.810, 526.215, 576.768, 659.850, 659.855, 659.860, 660.312, 660.358, 820.100, 820.110, 820.120, 820.130, 820.140, 820.150, 820.160 and 820.180 and section 3, chapter 797, Oregon Laws 2001, sections 13, 14, 15 and 17, chapter 761, Oregon Laws 2007, sections 5, 9, 22 and 24, chapter 904, Oregon Laws 2009, sections 8 and 11, chapter 615, Oregon Laws 2011, and section 14, chapter 36, Oregon Laws 2012; repealing ORS 352.035, 352.048, 352.049, 352.051, 352.052 and 352.053; and declaring an emergency.

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

ESTABLISHMENT AND INDEPENDENCE OF GOVERNING BOARDS

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

- (a) Provide transparency, public accountability and support for the university.**
- (b) Are close to and closely focused on the individual university.**
- (c) Do not negatively impact public universities that do not have governing boards.**

(d) Lead to greater access and affordability for Oregon residents and do not disadvantage Oregon students relative to out-of-state students.

(e) Act in the best interests of both the university and the State of Oregon as a whole.
(f) Promote the academic success of students in support of the mission of all education beyond high school as described in ORS 351.009.

(2) The Legislative Assembly also finds that:

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

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

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

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

SECTION 2. As used in sections 1 to 23 of this 2013 Act:

(1) "Governing board" means a governing board established by a university under section 3 of this 2013 Act that manages the affairs of the university by exercising and carrying out all of the powers, rights and duties that are expressly conferred upon the board by law, or that are implied by law or are incident to such powers, rights and duties.

(2) "State bonds" means "bonds" as defined in ORS 286A.001 that are issued by the State Treasurer.

(3) "University with a governing board" means a public university listed in section 3 of this 2013 Act that has established a governing board.

SECTION 2a. A university with a governing board is a governmental entity performing governmental functions and exercising governmental powers. A university with a governing board is not considered a unit of local or municipal government or a state agency, board, commission or institution for purposes of state statutes or constitutional provisions.

SECTION 2b. (1) A university with a governing board is created to carry out public missions and services in keeping with principles of public accountability and fundamental public policy, guided by the legislative findings in ORS 351.001 and 351.003 and consistent with the goals and mission described in ORS 351.006 and 351.009.

(2) A university with a governing board is an independent public body with statewide purposes and missions and without territorial boundaries. A university with a governing board shall exercise and carry out all of the powers, rights and privileges, within and outside this state, that are expressly conferred upon the university with a governing board, or that are implied by law or are incident to such powers, rights and duties.

SECTION 3. (1) A governing board is established for each of the following public universities:

(a) University of Oregon;

(b) Portland State University;

(c) Oregon State University, if the president of Oregon State University notifies the Governor that the university will become a university with a governing board in the manner set forth in section 168 or 168a of this 2013 Act;

(d) Eastern Oregon University, if Eastern Oregon University becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act;

(e) Oregon Institute of Technology, if Oregon Institute of Technology becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act;

(f) Southern Oregon University, if Southern Oregon University becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act; and

(g) Western Oregon University, if Western Oregon University becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act.

(2)(a) The University of Oregon governing board shall be known as the Board of Trustees of the University of Oregon.

(b) The Portland State University governing board shall be known as the Board of Trustees of Portland State University.

(c) The Oregon State University governing board shall be known as the Board of Trustees of Oregon State University, if the president of Oregon State University notifies the Governor that the university will become a university with a governing board in the manner set forth in section 168 or 168a of this 2013 Act.

(d) The Eastern Oregon University governing board shall be known as the Board of Trustees of Eastern Oregon University, if Eastern Oregon University becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act.

(e) The Oregon Institute of Technology governing board shall be known as the Board of Trustees of the Oregon Institute of Technology, if the Oregon Institute of Technology becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act.

(f) The Southern Oregon University governing board shall be known as the Board of Trustees of Southern Oregon University, if Southern Oregon University becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act.

(g) The Western Oregon University governing board shall be known as the Board of Trustees of Western Oregon University, if Western Oregon University becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act.

NOTE: Section 4 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 5. (1) On an annual basis, the Higher Education Coordinating Commission shall submit to the Legislative Assembly an evaluation of each university with a governing board. The commission may make recommendations to the Legislative Assembly regarding the ability of the university to meet academic goals and fulfill its fiduciary responsibilities.

(2) The evaluation must include:

(a) A report on the university's achievement of outcomes, measures of progress, goals and targets as described in the university's achievement compact with the Oregon Education Investment Board;

(b) An assessment of the university's progress toward achieving the mission of all education beyond high school as described in ORS 351.009; and

(c) An assessment as to how well the establishment of a governing board at the university comports with the findings set forth in section 1 of this 2013 Act.

SECTION 6. (1) A governing board for a public university must be formed and maintained as provided in this section.

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

(b) The governing board must include one person who is a student enrolled at the university. The student shall be a voting member of the board.

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

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

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

(b) The term of office of each student, faculty and nonfaculty staff member of the governing board is two years.

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

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

(e) Vacancies shall be filled by appointment by the Governor for the remainder of the unexpired term.

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

(6) The governing board shall meet at least once quarterly, and may meet at the call of the chairperson or a majority of the voting members of the board.

SECTION 7. Notwithstanding the term of office specified in section 6 of this 2013 Act, the initial term of a member appointed to a governing board by the Governor may be adjusted so that one-half, as nearly as possible, of the members of the board are appointed biennially.

SECTION 8. (1) A university with a governing board shall enter into an achievement compact with the Oregon Education Investment Board for each fiscal year.

(2) The governing board shall adopt a mission statement for the university, and shall forward the statement to an office designated by the Higher Education Coordinating Commission as being responsible for university coordination.

(3) A university with a governing board shall submit any significant change in the university's academic programs to an office designated by the Higher Education Coordinating Commission as being responsible for university coordination. The office shall establish a process for reviewing the program change and submitting it to the Higher Education Coordinating Commission for approval. The commission shall establish, by rule, what constitutes a significant change to a university's academic program. The commission shall further ensure that approved programs:

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

(b) Do not unnecessarily duplicate academic programs offered by Oregon's other public universities;

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

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

(4)(a) On or before April 1 of each even-numbered year, each university listed in ORS 352.002 must submit to an office designated by the Higher Education Coordinating Commission as being responsible for university coordination a funding request applicable to the biennium beginning on July 1 of the following year. On or before May 1 of each even-numbered year, the office shall consolidate the funding requests from public universities listed in ORS 352.002 and submit the consolidated funding requests to the commission.

(b) Pursuant to ORS 351.052, the Higher Education Coordinating Commission shall submit a funding request to the Governor on behalf of all public universities listed in ORS 352.002.

(c) The Governor's biennial budget submitted to the Legislative Assembly may include funding requests from public universities, including universities with governing boards.

(5) As part of a funding request submitted under subsection (4) of this section, a university with a governing board may request, and appropriations may include, funding for education and general operations, statewide public services, state-funded debt service, capital improvements, deferred maintenance, special initiatives and investments. Any moneys appropriated to pay debt service for state bonds must be held by the State Treasurer pursuant to an agreement entered into by the State Treasurer and a university with a governing board under section 15 (2) of this 2013 Act.

(6) A public university listed in ORS 352.002 that wishes to request the issuance of state bonds, including a university with a governing board that elects to remain eligible to receive

proceeds of state bonds under section 20 of this 2013 Act, must make a request to this effect to an office designated by the Higher Education Coordinating Commission as being responsible for university coordination. The office shall establish a process for reviewing the request to issue state bonds and submit the request to the commission. The commission shall decide whether, and in what manner, to make a request for the issuance of state bonds to the Legislative Assembly.

(7)(a) Each public university listed in ORS 352.002, including universities with governing boards, shall respond to a request for data from the Legislative Assembly or other state body by submitting the requested information to an office designated by the Higher Education Coordinating Commission as being responsible for university coordination. The office shall consolidate the data received from public universities and provide the data to the commission. The commission shall be responsible for providing the data to the Legislative Assembly or other requesting entity.

(b) As used in this subsection, “data” means any information that, as of the effective date of this 2013 Act, is collected by an office designated by the Higher Education Coordinating Commission as being responsible for university coordination from each university and reported to the Legislative Assembly or any other state entity, including but not limited to retention and graduation rates and demographic information on students.

SECTION 9. (1)(a) In consultation with the Governor, or the Governor’s designee, the governing board shall appoint and employ a president of the university.

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

(2) The president of the university is the president of the faculty. The president is also the executive and governing officer of the university, except as otherwise provided by statute or action of the governing board. Subject to the supervision of the governing board, the president of the university has authority to direct the affairs of the university.

(3) Except in the case of an interim or acting president, the hiring committee for the president of a university with a governing board shall include representatives of the university community and at least one other president of a public university based in Oregon.

(4) The governing board is responsible for the reappointment or removal of the president of the university.

(5) A university with a governing board may appoint and employ any instructional, administrative, professional, trade, occupational and other personnel as are necessary or appropriate and establish their compensation and terms and conditions of employment, subject to the limitations set forth in section 14 (1) and (2) of this 2013 Act.

SECTION 10. (1) Except as set forth in this section, the governing board may authorize, establish, eliminate, collect, manage, use in any manner and expend all revenue derived from tuition and mandatory enrollment fees.

(2) The governing board shall establish a process for determining tuition and mandatory enrollment fees. The process must provide for participation of enrolled students and the recognized student government of the university.

(3) The governing board shall request that the president of the university transmit to the board the joint recommendation of the president and the recognized student government before the board authorizes, establishes or eliminates any incidental fees for programs under the supervision or control of the board and found by the board to be advantageous to the cultural or physical development of students.

(4) In determining tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition:

(a) The governing board may not increase the total of tuition and mandatory enrollment fees by more than five percent annually unless the board first receives approval from:

- (A) The Higher Education Coordinating Commission; or
- (B) The Legislative Assembly.

(b) The governing board shall attempt to limit annual increases in tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and have established residency in Oregon to a percentage that is not greater than the percentage increase in the Higher Education Price Index, as compiled by the Commonfund Institute.

(5) The governing board may not delegate authority to determine tuition and mandatory enrollment fees for undergraduate students who are enrolled in a degree program and are qualified to pay resident tuition.

SECTION 11. (1) A university with a governing board may:

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

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

(c) Make any and all contracts and agreements, enter into any partnership, joint venture or other business arrangement and create and participate fully in the operation of any business structure, including but not limited to the development of business structures and networks with any public or private government, nonprofit or for-profit person or entity, that in the judgment of the university or the governing board is necessary or appropriate.

(d) Establish, collect and use charges, fines and fees for services, facilities, operations and programs.

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

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

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

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

(i) Spend all available moneys without appropriation or expenditure limitation approval from the Legislative Assembly, except for moneys received by a university with a governing board pursuant to a funding request submitted under section 8 (4) of this 2013 Act and the proceeds of state bonds issued for the benefit of a university with a governing board. The proceeds of state bonds issued for the benefit of a university with a governing board must be held pursuant to an agreement entered into by the State Treasurer and a university with a governing board under section 15 (2) of this 2013 Act. The provisions of ORS 351.450, 351.455 and 351.460 do not apply to state bonds issued for the benefit of a university with a governing board pursuant to Article XI-F(1) or XI-G of the Oregon Constitution.

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

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

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

(m) Establish policies for the organization, administration and development of the university which, to the extent set forth in those policies, shall have the force of law and may

be enforced through university procedures that include an opportunity for appeal and in any court of competent jurisdiction.

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

(o) Hire or retain attorneys for the provision of all legal services. A university with a governing board shall reimburse the State Treasurer for legal fees incurred in connection with state bonds issued at the request of the university.

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

(q) Subject to the procedures set forth in section 8 of this 2013 Act, establish, supervise and control academic and other programs, units of operation and standards, qualifications, policies and practices relating to university matters such as admissions, curriculum, grading, student conduct, credits, scholarships and the granting of academic degrees, certificates and other forms of recognition.

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

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

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

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

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

SECTION 12. (1) Legal title to all real property acquired by a university with a governing board shall be taken and held in the name of the State of Oregon, acting by and through the governing board. Legal title to all real property conveyed to a university with a governing board is considered to be conveyed to and vested in the State of Oregon, acting by and through the governing board. Authorized conveyances of all real property, other than university lands, acquired by or vested in the State of Oregon for the use or benefit of the university must be executed in the name of the State of Oregon, acting by and through the governing board, by the chairperson of the governing board.

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

(3) Unless the State Treasurer has granted prior consent, real or personal property held in the name of the State of Oregon, or in which the State of Oregon has an ownership or other legal interest, that was acquired, constructed, improved with or otherwise directly benefited by the proceeds of outstanding state bonds, may not be:

(a) Used by a governing board in a manner that would give rise to private business use;
or

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

SECTION 13. (1) A governing board may, in its sole discretion, do all of the following:

(a) Police, control and regulate traffic and parking of vehicles on university property.

(b) Establish a police department and commission one or more employees as police officers in the manner and with all of the privileges and immunities set forth in ORS 352.383. When a governing board establishes a police department and commissions one or more employees as police officers, the president of the university, in cooperation with the chief of the police department, shall establish a process by which the university will receive and respond to complaints involving the policies of the police department and the conduct of the police officers.

(c) Commission special campus security officers who, when acting in the scope of their employment, shall have stop and frisk authority as set forth in ORS 131.605 to 131.625 and probable cause arrest authority and the accompanying immunities as set forth in ORS 133.310 and 133.315. Special campus security officers may not be authorized to carry firearms as police officers and, except as provided in subsection (2) of this section, may not be considered police officers for purposes of ORS 181.610, 238.005, 243.005 or 243.736.

(2) A university with a governing board, acting by and through its special campus security officers, is a criminal justice agency for purposes of rules adopted pursuant to ORS 181.730 (3).

SECTION 14. (1) A university with a governing board shall engage in collective bargaining with local bargaining organizations of the employees of the university.

(2) A university with a governing board shall participate in a collective bargaining partnership with other public universities in this state for the purpose of engaging in collective bargaining with existing statewide bargaining organizations of the employees of the public university. The collective bargaining partnership shall be established by written agreement.

(3) Subject to the authority of the Secretary of State to audit public accounts, a university with a governing board may conduct an independent audit if the governing board considers the audit advisable. Subject to ORS 297.250, the independent audit is subject to the exclusive discretion and control of the university. The independent audit is subject to disclosure pursuant to ORS 192.410 to 192.505.

SECTION 14a. (1) Notwithstanding sections 10, 11 and 169 of this 2013 Act, the amendments to ORS 243.107 and 351.094 by sections 88 and 113 of this 2013 Act and the operative date set forth in section 171 of this 2013 Act, a university with a governing board shall continue to participate with other public universities listed in ORS 352.002 in all shared administrative services relating to:

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

(b) Collective bargaining with any statewide bargaining unit that includes employees of two or more public universities listed in ORS 352.002; and

(c) Risk management, the purchase of insurance or the management of a self-insurance program authorized by ORS 351.096 or section 11 of this 2013 Act.

(2) The shared administrative services listed in subsection (1) of this section must be done under the same terms, conditions, funding model and policy frameworks as those that exist on the effective date of this 2013 Act until July 1, 2015. On and after July 1, 2015, public universities listed in ORS 352.002 may choose to participate in shared services under an alternative shared services model.

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

(4) Pursuant to section 1 of this 2013 Act, and in order to ensure that the establishment of universities with governing boards does not negatively impact public universities that do not have governing boards, if a university with a governing board stops participating in a service shared by two or more public universities listed in ORS 352.002, including but not limited to the shared services listed in this section, and the withdrawal from the service has a negative effect on the remaining public universities, the Higher Education Coordinating Commission shall compensate universities suffering a negative impact through either reduction of appropriations made to the university with a governing board or any other method found to be appropriate by the commission.

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

SECTION 15. (1) All moneys collected or received by a university with a governing board, placed to the credit of the governing board and remaining unexpended and unobligated on July 1, 2014, or the date that the board is established, whichever is later, and all moneys collected or received by a university with a governing board after that date, may be:

(a) Deposited into one or more accounts established by the board in depositories insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, and the governing board shall ensure that sufficient collateral secures any amount of funds on deposit that exceeds the limits of the coverage of the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund; or

(b) Held, kept, pledged, controlled, conveyed, managed, used, loaned, expended and invested as set forth in sections 10 and 11 of this 2013 Act.

(2) Upon a request by the State Treasurer, a university with a governing board shall enter into a written agreement with the state that provides for the State Treasurer to receive, hold, keep, manage and invest any amounts under the control of the university that the State Treasurer determines should be held by the State Treasurer to provide for payment of state bonds and other state obligations that are to be paid from appropriations described in section 8 (5) of this 2013 Act, revenues of the university or other moneys under the control of the university. The agreement may, at the request of the State Treasurer, require the university to pay the costs incurred by the State Treasurer in connection with entering into and carrying out the agreement.

(3) Upon a request by a university with a governing board, the State Treasurer may receive, hold, keep, manage and invest any or all moneys, appropriations, gifts, bequests or revenues of the university from any source in accordance with an agreement entered into between the State Treasurer and the university and with the policies and procedures established by the State Treasurer, including the recoupment of costs incurred by the State Treasurer in carrying out these tasks.

(4) As used in this section, "depository" has the meaning given that term in ORS 295.001.

SECTION 16. (1) The following entities are not subject to any provision of law enacted after January 1, 2013, that is unique to governmental entities unless the following entities are expressly named:

(a) A university with a governing board; and

(b) Any not-for-profit organization or other entity if the equity of the entity is owned or controlled exclusively by a university with a governing board and if the organization or entity is created by the university to advance any of the university's statutory missions.

(2) Notwithstanding subsection (1) of this section, the provisions of ORS 30.260 to 30.460, 33.710, 33.720, 200.005 to 200.025, 200.045 to 200.090, 236.605 to 236.640, 276.080, 279.835, 279.840, 279.850 and 297.040 and ORS chapters 35, 190, 192 and 244 apply to a university with a governing board under the same terms as they apply to public bodies other than the state.

(3) Except as otherwise provided by law, the provisions of ORS 35.550 to 35.575, 180.060, 180.210 to 180.235, 184.305 to 184.345, 190.480, 190.490, 200.035, 243.696, 357.805 to 357.895 and

656.017 (2) and ORS chapters 182, 183, 240, 270, 273, 276, 278, 279A, 279B, 279C, 282, 283, 291, 292, 293, 294, 295 and 297 do not apply to a university with a governing board.

(4) Notwithstanding subsections (1) and (3) of this section, ORS 240.167, 279C.600 to 279C.625, 279C.800, 279C.810, 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865, 279C.870 and 292.043 apply to a university with a governing board under the same terms as they apply to public bodies other than the state.

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

(6) Except as set forth in subsection (3) of this section, ORS 243.650 to 243.782 apply to a university with a governing board under the same terms as they apply to the state.

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

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

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

(10) If state bonds are issued for the benefit of a university with a governing board, the university shall have the powers and duties of a related agency as defined in ORS 286A.001 to the extent necessary for the issuance of such state bonds and the administration of the proceeds of the state bonds.

(11) Nothing in this section may be construed so that statutory provisions that are not set forth in this section apply to a university with a governing board.

SECTION 17. A university with a governing board may open, establish, lay out and dedicate to the public use any streets through lands owned by or used for the university. When such streets are opened, established and laid out, they are declared to be dedicated to the public use. The university may declare that it is the road authority pursuant to ORS 810.010 (4) for any or all roads through lands owned by or used for the university.

SECTION 18. The president and professors constitute the faculty and as such have the immediate government and discipline of a university with a governing board and the students therein, except as otherwise provided by law or action of the governing board. The faculty may, subject to the supervision of the governing board and section 8 of this 2013 Act, prescribe the course of study to be pursued in the university and the textbooks to be used.

BONDING AUTHORITY OF GOVERNING BOARDS

SECTION 19. As used in sections 19 to 23 of this 2013 Act:

(1) "Bond-related costs" means:

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

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

(A) Redeeming revenue bonds.

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

(C) Paying the fees, administrative costs and expenses of a university with a governing board related to revenue bonds, including, but not limited to, the costs of consultants, bond trustees, remarketing agents, escrow agents, arbitrage rebate consultants, calculation agents and advisers retained by the university.

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

(d) Capitalized interest for the revenue bonds.

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

(f) Any other costs or expenses that a university with a governing board determines are necessary or desirable in connection with issuing and maintaining the revenue bonds.

(2) "Credit enhancement device" means an agreement or contractual relationship between a university with a governing board and a bank, trust company, insurance company, surety bonding company, pension fund or other financial institution or entity providing additional credit on or security for a revenue bond.

(3) "For the benefit of a university with a governing board" means, in relation to state bonds:

(a) Before the effective date of this 2013 Act, the portion of the proceeds of the state bonds that was used to finance property, projects or liabilities on behalf of the State Board of Higher Education and for the benefit of a university with a governing board in pursuing the purposes and missions of the university.

(b) On or after the effective date of this 2013 Act, the portion of the proceeds of the state bonds a university with a governing board is eligible to receive under section 20 of this 2013 Act to finance property, projects or liabilities on behalf of and for the benefit of a university with a governing board in pursuing the purposes and missions of the university.

(4) "Obligation" means:

(a) A revenue bond;

(b) The commitment of a university with a governing board in connection with a credit enhancement device; or

(c) An agreement for exchange of interest rates.

(5) "Operative document" means a bond declaration, trust agreement, indenture, security agreement or other document in which a university with a governing board makes a pledge.

(6) "Pledge" means:

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

(b) A lien created on revenue or property.

(7) "Revenue" means tuition, fees, charges, rents, revenues, interest, dividends, receipts and other income of a university with a governing board, except moneys received by the university from taxes collected by the State of Oregon.

(8) "Revenue bond":

(a) Means a contractual undertaking or instrument of a university with a governing board to repay borrowed moneys, which undertaking or instrument is secured by a pledge of all or part of the revenue of the university.

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

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

(2) The State Treasurer shall limit the scope of review and approval under subsection (1) of this section to consideration of periodic cash flow projections and other information necessary to determine the sufficiency of the cash flow of the university with a governing board to pay any loans from state agencies funded with the proceeds of state bonds and to pay costs for:

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

(b) Revenue bonds issued pursuant to sections 19 to 23 of this 2013 Act.

(3) A university with a governing board that issues revenue bonds of the university, or executes other obligations related to the revenue bonds, without the approval of the State Treasurer as provided in subsection (2) of this section is not eligible to receive proceeds of the state bonds described in subsection (1) of this section and that are intended to be repaid in whole or in part by university revenues or other moneys under the control of the university on or after the effective date of this 2013 Act.

(4) For the purposes of ORS chapter 286A, a university with a governing board has the powers and duties of a related agency as described in section 16 (10) of this 2013 Act with respect to state bonds that:

(a) Were issued before the effective date of this 2013 Act for the benefit of a university with a governing board and that remain outstanding; and

(b) Are authorized under ORS 286A.035 and issued on or after the effective date of this 2013 Act for the benefit of a university with a governing board.

SECTION 21. (1) A university with a governing board:

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

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

(2) For the purposes of ORS 271.390 and ORS chapter 287A, a university with a governing board is a public body.

(3) ORS 287A.150 does not apply to revenue bonds issued by a university with a governing board.

(4) A university with a governing board:

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

(b) May not mortgage, pledge or grant a security interest in, or otherwise encumber, real or personal property that has been pledged or leased to provide security for, or acquired, constructed, improved with, or otherwise directly benefited by, the proceeds of outstanding state bonds, except as provided in section 12 (3) of this 2013 Act.

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

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

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

(c) Are not a charge upon any revenue or property of a university with a governing board unless the revenue or property is pledged to secure the revenue bonds or other obligations.

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

(A) Deposit with the State Treasurer pursuant to section 15 (2) of this 2013 Act; or

(B) Pay to the State Treasurer pursuant to a schedule described in section 23 of this 2013 Act.

NOTE: Section 22 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 23. (1) Sections 19 to 23 of this 2013 Act do not impair the obligations, as defined in ORS 286A.100, or agreements of the State of Oregon or the State Board of Higher Education with respect to state bonds issued before the effective date of this 2013 Act for the benefit of a university with a governing board.

(2) A university with a governing board and the Oregon University System shall take all actions necessary to ensure full compliance with the operative documents executed with respect to state bonds issued before, on or after the effective date of this 2013 Act by the State Treasurer for the benefit of the university with a governing board.

(3) The State Treasurer and the Oregon University System shall promptly provide a university that acquires a governing board with a schedule of outstanding state bonds and other obligations for which the university must pay, including the payment dates and amounts, or methods for determining the amounts. The schedule must include amounts sufficient to pay principal, interest and premium, if any, on the state bonds, and to pay administrative and other costs of the State of Oregon that are related to the state bonds or other obligations. If the State Treasurer issues state bonds for the benefit of a university with a governing board on or after the effective date of this 2013 Act that are intended to be repaid in whole or in part by university revenues or other moneys under the control of the university, the schedule shall be amended to include such state bonds and the amounts to be paid by the university. In the absence of manifest error, the schedule provided by the State Treasurer and the Oregon University System to a university with a governing board is binding on the university. The university with a governing board shall pay the amounts specified in the schedule provided by the State Treasurer and the Oregon University System on or before the dates specified in the schedule from the legally available revenue of the university and on a pari passu basis with the payment of any revenue bonds of the university issued pursuant to section 21 of this 2013 Act.

(4) At the request of the State Treasurer, a university with a governing board shall provide the State Treasurer with periodic cash flow projections and other information that allow the State Treasurer to review and approve the sufficiency of the university's cash flow to pay amounts specified in the schedule described in subsection (3) of this section and to pay amounts owed under loans from state agencies that were funded with the proceeds of state bonds.

(5) Moneys deposited with the State Treasurer, the Controller of the Oregon University System or the Oregon Department of Administrative Services in a debt service reserve account or otherwise for the portion of the debt service associated with obligations entered into before the effective date of this 2013 Act for the benefit of a university with a governing board must remain with the State Treasurer, the Controller of the Oregon University System or the Oregon Department of Administrative Services until the obligations have been retired or defeased. Earnings on moneys described in this subsection must be credited to the account or fund in which the moneys are held.

(6) The principal, interest, premium, if any, and any issuance costs of state bonds issued before, on or after the effective date of this 2013 Act for the benefit of a university with a governing board, and any related credit enhancement device or interest rate exchange agreement, shall be paid from the sources identified in the laws and operative documents authorizing the state bonds. The university with a governing board for which the state bonds were issued shall pay any other expenses and liabilities, including, but not limited to, legal expenses arising from an inquiry, audit or other action by a federal or state regulatory body,

unless the expense or liability results solely from the negligence or willful misconduct of a state agency.

(7) Pursuant to ORS chapter 180, on behalf of the State Treasurer or any other state agency, the Attorney General shall appear, commence, prosecute or defend any action, suit, matter, cause or proceeding arising from any state bond issued for the benefit of a university with a governing board and any related credit enhancement device or interest rate exchange agreement. As soon as practicable after a governing board is established by a university pursuant to section 3 of this 2013 Act, the university with a governing board and the State Treasurer shall enter into an agreement that addresses reimbursement of reasonable costs and expenses associated with the legal representation of the State Treasurer in connection with state bonds issued for the benefit of the university with a governing board before, on or after the effective date of this 2013 Act and any other topic necessary for the Department of Justice to provide legal representation to the State Treasurer in connection with state bonds issued for the benefit of the university with a governing board and to provide representation related to funds and accounts or services provided under section 15 of this 2013 Act.

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

STATUTORY AMENDMENTS

SECTION 24. ORS 352.002 is amended to read:

352.002. [*The Oregon University System established in ORS 351.011 consists of the following public universities under the jurisdiction of the State Board of Higher Education*] **The following are established as public universities in the State of Oregon:**

- (1) University of Oregon.
- (2) Oregon State University.
- (3) Portland State University.
- (4) Oregon Institute of Technology.
- (5) Western Oregon University.
- (6) Southern Oregon University.
- (7) Eastern Oregon University.

SECTION 25. ORS 351.011 is amended to read:

351.011. (1) The Oregon University System is established as a public university system, consisting of the office of the Chancellor of the Oregon University System[, *the public universities listed in ORS 352.002 and any related offices, departments or activities.*] **and the following public universities, and any related offices, departments or activities:**

- (a) **Oregon State University.**
- (b) **Oregon Institute of Technology.**
- (c) **Western Oregon University.**
- (d) **Southern Oregon University.**
- (e) **Eastern Oregon University.**

(2) The State Board of Higher Education, on behalf of the Oregon University System, shall exercise and carry out all of the powers, rights and duties that are expressly conferred upon the board or that are implied by law or incident to such powers, rights and duties.

(3) The Oregon University System is an instrumentality of the state and a government entity performing governmental functions and exercising governmental powers. Notwithstanding the status of the Oregon University System as an instrumentality of the state, the Oregon University System

is not eligible to request or receive legal services from the Attorney General and the Department of Justice pursuant to ORS chapter 180, except as otherwise expressly provided by law.

(4) The Oregon University System is not considered a unit of local or municipal government.

(5) Subsections (1) to (4) of this section apply only to listed public universities that do not become a university with a governing board under section 3, 168 or 168a of this 2013 Act.

SECTION 26. A public university that becomes a university with a governing board under section 168 or 168a of this 2013 Act is not considered to be a public university listed in ORS 351.011.

NOTE: Section 27 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 28. ORS 287A.001 is amended to read:

287A.001. As used in this chapter:

(1) "Advance refunding bond" means a bond all or part of the proceeds of which are to be used to pay an outstanding bond one year or more after the advance refunding bond is issued.

(2) "Agreement for exchange of interest rates" means a contract, or an option or forward commitment to enter into a contract, for an exchange of interest rates for related bonds that provides for:

(a) Payments based on levels or changes in interest rates; or

(b) Provisions to hedge payment, rate, spread or similar exposure including, but not limited to, an interest rate floor or cap or an option, put or call.

(3) "Bond":

(a) Means a contractual undertaking or instrument of a public body to repay borrowed moneys.

(b) Does not mean a credit enhancement device.

(4) "Capital construction" has the meaning given that term in ORS 310.140.

(5) "Capital improvements" has the meaning given that term in ORS 310.140.

(6) "Credit enhancement device":

(a) Means a letter of credit, line of credit, standby bond purchase agreement, bond insurance policy, reserve surety bond or other device or facility used to enhance the creditworthiness, liquidity or marketability of bonds or agreements for exchange of interest rates.

(b) Does not mean a bond.

(7) "Current refunding bond" means a bond the proceeds of which are to be used to pay or purchase an outstanding bond less than one year after the current refunding bond is issued.

(8) "Forward current refunding" means execution and delivery of a purchase agreement or similar instrument under which a public body contracts to sell current refunding bonds for delivery at a future date that is one year or more after execution of the purchase agreement or similar instrument.

(9) "General obligation bond" means exempt bonded indebtedness, as defined in ORS 310.140, that is secured by a commitment to levy ad valorem taxes outside the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

(10) "Lawfully available funds" means revenues or other moneys of a public body including, but not limited to, moneys credited to the general fund of the public body, revenues from an ad valorem tax and revenues derived from other taxes levied by the public body that are not dedicated, restricted or obligated by law or contract to an inconsistent expenditure or use.

(11) "Operative document" means a bond declaration, trust agreement, indenture, security agreement or other document in which a public body pledges revenue or property as security for a bond.

(12) "Pledge" means:

(a) To create a lien on property pursuant to ORS 287A.310.

(b) A lien created on property pursuant to ORS 287A.310.

(13) "Public body" means:

(a) A county of this state;

(b) A city of this state;

(c) A local service district as defined in ORS 174.116 (2);

- (d) A special government body as defined in ORS 174.117;
- (e) Oregon Health and Science University;
- (f) **A public university with a governing board listed in section 3 of this 2013 Act;** or
- [(f)] (g) Any other political subdivision of this state that is authorized by the Legislative Assembly to issue bonds.

(14) "Refunding bond" means an advance refunding bond, a current refunding bond or a forward current refunding bond.

(15) "Related bond" means a bond for which the public body enters into an agreement for exchange of interest rates or obtains a credit enhancement device.

(16) "Revenue" means all fees, tolls, excise taxes, assessments, property taxes and other taxes, rates, charges, rentals and other income or receipts derived by a public body or to which a public body is entitled.

(17) "Revenue bond" means a bond that is not a general obligation bond.

(18) "Termination payment" means the amount payable under an agreement for exchange of interest rates by one party to another party as a result of the termination, in whole or part, of the agreement prior to the expiration of the stated term.

SECTION 29. ORS 348.010 is amended to read:

348.010. (1) An account in the Oregon University System Fund established under ORS 351.506 is designated for the purpose of granting student loans under the terms established by the National Defense Education Act of 1958, as amended, under the terms of the Health Professions Educational Assistance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as amended.

(2) The account designated under this section consists of:

(a) All moneys made available to [*the State Board of Higher Education*] **public universities listed in ORS 352.002** for student loan purposes by state appropriations and by the federal government under terms of the National Defense Education Act of 1958, as amended, under the terms of the Health Professions Educational Assistance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as amended;

(b) Repayments of loans identified in paragraph (a) of this subsection;

(c) Interest earned on student loans identified in paragraph (a) of this subsection; and

(d) Earnings from investments of the account.

(3) The repayment in whole or part of any student loan made under terms of the National Defense Education Act of 1958, as amended, under the terms of the Health Professions Educational Assistance Act of 1963, as amended, and under the terms of the Nurses Training Act of 1964, as amended, shall be made pursuant to the provisions of the applicable federal statutes and repayment to the account designated under this section shall be made in accordance with applicable federal statutes.

(4) Income and interest derived from moneys in the account designated by this section are credited to the account.

SECTION 30. ORS 348.205 is amended to read:

348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student Access Commission.

(2) Under the program, the cost of education of a qualified student shall be shared by the student, the family of the student, the federal government and the state.

(3) The commission shall determine the cost of education of a qualified student based on the type of eligible post-secondary institution the student is attending. The cost of education equals:

(a) For a student attending a community college, the average cost of education of attending a community college in this state;

(b) For a student attending a public university [*under the direction of the State Board of Higher Education*] **listed in ORS 352.002**, the average cost of education of attending a public university [*under the direction of the board*];

(c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institution of higher education, the average cost of education of attending a community college in this state; and

(d) For a student attending the Oregon Health and Science University or a four-year Oregon-based, generally accredited, not-for-profit institution of higher education, the average cost of education of attending *[an institution under the direction of the board]* **a public university listed in ORS 352.002.**

(4)(a) The commission shall determine the amount of the student share. The student share shall be based on:

(A) The type of eligible post-secondary institution the student is attending;

(B) The number of hours of work that the commission determines may be reasonably expected from the student; and

(C) The amount of loans that the commission determines would constitute a manageable debt burden for the student.

(b) The student shall determine how to cover the student share through income from work, loans, savings and scholarships.

(c) The student share for a student who attends a community college may not exceed the amount that the commission determines a student may earn based on the number of hours of work reasonably expected from the student under paragraph (a) of this subsection.

(d) The student share for a student who attends an eligible post-secondary institution that is not a community college may not exceed the sum of the amount that the commission determines a student may receive as loans plus the amount a student may earn based on the number of hours of work reasonably expected from the student under paragraph (a) of this subsection.

(5) The commission shall determine the amount of the family share. The family share shall be based on the resources of the family.

(6) The commission shall determine the amount of the federal share based on how much the student or the student's family is expected to receive from the federal government as grants, loans, tax credits or other student assistance.

(7)(a) The commission shall determine the amount of the state share. The state share shall be equal to the cost of education reduced by the student share, family share and amount received by the student from the federal government.

(b) The commission shall establish a minimum amount that a student may receive as a state share. If the commission determines that the amount of the state share of a student is below the minimum amount, the student may not receive the state share.

(c) In determining the amount of the state share, the commission shall consider the total amount available to award as grants to all qualified students. If the commission must reduce the amount of the state share under this paragraph, the commission may not reduce the amount of the state share awarded to students in the low income range in a greater proportion than the amount that the state share for students in other income ranges is reduced.

(8)(a) The commission shall adopt rules that prioritize current foster children and former foster children for receiving Oregon Opportunity Grants when the Oregon Opportunity Grant program does not have sufficient funding to serve all eligible Oregon students.

(b) For the purposes of this subsection, "former foster child" has the meaning given that term in ORS 351.293.

SECTION 31. ORS 348.282 is amended to read:

348.282. As used in this section and ORS 348.283:

(1) "Armed Forces of the United States" means:

(a) The Army, Navy, Air Force, Marine Corps and Coast Guard of the United States;

(b) The reserves of the Army, Navy, Air Force, Marine Corps and Coast Guard of the United States; and

(c) The Oregon National Guard and a National Guard of any other state or territory.

(2) "Public post-secondary institution" means:

(a) A public university [*under the direction of the State Board of Higher Education*] **listed in ORS 352.002**; and

(b) A community college operated under ORS chapter 341.

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

SECTION 32. ORS 348.283 is amended to read:

348.283. (1) There is established within the Oregon Student Access Commission the Oregon Troops to Teachers program. Through the program, the commission shall pay for all of the resident tuition charges of a veteran imposed by a public post-secondary institution, provided the veteran:

(a) Was discharged from the Armed Forces of the United States;

(b) Is a resident of Oregon; and

(c) Agrees to teach:

(A) In an Oregon school district or public charter school classified as serving a high poverty area for not less than three years; or

(B) In the area of mathematics, science or special education for not less than four years.

(2) An award under subsection (1) of this section shall be used for the purpose of paying resident tuition. The commission may not award funds under subsection (1) of this section for the purpose of paying for books, supplies, housing, food or any other costs associated with attending a public post-secondary institution.

(3) The commission shall adopt rules necessary for the implementation and administration of this section in consultation with the Department of Education, [*and*] the Oregon University System **and the public universities with governing boards listed in section 3 of this 2013 Act.**

SECTION 33. ORS 348.470 is amended to read:

348.470. The Legislative Assembly finds and declares that:

(1) It is the policy of this state to encourage cooperation between [*the Oregon University System*] **public universities listed in ORS 352.002** and community colleges on issues affecting students who transfer between the two segments; and

(2) All unnecessary obstacles that restrict student transfer opportunities between the two segments shall be eliminated.

SECTION 34. ORS 348.603 is amended to read:

348.603. (1) The Higher Education Coordinating Commission shall:

(a) Authorize approved schools to offer academic degree programs;

(b) Authorize approved degree-granting schools to offer nondegree programs leading to a certificate or diploma;

(c) Validate claims of degree possession;

(d) Terminate substandard or fraudulent degree activities;

(e) Terminate activities of diploma mills operating in or from Oregon;

(f) Except as provided in subsection (4) of this section, terminate the operation in or from Oregon of post-secondary accrediting bodies that are not recognized by the United States Department of Education or by the commission; and

(g) Review proposed new publicly funded post-secondary programs and locations.

(2)(a) Following review of a proposed new publicly funded post-secondary program or location that is not a career pathways certificate of completion program described in ORS 348.611, the commission shall recommend resolution to the appropriate governing boards and mediate between the boards to seek a negotiated resolution if:

(A) There is a detrimental duplication of programs; or

(B) The program or location would have a significantly adverse impact on one or more other segments of education.

(b) If the boards do not resolve the issue raised under paragraph (a) of this subsection within 90 days of the date when the issue was recommended to the boards for mediation, the commission shall have final authority for approval or disapproval of the program or location. If the boards do not resolve the issue, the commission shall approve or disapprove the program or location within 180 days of the date when the review began.

(c) If the boards do not resolve the issue, the commission shall approve the program or location if the commission finds that the program or location meets an unmet workforce need in the state.

(d) The commission shall establish by rule a fair and neutral decision-making process in consultation with representatives designated by the State Board of Education, the State Board of Higher Education, **the governing boards of public universities with a governing board listed in section 3 of this 2013 Act**, associations representing Oregon independent colleges, associations representing Oregon career colleges, and the governing boards of otherwise unrepresented post-secondary schools.

(3) The commission, by rule, may impose a fee on any school or person requesting information from the commission. The amount of the fee shall be established to recover designated expenses incurred by the commission in carrying out the administration of ORS 348.594 to 348.615. Any fees collected under this subsection shall be deposited in the Degree Authorization Account established under ORS 348.601.

(4) Subsection (1)(f) of this section does not apply to a body the role of which is to accredit schools that offer only associate, bachelor's or master's degrees with titles in theology or religious occupations or, if the schools also offer doctoral degrees, offer doctoral degrees only in theology or religious occupations that have been approved by a federally recognized accrediting organization.

SECTION 35. ORS 348.890 is amended to read:

348.890. (1) The Higher Education Coordinating Commission shall provide policy direction to implement regional partnership proposals and any other joint program or activity approved by the State Board of Education, [and] the State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act**.

(2) Notwithstanding ORS 351.063 (3), the Department of Community Colleges and Workforce Development and the Oregon University System may use appropriations from the General Fund to implement agreements approved by the Higher Education Coordinating Commission that provide direct aid to a student, or other incentives that encourage shared use of facilities, programs and other resources of public universities listed in ORS 352.002 and community colleges.

SECTION 36. ORS 348.900 is amended to read:

348.900. (1) The Employment Department, in consultation with health care industry employers, shall perform a statewide and regional needs assessment for health care occupations to identify emerging occupations and occupations for which there is high demand or a shortage of workers. The assessment shall be performed as necessary on a periodic basis, as determined by the department, in consultation with industry employers. To perform the needs assessment, the department may consider any reliable data sources available to the department.

(2) Based on the needs assessment, the Higher Education Coordinating Commission shall inform the community colleges, public universities listed in ORS 352.002, Oregon Health and Science University and health care industry employers of the identified statewide needs and invite the development of health care education programs that are responsive to those needs.

(3) When approving health care education programs, the State Board of Education, the State Board of Higher Education, **the governing board of a public university with a governing board listed in section 3 of this 2013 Act** and the Oregon Health and Science University Board of Directors shall use the statewide needs assessment to evaluate whether a program fulfills statewide needs. If a board determines there is a statewide need, the board shall facilitate the:

(a) Coordination of new health care education programs and existing health care education programs that are similar to the new health care education programs to address the statewide need; and

(b) Alignment of health care education programs relating to statewide access, student transferability between programs, course articulation and common student learning outcomes for health care education programs.

(4) In the development and approval of health care education programs, community colleges, public universities, Oregon Health and Science University, the State Board of Education, the State Board of Higher Education, **the governing board of a public university with a governing board**

listed in section 3 of this 2013 Act and the Oregon Health and Science University Board of Directors shall consider issues related to statewide access, student transferability between programs, course articulation and common student learning outcomes for health care education programs. The community colleges, public universities, Oregon Health and Science University and boards shall continue to provide and improve upon an effective articulation and transfer framework for students in Oregon's post-secondary sectors.

SECTION 37. ORS 351.015 is amended to read:

351.015. The Oregon University System shall be conducted under the control of a board of 15 directors, to be known as the State Board of Higher Education. Except as otherwise provided by law, the board has sole authority to govern, set policy and otherwise manage the affairs of the public universities listed in ORS [352.002] **351.011**. The board shall consist of:

(1) Two students who at the time of their appointment to the board are attending [*different*] public universities listed in ORS [352.002] **351.011**.

[(2) *One member of the faculty at Oregon State University, Portland State University or University of Oregon.*]

[(3)] (2) [*One member*] **Two members** of the faculty at [*Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University*] **a public university listed in ORS 351.011**.

[(4)] (3) Eleven members of the general public who are not students or faculty members at the time of appointment.

NOTE: Sections 38 and 39 were deleted by amendment. Subsequent sections were not renumbered.

SECTION 40. ORS 351.020 is amended to read:

351.020. (1) The directors of the State Board of Higher Education must be residents of Oregon and are appointed by the Governor. The appointments are subject to the confirmation of the Senate in the manner provided by ORS 171.562 and 171.565. No director who is not a student or faculty member at the time of appointment may be an employee of any of the public universities or offices, departments or activities under the control of the State Board of Higher Education. The faculty [*members*] **member** appointed under this section may not participate in any discussions or action by the board or attend any executive session of the board involving collective bargaining issues that affect faculty at any public university listed in ORS [352.002] **351.011**.

(2) To assist the Governor in making appointments of the student members as provided in ORS 351.015, the duly organized and recognized entities of student government at each public university shall submit a list of nominees to the Governor. The entities are entitled to no more than three nominees per public university. The Governor shall consider these lists in the selection of the student members to be appointed to the State Board of Higher Education.

(3) To assist the Governor in making appointments of the faculty [*members*] **member** as provided in ORS 351.015, a duly organized and recognized association of faculty members may submit a list of nominees to the Governor. The Governor shall consider any submitted list in the selection of the faculty [*members*] **member** to be appointed to the State Board of Higher Education.

(4) When making an appointment of the faculty or student members as provided in ORS 351.015, the Governor shall rotate the appointments among representatives from various public universities to ensure equal representation among the public universities.

SECTION 41. ORS 351.047 is amended to read:

351.047. The [*State Board of*] Higher Education **Coordinating Commission** shall:

(1) Review all mission statements of the public universities listed in ORS 352.002; and

(2) Approve all **significant changes** to academic programs offered at the public universities, and shall ensure that the [*academic programs*] **changes**:

(a) Are consistent with the mission statement of the respective public university;

(b) Do not unnecessarily duplicate academic programs offered by other public universities; [*listed in ORS 352.002; and*]

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

[(c)] **(d)** Are allocated among the public universities *[in the Oregon University System]* to maximize the achievement of statewide needs and requirements.

SECTION 42. ORS 351.052, as amended by section 7, chapter 104, Oregon Laws 2012, is amended to read:

351.052. (1) For the purposes of this section, "performance compact" means an agreement between the *[State Board of Higher Education]* **Higher Education Coordinating Commission** and the State of Oregon to achieve certain performance targets in order to enhance the success of Oregon university *[System]* students in exchange for consideration of the appropriations sought in a funding request submitted by the *[State Board of Higher Education]* **commission** to the *[Oregon Department of Administrative Services]* **Governor**.

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

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

[(2)] **(3)** On or before September 1 of each even-numbered year, the *[State Board of Higher Education]* **Higher Education Coordinating Commission** shall submit *[the]* a funding request and performance compact to the *[Oregon Department of Administrative Services for the Oregon University System]* **Governor on behalf of all the public universities listed in ORS 352.002.**

[(3)] **(4)** The Governor's biennial budget submitted to the Legislative Assembly may include the **Higher Education Coordinating Commission's** *[State Board of Higher Education's]* funding request *[submitted to the Oregon Department of Administrative Services for the Oregon University System]* **for public universities listed in ORS 352.002.** *[Any funding request approved by the Legislative Assembly must specify that the moneys be appropriated to the Oregon Department of Administrative Services for allocation to the Oregon University System.]*

[(4)] **(5)** The **commission's** funding request must include, in addition to the performance compact, a report on performance from the previous biennium's performance compact.

[(5)] **(6)** The *[State Board of Higher Education]* **Higher Education Coordinating Commission** shall, by rule, establish a framework for the development of a performance compact that must accompany the funding request to the *[Oregon Department of Administrative Services]* **Governor**. The framework must address, among other issues, the issue of tuition affordability for students.

SECTION 43. ORS 351.054 is amended to read:

351.054. The *[State Board of Higher Education]* **Higher Education Coordinating Commission** is authorized to:

(1) Request, as part of the funding request under ORS 351.052, appropriations for budgetary items, including but not limited to education and general operations, statewide public services, state funded debt service, capital improvements *[and other]*, **deferred maintenance**, special initiatives and investments; and

(2) Allocate moneys, from funds appropriated to the *[board]* **commission** and other available moneys, among the office of the Chancellor of the Oregon University System*[,]* **and** public universities listed in ORS 352.002 *[and offices, departments and activities under the control of the board]*.

SECTION 44. ORS 351.062 is amended to read:

351.062. Except for the power to prescribe enrollment fees under ORS 351.063 and the power to adopt *[rules]* **standards**, the State Board of Higher Education may delegate any of the powers, duties or functions of the board to a committee of the board, the Chancellor of the Oregon University System or a president of a public university listed in ORS *[352.002]* **351.011.**

SECTION 45. ORS 351.063 is amended to read:

351.063. (1) The State Board of Higher Education shall set enrollment fees for each public university listed in ORS [352.002] **351.011**. Enrollment fees include tuition for education and services and any other charges found by the State Board of Higher Education to be necessary to carry out the educational program of the Oregon University System.

(2) The State Board of Higher Education shall[, *by rule,*] establish a **standard** process under which each public university may develop and submit proposed enrollment fees for board consideration. The process must provide for participation of enrolled students and the recognized student government of the public university.

(3) Each public university listed in ORS [352.002] **351.011** is authorized to offer fee remissions to its students, including remissions offered on the basis of need, from any authorized source of revenue. Moneys appropriated from the General Fund may not be used to fund fee remissions to students of the public university.

(4) In setting enrollment fees under subsection (1) of this section for undergraduate students who are enrolled in a degree program at a public university listed in ORS 351.011 and are qualified to pay resident tuition:

(a) The State Board of Higher Education may not increase the total amount of enrollment fees by more than five percent annually unless the board first receives approval from:

(A) The Higher Education Coordinating Commission; or

(B) The Legislative Assembly.

(b) The State Board of Higher Education shall attempt to limit annual increases in enrollment fees for undergraduate students who are enrolled in a degree program at a public university listed in ORS 351.011 and have established residency in Oregon to a percentage that is not greater than the percentage increase in the Higher Education Price Index, as compiled by the Commonfund Institute.

SECTION 46. ORS 351.065 is amended to read:

351.065. (1) The State Board of Higher Education may, for each public university or office, department or activity under its control, **and a governing board as defined in section 2 of this 2013 Act may, for the public university under its control,** adopt [*rules*] **standards** and specific orders by or through the president of each public university governing access to personnel records of the public university or office, department or activity that are less than 25 years old.

(2) [*Rules*] **Standards** adopted under subsection (1) of this section shall require that personnel records be subjected to restrictions on access unless upon a finding by the president of the public university that the public interest in maintaining individual rights to privacy in an adequate educational environment would not suffer by disclosure of such records. Access to such records may be limited to designated classes of information or persons, or to stated times and conditions, or to both, but cannot be limited for records more than 25 years old.

(3) [*No*] **A standard** [*rule*] or order promulgated pursuant to this section [*shall*] **may not** deny to a faculty member full access to the member's personnel file or records kept by the board or [*its public universities or offices, departments or activities*] **the public university**, except as provided in subsections (7) and (8) of this section.

(4) The number of files relating to the evaluation of a faculty member [*shall be*] **is** limited to three, to be kept in designated, available locations.

(5) Any evaluation received by telephone [*shall*] **must** be documented in each of the faculty member's files by means of a written summary of the conversation with the names of the conversants identified.

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

(7) Letters and other information submitted in confidence to the board or its public universities, offices, departments or activities prior to July 1, 1975, shall be maintained in the files designated. However, if a faculty member requests access to those files, the anonymity of the contributor of letters and other information obtained prior to July 1, 1975, shall be protected. The full text shall

be made available except that portions of the text that would serve to identify the contributor shall be excised by a faculty committee. Only the names of the contributors and the excised portions of the documents may be kept in a file other than the three prescribed by subsection (4) of this section.

(8)(a) Confidential letters and other information submitted to or solicited after July 1, 1975, by the board or its public universities, offices, departments or activities prior to the employment of a prospective faculty member are exempt from the provisions of this section. However, if the member is employed by the board or its public universities, offices, departments or activities, the confidential preemployment materials shall be placed in the three authorized files. If a faculty member requests access to the member's files, the anonymity of the contributor of confidential preemployment letters and other preemployment information shall be protected. The full text shall be made available, except that portions of the text that would serve to identify the contributor shall be excised and retained in a file other than the three designated in subsection (4) of this section.

(b) Confidential letters and other information submitted to or solicited by a public university with a governing board listed in section 3 of this 2013 Act after July 1, 2014, and prior to the employment of a prospective faculty member are exempt from the provisions of this section. However, if the member is employed by the university, the confidential preemployment materials shall be placed in the three authorized files. If a faculty member requests access to the member's files, the anonymity of the contributor of confidential preemployment letters and other preemployment information shall be protected. The full text shall be made available, except that portions of the text that would serve to identify the contributor shall be excised and retained in a file other than the three designated in subsection (4) of this section.

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

(10) **A public university with a governing board listed in section 3 of this 2013 Act and, after July 1, 1975, the [board] State Board of Higher Education** and its public universities, offices, departments or activities, when evaluating its employed faculty members, may not solicit or accept letters, documents or other materials, given orally or in written form, from individuals or groups who wish their identity kept anonymous or the information they provide kept confidential.

(11) *[No rule]* **A standard** or order promulgated pursuant to this section *[limits]* **does not limit** the authority of *[the public universities, offices, departments or activities under the control of the board]* **a public university** to prepare, without identification of individual persons who have not consented thereto, statistical or demographic reports from personnel records.

(12) Any category of personnel records specifically designated as confidential pursuant to valid *[rules]* **standards** or orders pursuant to this section is not a public record for the purposes of ORS 192.420.

(13) As used in this section, "personnel records" means records containing information kept by the public university, office, department or activity concerning a faculty member and furnished by the faculty member or by others about the faculty member at the request of the faculty member or the public university, office, department or activity, including, but not limited to, information concerning discipline, membership activity, employment performance or other personal records of individual persons.

SECTION 47. ORS 351.067 is amended to read:

351.067. (1) **The State Board of Higher Education**, in carrying out its authority under ORS 351.070, *[the State Board of Higher Education]* **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** may authorize receipt of compensation for any officer or employee *[of the Oregon University System]* from private or public resources, including, but not limited to, income from:

- (a) Consulting;
- (b) Appearances and speeches;

(c) Intellectual property conceived, reduced to practice or originated and therefore owned within the [Oregon University System] **public university**;

(d) Providing services or other valuable consideration for a private corporation, individual, or entity, whether paid in cash or in-kind, stock or other equity interest, or anything of value regardless of whether there is a licensing agreement between the Oregon University System **or public university** and the private entity; and

(e) Performing public duties paid by private organizations, including institution corporate affiliates, that augments an officer's or employee's publicly funded salary. Such income shall be authorized and received in accordance with policies and [rules] **standards** established by [the] **each** board.

(2) [The] **Each** board may not authorize compensation, as described in subsection (1) of this section, that, in the board's judgment, does not comport with the mission of [a] **the** public university [listed in ORS 352.002 and the Oregon University System] or substantially interferes with an officer's or employee's duties to the [Oregon University System] **university**.

(3) Any compensation described and authorized under subsection (1) of this section is considered official compensation or reimbursement of expenses for purposes of ORS 244.040 and is not considered an honorarium prohibited by ORS 244.042. If authorization or receipt of the compensation creates a potential conflict of interest, the officer or employee shall report the potential conflict in writing in accordance with **board standards** [rules of the board]. The disclosure is a public record subject to public inspection.

(4) [The] **Each** board shall adopt [by rule] standards governing employee outside employment and activities, including potential conflict of interest, as defined by board [rule] **standard** and consistent with ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing potential or actual conflict of interest complaints.

SECTION 48. ORS 351.070 is amended to read:

351.070. (1) The State Board of Higher Education shall[, by rule,] **develop standards to** implement a personnel system for the Oregon University System and may engage in collective bargaining with the employees. All collective bargaining with any certified or recognized exclusive employee representative shall be under the direction and supervision of the Chancellor of the Oregon University System. The board and the Oregon University System shall have payroll authority.

(2)(a) The board shall establish competitive procedures for the purchasing, procurement and contracting of goods, services and information technology, for the benefit of the Oregon University System and all the public universities and offices, departments and activities under the control of the board. The board may also establish exemptions from the competitive procedures when appropriate.

(b) The board shall ensure that the hourly rate of wage paid by any contractor upon all public improvements contracts undertaken for the board shall not be less than the same rate of wage as determined by the Bureau of Labor and Industries for an hour's work in the same trade or occupation in the locality where such labor is performed. Claims or disputes arising under this subsection shall be decided by the Commissioner of the Bureau of Labor and Industries.

(c) The board shall adopt policies and procedures that achieve results equal to or better than the standards existing on July 17, 1995, regarding affirmative action, pay equity for comparable work, recycling, the provision of workers' compensation insurance to workers on contract and the participation of emerging small businesses and businesses owned by minorities and women.

(3) The board may, for each public university listed in ORS [352.002] **351.011**:

(a) Appoint and employ a president and the requisite number of employees and prescribe their compensation and tenure of office or employment.

(b) Demand and receive the interest mentioned in ORS 352.510 and all sums due and accruing for admission and tuition, and apply the same, or so much thereof as is necessary, to the payment of the compensation referred to in paragraph (a) of this subsection and the other current expenses.

(c) Prescribe incidental fees for programs under the supervision or control of the board found by the board, upon its own motion or upon recommendation of the recognized student government, to be advantageous to the cultural or physical development of students. Fees realized in excess of

amounts allocated and exceeding required reserves shall be considered surplus incidental fees and shall be allocated for programs under the control of the board and found to be advantageous to the cultural or physical development of students by the president upon the recommendation of the recognized student government.

(d) Upon recommendation of the recognized student government, collect optional fees for student activities not included in paragraph (c) of this subsection or ORS 351.063 as authorized by the president. The payment of such optional fees is at the option and selection of the student and is not a prerequisite of enrollment.

(e) Confer, consistent with the mission and programs of each public university and on the recommendation of the faculty of the public university, such degrees as usually are conferred by public universities, or as the faculty deems appropriate.

(f) Prescribe the qualifications for admission.

(4) Subject to such delegation as the board may decide to make to the public universities and offices, departments and activities under its control, the board, for each public university, office, department or activity under its control:

(a) Shall supervise the general course of instruction therein, and the research, extension, educational and other activities thereof.

(b) Shall *[adopt rules]* **develop and adopt standards** and bylaws for the government thereof, including the faculty, teachers, students and employees therein.

(c) Shall maintain cultural and physical development services and facilities therefor and, in connection therewith, may cooperate and enter into agreements with any person or governmental agency.

(d) May contract to provide health services at student health centers.

(e) Shall provide health services at student health centers to students.

(f) May provide health services at student health centers to any of the following:

(A) Dependents of students.

(B) Staff.

(C) Faculty.

(g) Shall prescribe and collect charges.

(h) Shall adopt *[rules]* **standards** relating to the creation, use, custody and disclosure, including access, of student education records that are consistent with the requirements of applicable state and federal law. Whenever a student has attained 18 years of age or is attending a public university listed in ORS *[352.002]* **351.011**, the permission or consent required of and the rights accorded to a parent of the student regarding education records shall thereafter be required of and accorded to only the student.

(5) For each public university listed in ORS *[352.002]* **351.011**, the board shall provide opportunities for part-time students to obtain complete undergraduate degrees at unconventional times, which include but are not limited to early morning and noon hours, evenings and weekends. In administering these degree programs, the public university may use any educational facility available for the use of the public university.

(6) For all public universities *[listed in ORS 352.002]* **under the board's control**, the board shall, to the extent feasible and cost beneficial, develop and implement a common admissions process that permits applicants to be considered for admission to more than one public university.

SECTION 49. ORS 351.085 is amended to read:

351.085. The Chancellor of the Oregon University System shall exercise, under the direction of the State Board of Higher Education, the administrative and management authority necessary to carry out the policies and directives of the board with respect to the public universities and offices, departments and activities under the control of the board. In carrying out the duties of the chancellor, the chancellor shall:

(1) Serve as chief executive officer of the Oregon University System and administrative officer of the State Board of Higher Education.

(2) Supervise the presidents of the public universities listed in ORS [352.002] **351.011** and recommend the terms and conditions of their employment to the board, including but not limited to appointment, compensation and termination.

(3) Maintain a centralized service program for all public universities and offices, departments and activities under the control of the board, including but not limited to accounting, statistical services, capital construction, management analysis, legal services, academic affairs and educational research.

(4) Collect and compile information and statistics relative to the operation of the public universities and offices, departments and activities under the control of the board.

(5) Prepare and submit to the board an annual operating budget for all public universities and offices, departments and activities under the control of the board, including but not limited to budget allocations to the public universities and offices, departments and activities.

(6) Oversee the preparation and submission [to the board] of the funding request for the Oregon University System for consideration by the [board] **Higher Education Coordinating Commission** as the funding request under ORS 351.052.

(7) Appoint such personnel as may be necessary for the performance of the duties of the chancellor.

(8) Designate, if the chancellor wishes, one or more suitable persons to sign or countersign warrants, vouchers, certificates or other papers and documents requiring the signature of the chancellor.

(9) Prepare the agendas for board meetings and provide an analysis of proposals made to the board, including such alternatives as may be necessary or desirable for their consideration, and make recommendations thereon.

(10) Prepare and submit to the board on or about December 31 of each year an annual report in which the chancellor describes the principal activities of the Oregon University System during the fiscal year ending June 30.

(11) Keep a record of the transactions of the board.

(12) Have the custody of all books, papers, documents and other property belonging to the board.

(13) Give such instructions as may be necessary to carry out the directives of the board and forward them to the various institution presidents and heads of offices, departments and activities.

(14) Provide for meetings of the presidents and principal executives of the public universities and offices, departments and activities under the control of the board, at such times as the board may direct. The meetings shall be open to any member of the board.

(15) Perform such other administrative or management assistance and consider other administrative or management matters as the board may require.

SECTION 50. ORS 297.250 is amended to read:

297.250. (1) An agency of the executive department that completes a risk assessment or internal audit under ORS 184.360, or that prepares an independent audit under ORS 353.160 **or section 14 of this 2013 Act**, shall file the completed risk assessment or internal audit with the Division of Audits of the Office of the Secretary of State.

(2) Nothing in this section affects the constitutional duties and authority of the Secretary of State to audit public accounts.

SECTION 51. ORS 351.105 is amended to read:

351.105. In order to carry out the duties described in ORS 352.008, the State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act**, in consultation with the Oregon Health Authority and the Alcohol and Drug Policy Commission, shall adopt [by rule] **standards that**, as a minimum, [descriptions of] **describe** the content of what shall be included in the policy and plan described in ORS 352.008.

SECTION 52. ORS 351.110 is amended to read:

351.110. All relationships and negotiations between the Legislative Assembly and its various committees and a public university listed in ORS [352.002] **351.011** must be carried on through the office of the Chancellor of the Oregon University System. An employee representing any of the

public universities may not appear before the Legislative Assembly or any committee except upon the written authority of the State Board of Higher Education or the chancellor.

SECTION 53. ORS 351.155 is amended to read:

351.155. Notwithstanding the applicable provisions of ORS 279.835 to 279.855, 279A.140 to 279A.155, 279A.250 to 279A.290, 279A.990, 279B.200 to 279B.240, 279B.270, 279B.275, 279B.280, 279C.360, 279C.365, 279C.370, 279C.375, 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545, 279C.600 to 279C.625, 279C.650 to 279C.670 and 279C.800 to 279C.870, the State Board of Higher Education **and the governing board of a public university listed in section 3 of this 2013 Act** may, in the management of all forestlands under *[its]* **each board's** control and supervision, sell the forest products on such lands in the same manner as is provided in ORS 530.059, and for that purpose *[the]* **each** board shall have the same powers with respect to experimental or research projects in the field of forestland management or for forest product utilization on forestlands under its control as the State Forester has pursuant to the provisions of ORS 530.050 and 530.059.

SECTION 54. ORS 174.117 is amended to read:

174.117. (1) Subject to ORS 174.108, as used in the statutes of this state "special government body" means any of the following:

(a) A public corporation created under a statute of this state and specifically designated as a public corporation.

(b) A school district.

(c) A public charter school established under ORS chapter 338.

(d) An education service district.

(e) A community college district or community college service district established under ORS chapter 341.

(f) An intergovernmental body formed by two or more public bodies.

(g) Any entity that is created by statute, ordinance or resolution that is not part of state government or local government.

(h) Any entity that is not otherwise described in this section that is:

(A) Not part of state government or local government;

(B) Created pursuant to authority granted by a statute, ordinance or resolution, but not directly created by that statute, ordinance or resolution; and

(C) Identified as a governmental entity by the statute, ordinance or resolution authorizing the creation of the entity, without regard to the specific terms used by the statute, ordinance or resolution.

(i) A university with a governing board listed in section 3 of this 2013 Act.

(2) Subject to ORS 174.108, as used in the statutes of this state "special government body" includes:

(a) An entity created by statute for the purpose of giving advice only to a special government body;

(b) An entity created by a special government body for the purpose of giving advice to the special government body, if the document creating the entity indicates that the entity is a public body; and

(c) Any entity created by a special government body described in subsection (1) of this section, other than an entity described in paragraph (b) of this subsection, unless the document creating the entity indicates that the entity is not a governmental entity or the entity is not subject to any substantial control by the special government body.

SECTION 55. ORS 351.165 is amended to read:

351.165. No later than March 1 of each odd-numbered year, the *[State Board of Higher Education]* **Higher Education Coordinating Commission** shall submit a report to the Legislative Assembly concerning the status of all previously approved *[Oregon University System]* capital construction projects that have not been completed or have been completed within the preceding 24-month period. The report shall include the project title, funding sources, the amount of the ori-

ginal appropriation or expenditure limitation, the amount of unexpected funds, the construction status and the anticipated completion date.

SECTION 56. ORS 352.245 is amended to read:

352.245. (1) There is established an Oregon Climate Service to be located at Oregon State University. The service shall acquire, maintain, disseminate and interpret climate data and information for the state.

(2) The service shall:

(a) Assess the needs for weather and climate information in Oregon and establish priorities among the needs.

(b) Perform a service to citizens of Oregon by managing climate data for the state, and by disseminating such data and information to users.

(c) Assist in the coordination of existing activities within the state and among neighboring states.

(d) Advise regional, state and local government on climate related issues.

(e) Assist students and faculty [*in the Oregon University System*] **at the public universities listed in ORS 352.002** by furnishing data and information needed in education and research programs.

(f) Study and analyze the relationships between climatic phenomena and activities in areas such as agriculture, water resources, energy production and use, air quality, building design and construction, transportation and communication, and business and commerce.

(g) Identify emerging climatic issues and anticipate public demand for information.

(h) Inform state, federal and private groups and the public on the availability and sources of climate-related services, information and data.

SECTION 57. ORS 351.205 is amended to read:

351.205. The State Board of Higher Education may allow interchange of members of the faculties of public universities listed in ORS [352.002] **351.011** with faculty members of comparable institutions of other states or countries for a period of one year. Such exchange service shall, for all purposes, be deemed continued service with the Oregon public university covered, with salary paid to the absent faculty member accordingly. Salary for the visiting faculty member shall not be paid by the Oregon public university covered.

SECTION 58. ORS 351.300 is amended to read:

351.300. The Legislative Assembly finds that in order to avoid unnecessary disruption at public universities listed in ORS 352.002 and in order to provide assurance that the public universities share in the benefits of any major reform in the Oregon tax system, it is necessary to stabilize funding for the [*Oregon University System*] **universities** over a longer period than is customary with biennial budgeting.

SECTION 59. ORS 351.310 is amended to read:

351.310. (1) The State Board of Higher Education shall control the use, distribution and disbursement of all funds, appropriations and taxes now or hereafter in possession, levied and collected, received or appropriated for the use, benefit, support and maintenance of the public universities listed in ORS [352.002] **351.011** and offices, departments and activities under the control of the board, including the authorization of individuals to sign vouchers for the disbursement of funds for the various public universities, offices, departments and activities.

(2) All moneys, except moneys appropriated from the State Treasury for expenditure within a specified period of time, heretofore or hereafter received by or on behalf of the board, or any public university or office, department or activity under the control of the board, that are not otherwise appropriated by law, hereby are appropriated continuously to the State Board of Higher Education for the purposes for which such moneys were donated, granted or received, in accordance with any applicable law governing the use of such moneys.

SECTION 60. ORS 351.340 is amended to read:

351.340. All sums of money provided by law for the support and maintenance of the public universities listed in ORS [352.002] **351.011** and offices, departments and activities under the control

of the State Board of Higher Education may be used for the payment of salaries of instructors and employees, current expenses, construction of additional buildings, purchase of lands, purchase of equipment, purchase of library books and periodicals, purchase of laboratory supplies and apparatus and making necessary repairs and, in general, for the payment of all such expenses connected with the management of the public universities and offices, departments and activities, as the board may from time to time determine. However, such moneys in the instruction budget of the board shall not be used to support hobby or recreation courses.

SECTION 61. ORS 351.509 is amended to read:

351.509. (1) There is established in the General Fund an account to be known as the Portland State University Center for Nanoscience and Nanotechnology Account. Funds in the account shall be used for the acquisition and expansion of microscopy and materials characterization facilities at Portland State University related to a signature research center.

(2) The account shall consist of proceeds from lottery bonds made available to [*the Oregon University System*] **Portland State University** for the purpose of the Portland State University center for nanoscience and nanotechnology project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account.

(3) Moneys in the account are continuously appropriated to [*the Oregon University System*] **Portland State University** for the center for nanoscience and nanotechnology project described in subsection (1) of this section. The account may not be credited with more than \$500,000 in interest and proceeds from lottery bonds.

SECTION 62. ORS 351.511 is amended to read:

351.511. (1) There is established in the General Fund an account to be known as the Portland State University Northwest Engineering Science Center Phase I Account. Funds in the account shall be used for acquisition or construction of an engineering science center at Portland State University.

(2) The account shall consist of federal and local government funds made available to and funds donated to [*the Oregon University System*] **Portland State University** for the purpose of the Portland State University Northwest Engineering Science Center Phase I project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account.

(3) Moneys in the account are continuously appropriated to [*the Oregon University System*] **Portland State University** for the purposes described in subsection (1) of this section. The account may not be credited with more than \$26,500,000 in interest, donations and federal and local government funds for purposes of this subsection.

SECTION 63. ORS 351.517 is amended to read:

351.517. (1) There is established in the General Fund an account to be known as the University of Oregon Education Building and Complex Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for an education building and complex at the University of Oregon.

(2) The account shall consist of federal and local government funds made available to and funds donated to the [*Oregon University System*] **University of Oregon** for the purpose of the education building and complex project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$19,400,000 in interest, donations and federal and local government funds for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **University of Oregon** and may be transferred to the account designated by ORS 351.626 for the education building and complex project described in subsection (1) of this section.

SECTION 64. ORS 351.518 is amended to read:

351.518. (1) There is established in the General Fund an account to be known as the University of Oregon Gilbert Hall Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for Gilbert Hall at the University of Oregon.

(2) The account shall consist of federal and local government funds made available to and funds donated to the [*Oregon University System*] **University of Oregon** for the purpose of the Gilbert Hall project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$3,300,000 in interest, donations and federal and local government funds for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **University of Oregon** and may be transferred to the account designated by ORS 351.626 for the Gilbert Hall project described in subsection (1) of this section.

SECTION 65. ORS 351.519 is amended to read:

351.519. (1) There is established in the General Fund an account to be known as the University of Oregon Integrative Science Complex Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for an integrative science complex at the University of Oregon that includes a multiscale materials and devices laboratory and other facilities related to a signature research center.

(2) The account shall consist of proceeds from lottery bonds made available to the [*Oregon University System*] **University of Oregon** for the purpose of the University of Oregon integrative science complex project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **University of Oregon** for the integrative science complex project described in subsection (1) of this section. The account may not be credited with more than \$4,750,000 in interest and proceeds from lottery bonds.

SECTION 66. ORS 351.521 is amended to read:

351.521. (1) There is established in the General Fund an account to be known as the University of Oregon School of Music Account. Funds in the account shall be used for additions and alterations to the School of Music at the University of Oregon.

(2) The account shall consist of federal and local government funds made available to and funds donated to the [*Oregon University System*] **University of Oregon** for the purpose of the University of Oregon School of Music project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **University of Oregon** for that purpose. The account may not be credited with more than \$7,600,000 in interest, donations and federal and local government funds for purposes of this subsection.

SECTION 67. ORS 351.538 is amended to read:

351.538. (1) There is established in the General Fund an account to be known as the Museum of Art Project Account. Funds in the account shall be used for additions to and alterations of the Museum of Art at the University of Oregon.

(2) The account shall consist of federal and local government funds made available to and funds donated to the [*Oregon University System*] **University of Oregon** for the purposes of the Museum of Art project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **University of Oregon** for that purpose. The account may not be credited with more than \$6,360,000 in interest, donations and federal and local government funds for purposes of this subsection.

SECTION 68. ORS 351.539 is amended to read:

351.539. (1) There is established in the General Fund an account to be known as the Straub Hall Project Account. Funds in the account shall be used for the additions to and alterations of Straub Hall at the University of Oregon.

(2) The account shall consist of federal and local government funds made available to and funds donated to the [*Oregon University System*] **University of Oregon** for the purposes of the Straub Hall project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **University of Oregon** for that purpose. The account may not be credited with more than \$1,166,000 in interest, donations and federal and local government funds for purposes of this subsection.

SECTION 69. ORS 351.590 is amended to read:

351.590. (1) An account in the Oregon University System Fund established by ORS 351.506 is designated for the purpose of receiving all revenue from incidental fees, optional fees, health services fees and all operating revenue from intercollegiate athletics, student unions and educational activities.

(2) Disbursements from the account designated by this section, including any interest credited to the account, may be made for necessary expenses for supplies, services and equipment associated with student activities including but not limited to recruiting, training and grant-in-aid to intercollegiate athletes.

(3) Income and interest derived from moneys in the account designated by this section are credited to the account. The State Board of Higher Education shall distribute annually the total interest earnings proportionately to each public university listed in ORS [352.002] **351.011** based on each university's average cash balance in the account.

SECTION 70. ORS 351.626 is amended to read:

351.626. An account in the Oregon University System Fund established by ORS 351.506 is designated for the construction, remodeling, expansion and renovation of facilities within the Oregon University System **or any public university with a governing board listed in section 3 of this 2013 Act.** Income and interest from moneys in the account are credited to the account.

SECTION 71. ORS 351.628 is amended to read:

351.628. (1) There is established in the General Fund an account to be known as the Higher Education Academic Modernization Account. Funds in the account shall be used at public universities listed in ORS [352.002] **351.011** for academic modernization, capital repair, deferred maintenance and making facilities compliant with building and safety codes.

(2) The account shall consist of funds donated to the Oregon University System for the purposes described in subsection (1) of this section. The account may also consist of other funds available to the Oregon University System for the purposes described in subsection (1) of this section. The Oregon University System may not deposit any moneys into the account that were appropriated to the Department of Higher Education under chapter 725, Oregon Laws 2003. Interest earned on moneys in the account shall be credited to the account.

(3) Moneys in the account are continuously appropriated to the Oregon University System for the purposes described in subsection (1) of this section. The account may not be credited with more than \$1,000,000 in interest, donations and other funds.

SECTION 72. ORS 351.638 is amended to read:

351.638. (1) An account in the Oregon University System Fund established by ORS 351.506 is designated for the purpose of attracting new, outstanding faculty members to the public universities listed in ORS [352.002] **351.011**. This purpose includes payment of costs incurred in relocating new faculty, retraining necessary teaching assistants for new faculty, acquisition of equipment such as laboratory equipment and facilities to support research by new faculty, payment of other costs incurred in recruiting new faculty and payment of costs associated with committing salary supplements to newly recruited faculty over a period of more than one year.

(2) The State Board of Higher Education shall seek funds from private sources for deposit to the credit of the account designated by this section.

SECTION 73. ORS 351.642, as amended by section 7, chapter 106, Oregon Laws 2012, is amended to read:

351.642. (1) As used in this section:

(a) "Active member of the Armed Forces of the United States" includes officers and enlisted personnel of the Armed Forces of the United States who:

(A) Reside in this state while assigned to duty at any base, station, shore establishment or other facility in this state;

(B) Reside in this state while serving as members of the crew of a ship that has an Oregon port or shore establishment as its home port or permanent station; or

(C) Reside in another state or a foreign country and establish Oregon residency by filing Oregon state income taxes no later than 12 months before leaving active duty.

(b) "Armed Forces of the United States" includes:

(A) The Army, Navy, Air Force, Marine Corps and Coast Guard of the United States;

(B) Reserve components of the Army, Navy, Air Force, Marine Corps and Coast Guard of the United States; and

(C) The National Guard of the United States and the Oregon National Guard.

(c) "Dependent children" includes any children of an active member of the Armed Forces of the United States, of an active member of the commissioned corps of the National Oceanic and Atmospheric Administration or of a member of the Public Health Service of the United States Department of Health and Human Services detailed by proper authority for duty with the Army or Navy of the United States, who:

(A) Are under 18 years of age and not married, otherwise emancipated or self-supporting; or

(B) Are under 23 years of age, unmarried, enrolled in a full-time course of study in an institution of higher learning and dependent on the member for over one-half of their support.

(2) Active members of the Armed Forces of the United States, active members of the commissioned corps of the National Oceanic and Atmospheric Administration and members of the Public Health Service of the United States Department of Health and Human Services detailed by proper authority for duty with the Army or Navy of the United States, and their spouses and dependent children, are considered residents of this state for the purpose of admission and for the purpose of determining fees and tuition to be paid by such individuals while attending any public university [*that is under the control of the State Board of Higher Education*] **listed in ORS 352.002.**

(3) The State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** may contract with the Armed Forces of the United States to furnish educational service [*in the public universities*] to active members of the Armed Forces of the United States.

(4) The State Board of Higher Education **and the governing board** shall determine the number of such students that should be accepted and shall make final decisions on admission of individual applicants.

(5) Students attending the public universities under contracts with the Armed Forces of the United States under this section shall pay fees and tuition customarily charged Oregon students.

(6) Payments made by the Armed Forces of the United States under such contracts shall be deposited in a designated account [*in the Oregon University System Fund established by ORS 351.506*] in the same manner that fees and tuition payments for resident students are deposited and credited.

SECTION 74. ORS 351.643, as amended by section 8, chapter 106, Oregon Laws 2012, is amended to read:

351.643. (1) A student at a public university listed in ORS 352.002 who is a member of the military, a member of the commissioned corps of the National Oceanic and Atmospheric Administration or a member of the Public Health Service of the United States Department of Health and Human Services detailed by proper authority for duty with the Army or Navy of the United States and who is ordered to federal or state active duty for more than 30 consecutive days has the following rights:

(a) With regard to a course in which the student is enrolled and for which the student has paid tuition and fees, the right to:

(A) Withdraw from the course, subject to the provisions of subsection (2) of this section;

(B) Receive a grade of incomplete and, upon release from active duty, complete the course in accordance with the practice of the public university for completion of incomplete courses; or

(C) Continue and complete the course for full credit, subject to the provisions of subsection (3) of this section;

(b) The right to a credit described in ORS 351.644 for all amounts paid for room, board, tuition and fees;

(c) If the student elects to withdraw from the public university, the right to be readmitted and reenrolled at the public university within one year after release from active duty without a requirement of redetermination of admission eligibility; and

(d) The right to continuation of scholarships and grants awarded to the student that were funded by the public university or the Oregon Student Access Commission before the student was ordered to active duty.

(2) If the student elects to withdraw from a course under subsection (1)(a)(A) of this section, the public university may not:

(a) Give the student academic credit for the course from which the student withdraws;

(b) Give the student a failing grade or a grade of incomplete or make any other negative annotation on the student's record; or

(c) Alter the student's grade point average due to the student's withdrawal from the course.

(3) A student who elects to continue and complete a course for full credit under subsection (1)(a)(C) of this section is subject to the following conditions:

(a) Course sessions the student misses due to active duty shall be counted as excused absences and may not adversely impact the student's grade for the course or rank in the student's class.

(b) The student may not be automatically excused from completing course assignments due during the period the student serves on active duty.

(c) A letter grade or a grade of pass may be awarded only if, in the opinion of the teacher of the course, the student completes sufficient work and demonstrates sufficient progress toward meeting course requirements to justify the grade.

(4) The State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** shall adopt [*rules*] **standards** for the administration of this section.

(5) As used in this section, "member of the military" means a person who is a member of:

(a) The Oregon National Guard or the National Guard of any other state or territory; or

(b) The reserves of the Army, Navy, Air Force, Marine Corps or Coast Guard of the United States.

SECTION 75. ORS 351.644 is amended to read:

351.644. (1)(a) The amount of the credit specified in ORS 351.643 (1)(b) shall be based on:

(A) The amount of room and board paid by the student for a term that the student does not complete because the student is ordered to active duty; and

(B) The amount of tuition and fees paid by the student for a course from which the student withdraws.

(b) The amount of the credit shall be prorated based on the number of weeks remaining in the term or course when the student withdraws.

(c) At the time a student withdraws from a course at a public university listed in ORS 352.002 or from the public university, the student must elect to claim the credit:

(A) As a credit toward tuition and fees or room and board if the student reenrolls at the public university under ORS 351.643 (1)(c); or

(B) As a monetary payment.

(2) A student who elects to claim the credit by the method described in subsection (1)(c)(A) of this section may change the method of claiming the credit to the method described in subsection (1)(c)(B) of this section by giving notice to the public university from which the student withdraws.

(3) A student who elects to claim the credit by the method described in subsection (1)(c)(A) of this section must use the credit or change the method of claiming the credit under subsection (2) of this section within one year after release from active duty.

(4) A personal representative of a student who elected to claim the credit by the method described in subsection (1)(c)(A) of this section may claim a monetary payment upon presenting evidence to the public university that the student died while serving on active duty.

(5) The State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** shall adopt [*rules*] **standards** for the ad-

ministration of this section, including *[rules that determine]* **standards setting** the amount of credit and the method by which the credit is prorated.

SECTION 76. ORS 351.646 is amended to read:

351.646. A public university listed in ORS 352.002 shall give credit for education and training obtained by a person while serving in the Armed Forces of the United States, as defined in ORS 351.642. The education and training for which credit may be given must meet the standards adopted by the State Board of Higher Education **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act** *[by rule]*.

SECTION 77. ORS 351.658 is amended to read:

351.658. (1) *[The State Board of Higher Education shall direct]* Each public university listed in ORS 352.002 *[to]* **shall** waive tuition for any course audited by an Oregon resident 65 years of age or older if:

(a) Space is available in the course for additional students to register after degree-seeking students have registered;

(b) The department in which the course is being taught approves; and

(c) The auditing student is registered for eight credits or fewer per term.

(2) The public university may charge the student attending under subsection (1) of this section fees associated with the course being audited.

(3) A public university may develop *[rules]* **standards** for implementation of this section, including *[rules]* **standards** relating to registration, admission and fees.

SECTION 78. ORS 351.692 is amended to read:

351.692. (1) The State Board of Higher Education shall adopt policies that prescribe the requirements for a venture grant program and the requirements that a grant applicant must meet in order to receive grant moneys from a university venture development fund, including requirements:

[(1)] (a) That a grant recipient remain within this state for at least five years following the receipt of a grant or repay the grant plus interest;

[(2)] (b) That each university that establishes a university venture development fund report amounts of tax credit certificates issued by the university and maintain records of income realized by the university as the result of grants made from the fund and records of amounts paid to the General Fund; and

[(3)] (c) Under which the Oregon University System is to maintain records and issue directions to universities that have established university venture development funds relating to when universities must cease issuing certificates, in order to ensure that the total amount owed **by the public universities listed in ORS 352.002** to the General Fund *[by the Oregon University System]* at any one time under ORS 351.697 (6) does not exceed \$6 million.

(2) The governing board of a public university with a governing board listed in section 3 of this 2013 Act shall adopt a policy that prescribes the requirements for a venture grant program and the requirements that a grant applicant must meet in order to receive grant moneys from the university venture development fund operated by the university, including requirements:

(a) That a grant recipient remain within this state for at least five years following the receipt of a grant or repay the grant plus interest;

(b) That the university report amounts of tax credit certificates issued by the university and cease issuing certificates until the total amount owed by the public universities listed in ORS 352.002 to the General Fund at any one time under ORS 351.697 (6) does not exceed \$6 million; and

(c) That the university maintain records of income realized by the university as the result of grants made from the fund and records of amounts paid to the General Fund.

SECTION 79. ORS 351.695 is amended to read:

351.695. (1) A university within the Oregon University System may deposit moneys received for its university venture development fund in the Higher Education Donation Fund established under ORS 351.130.

(2) Notwithstanding ORS 351.697 (5), the State Treasurer, as payment for expenses, may deduct a fee pursuant to ORS 293.718 from a university venture development fund administered by a university [*within the Oregon University System*] **listed in ORS 352.002** or the Oregon Health and Science University.

(3) A university [*within the Oregon University System*] **listed in ORS 352.002** or the Oregon Health and Science University may direct that moneys credited to its university venture development fund be held and invested by the university's affiliated foundation. Any moneys held by an affiliated foundation under this section or ORS 351.697 are not subject to the provisions of ORS chapter 293 or 295 and may not be considered public or state funds for any purpose. Moneys transferred to an affiliated foundation under this section or ORS 351.697 may be used only as provided under ORS 351.692, 351.695, 351.697 and 353.445.

(4) At the request of a university within the Oregon University System, moneys in the Higher Education Donation Fund that were deposited by the university under this section may be transferred to the university's affiliated foundation.

(5) A university [*within the Oregon University System*] **listed in ORS 352.002** or the Oregon Health and Science University may retain or may elect to have its affiliated foundation retain some or all of the principal contributed to a university venture development fund for investment to perpetuate and increase the moneys available for expenditure. The balance of the fund and the earnings on that balance may be used as provided under ORS 351.692, 351.695, 351.697 and 353.445.

SECTION 80. ORS 351.697 is amended to read:

351.697. (1) Each university [*in the Oregon University System*] **listed in ORS 352.002** and Oregon Health and Science University may elect to establish a university venture development fund as provided in this section for the purpose of facilitating the commercialization of university research and development. A university shall direct that the university venture development fund be administered, in whole or in part, by the university or by the university's affiliated foundation.

(2) The purposes of a university venture development fund are to provide:

- (a) Capital for university entrepreneurial programs;
- (b) Opportunities for students to gain experience in applying research to commercial activities;
- (c) Proof-of-concept funding for transforming research and development concepts into commercially viable products and services;

(d) Entrepreneurial opportunities for persons interested in transforming research into viable commercial ventures that create jobs in this state; and

(e) Tax credits for contributors to university research commercialization activities.

(3) Each university that elects to establish a university venture development fund shall:

- (a) Notify the Department of Revenue of the establishment of the fund;
- (b) Either directly or through its affiliated foundation, solicit contributions to the fund and receive, manage and disburse moneys contributed to the fund;

(c) Subject to ORS 315.521 (1), 351.692 [(3)] and 353.445 (3), issue tax credit certificates to contributors to the fund in the amount of the contributions;

(d) Establish a grant program that meets the requirements for a venture grant program under policies adopted **under ORS 351.692** by the State Board of Higher Education [*under ORS 351.692*] **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act** or under policies adopted by the Oregon Health and Science University Board of Directors under ORS 353.445; and

(e) Subject to available moneys from the fund, provide qualified grant applicants with moneys for the purpose of facilitating the commercialization of university research and development.

(4) Except as provided in subsection (5) of this section, moneys in a university venture development fund shall be disbursed only as directed by a university.

(5) A university or its affiliated foundation may charge its customary administrative assessment to manage its university venture development fund in an amount not to exceed three percent of the fund's average balance during the fiscal year of the university or its affiliated foundation. The administrative assessment may be paid from the assets in the fund. Except as authorized by law, no

other fees or indirect costs shall be charged against the university venture development fund or any associated grants or other disbursements from the fund.

(6) A university that has established a university venture development fund shall monitor the use of grants made from the fund and identify the income realized by the university as the result of the use of the grants. Income consists of cash realized from royalties, milestone and license fee payments and cash from the sale of equity. The university shall cause the transfer of 20 percent of the income realized from the grants to the General Fund, but not to exceed the amount of the tax credits issued by the university as a result of contributions to its university venture development fund. Immediately upon deposit of the transferred amount into the General Fund, the university may issue new tax credits to equal the transferred amount.

(7) A university that has established a university venture development fund shall report annually to the Legislative Assembly or, if the Legislative Assembly is not in session, to the interim legislative committees on revenue. The report shall be at the end of the fiscal year of the university or of its affiliated foundation and provide information for that fiscal year. The university shall include in the report the following information pertaining to its university venture development fund:

- (a) The amount of donations received for the fund;
- (b) The amount of income received from the fund;
- (c) The amount of disbursements and grants paid from the fund;
- (d) The amount of income and royalties received from disbursements from the fund; and
- (e) The amount of moneys transferred from the fund to the General Fund.

SECTION 81. ORS 351.718 is amended to read:

351.718. (1) The members of the Higher Education Coordinating Commission must be residents of this state who are well informed on the principles of higher education.

(2) A member of the State Board of Higher Education, **the Oregon Health and Science University Board of Directors, the governing board of a public university with a governing board listed in section 3 of this 2013 Act** or the governing board of a community college district may not serve as a member of the Higher Education Coordinating Commission.

SECTION 82. ORS 351.735, as amended by section 1, chapter 104, Oregon Laws 2012, is amended to read:

351.735. (1) The Higher Education Coordinating Commission shall advise the Oregon Education Investment Board on state goals and associated achievement compacts for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for the Oregon Student Access Commission.

(2) Under the direction and control of the Oregon Education Investment Board, the Higher Education Coordinating Commission shall:

(a) Develop a strategic plan for achieving state higher education goals, identifying priority areas for attention and taking into consideration the contributions of this state's independent institutions and other organizations dedicated to helping Oregonians reach state goals. Goals should include, but need not be limited to:

- (A) Increasing the educational attainment of the population;
- (B) Increasing this state's global economic competitiveness and the quality of life of its citizens;
- (C) Ensuring affordable access for qualified Oregon students at each college or public university;

and

(D) Ensuring that public higher education in this state is provided in a cost-effective manner.

(b) Evaluate and recommend changes to statutory goals and missions described for community colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiving recommendations from the appropriate governing board. The appropriate governing board shall have decision-making authority over program offerings to implement established goals and missions.

(c) Develop a finance model for higher education aligned with the goals in the system strategic plan, including:

(A) Recommended biennial appropriations to institutions, including a component specifically tied to institutional contributions to state educational priorities;

(B) Recommended limits regarding the setting of tuition rates at public universities listed in ORS 352.002 in accordance with criteria set by the State Board of Higher Education **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act**, with the goal of encouraging tuition affordability for students;

(C) Tuition rates set by each community college governing board for community colleges in this state;

(D) Recommended biennial appropriations for student financial aid; and

(E) Recommended biennial appropriations for any future statewide higher education initiatives.

(d) Each biennium, recommend to the Oregon Education Investment Board a consolidated higher education budget request consistent with the finance model, including appropriations for:

(A) Ongoing operations of the Oregon Student Access Commission;

(B) Ongoing operations for the Oregon University System;

(C) Ongoing operations for all public universities listed in ORS 352.002;

~~[(C)]~~ **(D)** Ongoing operations for community colleges;

~~[(D)]~~ **(E)** Needed new facilities or programs; and

~~[(E)]~~ **(F)** Capital improvements.

(e) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of student financial assistance programs, including the Oregon Opportunity Grant program under ORS 348.260.

(f) Approve and authorize degrees for the Oregon University System.

(g) Authorize degrees to be offered in this state in accordance with ORS 348.594 to 348.615, and adopt any rules to implement that authority.

(3) In addition to the duties described in subsections (1) and (2) of this section, the Higher Education Coordinating Commission shall:

(a) Develop and recommend policies to ensure or improve access to higher education by underserved populations.

(b) Recommend and encourage student success and completion initiatives.

(c) Develop and recommend policies to improve the coordination of the provision of educational services, including:

(A) Transfers and other movements throughout the higher education system;

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

(C) Applied baccalaureate and other transfer degrees; and

(D) Reciprocity agreements with other states.

(d) Review research efforts among the public universities of this state to improve economic development in this state.

(e) Coordinate education initiatives with the State Workforce Investment Board, the Department of Community Colleges and Workforce Development, local workforce investment boards, the Oregon Health and Science University, **public universities with governing boards listed in section 3 of this 2013 Act** and independent institutions of post-secondary education.

SECTION 83. ORS 351.735, as amended by sections 1 and 3, chapter 104, Oregon Laws 2012, is amended to read:

351.735. (1) The Higher Education Coordinating Commission shall advise the Oregon Education Investment Board on state goals and associated achievement compacts for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for the Oregon Student Access Commission.

(2) Under the direction and control of the Oregon Education Investment Board, the Higher Education Coordinating Commission shall:

(a) Develop a strategic plan for achieving state higher education goals, identifying priority areas for attention and taking into consideration the contributions of this state's independent institutions and other organizations dedicated to helping Oregonians reach state goals. Goals should include, but need not be limited to:

(A) Increasing the educational attainment of the population;

(B) Increasing this state's global economic competitiveness and the quality of life of its citizens;
(C) Ensuring affordable access for qualified Oregon students at each college or public university;
and

(D) Ensuring that public higher education in this state is provided in a cost-effective manner.

(b) Evaluate and recommend changes to statutory goals and missions described for community colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiving recommendations from the appropriate governing board. The appropriate governing board shall have decision-making authority over program offerings to implement established goals and missions.

(c) Develop a finance model for higher education aligned with the goals in the system strategic plan, including:

(A) Recommended biennial appropriations to institutions, including a component specifically tied to institutional contributions to state educational priorities;

(B) Recommended limits regarding the setting of tuition rates at public universities listed in ORS 352.002 in accordance with criteria set by the State Board of Higher Education **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act**, with the goal of encouraging tuition affordability for students;

(C) Tuition rates set by each community college governing board for community colleges in this state;

(D) Recommended biennial appropriations for student financial aid; and

(E) Recommended biennial appropriations for any future statewide higher education initiatives.

(d) Each biennium, recommend to the Oregon Education Investment Board a consolidated higher education budget request consistent with the finance model, including appropriations for:

(A) Ongoing operations of the Oregon Student Access Commission;

(B) Ongoing operations for the Oregon University System;

(C) Ongoing operations for all public universities listed in ORS 352.002;

~~[(C)]~~ **(D)** Ongoing operations for community colleges;

~~[(D)]~~ **(E)** Needed new facilities or programs; and

~~[(E)]~~ **(F)** Capital improvements.

(e) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of student financial assistance programs, including the Oregon Opportunity Grant program under ORS 348.260.

(f) Approve and authorize degrees for the Oregon University System.

(g) Authorize degrees to be offered in this state in accordance with ORS 348.594 to 348.615, and adopt any rules to implement that authority.

(3) In addition to the duties described in subsections (1) and (2) of this section, the Higher Education Coordinating Commission shall:

(a) Develop and recommend policies to ensure or improve access to higher education by underserved populations.

(b) Recommend and encourage student success and completion initiatives.

(c) Develop and recommend policies to improve the coordination of the provision of educational services, including:

(A) Transfers and other movements throughout the higher education system;

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

(C) Applied baccalaureate and other transfer degrees; and

(D) Reciprocity agreements with other states.

(d) Review research efforts among the public universities of this state to improve economic development in this state.

(e) Coordinate education initiatives with the State Workforce Investment Board, the Department of Community Colleges and Workforce Development, local workforce investment boards, the Oregon Health and Science University, **public universities with governing boards listed in section 3 of this 2013 Act** and independent institutions of post-secondary education.

(f) Oversee the licensing of career schools under ORS 345.010 to 345.450.

SECTION 84. ORS 351.735, as amended by sections 1, 3 and 5, chapter 104, Oregon Laws 2012, is amended to read:

351.735. The Higher Education Coordinating Commission shall:

(1) Develop state goals and associated achievement compacts for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002, and for the Oregon Student Access Commission.

(2) Develop a strategic plan for achieving state higher education goals, identifying priority areas for attention and taking into consideration the contributions of this state's independent institutions and other organizations dedicated to helping Oregonians reach state goals. Goals should include, but need not be limited to:

- (a) Increasing the educational attainment of the population;
- (b) Increasing this state's global economic competitiveness and the quality of life of its citizens;
- (c) Ensuring affordable access for qualified Oregon students at each college or public university;

and

(d) Ensuring that public higher education in this state is provided in a cost-effective manner.

(3) Evaluate and recommend changes to statutory goals and missions described for community colleges in ORS 341.009 and for public universities in ORS 351.003 and 351.009 after receiving recommendations from the appropriate governing board. The appropriate governing board shall have decision-making authority over program offerings to implement established goals and missions.

(4) Develop a finance model for higher education aligned with the goals in the system strategic plan, including:

(a) Recommended biennial appropriations to institutions, including a component specifically tied to institutional contributions to state educational priorities;

(b) Recommended limits regarding the setting of tuition rates at public universities listed in ORS 352.002 in accordance with criteria set by the State Board of Higher Education **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act**, with the goal of encouraging tuition affordability for students;

(c) Tuition rates set by each community college governing board for community colleges in this state;

(d) Recommended biennial appropriations for student financial aid; and

(e) Recommended biennial appropriations for any future statewide higher education initiatives.

(5) Each biennium, recommend to the Governor and the Legislative Assembly a consolidated higher education budget request consistent with the finance model, including appropriations for:

(a) Ongoing operations of the Oregon Student Access Commission;

(b) Ongoing operations for the Oregon University System;

(c) Ongoing operations for all public universities listed in ORS 352.002;

~~(c)~~ **(d)** Ongoing operations for community colleges;

~~(d)~~ **(e)** Needed new facilities or programs; and

~~(e)~~ **(f)** Capital improvements.

(6) Coordinate with the Oregon Student Access Commission to maximize the effectiveness of student financial assistance programs, including the Oregon Opportunity Grant program under ORS 348.260.

(7) Approve and authorize degrees for the Oregon University System.

(8) Authorize degrees to be offered in this state in accordance with ORS 348.594 to 348.615, and adopt any rules to implement that authority.

(9) Develop and recommend policies to ensure or improve access to higher education by underserved populations.

(10) Recommend and encourage student success and completion initiatives.

(11) Develop and recommend policies to improve the coordination of the provision of educational services, including:

(a) Transfers and other movements throughout the higher education system;

(b) Accelerated college credit programs for high school students;

- (c) Applied baccalaureate and other transfer degrees; and
- (d) Reciprocity agreements with other states.

(12) Review research efforts among the public universities of this state to improve economic development in this state.

(13) Coordinate education initiatives with the State Workforce Investment Board, the Department of Community Colleges and Workforce Development, local workforce investment boards, the Oregon Health and Science University, **public universities with governing boards listed in section 3 of this 2013 Act** and independent institutions of post-secondary education.

- (14) Oversee the licensing of career schools under ORS 345.010 to 345.450.

SECTION 85. ORS 352.006 is amended to read:

352.006. *[No]* A political or sectarian test *[shall ever]* **may not** be allowed or applied in the appointment of faculty and other employees of *[the Oregon University System]* **a public university listed in ORS 352.002.**

SECTION 86. ORS 352.010 is amended to read:

352.010. The president and professors constitute the faculty of each of the public universities listed in ORS *[352.002]* **351.011** and as such have the immediate government and discipline of the public university and the students therein, except as otherwise provided by statute or action of the State Board of Higher Education. The faculty may, subject to the supervision of the board under ORS 351.070, prescribe the course of study to be pursued in the public university and the textbooks to be used.

SECTION 87. ORS 352.012 is amended to read:

352.012. For the purpose of requesting a state or nationwide criminal records check under ORS 181.534, *[the Oregon University System]* **a public university listed in ORS 352.002** may require the fingerprints of a person who:

(1)(a) Is employed or applying for employment by the **university or** Oregon University System; or

(b) Provides services or seeks to provide services to the **university or** Oregon University System as a contractor or volunteer; and

(2) Is, or will be, working or providing services in a position that is designated as a critical or security-sensitive position. As used in this subsection, "critical or security-sensitive position" means a position in which the person:

(a) Has direct access to persons under 18 years of age or to student residence facilities because the person's work duties require the person to be present in the residence facility;

(b) Is providing information technology services and has control over, or access to, information technology systems that would allow the person to harm the information technology systems or the information contained in the systems;

(c) Has access to information, the disclosure of which is prohibited by state or federal laws, rules or regulations or information that is defined as confidential under state or federal laws, rules or regulations;

(d) Has access to property where chemicals, hazardous materials and other items controlled by state or federal laws or regulations are located;

(e) Has access to laboratories, nuclear facilities or utility plants to which access is restricted in order to protect the health or safety of the public;

(f) Has fiscal, financial aid, payroll or purchasing responsibilities as one of the person's primary responsibilities; or

(g) Has access to personal information about employees or members of the public including Social Security numbers, dates of birth, driver license numbers, medical information, personal financial information or criminal background information.

SECTION 88. ORS 351.094 is amended to read:

351.094. (1)(a) The State Board of Higher Education shall provide group insurance to employees of the Oregon University System through the Public Employees' Benefit Board or may elect to provide **an** alternative group health and welfare insurance benefit *[plans]* **plan** to employees of the

Oregon University System [if the same level of benefits is available at a lower cost than through the Public Employees' Benefit Board] **on or after October 1, 2016, if the benefit plan is offered through the health insurance exchange under ORS 741.310, unless their participation is precluded by federal law.**

(b) **The governing board of each university with a governing board listed in section 3 of this 2013 Act shall provide group insurance to employees of the university through the Public Employees' Benefit Board or may elect to provide an alternative group health and welfare insurance benefit plan to employees of the university on or after October 1, 2016, if the benefit plan is offered through the health insurance exchange under ORS 741.310, unless their participation is precluded by federal law.**

(2) For the purposes of ORS 243.555 to 243.575, if the State Board of Higher Education **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act** chooses not to participate in the benefit plans offered through the Public Employees' Benefit Board, the State Board of Higher Education **or governing board** may have the authority granted to the Public Employees' Benefit Board under ORS 243.555 to 243.575 for the administration of an appropriate expense reimbursement plan.

(3)(a) The State Board of Higher Education shall offer one or more deferred compensation plans to employees of the Oregon University System. The Oregon University System shall, at the discretion of the board, choose whether to offer its employees the state deferred compensation plan established under ORS 243.401 to 243.507 or another deferred compensation plan that the board elects to make available to the employees of the Oregon University System.

(b) **The governing board of each public university with a governing board listed in section 3 of this 2013 Act shall offer one or more deferred compensation plans to employees of the university. The governing board shall choose whether to offer its employees the state deferred compensation plan established under ORS 243.401 to 243.507 or another deferred compensation plan that the governing board elects to make available to the employees of the university.**

SECTION 89. ORS 352.043 is amended to read:

352.043. (1) There is created [*within the Oregon University System*] the University of Oregon School of Law[. *The school shall*] **to** be administered by the University of Oregon.

(2) The University of Oregon School of Law shall:

(a) Prepare students for careers in the legal profession.

(b) Perform the duties required of the school under ORS 36.100 to 36.238.

(3) The president of the University of Oregon shall appoint the Dean of the University of Oregon School of Law.

SECTION 90. ORS 352.046 is amended to read:

352.046. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the Center for Brain, Biology and Machine[. *The center shall*] **to** be administered by the University of Oregon.

(2) The purpose of the center is to promote interdisciplinary teaching and research in scientific areas, including but not limited to brain structure, development and functions, genetics and genomics, cognitive neuroscience, molecular biology, computational science, computing, magnetic resonance imaging and optics.

(3) The [*Oregon University System*] **University of Oregon** may receive moneys from any public or private source to support the Center for Brain, Biology and Machine created under subsections (1) and (2) of this section. Gifts or grants received to support the center shall be deposited in an appropriate fund at the University of Oregon [*by the Oregon University System*].

NOTE: Sections 91 through 94 were deleted by amendment. Subsequent sections were not renumbered.

SECTION 95. ORS 352.066 is amended to read:

352.066. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the Mark O. Hatfield School of Government[. *The Mark O. Hatfield School of Government shall*], **to** be

administered by Portland State University. The president of Portland State University shall appoint the director of the Mark O. Hatfield School of Government.

(2) The purposes of the Mark O. Hatfield School of Government are:

(a) To prepare students for careers in political service, public administration and the administration of justice;

(b) To perform the duties required of the school under ORS 36.179, 183.502 and 390.240; and

(c) To assist the Criminal Justice Research and Policy Institute in carrying out the duties under subsection (3) of this section.

(3) There is created within the Mark O. Hatfield School of Government the Criminal Justice Research and Policy Institute. The institute may assist the Legislative Assembly and state and local governments in developing policies to reduce crime and delinquency by:

(a) Providing the Legislative Assembly with objective, nonpartisan analyses of existing or proposed state criminal justice policies, which analyses may not be inconsistent with state or federal law or the Oregon or United States Constitution;

(b) Evaluating programs, including but not limited to programs dealing with public safety professionalism, ethics in leadership and childhood development, funded directly or indirectly by the State of Oregon that are intended to reduce criminal and delinquent behavior or to improve professionalism in public safety careers;

(c) Managing reviews and evaluations relating to major long-term issues confronting the state involving criminal and juvenile justice, public safety professionalism, ethics in leadership and early childhood development programs;

(d) Initiating, sponsoring, conducting and publishing research on criminal and juvenile justice, public safety professionalism, ethics in leadership and early childhood development that is peer reviewed and directly useful to policymakers;

(e) Organizing conferences on current state issues that bring together policymakers, public agencies and leading academicians; and

(f) Seeking to strengthen the links among the Legislative Assembly, state and local governments, the Oregon Criminal Justice Commission, the Department of Public Safety Standards and Training and the academic community in the interest of more informed policymaking, the application of best practices and more relevant academic research.

(4) The Governor, the Chief Justice of the Supreme Court, the President of the Senate, the Speaker of the House of Representatives or the chairperson of a legislative committee with responsibility over criminal or juvenile justice systems or childhood development programs may request the assistance of the Criminal Justice Research and Policy Institute in evaluating criminal or juvenile justice programs developed for, but not necessarily limited to, preventing delinquency, reducing crime and improving professionalism in public safety careers.

(5) Agencies, departments and officers of state and local governments may assist the Criminal Justice Research and Policy Institute in the performance of its functions and furnish information, data and advice as requested by the institute.

SECTION 96. ORS 352.068 is amended to read:

352.068. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the Center for Lakes and Reservoirs[. *The Center for Lakes and Reservoirs shall*], **to** be administered by Portland State University.

(2) The purpose of the Center for Lakes and Reservoirs is to assist state and federal agencies in researching and mitigating nonindigenous, invasive aquatic species in this state and to work with communities in developing effective management of lakes and reservoirs.

SECTION 97. ORS 352.071 is amended to read:

352.071. (1) Pursuant to ORS 351.870, [*there is created within the Oregon University System*] the Graduate School of Social Work[. *The Graduate School of Social Work shall*] **is created, to** be administered by Portland State University.

(2) The purpose of the Graduate School of Social Work is to provide a center for specialized education and research in the social services for the betterment of communities in the Portland metropolitan area, the state and the Pacific Northwest.

SECTION 98. ORS 352.074 is amended to read:

352.074. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the Institute of Portland Metropolitan Studies[. *The Institute of Portland Metropolitan Studies shall*], to be administered by Portland State University.

(2) The purpose of the Institute of Portland Metropolitan Studies is to build partnerships between Portland State University's urban studies programs and the surrounding communities of metropolitan Portland and to sponsor public service research.

SECTION 99. ORS 352.360 is amended to read:

352.360. (1) The State Board of Higher Education may enact such regulations as the board deems convenient or necessary to provide for the policing, control and regulation of traffic and parking of vehicles on the property of any public university listed in ORS [352.002] **351.011**. The regulations may provide for the registration of vehicles, the designation of parking areas and the assessment and collection of reasonable fees and charges for parking. The board may require that before a quarterly or yearly parking privilege for any vehicle is granted to any full-time or part-time student to use board property, the student must show that the vehicle is operated by a student holding a valid driver license, that the vehicle is currently registered and that the student driving the vehicle is insured under a motor vehicle liability insurance policy that meets the requirements described under ORS 806.080 or that the student or owner of the vehicle has provided the Department of Transportation with other satisfactory proof of compliance with the financial responsibility requirements of this state.

(2) The regulations enacted pursuant to subsection (1) of this section shall be enforced administratively under procedures adopted by the board for each public university. Administrative and disciplinary sanctions may be imposed upon students, faculty and staff for violation of the regulations, including but not limited to, a reasonable monetary penalty which may be deducted from student deposits, and faculty or staff salaries or other funds in the possession of the public university. The board shall provide opportunity for hearing for the determination of controversies in connection with imposition of fines or penalties. The board may prescribe procedures for such hearings despite the provisions of ORS 183.413 to 183.470. Persons other than students, faculty or staff may voluntarily submit to the hearing procedures prescribed by the board, and shall be bound by the results of the hearing. The powers granted to the board by this section are supplemental to the existing powers of the board with respect to the government of activities of students, faculty and staff and the control and management of property under its jurisdiction.

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

(4) All fees and charges for parking privileges and violations are deposited in a designated account in the Oregon University System Fund established by ORS 351.506 for the purpose of defraying the costs of constructing bicycle racks and bicycle lanes and of traffic control, enforcement of traffic and parking regulations and maintenance and operation of parking facilities and for the purpose of acquiring and constructing additional parking facilities for vehicles at the various public universities and offices, departments and activities under the control of the board. Fees and charges may also be credited to the account in the Oregon University System Fund designated by ORS 351.460. Parking fees shall be established at levels no greater than those required to finance the construction, operation and maintenance of parking facilities on the same campus of the public university for which the parking is provided. Notwithstanding ORS 351.072, parking fees or changes in fees shall be adopted [*by rule of*] **in accordance with standards issued by** the board [*subject to the procedure for rules adopted in ORS chapter 183*].

(5) Every peace officer may enforce the regulations made by the board under subsection (1) of this section. The board, for the purpose of enforcing its [*rules*] **standards** and regulations governing

traffic control, may appoint peace officers who have the same authority as other peace officers as defined in ORS 133.005.

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

(7) In proceedings brought to enforce regulations enacted pursuant to subsection (1) of this section, it shall be sufficient to charge the defendant by an unsworn written notice in accordance with the provisions of ORS 221.333. In any case in which the defendant is not subject to and does not voluntarily submit to the hearing procedures prescribed under subsection (2) of this section, proceedings to enforce regulations enacted pursuant to subsection (1) of this section shall be brought in the name of the board in a circuit court, a justice court or a city court for offenses committed within the territorial jurisdiction of such court. Such courts shall have concurrent jurisdiction over offenses committed within their respective jurisdictions. All fines, penalties and court costs recovered shall be paid to the clerk of the court involved and shall be disposed of as provided in ORS 153.640 to 153.680.

SECTION 100. ORS 21.007, as amended by section 8, chapter 48, Oregon Laws 2012, is amended to read:

21.007. It is the intent of the Legislative Assembly that funding be provided to the following entities by appropriations each biennium to fund programs, services and activities that were funded through court fees before the 2011-2013 biennium:

(1) To the counties of this state for the purposes of funding mediation services, conciliation services and other services in domestic relations cases.

(2) To the counties of this state for the purposes of funding the operation of law libraries or of providing law library services.

(3) To *[the Oregon University System]* **Portland State University and the University of Oregon** to fund the programs and expenses of the Mark O. Hatfield School of Government and the University of Oregon School of Law under ORS 36.100 to 36.238 and 183.502.

(4) To the Housing and Community Services Department for the purpose of funding programs that defray the cost of rent for dwelling units for very low income households.

(5) To the Oregon University System to fund clinical legal education programs at accredited institutions of higher education that provide civil legal services to victims of domestic violence, stalking or sexual assault.

(6) To the State Department of Agriculture for the purpose of funding mediation programs established by the department, other than individual farm credit mediations.

(7) To the Judicial Department for the purposes of funding the appellate settlement program established under ORS 2.560.

(8) To the Department of Human Services for the funding of the Office of Children's Advocate.

SECTION 101. ORS 30.264 is amended to read:

30.264. (1)(a) The State Board of Higher Education may authorize public universities listed in ORS *[352.002]* **351.011** to provide liability insurance coverage for students involved in off-campus experiential activities, including, but not limited to, student teaching, internships, clinical experiences, capstone projects and related activities.

(b) The governing board of a public university with a governing board listed in section 3 of this 2013 Act may authorize the university to provide liability insurance coverage for students involved in off-campus experiential activities, including, but not limited to, student teaching, internships, clinical experiences, capstone projects and related activities.

(2) If commercial liability insurance coverage is not available to the public universities, students participating in the activities described in subsection (1) of this section shall be considered to be acting within the course and scope of state employment duties for purposes of ORS 30.260 to 30.300.

SECTION 102. ORS 30.864 is amended to read:

30.864. (1) Any person claiming to be aggrieved by the reckless disclosure of personally identifiable information from a student's education records as prohibited by [rules of] **standards issued by the State Board of Education, [or] the State Board of Higher Education or the governing board of a public university with a governing board listed in section 3 of this 2013 Act** may file a civil action in circuit court for equitable relief or, subject to the terms and conditions of ORS 30.265 to 30.300, for damages, or both. The court may order such other relief as may be appropriate.

(2) The action authorized by this section shall be filed within two years of the alleged unlawful disclosure.

(3) In an action brought under this section, the court may allow the prevailing party costs, disbursements and reasonable attorney fees.

SECTION 103. ORS 36.145 is amended to read:

36.145. The Dispute Resolution Account is established in the State Treasury, separate and distinct from the General Fund. All moneys received under ORS 36.150 shall be deposited to the credit of the account. Notwithstanding the provisions of ORS 291.238, all moneys in the account are continuously appropriated to the [*Oregon University System*] **University of Oregon or Portland State University** for the purposes for which the moneys were made available and shall be expended in accordance with the terms and conditions upon which the moneys were made available.

SECTION 104. ORS 36.150 is amended to read:

36.150. [*The Oregon University System*] **Portland State University**, on behalf of the Mark O. Hatfield School of Government and the **University of Oregon, on behalf of the** University of Oregon School of Law, may accept and expend moneys from any public or private source, including the federal government, made available for the purpose of encouraging, promoting or establishing dispute resolution programs in Oregon or to facilitate and assist the schools in carrying out the responsibilities of the schools under ORS 36.100 to 36.238 and 183.502. All moneys received by the [*Oregon University System*] **University of Oregon and Portland State University** under this section shall be deposited in the Dispute Resolution Account.

SECTION 105. ORS 36.155 is amended to read:

36.155. The Dean of the University of Oregon School of Law shall award grants for the purpose of providing dispute resolution services in counties. Grants under this section shall be made from funds [*appropriated*] **allocated** to the [*Oregon University System*] **University of Oregon** on behalf of the University of Oregon School of Law for distribution under this section. The [*State Board of Higher Education*] **Board of Trustees of the University of Oregon** may adopt [*rules*] **standards** for the operation of the grant program.

SECTION 106. ORS 184.631 is amended to read:

184.631. (1) The Department of Transportation shall establish a public-private partnership research and development program.

(2) As part of the program established under this section, the department may enter into joint research and development agreements for the purpose of developing products for market that may reduce the cost of maintenance and preservation or extend the useful life of the state's highways or that may improve highway safety. The department may enter into agreements with the following:

- (a) Individuals.
- (b) Businesses.
- (c) Nonprofit organizations.
- (d) The State Board of Higher Education.

(e) The governing board of a public university with a governing board listed in section 3 of this 2013 Act.

(3) The department may enter into agreements under subsection (2) of this section that allow the department to obtain royalties or other financial benefits from the sale or use of products developed through the public-private partnership research and development program.

(4) Moneys that the department is authorized to spend on planning and research may be used for development of products under this section.

(5) The department shall adopt rules that govern the solicitation and selection of product development projects that will receive funding under the program established under this section.

SECTION 106a. ORS 190.510 is amended to read:

190.510. As used in ORS 190.510 to 190.610, unless the context requires otherwise,[:]

[(1) "Board" means the State Board of Higher Education established under ORS 351.015.]

[(2)] "city" means any incorporated city or town.

SECTION 106b. ORS 190.520 is amended to read:

190.520. (1) [*The State Board of Higher Education*] **Portland State University** shall:

(a) Annually estimate the population as of July 1 of each city and county within the state and no later than December 15 of each year prepare a certificate of population showing the [*board's*] **university's** estimate of the population of each city and county within the state as of July 1. The [*board's*] **university's** estimate may be based upon statistical or other pertinent data or upon an actual count. The certificate shall also indicate the results of any enumeration of cities or annexed areas made after July 1.

(b) Annually estimate the number of persons between the ages of 4 and 20 who resided in each county as of October 25. The [*board*] **university** shall certify such estimate to the Superintendent of Public Instruction and to the executive officer of the administrative office of each county, as defined in ORS 328.001, by January 1 of each year.

(c) Upon an official request from a city, county, political subdivision, public corporation or state agency, cause to be conducted at the expense of the requesting party an actual count of the population of the area specified in the request and prepare a certificate of population based upon such count.

(d) Upon the incorporation of a city, cause to be conducted at the expense of the city an actual count of the population of the city. The [*board*] **university** shall prepare a certificate of population based upon such count. If the election of officers of the newly incorporated city is held 40 days or more before the end of the calendar quarter, the certificate shall be prepared before the end of the calendar quarter. If the election is held less than 40 days before the end of the calendar quarter, the certificate shall be prepared before the end of the calendar quarter next following the election.

(2) All certificates prepared under this section shall be filed with the Portland State University Population Research Center.

SECTION 106c. ORS 190.530 is amended to read:

190.530. Upon petition from a city, county, political subdivision, public corporation or state agency for reconsideration, or upon its own motion, [*the State Board of Higher Education*] **Portland State University** may revise its determination of the population of a city, county or other area. Payment of funds to a city, county or other area under ORS 323.455, 366.785 to 366.820 or 471.810 shall be affected by a subsequent filing of a corrected certificate under this section in the manner provided by ORS 190.620.

SECTION 106d. ORS 190.540 is amended to read:

190.540. (1) The population shown in the certificate of population [*of the State Board of Higher Education*] filed pursuant to ORS 190.520 or 190.530 shall be the official population of the city, county or other area covered by the certificate until a later certificate covering such city, county or other area is filed by [*the board*] **Portland State University**.

(2) After a certificate of population is filed pursuant to ORS 190.520 or 190.530, the population of a city, county or other area as shown in the certificate shall be the official and exclusive basis for determining per capita allocation and payment of funds to such city, county or other area under ORS 366.785 to 366.820 and 471.810 until the filing by the [*board*] **university** of a later certificate for such city, county or other area.

SECTION 106e. ORS 190.580 is amended to read:

190.580. [*The State Board of Higher Education*] **Portland State University** may adopt such [*rules and regulations*] **standards** as it considers desirable and expedient in the conduct of its duties under ORS 190.510 to 190.610.

SECTION 106f. ORS 190.590 is amended to read:

190.590. Any state agency, or officer thereof, and any city, or department, officer or employee thereof, shall, upon request of [*the State Board of Higher Education*] **Portland State University**, furnish such available information as may be required by the [*board*] **university** in securing accurate data and information upon which to base its estimates. The [*board*] **university** may prescribe the form for reporting such information.

SECTION 106g. ORS 190.610 is amended to read:

190.610. [*The State Board of Higher Education*] **Portland State University** shall establish a program, [*at one or more of the public universities under its control,*] designed to perform the duties imposed upon it by ORS 190.510 to 190.610.

SECTION 106h. ORS 294.311 is amended to read:

294.311. As used in ORS 294.305 to 294.565, unless the context requires otherwise:

(1) "Accrual basis" means the recording of the financial effects on a municipal corporation of transactions and other events and circumstances that have cash consequences for the municipal corporation in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the municipal corporation.

(2) "Activity" means a specific and distinguishable service performed by one or more organizational components of a municipal corporation to accomplish a function for which the municipal corporation is responsible.

(3) "Appropriation" means an authorization granted by the governing body to make expenditures and to incur obligations for specific purposes. An appropriation is limited to a single fiscal year for municipal corporations preparing annual budgets, or to the budget period for municipal corporations preparing biennial budgets.

(4) "Basis of accounting" means the cash basis, the modified accrual basis or the accrual basis.

(5) "Budget" means a plan of financial operation embodying an estimate of expenditures for a given period or purpose and the proposed means of financing the estimated expenditures.

(6) "Budget document" means the estimates of expenditures and budget resources as set forth on the estimate sheets, tax levy and the financial summary.

(7) "Budget period" means, for municipal corporations with the power to levy a tax upon property, the two-year period commencing on July 1 and closing on June 30 of the second calendar year next following, and for all other municipal corporations, an accounting period of 24 months ending on the last day of any month.

(8) "Budget resources" means resources to which recourse can be had to meet obligations and expenditures during the fiscal year or budget period covered by the budget.

(9) "Cash basis" means a basis of accounting under which transactions are recognized only in the period during which cash is received or disbursed.

(10) "Current budget period" means the budget period in progress.

(11) "Current year" means the fiscal year in progress.

(12) "Encumbrance accounting" means the method of accounting under which outstanding encumbrances are recognized as reductions of appropriations and the related commitments are carried in a reserve for encumbrances until liquidated, either by replacement with an actual liability or by cancellation. This method of accounting may be used as a modification to the accrual basis of accounting in accordance with generally accepted accounting principles.

(13) "Encumbrances" means obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

(14) "Ensuing budget period" means the budget period following the current budget period.

(15) "Ensuing year" means the fiscal year following the current year.

(16) "Expenditure" means, if the accounts are kept on the accrual basis or the modified accrual basis, decreases in net financial resources and may include encumbrances. If the accounts are kept on the cash basis, the term covers only actual disbursement, the drawing of the check or warrant for these purposes and not encumbrances, except that deferred employee compensation shall be in-

cluded as a personnel service expenditure where an approved deferred employee compensation plan is in effect for a municipal corporation.

(17) "Fiscal year" means for municipal corporations with the power to impose ad valorem property taxes, the fiscal year commencing on July 1 and closing on June 30, and for all other municipal corporations, an accounting period of 12 months ending on the last day of any month.

(18) "Fund balance" means the excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

(19) "General county resources" means resources from property taxes, state and federal shared revenue, beginning balances available for expenditure and interest not required to be allocated to specific programs or activities.

(20) "Governing body" means the city council, board of commissioners, board of directors, county court or other managing board of a municipal corporation including a board managing a municipally owned public utility or a dock commission.

(21) "Grant" means a donation or contribution of cash to a governmental unit by a third party.

(22) "Intergovernmental entity" means an entity created under ORS 190.010 (5). The term includes any council of governments created prior to the enactment of ORS 190.010 (5).

(23) "Internal service fund" means a fund properly authorized to finance, on a cost reimbursement basis, goods or services provided by one organizational unit of a municipal corporation to other organizational units of the municipal corporation.

(24) "Liabilities" means probable future sacrifices of economic benefits, arising from present obligations of a municipal corporation to transfer assets or provide services to other entities in the future as a result of past transactions or events. The term does not include encumbrances.

(25)(a) "Modified accrual basis" means the accrual basis of accounting adapted to the governmental fund-type measurement focus. Under this basis of accounting, revenues and other financial resource increments, such as bond proceeds, are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures in the current period.

(b) As used in this subsection, "available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Under this basis of accounting, expenditures are recognized when the fund liability is incurred except for:

(A) Inventories of material and supplies that may be considered expenditures either when purchased or when used; and

(B) Prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed.

(26) "Municipal corporation" means any county, city, port, school district, union high school district, community college district and all other public or quasi-public corporations including a municipal utility or dock commission operated by a separate board or commission. "Municipal corporation" includes an intergovernmental entity or council of governments that proposes to impose or imposes ad valorem property taxes.

(27) "Net working capital" means the sum of the cash, cash equivalents, investments, accounts receivable expected to be converted to cash during the ensuing year or ensuing budget period, inventories, supplies and prepaid expenses less current liabilities and, if encumbrance accounting is adopted, reserve for encumbrances. The term is not applicable to the cash basis of accounting.

(28) "Object" means, as used in expenditure classification, articles purchased including, but not limited to, land, buildings, equipment and vehicles, or services obtained including, but not limited to, administrative services, clerical services, professional services, property services and travel, as distinguished from the results obtained from expenditures.

(29) "Object classification" means a grouping of expenditures on the basis of goods or services purchased, including, but not limited to, personnel services, materials, supplies and equipment.

(30) "Operating taxes" has the meaning given that term in ORS 310.055.

(31) "Organizational unit" means any administrative subdivision of a municipal corporation, especially one charged with carrying on one or more functions or activities.

(32) "Population" means the number of inhabitants of a municipal corporation according to certified estimates of population made by [*the State Board of Higher Education*] **Portland State University**.

(33) "Program" means a group of related activities aimed at accomplishing a major service or function for which the municipality is responsible.

(34) "Public utility" means those public utility operations authorized by ORS chapter 225.

(35) "Publish" or "publication" means any one or more of the following methods of giving notice or making information or documents available to members of the general public:

(a) Publication in one or more newspapers of general circulation within the jurisdictional boundaries of the municipal corporation.

(b) Posting through the United States Postal Service by first class mail, postage prepaid, to each street address within the jurisdictional boundaries of the municipal corporation and to each post office box and rural route number belonging to a resident within the jurisdictional boundaries of the municipal corporation.

(c) Hand delivery to each street address within the jurisdictional boundaries of the municipal corporation.

(36) "Receipts" means cash received unless otherwise qualified.

(37) "Reserve for encumbrances" means a reserve representing the segregation of a portion of a fund balance to provide for unliquidated encumbrances.

(38) "Revenue" means the gross receipts and receivables of a governmental unit derived from taxes, licenses, fees and from all other sources, but excluding appropriations, allotments and return of principal from investment of surplus funds.

(39) "Special revenue fund" means a fund properly authorized and used to finance particular activities from the receipts of specific taxes or other revenues.

SECTION 106i. ORS 366.785 is amended to read:

366.785. As used in ORS 366.785 to 366.820, unless the context requires otherwise:

(1) "Year" means a calendar year.

(2) "City" means only cities of this state which are regularly operating as such through elected governmental officers.

(3) "Population" means population as given in the latest determination of [*the State Board of Higher Education*] **Portland State University**, except that for a city of more than 100,000 population according to the latest such determination, the term means 74 percent of the number of population given for the city in the determination for computation of its share for 1964, 78 percent for computation of its share for 1965, 82 percent for 1966, 86 percent for 1967, 90 percent for 1968, 94 percent for 1969, 98 percent for 1970; and for 1971 and subsequent years computation shall be made on the basis of full number of population.

SECTION 106j. ORS 471.810 is amended to read:

471.810. (1) At the end of each month, the Oregon Liquor Control Commission shall certify the amount of moneys available for distribution in the Oregon Liquor Control Commission Account and, after withholding such moneys as it may deem necessary to pay its outstanding obligations, shall within 35 days of the month for which a distribution is made direct the State Treasurer to pay the amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as follows:

(a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this section, credited to the General Fund available for general governmental purposes wherein it shall be considered as revenue during the quarter immediately preceding receipt;

(b) Twenty percent to the cities of the state in such shares as the population of each city bears to the population of the cities of the state, as determined by [*the State Board of Higher Education*] **Portland State University** last preceding such apportionment, under ORS 190.510 to 190.610;

(c) Ten percent to counties in such shares as their respective populations bear to the total population of the state, as estimated from time to time by [the State Board of Higher Education] **Portland State University**; and

(d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and this section.

(2) The commission shall direct the Oregon Department of Administrative Services to transfer 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS 430.380.

(3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d) and (2) of this section and the amounts that would have been paid or transferred under subsections (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct the Oregon Department of Administrative Services to pay or transfer amounts equal to the differences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

(4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal year an amount less than the amount distributed to the city or county in accordance with ORS 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census. If the population declined, the per capita distribution to the city or county shall be not less than the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to maintain the level of distribution under this subsection shall be paid from funds credited under subsection (1)(a) of this section.

SECTION 107. ORS 192.501 is amended to read:

192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505 unless the public interest requires disclosure in the particular instance:

(1) Records of a public body pertaining to litigation to which the public body is a party if the complaint has been filed, or if the complaint has not been filed, if the public body shows that such litigation is reasonably likely to occur. This exemption does not apply to litigation which has been concluded, and nothing in this subsection shall limit any right or opportunity granted by discovery or deposition statutes to a party to litigation or potential litigation.

(2) Trade secrets. "Trade secrets," as used in this section, may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within an organization and which is used in a business it conducts, having actual or potential commercial value, and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it.

(3) Investigatory information compiled for criminal law purposes. The record of an arrest or the report of a crime shall be disclosed unless and only for so long as there is a clear need to delay disclosure in the course of a specific investigation, including the need to protect the complaining party or the victim. Nothing in this subsection shall limit any right constitutionally guaranteed, or granted by statute, to disclosure or discovery in criminal cases. For purposes of this subsection, the record of an arrest or the report of a crime includes, but is not limited to:

(a) The arrested person's name, age, residence, employment, marital status and similar biographical information;

(b) The offense with which the arrested person is charged;

(c) The conditions of release pursuant to ORS 135.230 to 135.290;

(d) The identity of and biographical information concerning both complaining party and victim;

(e) The identity of the investigating and arresting agency and the length of the investigation;

(f) The circumstances of arrest, including time, place, resistance, pursuit and weapons used; and

(g) Such information as may be necessary to enlist public assistance in apprehending fugitives from justice.

(4) Test questions, scoring keys, and other data used to administer a licensing examination, employment, academic or other examination or testing procedure before the examination is given and if the examination is to be used again. Records establishing procedures for and instructing persons administering, grading or evaluating an examination or testing procedure are included in this exemption, to the extent that disclosure would create a risk that the result might be affected.

(5) Information consisting of production records, sale or purchase records or catch records, or similar business records of a private concern or enterprise, required by law to be submitted to or inspected by a governmental body to allow it to determine fees or assessments payable or to establish production quotas, and the amounts of such fees or assessments payable or paid, to the extent that such information is in a form which would permit identification of the individual concern or enterprise. This exemption does not include records submitted by long term care facilities as defined in ORS 442.015 to the state for purposes of reimbursement of expenses or determining fees for patient care. Nothing in this subsection shall limit the use which can be made of such information for regulatory purposes or its admissibility in any enforcement proceeding.

(6) Information relating to the appraisal of real estate prior to its acquisition.

(7) The names and signatures of employees who sign authorization cards or petitions for the purpose of requesting representation or decertification elections.

(8) Investigatory information relating to any complaint filed under ORS 659A.820 or 659A.825, until such time as the complaint is resolved under ORS 659A.835, or a final order is issued under ORS 659A.850.

(9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and 663.180.

(10) Records, reports and other information received or compiled by the Director of the Department of Consumer and Business Services under ORS 697.732.

(11) Information concerning the location of archaeological sites or objects as those terms are defined in ORS 358.905, except if the governing body of an Indian tribe requests the information and the need for the information is related to that Indian tribe's cultural or religious activities. This exemption does not include information relating to a site that is all or part of an existing, commonly known and publicized tourist facility or attraction.

(12) A personnel discipline action, or materials or documents supporting that action.

(13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and 564.100, regarding the habitat, location or population of any threatened species or endangered species.

(14) Writings prepared by or under the direction of faculty of public educational institutions, in connection with research, until publicly released, copyrighted or patented.

(15) Computer programs developed or purchased by or for any public body for its own use. As used in this subsection, "computer program" means a series of instructions or statements which permit the functioning of a computer system in a manner designed to provide storage, retrieval and manipulation of data from such computer system, and any associated documentation and source material that explain how to operate the computer program. "Computer program" does not include:

(a) The original data, including but not limited to numbers, text, voice, graphics and images;

(b) Analyses, compilations and other manipulated forms of the original data produced by use of the program; or

(c) The mathematical and statistical formulas which would be used if the manipulated forms of the original data were to be produced manually.

(16) Data and information provided by participants to mediation under ORS 36.256.

(17) Investigatory information relating to any complaint or charge filed under ORS chapter 654, until a final administrative determination is made or, if a citation is issued, until an employer receives notice of any citation.

(18) Specific operational plans in connection with an anticipated threat to individual or public safety for deployment and use of personnel and equipment, prepared or used by a public body, if public disclosure of the plans would endanger an individual's life or physical safety or jeopardize a law enforcement activity.

(19)(a) Audits or audit reports required of a telecommunications carrier. As used in this paragraph, "audit or audit report" means any external or internal audit or audit report pertaining to a telecommunications carrier, as defined in ORS 133.721, or pertaining to a corporation having an affiliated interest, as defined in ORS 759.390, with a telecommunications carrier that is intended to make the operations of the entity more efficient, accurate or compliant with applicable rules, procedures or standards, that may include self-criticism and that has been filed by the telecommunications carrier or affiliate under compulsion of state law. "Audit or audit report" does not mean an audit of a cost study that would be discoverable in a contested case proceeding and that is not subject to a protective order; and

(b) Financial statements. As used in this paragraph, "financial statement" means a financial statement of a nonregulated corporation having an affiliated interest, as defined in ORS 759.390, with a telecommunications carrier, as defined in ORS 133.721.

(20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS 247.967.

(21) The following records, communications and information submitted to a housing authority as defined in ORS 456.005, or to an urban renewal agency as defined in ORS 457.010, by applicants for and recipients of loans, grants and tax credits:

- (a) Personal and corporate financial statements and information, including tax returns;
- (b) Credit reports;
- (c) Project appraisals;
- (d) Market studies and analyses;
- (e) Articles of incorporation, partnership agreements and operating agreements;
- (f) Commitment letters;
- (g) Project pro forma statements;
- (h) Project cost certifications and cost data;
- (i) Audits;
- (j) Project tenant correspondence requested to be confidential;
- (k) Tenant files relating to certification; and
- (L) Housing assistance payment requests.

(22) Records or information that, if disclosed, would allow a person to:

- (a) Gain unauthorized access to buildings or other property;
- (b) Identify those areas of structural or operational vulnerability that would permit unlawful disruption to, or interference with, services; or
- (c) Disrupt, interfere with or gain unauthorized access to public funds or to information processing, communication or telecommunication systems, including the information contained in the systems, that are used or operated by a public body.

(23) Records or information that would reveal or otherwise identify security measures, or weaknesses or potential weaknesses in security measures, taken or recommended to be taken to protect:

- (a) An individual;
- (b) Buildings or other property;
- (c) Information processing, communication or telecommunication systems, including the information contained in the systems; or
- (d) Those operations of the Oregon State Lottery the security of which are subject to study and evaluation under ORS 461.180 (6).

(24) Personal information held by or under the direction of officials of the Oregon Health and Science University, **a public university listed in ORS 352.002** or the Oregon University System about a person who has or who is interested in donating money or property to the **Oregon Health**

and Science University, the system or a public university [listed in ORS 352.002], if the information is related to the family of the person, personal assets of the person or is incidental information not related to the donation.

(25) The home address, professional address and telephone number of a person who has or who is interested in donating money or property to the Oregon University System **or a public university listed in ORS 352.002.**

(26) Records of the name and address of a person who files a report with or pays an assessment to a commodity commission established under ORS 576.051 to 576.455, the Oregon Beef Council created under ORS 577.210 or the Oregon Wheat Commission created under ORS 578.030.

(27) Information provided to, obtained by or used by a public body to authorize, originate, receive or authenticate a transfer of funds, including but not limited to a credit card number, payment card expiration date, password, financial institution account number and financial institution routing number.

(28) Social Security numbers as provided in ORS 107.840.

(29) The electronic mail address of a student who attends a public university listed in ORS 352.002 or Oregon Health and Science University.

(30) The name, home address, professional address or location of a person that is engaged in, or that provides goods or services for, medical research at Oregon Health and Science University that is conducted using animals other than rodents. This subsection does not apply to Oregon Health and Science University press releases, websites or other publications circulated to the general public.

(31) If requested by a public safety officer, as defined in ORS 181.610:

(a) The home address and home telephone number of the public safety officer contained in the voter registration records for the public safety officer.

(b) The home address and home telephone number of the public safety officer contained in records of the Department of Public Safety Standards and Training.

(c) The name of the public safety officer contained in county real property assessment or taxation records. This exemption:

(A) Applies only to the name of the public safety officer and any other owner of the property in connection with a specific property identified by the officer in a request for exemption from disclosure;

(B) Applies only to records that may be made immediately available to the public upon request in person, by telephone or using the Internet;

(C) Applies until the public safety officer requests termination of the exemption;

(D) Does not apply to disclosure of records among public bodies as defined in ORS 174.109 for governmental purposes; and

(E) May not result in liability for the county if the name of the public safety officer is disclosed after a request for exemption from disclosure is made under this subsection.

(32) Unless the public records request is made by a financial institution, as defined in ORS 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage broker licensed under ORS 86A.095 to 86A.198, or title company for business purposes, records described in paragraph (a) of this subsection, if the exemption from disclosure of the records is sought by an individual described in paragraph (b) of this subsection using the procedure described in paragraph (c) of this subsection:

(a) The home address, home or cellular telephone number or personal electronic mail address contained in the records of any public body that has received the request that is set forth in:

(A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance, release, satisfaction, substitution of trustee, easement, dog license, marriage license or military discharge record that is in the possession of the county clerk; or

(B) Any public record of a public body other than the county clerk.

(b) The individual claiming the exemption from disclosure must be a district attorney, a deputy district attorney, the Attorney General or an assistant attorney general, the United States Attorney

for the District of Oregon or an assistant United States attorney for the District of Oregon, a city attorney who engages in the prosecution of criminal matters or a deputy city attorney who engages in the prosecution of criminal matters.

(c) The individual claiming the exemption from disclosure must do so by filing the claim in writing with the public body for which the exemption from disclosure is being claimed on a form prescribed by the public body. Unless the claim is filed with the county clerk, the claim form shall list the public records in the possession of the public body to which the exemption applies. The exemption applies until the individual claiming the exemption requests termination of the exemption or ceases to qualify for the exemption.

(33) Land management plans required for voluntary stewardship agreements entered into under ORS 541.423.

(34) Sensitive business records or financial or commercial information of the State Accident Insurance Fund Corporation that is not customarily provided to business competitors. This exemption does not:

(a) Apply to the formulas for determining dividends to be paid to employers insured by the State Accident Insurance Fund Corporation;

(b) Apply to contracts for advertising, public relations or lobbying services or to documents related to the formation of such contracts;

(c) Apply to group insurance contracts or to documents relating to the formation of such contracts, except that employer account records shall remain exempt from disclosure as provided in ORS 192.502 (35); or

(d) Provide the basis for opposing the discovery of documents in litigation pursuant to the applicable rules of civil procedure.

(35) Records of the Department of Public Safety Standards and Training relating to investigations conducted under ORS 181.662 or 181.878 (6), until the department issues the report described in ORS 181.662 or 181.878.

(36) A medical examiner's report, autopsy report or laboratory test report ordered by a medical examiner under ORS 146.117.

(37) Any document or other information related to an audit of a public body, as defined in ORS 174.109, that is in the custody of an auditor or audit organization operating under nationally recognized government auditing standards, until the auditor or audit organization issues a final audit report in accordance with those standards or the audit is abandoned. This exemption does not prohibit disclosure of a draft audit report that is provided to the audited entity for the entity's response to the audit findings.

SECTION 108. ORS 192.501, as amended by section 3, chapter 455, Oregon Laws 2005, section 7, chapter 608, Oregon Laws 2007, section 2, chapter 687, Oregon Laws 2007, section 2, chapter 48, Oregon Laws 2008, section 3, chapter 57, Oregon Laws 2009, section 2, chapter 135, Oregon Laws 2009, section 4, chapter 222, Oregon Laws 2009, section 2, chapter 769, Oregon Laws 2009, section 15, chapter 9, Oregon Laws 2011, section 2, chapter 285, Oregon Laws 2011, and section 69, chapter 637, Oregon Laws 2011, is amended to read:

192.501. The following public records are exempt from disclosure under ORS 192.410 to 192.505 unless the public interest requires disclosure in the particular instance:

(1) Records of a public body pertaining to litigation to which the public body is a party if the complaint has been filed, or if the complaint has not been filed, if the public body shows that such litigation is reasonably likely to occur. This exemption does not apply to litigation which has been concluded, and nothing in this subsection shall limit any right or opportunity granted by discovery or deposition statutes to a party to litigation or potential litigation.

(2) Trade secrets. "Trade secrets," as used in this section, may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within an organization and which is used in a business it conducts, having actual or potential commercial

value, and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it.

(3) Investigatory information compiled for criminal law purposes. The record of an arrest or the report of a crime shall be disclosed unless and only for so long as there is a clear need to delay disclosure in the course of a specific investigation, including the need to protect the complaining party or the victim. Nothing in this subsection shall limit any right constitutionally guaranteed, or granted by statute, to disclosure or discovery in criminal cases. For purposes of this subsection, the record of an arrest or the report of a crime includes, but is not limited to:

(a) The arrested person's name, age, residence, employment, marital status and similar biographical information;

(b) The offense with which the arrested person is charged;

(c) The conditions of release pursuant to ORS 135.230 to 135.290;

(d) The identity of and biographical information concerning both complaining party and victim;

(e) The identity of the investigating and arresting agency and the length of the investigation;

(f) The circumstances of arrest, including time, place, resistance, pursuit and weapons used; and

(g) Such information as may be necessary to enlist public assistance in apprehending fugitives from justice.

(4) Test questions, scoring keys, and other data used to administer a licensing examination, employment, academic or other examination or testing procedure before the examination is given and if the examination is to be used again. Records establishing procedures for and instructing persons administering, grading or evaluating an examination or testing procedure are included in this exemption, to the extent that disclosure would create a risk that the result might be affected.

(5) Information consisting of production records, sale or purchase records or catch records, or similar business records of a private concern or enterprise, required by law to be submitted to or inspected by a governmental body to allow it to determine fees or assessments payable or to establish production quotas, and the amounts of such fees or assessments payable or paid, to the extent that such information is in a form which would permit identification of the individual concern or enterprise. This exemption does not include records submitted by long term care facilities as defined in ORS 442.015 to the state for purposes of reimbursement of expenses or determining fees for patient care. Nothing in this subsection shall limit the use which can be made of such information for regulatory purposes or its admissibility in any enforcement proceeding.

(6) Information relating to the appraisal of real estate prior to its acquisition.

(7) The names and signatures of employees who sign authorization cards or petitions for the purpose of requesting representation or decertification elections.

(8) Investigatory information relating to any complaint filed under ORS 659A.820 or 659A.825, until such time as the complaint is resolved under ORS 659A.835, or a final order is issued under ORS 659A.850.

(9) Investigatory information relating to any complaint or charge filed under ORS 243.676 and 663.180.

(10) Records, reports and other information received or compiled by the Director of the Department of Consumer and Business Services under ORS 697.732.

(11) Information concerning the location of archaeological sites or objects as those terms are defined in ORS 358.905, except if the governing body of an Indian tribe requests the information and the need for the information is related to that Indian tribe's cultural or religious activities. This exemption does not include information relating to a site that is all or part of an existing, commonly known and publicized tourist facility or attraction.

(12) A personnel discipline action, or materials or documents supporting that action.

(13) Information developed pursuant to ORS 496.004, 496.172 and 498.026 or ORS 496.192 and 564.100, regarding the habitat, location or population of any threatened species or endangered species.

(14) Writings prepared by or under the direction of faculty of public educational institutions, in connection with research, until publicly released, copyrighted or patented.

(15) Computer programs developed or purchased by or for any public body for its own use. As used in this subsection, “computer program” means a series of instructions or statements which permit the functioning of a computer system in a manner designed to provide storage, retrieval and manipulation of data from such computer system, and any associated documentation and source material that explain how to operate the computer program. “Computer program” does not include:

- (a) The original data, including but not limited to numbers, text, voice, graphics and images;
- (b) Analyses, compilations and other manipulated forms of the original data produced by use of the program; or
- (c) The mathematical and statistical formulas which would be used if the manipulated forms of the original data were to be produced manually.

(16) Data and information provided by participants to mediation under ORS 36.256.

(17) Investigatory information relating to any complaint or charge filed under ORS chapter 654, until a final administrative determination is made or, if a citation is issued, until an employer receives notice of any citation.

(18) Specific operational plans in connection with an anticipated threat to individual or public safety for deployment and use of personnel and equipment, prepared or used by a public body, if public disclosure of the plans would endanger an individual’s life or physical safety or jeopardize a law enforcement activity.

(19)(a) Audits or audit reports required of a telecommunications carrier. As used in this paragraph, “audit or audit report” means any external or internal audit or audit report pertaining to a telecommunications carrier, as defined in ORS 133.721, or pertaining to a corporation having an affiliated interest, as defined in ORS 759.390, with a telecommunications carrier that is intended to make the operations of the entity more efficient, accurate or compliant with applicable rules, procedures or standards, that may include self-criticism and that has been filed by the telecommunications carrier or affiliate under compulsion of state law. “Audit or audit report” does not mean an audit of a cost study that would be discoverable in a contested case proceeding and that is not subject to a protective order; and

(b) Financial statements. As used in this paragraph, “financial statement” means a financial statement of a nonregulated corporation having an affiliated interest, as defined in ORS 759.390, with a telecommunications carrier, as defined in ORS 133.721.

(20) The residence address of an elector if authorized under ORS 247.965 and subject to ORS 247.967.

(21) The following records, communications and information submitted to a housing authority as defined in ORS 456.005, or to an urban renewal agency as defined in ORS 457.010, by applicants for and recipients of loans, grants and tax credits:

- (a) Personal and corporate financial statements and information, including tax returns;
- (b) Credit reports;
- (c) Project appraisals;
- (d) Market studies and analyses;
- (e) Articles of incorporation, partnership agreements and operating agreements;
- (f) Commitment letters;
- (g) Project pro forma statements;
- (h) Project cost certifications and cost data;
- (i) Audits;
- (j) Project tenant correspondence requested to be confidential;
- (k) Tenant files relating to certification; and
- (L) Housing assistance payment requests.

(22) Records or information that, if disclosed, would allow a person to:

- (a) Gain unauthorized access to buildings or other property;
- (b) Identify those areas of structural or operational vulnerability that would permit unlawful disruption to, or interference with, services; or

(c) Disrupt, interfere with or gain unauthorized access to public funds or to information processing, communication or telecommunication systems, including the information contained in the systems, that are used or operated by a public body.

(23) Records or information that would reveal or otherwise identify security measures, or weaknesses or potential weaknesses in security measures, taken or recommended to be taken to protect:

(a) An individual;

(b) Buildings or other property;

(c) Information processing, communication or telecommunication systems, including the information contained in the systems; or

(d) Those operations of the Oregon State Lottery the security of which are subject to study and evaluation under ORS 461.180 (6).

(24) Personal information held by or under the direction of officials of the Oregon Health and Science University, **a public university listed in ORS 352.002** or the Oregon University System about a person who has or who is interested in donating money or property to the **Oregon Health and Science** University, the system or a public university [*listed in ORS 352.002*], if the information is related to the family of the person, personal assets of the person or is incidental information not related to the donation.

(25) The home address, professional address and telephone number of a person who has or who is interested in donating money or property to the Oregon University System **or a public university listed in ORS 352.002**.

(26) Records of the name and address of a person who files a report with or pays an assessment to a commodity commission established under ORS 576.051 to 576.455, the Oregon Beef Council created under ORS 577.210 or the Oregon Wheat Commission created under ORS 578.030.

(27) Information provided to, obtained by or used by a public body to authorize, originate, receive or authenticate a transfer of funds, including but not limited to a credit card number, payment card expiration date, password, financial institution account number and financial institution routing number.

(28) Social Security numbers as provided in ORS 107.840.

(29) The electronic mail address of a student who attends a public university listed in ORS 352.002 or Oregon Health and Science University.

(30) If requested by a public safety officer, as defined in ORS 181.610:

(a) The home address and home telephone number of the public safety officer contained in the voter registration records for the public safety officer.

(b) The home address and home telephone number of the public safety officer contained in records of the Department of Public Safety Standards and Training.

(c) The name of the public safety officer contained in county real property assessment or taxation records. This exemption:

(A) Applies only to the name of the public safety officer and any other owner of the property in connection with a specific property identified by the officer in a request for exemption from disclosure;

(B) Applies only to records that may be made immediately available to the public upon request in person, by telephone or using the Internet;

(C) Applies until the public safety officer requests termination of the exemption;

(D) Does not apply to disclosure of records among public bodies as defined in ORS 174.109 for governmental purposes; and

(E) May not result in liability for the county if the name of the public safety officer is disclosed after a request for exemption from disclosure is made under this subsection.

(31) Unless the public records request is made by a financial institution, as defined in ORS 706.008, consumer finance company licensed under ORS chapter 725, mortgage banker or mortgage broker licensed under ORS 86A.095 to 86A.198, or title company for business purposes, records described in paragraph (a) of this subsection, if the exemption from disclosure of the records is sought

by an individual described in paragraph (b) of this subsection using the procedure described in paragraph (c) of this subsection:

(a) The home address, home or cellular telephone number or personal electronic mail address contained in the records of any public body that has received the request that is set forth in:

(A) A warranty deed, deed of trust, mortgage, lien, deed of reconveyance, release, satisfaction, substitution of trustee, easement, dog license, marriage license or military discharge record that is in the possession of the county clerk; or

(B) Any public record of a public body other than the county clerk.

(b) The individual claiming the exemption from disclosure must be a district attorney, a deputy district attorney, the Attorney General or an assistant attorney general, the United States Attorney for the District of Oregon or an assistant United States attorney for the District of Oregon, a city attorney who engages in the prosecution of criminal matters or a deputy city attorney who engages in the prosecution of criminal matters.

(c) The individual claiming the exemption from disclosure must do so by filing the claim in writing with the public body for which the exemption from disclosure is being claimed on a form prescribed by the public body. Unless the claim is filed with the county clerk, the claim form shall list the public records in the possession of the public body to which the exemption applies. The exemption applies until the individual claiming the exemption requests termination of the exemption or ceases to qualify for the exemption.

(32) Land management plans required for voluntary stewardship agreements entered into under ORS 541.423.

(33) Sensitive business records or financial or commercial information of the State Accident Insurance Fund Corporation that is not customarily provided to business competitors. This exemption does not:

(a) Apply to the formulas for determining dividends to be paid to employers insured by the State Accident Insurance Fund Corporation;

(b) Apply to contracts for advertising, public relations or lobbying services or to documents related to the formation of such contracts;

(c) Apply to group insurance contracts or to documents relating to the formation of such contracts, except that employer account records shall remain exempt from disclosure as provided in ORS 192.502 (35); or

(d) Provide the basis for opposing the discovery of documents in litigation pursuant to the applicable rules of civil procedure.

(34) Records of the Department of Public Safety Standards and Training relating to investigations conducted under ORS 181.662 or 181.878 (6), until the department issues the report described in ORS 181.662 or 181.878.

(35) A medical examiner's report, autopsy report or laboratory test report ordered by a medical examiner under ORS 146.117.

(36) Any document or other information related to an audit of a public body, as defined in ORS 174.109, that is in the custody of an auditor or audit organization operating under nationally recognized government auditing standards, until the auditor or audit organization issues a final audit report in accordance with those standards or the audit is abandoned. This exemption does not prohibit disclosure of a draft audit report that is provided to the audited entity for the entity's response to the audit findings.

SECTION 109. ORS 238.005, as amended by section 30, chapter 54, Oregon Laws 2012, is amended to read:

238.005. For purposes of this chapter:

(1) "Active member" means a member who is presently employed by a participating public employer in a qualifying position and who has completed the six-month period of service required by ORS 238.015.

(2) "Annuity" means payments for life derived from contributions made by a member as provided in this chapter.

- (3) "Board" means the Public Employees Retirement Board.
- (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on December 31 following.
- (5) "Continuous service" means service not interrupted for more than five years, except that such continuous service shall be computed without regard to interruptions in the case of:
- (a) An employee who had returned to the service of the employer as of January 1, 1945, and who remained in that employment until having established membership in the Public Employees Retirement System.
- (b) An employee who was in the armed services on January 1, 1945, and returned to the service of the employer within one year of the date of being otherwise than dishonorably discharged and remained in that employment until having established membership in the Public Employees Retirement System.
- (6) "Creditable service" means any period of time during which an active member is being paid a salary by a participating public employer and for which benefits under this chapter are funded by employer contributions and earnings on the fund. For purposes of computing years of "creditable service," full months and major fractions of a month shall be considered to be one-twelfth of a year and shall be added to all full years. "Creditable service" includes all retirement credit received by a member.
- (7) "Earliest service retirement age" means the age attained by a member when the member could first make application for retirement under the provisions of ORS 238.280.
- (8) "Employee" includes, in addition to employees, public officers, but does not include:
- (a) Persons engaged as independent contractors.
- (b) Seasonal, emergency or casual workers whose periods of employment with any public employer or public employers do not total 600 hours in any calendar year.
- (c) Persons, other than workers in the Oregon Industries for the Blind under ORS 346.190, provided sheltered employment or made-work by a public employer in an employment or industries program maintained for the benefit of such persons.
- (d) Persons employed and paid from federal funds received under a federal program intended primarily to alleviate unemployment. However, any such person shall be considered an "employee" if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects to have the person so considered by an irrevocable written notice to the board.
- (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such employees, are included in a retirement plan under federal railroad retirement statutes. This paragraph shall be deemed to have been in effect since the inception of the system.
- (9) "Final average salary" means whichever of the following is greater:
- (a) The average salary per calendar year paid by one or more participating public employers to an employee who is an active member of the system in three of the calendar years of membership before the effective date of retirement of the employee, in which three years the employee was paid the highest salary. The three calendar years in which the employee was paid the largest total salary may include calendar years in which the employee was employed for less than a full calendar year. If the number of calendar years of active membership before the effective date of retirement of the employee is three or fewer, the final average salary for the employee is the average salary per calendar year paid by one or more participating public employers to the employee in all of those years, without regard to whether the employee was employed for the full calendar year.
- (b) One-third of the total salary paid by a participating public employer to an employee who is an active member of the system in the last 36 calendar months of active membership before the effective date of retirement of the employee.
- (10) "Firefighter" does not include a volunteer firefighter, but does include:
- (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and
- (b) An employee of the State Forestry Department who is certified by the State Forester as a professional wildland firefighter and whose primary duties include the abatement of uncontrolled fires as described in ORS 477.064.

(11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 following.

(12) "Fund" means the Public Employees Retirement Fund.

(13) "Inactive member" means a member who is not employed in a qualifying position, whose membership has not been terminated in the manner described by ORS 238.095 and who is not retired for service or disability.

(14) "Institution of higher education" means a public university listed in ORS 352.002, the Oregon Health and Science University and a community college, as defined in ORS 341.005.

(15) "Member" means a person who has established membership in the system and whose membership has not been terminated as described in ORS 238.095. "Member" includes active, inactive and retired members.

(16) "Member account" means the regular account and the variable account.

(17) "Normal retirement age" means:

(a) For a person who establishes membership in the system before January 1, 1996, as described in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

(b) For a person who establishes membership in the system on or after January 1, 1996, as described in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter or 60 years of age if the employee retires at that age as other than a police officer or firefighter.

(18) "Pension" means annual payments for life derived from contributions by one or more public employers.

(19) "Police officer" includes:

(a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions whose duties, as assigned by the Director of the Department of Corrections, include the custody of persons committed to the custody of or transferred to the Department of Corrections and employees of the Department of Corrections who were classified as police officers on or before July 27, 1989, whether or not such classification was authorized by law.

(b) Employees of the Department of State Police who are classified as police officers by the Superintendent of State Police.

(c) Employees of the Oregon Liquor Control Commission who are classified as liquor enforcement inspectors by the administrator of the commission.

(d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified by the sheriff, are the regular duties of police officers or corrections officers.

(e) Police chiefs and police personnel of a city who are classified as police officers by the council or other governing body of the city.

(f) Police officers who are commissioned by a university under ORS 352.383 and who are classified as police officers by the university.

(g) Parole and probation officers employed by the Department of Corrections, parole and probation officers who are transferred to county employment under ORS 423.549 and adult parole and probation officers, as defined in ORS 181.610, who are classified as police officers for the purposes of this chapter by the county governing body. If a county classifies adult parole and probation officers as police officers for the purposes of this chapter, and the employees so classified are represented by a labor organization, any proposal by the county to change that classification or to cease to classify adult parole and probation officers as police officers for the purposes of this chapter is a mandatory subject of bargaining.

(h) Police officers appointed under ORS 276.021 or 276.023.

(i) Employees of the Port of Portland who are classified as airport police by the Board of Commissioners of the Port of Portland.

(j) Employees of the State Department of Agriculture who are classified as livestock police officers by the Director of Agriculture.

(k) Employees of the Department of Public Safety Standards and Training who are classified by the department as other than secretarial or clerical personnel.

(L) Investigators of the Criminal Justice Division of the Department of Justice.

(m) Corrections officers as defined in ORS 181.610.

(n) Employees of the Oregon State Lottery Commission who are classified by the Director of the Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

(o) The Director of the Department of Corrections.

(p) An employee who for seven consecutive years has been classified as a police officer as defined by this section, and who is employed or transferred by the Department of Corrections to fill a position designated by the Director of the Department of Corrections as being eligible for police officer status.

(q) An employee of the Department of Corrections classified as a police officer on or prior to July 27, 1989, whether or not that classification was authorized by law, as long as the employee remains in the position held on July 27, 1989. The initial classification of an employee under a system implemented pursuant to ORS 240.190 does not affect police officer status.

(r) Employees of a school district who are appointed and duly sworn members of a law enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as police officers commissioned by the district.

(s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050, 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who have supervisory, control or teaching responsibilities over juveniles committed to the custody of the Department of Corrections or the Oregon Youth Authority.

(t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job description involves the custody, control, treatment, investigation or supervision of juveniles placed in such facilities.

(u) Employees of the Oregon Youth Authority who are classified as juvenile parole and probation officers.

(20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2) to (6) (1999 Edition).

(21) "Public employer" means the state, one of its agencies, any city, county, or municipal or public corporation, any political subdivision of the state or any instrumentality thereof, or an agency created by one or more such governmental organizations to provide governmental services. For purposes of this chapter, such agency created by one or more governmental organizations is a governmental instrumentality and a legal entity with power to enter into contracts, hold property and sue and be sued.

(22) "Qualifying position" means one or more jobs with one or more participating public employers in which an employee performs 600 or more hours of service in a calendar year, excluding any service in a job for which a participating public employer does not provide benefits under this chapter pursuant to an application made under ORS 238.035.

(23) "Regular account" means the account established for each active and inactive member under ORS 238.250.

(24) "Retired member" means a member who is retired for service or disability.

(25) "Retirement credit" means a period of time that is treated as creditable service for the purposes of this chapter.

(26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public employer in return for services to the employer, plus the monetary value, as determined by the Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and other advantages the employer furnishes the employee in return for services.

(b) "Salary" includes but is not limited to:

(A) Payments of employee and employer money into a deferred compensation plan, which are deemed salary paid in each month of deferral;

(B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary paid in each month of participation;

(C) Retroactive payments described in ORS 238.008; and

(D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS 652.190.

(c) "Salary" or "other advantages" does not include:

(A) Travel or any other expenses incidental to employer's business which is reimbursed by the employer;

(B) Payments for insurance coverage by an employer on behalf of employee or employee and dependents, for which the employee has no cash option;

(C) Payments made on account of an employee's death;

(D) Any lump sum payment for accumulated unused sick leave;

(E) Any accelerated payment of an employment contract for a future period or an advance against future wages;

(F) Any retirement incentive, retirement severance pay, retirement bonus or retirement gratuitous payment;

(G) Payments for periods of leave of absence after the date the employer and employee have agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for sick leave and vacation;

(H) Payments for instructional services rendered to public universities [*of the Oregon University System*] **listed in ORS 352.002** or the Oregon Health and Science University when such services are in excess of full-time employment subject to this chapter. A person employed under a contract for less than 12 months is subject to this subparagraph only for the months to which the contract pertains; or

(I) Payments made by an employer for insurance coverage provided to a domestic partner of an employee.

(27) "School year" means the period beginning July 1 and ending June 30 next following.

(28) "System" means the Public Employees Retirement System.

(29) "Variable account" means the account established for a member who participates in the Variable Annuity Account under ORS 238.260.

(30) "Vested" means being an active member of the system in each of five calendar years.

(31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600 hours of service per year.

SECTION 110. ORS 238.200 is amended to read:

238.200. (1)(a) An active member of the Public Employees Retirement System shall contribute to the Public Employees Retirement Fund and there shall be withheld from salary of the member six percent of that salary as an employee contribution.

(b) Notwithstanding paragraph (a) of this subsection, an employee who is an active member of the system on August 21, 1981, shall contribute to the fund and there shall be withheld from salary of the member, as long as the employee continues to be an active member of the system, four percent of that salary if the salary for a month is less than \$500, or five percent of that salary if the salary for a month is \$500 or more and less than \$1,000. Notwithstanding subsection (2) of this section, for the purpose of computing the percentage of salary to be withheld under this paragraph from a member who is an employee of a school district or [*of the State Board of Higher Education*] **a public university listed in ORS 352.002** whose salary is based on an annual agreement, the agreed annual salary of the member shall be divided into 12 equal installments, and each installment shall be considered as earned and paid in separate, consecutive months, commencing with the first month that payment is actually made under the terms of the salary agreement.

(2) The contributions of each member as provided in subsection (1) of this section shall be deducted by the employer from each payroll and transmitted by the employer to the Public Employees Retirement Board, which shall cause them to be credited to the member account of the member. Salary shall be considered earned in the month in which it is paid. The date inscribed on the pay-

check or warrant shall be considered as the pay date, regardless of when the salary is actually delivered to the member.

(3) An active member who is concurrently employed by more than one participating public employer, and who is a member of or entitled to membership in the system, shall make contributions to the fund on the basis of salary paid by each employer.

(4) Notwithstanding subsections (1) to (3) of this section, a member of the system, or a participating employer acting on behalf of the member pursuant to ORS 238.205, is not permitted or required to make employee contributions to the fund for service performed on or after January 1, 2004. This subsection does not affect any contribution for the purpose of unit purchases under ORS 238.440 or amounts paid for acquisition of creditable service under ORS 238.105 to 238.175.

SECTION 111. ORS 238.215 is amended to read:

238.215. Notwithstanding any other provision of this chapter:

(1) An employee, as defined in ORS 243.910 (2), who is an active member of the system and who has elected, and not canceled that election, to be assisted **under ORS 243.920 (1)** by the State Board of Higher Education [*under ORS 243.920 (1), shall*] **or governing board of a public university with a governing board listed in section 3 of this 2013 Act, may** not contribute to the fund on any part of the annual salary of the employee in excess of \$4,800 at any time during which the [*State Board of Higher Education*] **board** assists the employee under ORS 243.920 (1).

(2) The current service pension, whether for service or disability retirement, under this chapter provided by the contributions of the employers of such employee shall be:

(a) If the State Board of Higher Education **or governing board** is assisting such employee under ORS 243.920 (1) at the time of retirement, a pension equal to the annuity provided by the employee's accumulated contributions to the fund.

(b) If the [*State Board of Higher Education*] **board** is not assisting such employee under ORS 243.920 (1) at the time of retirement, but previously so assisted the employee:

(A) For service before the date the [*State Board of Higher Education*] **board** last ceased to assist the employee, a pension equal to the annuity provided by the employee's accumulated contributions to the fund before that date.

(B) For service on and after the date the [*State Board of Higher Education*] **board** last ceased to so assist the employee, a pension computed as provided in ORS 238.300 (2), but if the employee retires before reaching the normal retirement age, actuarially reduced and computed on the then attained age. For the purpose of computing the pension under this subparagraph, only the number of years of membership of the employee after the day before that date and only the salary of the employee on which the employee contributes to the fund for those years shall be considered.

(3) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2), who is an active member of the system, who elected to be assisted by the State Board of Higher Education **or governing board** under ORS 243.920 (1) before January 1, 1968, who canceled that election within the first 60 days of the calendar year 1968 as provided in ORS 243.940 (5) and who does not thereafter elect to be assisted by the [*State Board of Higher Education*] **board** under ORS 243.920 (1).

(4) Subsection (2) of this section does not apply to an employee, as defined in ORS 243.910 (2), who is an active member of the system and has been an active member of the system continuously since any date before January 1, 1968; who elected to be assisted by the State Board of Higher Education **or governing board** under ORS 243.920 (1) before January 1, 1968; and who cancels that election in any calendar year after 1968, but before the calendar year in which the employee retires, as provided in ORS 243.940 (5) and does not thereafter elect to be assisted by the [*State Board of Higher Education*] **board** under ORS 243.920 (1). In this case the benefit, whether for service or disability retirement, shall be computed as under ORS 238.300; however, for service during periods in which the employee was assisted by the [*State Board of Higher Education*] **board** under ORS 243.920 (1), a year of membership as used in ORS 238.300 (2) shall be a portion of a year which is represented by a fraction the numerator of which is \$4,800 and the denominator of which is the

salary earned by the employee in that year. However, in no case shall the fraction be greater than one.

SECTION 112. ORS 238A.005, as amended by section 1, chapter 31, Oregon Laws 2012, is amended to read:

238A.005. For the purposes of this chapter:

(1) "Active member" means a member of the pension program or the individual account program of the Oregon Public Service Retirement Plan who is actively employed in a qualifying position.

(2) "Actuarial equivalent" means a payment or series of payments having the same value as the payment or series of payments replaced, computed on the basis of interest rate and mortality assumptions adopted by the board.

(3) "Board" means the Public Employees Retirement Board.

(4) "Eligible employee" means a person who performs services for a participating public employer, including elected officials other than judges. "Eligible employee" does not include:

(a) Persons engaged as independent contractors;

(b) Aliens working under a training or educational visa;

(c) Persons, other than workers in the Industries for the Blind Program under ORS 346.190, provided sheltered employment or make-work by a public employer;

(d) Persons categorized by a participating public employer as student employees;

(e) Any person who is an inmate of a state institution;

(f) Employees of foreign trade offices of the Oregon Business Development Department who live and perform services in foreign countries under the provisions of ORS 285A.075 (1)(g);

(g) An employee actively participating in an alternative retirement program established under ORS 353.250 or an optional retirement plan established under ORS 341.551;

(h) Employees of [*the Oregon University System*] **a public university listed in ORS 352.002** who are actively participating in an optional retirement plan offered under ORS 243.800;

(i) Any employee who belongs to a class of employees that was not eligible on August 28, 2003, for membership in the system under the provisions of ORS chapter 238 or other law;

(j) Any person who belongs to a class of employees who are not eligible to become members of the Oregon Public Service Retirement Plan under the provisions of ORS 238A.070 (2);

(k) Any person who is retired under ORS 238A.100 to 238A.245 or ORS chapter 238 and who continues to receive retirement benefits while employed; and

(L) Judges.

(5) "Firefighter" means:

(a) A person employed by a local government, as defined in ORS 174.116, whose primary job duties include the fighting of fires;

(b) The State Fire Marshal, the chief deputy state fire marshal and deputy state fire marshals; and

(c) An employee of the State Forestry Department who is certified by the State Forester as a professional wildland firefighter and whose primary duties include the abatement of uncontrolled fires as described in ORS 477.064.

(6) "Fund" means the Public Employees Retirement Fund.

(7)(a) "Hour of service" means:

(A) An hour for which an eligible employee is directly or indirectly paid or entitled to payment by a participating public employer for performance of duties in a qualifying position; and

(B) An hour of vacation, holiday, illness, incapacity, jury duty, military duty or authorized leave during which an employee does not perform duties but for which the employee is directly or indirectly paid or entitled to payment by a participating public employer for services in a qualifying position, as long as the hour is within the number of hours regularly scheduled for the performance of duties during the period of vacation, holiday, illness, incapacity, jury duty, military duty or authorized leave.

(b) "Hour of service" does not include any hour for which payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation laws or unemployment compensation laws.

(8) "Inactive member" means a member of the pension program or the individual account program of the Oregon Public Service Retirement Plan whose membership has not been terminated, who is not a retired member and who is not employed in a qualifying position.

(9) "Individual account program" means the defined contribution individual account program of the Oregon Public Service Retirement Plan established under ORS 238A.025.

(10) "Institution of higher education" means a public university listed in ORS 352.002, the Oregon Health and Science University or a community college, as defined in ORS 341.005.

(11) "Member" means an eligible employee who has established membership in the pension program or the individual account program of the Oregon Public Service Retirement Plan and whose membership has not been terminated under ORS 238A.110 or 238A.310.

(12) "Participating public employer" means a public employer as defined in ORS 238.005 that provides retirement benefits for employees of the public employer under the system.

(13) "Pension program" means the defined benefit pension program of the Oregon Public Service Retirement Plan established under ORS 238A.025.

(14) "Police officer" means a police officer as described in ORS 238.005.

(15) "Qualifying position" means one or more jobs with one or more participating public employers in which an eligible employee performs 600 or more hours of service in a calendar year, excluding any service in a job for which benefits are not provided under the Oregon Public Service Retirement Plan pursuant to ORS 238A.070 (2).

(16) "Retired member" means a pension program member who is receiving a pension as provided in ORS 238A.180 to 238A.195.

(17)(a) "Salary" means the remuneration paid to an active member in return for services to the participating public employer, including remuneration in the form of living quarters, board or other items of value, to the extent the remuneration is includable in the employee's taxable income under Oregon law. Salary includes the additional amounts specified in paragraph (b) of this subsection, but does not include the amounts specified in paragraph (c) of this subsection, regardless of whether those amounts are includable in taxable income.

(b) "Salary" includes the following amounts:

(A) Payments of employee and employer money into a deferred compensation plan that are made at the election of the employee.

(B) Contributions to a tax-sheltered or deferred annuity that are made at the election of the employee.

(C) Any amount that is contributed to a cafeteria plan or qualified transportation fringe benefit plan by the employer at the election of the employee and that is not includable in the taxable income of the employee by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2011.

(D) Any amount that is contributed to a cash or deferred arrangement by the employer at the election of the employee and that is not included in the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in effect on December 31, 2011.

(E) Retroactive payments described in ORS 238.008.

(F) The amount of an employee contribution to the individual account program that is paid by the employer and deducted from the compensation of the employee, as provided under ORS 238A.335 (1) and (2)(a).

(G) The amount of an employee contribution to the individual account program that is not paid by the employer under ORS 238A.335.

(H) Wages of a deceased member paid to a surviving spouse or dependent children under ORS 652.190.

(c) "Salary" does not include the following amounts:

(A) Travel or any other expenses incidental to employer's business which is reimbursed by the employer.

- (B) Payments made on account of an employee's death.
- (C) Any lump sum payment for accumulated unused sick leave, vacation leave or other paid leave.
- (D) Any severance payment, accelerated payment of an employment contract for a future period or advance against future wages.
- (E) Any retirement incentive, retirement bonus or retirement gratuitous payment.
- (F) Payment for a leave of absence after the date the employer and employee have agreed that no future services in a qualifying position will be performed.
- (G) Payments for instructional services rendered to public universities [*of the Oregon University System*] **listed in ORS 352.002** or the Oregon Health and Science University when those services are in excess of full-time employment subject to this chapter. A person employed under a contract for less than 12 months is subject to this subparagraph only for the months covered by the contract.
- (H) The amount of an employee contribution to the individual account program that is paid by the employer and is not deducted from the compensation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

(I) Any amount in excess of \$200,000 for a calendar year. If any period over which salary is determined is less than 12 months, the \$200,000 limitation for that period shall be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is 12. The board shall adopt rules adjusting this dollar limit to incorporate cost-of-living adjustments authorized by the Internal Revenue Service.

(18) "System" means the Public Employees Retirement System.

SECTION 113. ORS 243.107 is amended to read:

243.107. A person employed by a public university listed in ORS 352.002 or the Oregon Health and Science University may be considered an eligible employee for participation in one of the group benefit plans described in ORS 243.135 if the State Board of Higher Education **or the governing board of the public university**, or the Oregon Health and Science University Board of Directors for Oregon Health and Science University employees, determines that funds are available therefor and if:

(1) Notwithstanding ORS 243.105 (4)(b)(F), the person is a student enrolled in an institution of higher education and is employed as a graduate teaching assistant, graduate research assistant or a fellow at the institution and elects to participate; or

(2) Notwithstanding ORS 243.105 (4)(b)(B) or (C), the person is employed on a less than half-time basis in an unclassified instructional or research support capacity and elects to participate.

SECTION 114. ORS 243.800, as amended by section 1, chapter 174, Oregon Laws 2013 (Enrolled Senate Bill 269), is amended to read:

243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A or ORS 243.910 to 243.945, the State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** shall establish and administer an Optional Retirement Plan for administrative and academic employees of the Oregon University System **or public university**. The Optional Retirement Plan must be a qualified plan under the Internal Revenue Code, capable of accepting funds transferred under subsection (7) of this section without the transfer being treated as a taxable event under the Internal Revenue Code, and willing to accept those funds. Retirement and death benefits shall be provided under the plan by the purchase of annuity contracts, fixed or variable or a combination thereof, or by contracts for investments in mutual funds.

(2) An administrative or academic employee [*of the Oregon University System*] may elect to participate in the Optional Retirement Plan upon completion of:

(a) Six hundred hours of employment, or the equivalent as determined by the State Board of Higher Education **or the governing board**; and

(b) Six months of employment that is not interrupted by more than 30 consecutive working days.

(3) An administrative or academic employee may make an irrevocable election to participate in the Optional Retirement Plan within six months after being employed. An election under this sub-

section is effective on the first day of the month following the completion of the requirements of subsection (2) of this section.

(4) An administrative or academic employee who does not elect to participate in the Optional Retirement Plan:

(a) Remains or becomes a member of the Public Employees Retirement System in accordance with ORS chapters 238 and 238A; or

(b) Continues to be assisted by the State Board of Higher Education **or governing board** under ORS 243.920 if the employee is being so assisted.

(5) Except as provided in subsection (6) of this section, employees who elect to participate in the Optional Retirement Plan are ineligible for active membership in the Public Employees Retirement System or for any assistance by the State Board of Higher Education **or governing board** under ORS 243.920 as long as those employees are employed in the Oregon University System **or public university** and the plan is in effect.

(6)(a) An administrative or academic employee who elects to participate in the Optional Retirement Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is not vested shall be considered by the Public Employees Retirement Board to be a terminated member under the provisions of ORS 238.095 as of the effective date of the election, and the amount credited to the member account of the member shall be transferred directly to the Optional Retirement Plan by the Public Employees Retirement Board in the manner provided by subsection (7) of this section.

(b) An administrative or academic employee who elects to participate in the Optional Retirement Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is vested shall be considered to be an inactive member by the Public Employees Retirement Board and shall retain all the rights, privileges and options under ORS chapter 238 unless the employee makes a written request to the Public Employees Retirement Board for a transfer of the amounts credited to the member account of the member to the Optional Retirement Plan. A request for a transfer must be made at the time the member elects to participate in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement Board shall transfer all amounts credited to the member account of the member directly to the Optional Retirement Plan, and shall terminate all rights, privileges and options of the employee under ORS chapter 238.

(c) An administrative or academic employee who elects to participate in the Optional Retirement Plan, and who is not a vested member of the pension program of the Oregon Public Service Retirement Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be considered to be a terminated member of the pension program by the Public Employees Retirement Board as of the effective date of the election.

(d) An administrative or academic employee who elects to participate in the Optional Retirement Plan, and who is a vested member of the pension program of the Oregon Public Service Retirement Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be considered an inactive member of the pension program by the Public Employees Retirement Board as of the effective date of the election. An employee who is subject to the provisions of this paragraph retains all the rights, privileges and options of an inactive member of the pension program. If the actuarial equivalent of the employee's benefit under the pension program at the time that the election becomes effective is \$5,000 or less, the employee may make a written request to the Public Employees Retirement Board for a transfer of the employee's interest under the pension program to the Optional Retirement Plan. The request must be made at the time the member elects to participate in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement Board shall transfer the amount determined to be the actuarial equivalent of the employee's benefit under the pension program directly to the Optional Retirement Plan, and shall terminate the membership of the employee in the pension program.

(e) An administrative or academic employee who elects to participate in the Optional Retirement Plan, and who is a vested member of the individual account program of the Oregon Public Service Retirement Plan as described in ORS 238A.320 on the date that the election becomes effective, shall

be considered an inactive member of the individual account program by the Public Employees Retirement Board as of the effective date of the election. An employee who is subject to the provisions of this paragraph retains all the rights, privileges and options of an inactive member of the individual account program. An administrative or academic employee who elects to participate in the Optional Retirement Plan, and who is a member of the individual account program of the Oregon Public Service Retirement Plan, may make a written request to the Public Employees Retirement Board that all amounts in the member's employee account, rollover account and employer account, to the extent the member is vested in those accounts under ORS 238A.320, be transferred to the Optional Retirement Plan. The request must be made at the time the member elects to participate in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement Board shall transfer the amounts directly to the Optional Retirement Plan, and shall terminate the membership of the employee in the individual account program upon making the transfer.

(f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the Public Employees Retirement Board may not treat any employee as an inactive member under the provisions of this subsection for the purpose of receiving any benefit under ORS chapter 238 or 238A that requires that the employee be separated from all service with participating public employers and with employers who are treated as part of a participating public employer's controlled group under the federal laws and rules governing the status of the system and the Public Employees Retirement Fund as a qualified governmental retirement plan and trust.

(7) Any amounts transferred from the Public Employees Retirement Fund under subsection (6) of this section shall be transferred directly to the Optional Retirement Plan by the Public Employees Retirement Board and may not be made available to the employee.

(8) An employee participating in the Optional Retirement Plan who was hired before July 1, 2014, shall contribute monthly an amount equal to the percentage of the employee's salary that the employee would otherwise have contributed as an employee contribution to the Public Employees Retirement System if the employee had not elected to participate in the Optional Retirement Plan.

(9) For an employee participating in the Optional Retirement Plan who was hired before July 1, 2014, the State Board of Higher Education **or governing board** shall contribute monthly to the Optional Retirement Plan the percentage of salary of the employee equal to the percentage of salary that would otherwise have been contributed as an employer contribution on behalf of the employee to the Public Employees Retirement System, before any offset under ORS 238.229 (2), if the employee had not elected to participate in the Optional Retirement Plan.

(10) For an employee participating in the Optional Retirement Plan who was hired on or after July 1, 2014, the State Board of Higher Education shall contribute monthly to the Optional Retirement Plan:

(a) Eight percent of the employee's salary; and

(b) A percentage of the employee's salary equal to the percentage of salary contributed by the employee to the Oregon University System Tax-Deferred Investment 403(b) Plan under ORS 243.820, up to four percent of the employee's salary in each pay period.

(11) Both employee and employer contributions to an Optional Retirement Plan shall be remitted directly to the companies that have issued annuity contracts to the participating employees or directly to the mutual funds.

(12) Benefits under the Optional Retirement Plan are payable to employees who elect to participate in the plan and their beneficiaries by the selected annuity provider or mutual fund in accordance with the terms of the annuity contracts or the terms of the contract with the mutual fund. Employees electing to participate in the Optional Retirement Plan agree that benefits payable under the plan are not obligations of the State of Oregon or of the Public Employees Retirement System.

SECTION 115. ORS 243.820 is amended to read:

243.820. (1) In order to obtain the advantages of 26 U.S.C. 403(b), or any equivalent provision of federal law, an employer may agree with an employee who performs services for an educational institution that:

(a) The employee's salary will be reduced monthly by a stated amount, or the employee will forgo monthly a salary increase of a stated amount; and

(b) On behalf of the employee, the employer shall contribute monthly an amount equal to the stated amount determined under paragraph (a) of this subsection as premiums for an annuity contract or to a custodial account for investment in the stock of regulated investment companies as defined in 26 U.S.C. 403(b)(7)(C). The amount contributed by the employer under this subsection may not exceed the stated amount.

(2) Notwithstanding any other provision of law, pursuant to an agreement under subsection (1) of this section, the stated amounts shall be forwarded by the employer as annuity premiums to the company or association with which it has entered into an annuity contract or to the regulated investment company or its transfer agent for the benefit of the employee.

(3) An employer may make nonelective employer contributions on behalf of an employee who performs services for an educational institution as premiums for an annuity contract, or to a custodial account for investment in the stock of regulated investment companies as defined in 26 U.S.C. 403(b)(7)(C), for the purpose of obtaining the advantages of 26 U.S.C. 403(b) or any equivalent provision of federal law. Employer contributions under this subsection are in addition to any employee contributions under subsection (1) of this section.

(4) As used in this section:

(a) "Educational institution" means an educational institution that normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on or an education service district.

(b) "Employer" means the State Board of Higher Education, any other state agency, a community college district, a school district, **a public university listed in ORS 352.002**, the Oregon Health and Science University or an education service district employing an individual who performs services for an educational institution.

SECTION 116. ORS 243.850 is amended to read:

243.850. (1) An eligible football coach and the State Board of Higher Education **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act** may enter into an agreement to provide that:

(a) The coach's salary will be reduced monthly by a stated amount that is not less than \$25 a month, or the coach will forgo monthly a salary increase of a stated amount that is not less than \$25 a month; and

(b) The [*State Board of Higher Education*] **board** will contribute monthly an amount equal to the stated amount determined under paragraph (a) of this subsection for the month to a designated qualified football coaches plan. The amount contributed by the employer shall not exceed the stated amount.

(2) The amount by which an eligible football coach's salary or wages is reduced by reason of the salary reduction or forgoing of a salary increase authorized by subsection (1) of this section shall continue to be included as regular compensation for the purpose of computing the retirement, pension and Social Security benefits earned by the coach, but that amount shall not be considered current taxable income for the purpose of computing federal and state income taxes withheld on behalf of that coach.

(3) For the purposes of this section:

(a) "Eligible football coach" means a staff member of [*the Oregon University System*] **a public university listed in ORS 352.002** who primarily coaches football as a full-time employee of a four-year university described in 26 U.S.C. 170(b)(1)(A)(ii).

(b) "Qualified football coaches plan" has the meaning given that term in 29 U.S.C. 1002(37).

SECTION 117. ORS 243.910 is amended to read:

243.910. As used in ORS 243.910 to 243.945:

(1) "Board" means the State Board of Higher Education for [*all*] public universities listed in ORS [*352.002*] **351.011, the governing board of a public university with a governing board listed in**

section 3 of this 2013 Act and for the Oregon Health and Science University, [means] the Oregon Health and Science University Board of Directors.

(2) "Employees" means the persons appointed or employed by or under the authority of the board who hold academic rank as determined by the board.

(3) "System" means the Public Employees Retirement System established by ORS 238.600.

SECTION 118. ORS 244.050, as amended by sections 9 and 29, chapter 90, Oregon Laws 2012, is amended to read:

244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon Government Ethics Commission a verified statement of economic interest as required under this chapter:

(a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

(b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem judicial officer who does not otherwise serve as a judicial officer.

(c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

(d) The Deputy Attorney General.

(e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the House of Representatives.

(f) The Chancellor and Vice Chancellors of the Oregon University System and the president and vice presidents, or their administrative equivalents, in each public university listed in ORS 352.002.

(g) The following state officers:

(A) Adjutant General.

(B) Director of Agriculture.

(C) Manager of State Accident Insurance Fund Corporation.

(D) Water Resources Director.

(E) Director of Department of Environmental Quality.

(F) Director of Oregon Department of Administrative Services.

(G) State Fish and Wildlife Director.

(H) State Forester.

(I) State Geologist.

(J) Director of Human Services.

(K) Director of the Department of Consumer and Business Services.

(L) Director of the Department of State Lands.

(M) State Librarian.

(N) Administrator of Oregon Liquor Control Commission.

(O) Superintendent of State Police.

(P) Director of the Public Employees Retirement System.

(Q) Director of Department of Revenue.

(R) Director of Transportation.

(S) Public Utility Commissioner.

(T) Director of Veterans' Affairs.

(U) Executive director of Oregon Government Ethics Commission.

(V) Director of the State Department of Energy.

(W) Director and each assistant director of the Oregon State Lottery.

(X) Director of the Department of Corrections.

(Y) Director of the Oregon Department of Aviation.

(Z) Executive director of the Oregon Criminal Justice Commission.

(AA) Director of the Oregon Business Development Department.

(BB) Director of the Office of Emergency Management.

(CC) Director of the Employment Department.

(DD) Chief of staff for the Governor.

(EE) Administrator of the Office for Oregon Health Policy and Research.

- (FF) Director of the Housing and Community Services Department.
- (GG) State Court Administrator.
- (HH) Director of the Department of Land Conservation and Development.
- (II) Board chairperson of the Land Use Board of Appeals.
- (JJ) State Marine Director.
- (KK) Executive director of the Oregon Racing Commission.
- (LL) State Parks and Recreation Director.
- (MM) Public defense services executive director.
- (NN) Chairperson of the Public Employees' Benefit Board.
- (OO) Director of the Department of Public Safety Standards and Training.
- (PP) Chairperson of the Oregon Student Access Commission.
- (QQ) Executive director of the Oregon Watershed Enhancement Board.
- (RR) Director of the Oregon Youth Authority.
- (SS) Director of the Oregon Health Authority.
- (TT) Deputy Superintendent of Public Instruction.
- (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- (i) Every elected city or county official.
- (j) Every member of a city or county planning, zoning or development commission.
- (k) The chief executive officer of a city or county who performs the duties of manager or principal administrator of the city or county.
- (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- (m) Every member of a governing body of a metropolitan service district and the executive officer thereof.
- (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- (o) The chief administrative officer and the financial officer of each common and union high school district, education service district and community college district.
- (p) Every member of the following state boards and commissions:
 - (A) Board of Geologic and Mineral Industries.
 - (B) Oregon Business Development Commission.
 - (C) State Board of Education.
 - (D) Environmental Quality Commission.
 - (E) Fish and Wildlife Commission of the State of Oregon.
 - (F) State Board of Forestry.
 - (G) Oregon Government Ethics Commission.
 - (H) Oregon Health Policy Board.
 - (I) State Board of Higher Education.
 - (J) Oregon Investment Council.
 - (K) Land Conservation and Development Commission.
 - (L) Oregon Liquor Control Commission.
 - (M) Oregon Short Term Fund Board.
 - (N) State Marine Board.
 - (O) Mass transit district boards.
 - (P) Energy Facility Siting Council.
 - (Q) Board of Commissioners of the Port of Portland.
 - (R) Employment Relations Board.
 - (S) Public Employees Retirement Board.
 - (T) Oregon Racing Commission.
 - (U) Oregon Transportation Commission.
 - (V) Wage and Hour Commission.
 - (W) Water Resources Commission.
 - (X) Workers' Compensation Board.
 - (Y) Oregon Facilities Authority.

- (Z) Oregon State Lottery Commission.
- (AA) Pacific Northwest Electric Power and Conservation Planning Council.
- (BB) Columbia River Gorge Commission.
- (CC) Oregon Health and Science University Board of Directors.
- (DD) Capitol Planning Commission.
- (EE) Higher Education Coordinating Commission.
- (q) The following officers of the State Treasurer:
 - (A) Deputy State Treasurer.
 - (B) Chief of staff for the office of the State Treasurer.
 - (C) Director of the Investment Division.
- (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725 or 777.915 to 777.953.
- (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
- (t) Every member of a governing board of a public university with a governing board listed in section 3 of this 2013 Act.**

(2) By April 15 next after the date an appointment takes effect, every appointed public official on a board or commission listed in subsection (1) of this section shall file with the Oregon Government Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(3) By April 15 next after the filing deadline for the primary election, each candidate described in subsection (1) of this section shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(4) Within 30 days after the filing deadline for the general election, each candidate described in subsection (1) of this section who was not a candidate in the preceding primary election, or who was nominated for public office described in subsection (1) of this section at the preceding primary election by write-in votes, shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the filing deadline for the statewide general election.

(6) If a statement required to be filed under this section has not been received by the commission within five days after the date the statement is due, the commission shall notify the public official or candidate and give the public official or candidate not less than 15 days to comply with the requirements of this section. If the public official or candidate fails to comply by the date set by the commission, the commission may impose a civil penalty as provided in ORS 244.350.

SECTION 119. ORS 270.100 is amended to read:

270.100. (1)(a) Before offering for sale any real property or equitable interest therein owned by the state, the state agency acting for the state in such transaction shall report its intent of sale or transfer to the Oregon Department of Administrative Services. The department, or the agency specifically designated by the department, shall notify other state agencies authorized to own real property of the intended sale or transfer to determine whether acquisition of the real property or interest therein would be advantageous to another state agency.

(b) The department shall give political subdivisions, as defined in ORS 271.005, the first opportunity after other state agencies to acquire, purchase, exchange or lease real property to be sold or disposed of by the State of Oregon. The state agency responsible for selling or transferring the property may require at the time of the sale or transfer that any state real property sold or transferred to a political subdivision, as defined in ORS 271.005, shall be for use for a public purpose or benefit, and not be for resale to a private purchaser.

(c) If property is not disposed of under paragraph (a) or (b) of this subsection, in accordance with rules adopted by the department, the state agency desiring to sell or transfer the property shall cause it to be appraised by one or more competent and experienced appraisers. Except as provided

in ORS 273.825, if such property has an appraised value exceeding \$5,000 it shall not be sold to any private person except after notice calling for such proposals as set forth in ORS 270.130.

(d) The department shall adopt rules to carry out the provisions of this section.

(2) Before acquisition of any real property or interest therein by any state agency, except for highway right of way acquired by the Department of Transportation and park properties acquired by the State Parks and Recreation Department and property within the approved projected campus boundaries for public universities of the Oregon University System **or public universities with governing boards listed in section 3 of this 2013 Act**, the state agency shall report its intent of acquisition to the Oregon Department of Administrative Services. The department shall notify other state agencies owning land of the intended acquisition to determine whether another state agency desires to sell or transfer property which would meet the needs of the purchasing agency. In accordance with rules adopted by the Oregon Department of Administrative Services, if no other state agency desires to sell or transfer property which would meet the needs of the agency, the agency may acquire the real property or interest therein, consistent with applicable provisions of law.

(3) Before any terminal disposition of real property or an interest in real property, the state agency acting for the state in the transaction must secure approval of the transaction from the Oregon Department of Administrative Services.

(4) Subsection (3) of this section does not apply to terminal disposition of the following real property:

- (a) Property controlled by the State Department of Fish and Wildlife;
- (b) State forestlands controlled by the State Forestry Department;
- (c) Property controlled by the Department of Transportation;
- (d) Property controlled by the Department of State Lands;
- (e) Property controlled by the Oregon University System **or controlled by public universities with governing boards listed in section 3 of this 2013 Act**;
- (f) Property controlled by the legislative or judicial branches of state government; and
- (g) Property controlled by the State Parks and Recreation Department.

(5) Notwithstanding the provisions of subsection (4) of this section, prior approval by the Oregon Department of Administrative Services is required for the terminal disposition of public land for less than the fair market value of that land.

(6) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190, 273.416, 273.426 to 273.436, 273.551 and 308A.709 (1) to (4) do not apply to a home or farm acquired, sold, or both, by the Department of Veterans' Affairs under ORS 88.720, 406.050, 407.135, 407.145, 407.375 and 407.377.

SECTION 120. ORS 270.110 is amended to read:

270.110. (1) Except as provided in subsection (2) of this section, whenever the state or any agency thereof possesses or controls real property not needed for public use, or whenever the public interest may be furthered, the state or its agency may sell, exchange, convey or lease for any period not exceeding 99 years all or any part of its interest in the property to or with the state or any political subdivision of the state or the United States or any agency thereof or private individual or corporation. Except where the state is exchanging real property, the consideration for the transfer or lease may be cash or real property, or both.

(2) If the ownership, right or title of the state to any real property set apart by deed, will or otherwise for a burial ground or cemetery, or for the purpose of interring the remains of deceased persons, is limited or qualified or the use of such real property is restricted, whether by dedication or otherwise, the state or its agency may, after first declaring by resolution that such real property is not needed for public use, or that the sale, exchange, conveyance or lease thereof will further the public interest, file a complaint in the circuit court for the county in which such real property is located against all persons claiming any right, title or interest in such real property, whether the interest be contingent, conditional or otherwise, for authority to sell, exchange, convey or lease all or any part of such real property. The resolution is prima facie evidence that such real property is not needed for public use, or that the sale, exchange, conveyance or lease will further the public interest. The action shall be commenced and prosecuted to final determination in the same manner

as an action not triable by right to a jury. The complaint shall contain a description of such real property, a statement of the nature of the restrictions, qualifications or limitations, and a statement that the defendants claim some interest therein. The court shall make such judgment as it shall deem proper, taking into consideration the limitations, qualifications or restrictions, the resolution and all other matters pertinent thereto. Neither costs nor disbursements may be recovered against any defendant.

(3) The authority to lease property granted by this section includes authority to lease property not owned or controlled by the state at the time of entering into the lease. Such lease shall be conditioned upon the subsequent acquisition of the interest covered by the lease.

(4) Any lease of state real property exceeding five years must be approved in advance by the Oregon Department of Administrative Services, except for leases:

(a) Negotiated by the Oregon Department of Aviation;

(b) Of state forestlands;

(c) Of property controlled by the Department of State Lands, **the** Department of Transportation or [Oregon University System] **a public university listed in ORS 352.002**; or

(d) Of property controlled by the legislative or judicial branches of state government.

SECTION 120a. ORS 273.155 is amended to read:

273.155. The Department of State Lands, in carrying out its duties, may call upon all related state and county agencies, including the Oregon University System, **public universities with governing boards listed in section 3 of this 2013 Act** and any state or county officers or Oregon University System **or public university** employees through whom necessary information and aid may be received. Such agencies, officers and employees shall cooperate with the department without additional compensation.

SECTION 121. ORS 276.610 is amended to read:

276.610. There is established a fund in the State Treasury to be known as the State Building Fund which shall be used for the construction, alteration and repair of buildings required for use of institutions and activities under the jurisdiction of the Department of Corrections, the Department of Human Services, the Oregon Health Authority, **the governing boards of public universities with governing boards listed in section 3 of this 2013 Act** or the State Board of Education and the State Board of Higher Education and for the furnishing and equipping of buildings so constructed, altered or repaired.

SECTION 122. ORS 276.612 is amended to read:

276.612. The Department of Corrections, the Department of Human Services, the Oregon Health Authority and the State Board of Education each shall determine the buildings to be constructed, altered, repaired, furnished and equipped for the use of institutions and activities under their respective jurisdictions. The State Board of Higher Education **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act** shall determine the buildings to be constructed, altered, repaired, furnished and equipped for the use of public universities or offices, departments or activities under its jurisdiction.

SECTION 123. ORS 279A.025 is amended to read:

279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting Code applies to all public contracting.

(2) The Public Contracting Code does not apply to:

(a) Contracts between a contracting agency and:

(A) Another contracting agency;

(B) The Oregon Health and Science University;

(C) A public university listed in ORS 352.002;

[(C)] **(D)** The Oregon State Bar;

[(D)] **(E)** A governmental body of another state;

[(E)] **(F)** The federal government;

[(F)] **(G)** An American Indian tribe or an agency of an American Indian tribe;

[(G)] **(H)** A nation, or a governmental body in a nation, other than the United States; or

- ~~[(H)]~~ (I) An intergovernmental entity formed between or among:
- (i) Governmental bodies of this or another state;
 - (ii) The federal government;
 - (iii) An American Indian tribe or an agency of an American Indian tribe;
 - (iv) A nation other than the United States; or
 - (v) A governmental body in a nation other than the United States;
- (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or other authority for establishing agreements between or among governmental bodies or agencies or tribal governing bodies or agencies;
- (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and 414.145 for purposes of source selection;
- (d) Grants;
- (e) Contracts for professional or expert witnesses or consultants to provide services or testimony relating to existing or potential litigation or legal matters in which a public body is or may become interested;
- (f) Acquisitions or disposals of real property or interest in real property;
- (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source selection;
- (h) Contracts for the procurement or distribution of textbooks;
- (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;
- (j) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001, or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;
- (k) Contracts entered into under ORS chapter 180 between the Attorney General and private counsel or special legal assistants;
- (L) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry and the State Forestry Department;
- (m) Contracts for forest protection or forest related activities, as described in ORS 477.406, by the State Forester or the State Board of Forestry;
- (n) Sponsorship agreements entered into by the State Parks and Recreation Director in accordance with ORS 565.080 (4);
- (o) Contracts entered into by the Housing and Community Services Department in exercising the department's duties prescribed in ORS chapters 456 and 458, except that the department's public contracting for goods and services is subject to ORS chapter 279B;
- (p) Contracts entered into by the State Treasurer in exercising the powers of that office prescribed in ORS chapters 178, 286A, 287A, 289, 293, 294 and 295, including but not limited to investment contracts and agreements, banking services, clearing house services and collateralization agreements, bond documents, certificates of participation and other debt repayment agreements, and any associated contracts, agreements and documents, regardless of whether the obligations that the contracts, agreements or documents establish are general, special or limited, except that the State Treasurer's public contracting for goods and services is subject to ORS chapter 279B;
- (q) Contracts, agreements or other documents entered into, issued or established in connection with:
- (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;
 - (B) The making of program loans and similar extensions or advances of funds, aid or assistance by a public body to a public or private body for the purpose of carrying out, promoting or sustaining activities or programs authorized by law; or
 - (C) The investment of funds by a public body as authorized by law, and other financial transactions of a public body that by their character cannot practically be established under the competitive contractor selection procedures of ORS 279B.050 to 279B.085;
- (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221, 243.275, 243.291, 243.303 and 243.565;
- (s) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or

(t) Any other public contracting of a public body specifically exempted from the code by another provision of law.

(3) The Public Contracting Code does not apply to the contracting activities of:

(a) The Oregon State Lottery Commission;

[(b) *The Oregon University System and member public universities, except as provided in ORS 351.086;*]

[(c)] (b) The legislative department;

[(d)] (c) The judicial department;

[(e)] (d) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS 279.835 to 279.855 and 279A.250 to 279A.290;

[(f)] (e) Oregon Corrections Enterprises;

[(g)] (f) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to 279A.290;

[(h)] (g) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

[(i)] (h) The Oregon 529 College Savings Network and the Oregon 529 College Savings Board;

[(j)] (i) The Oregon Innovation Council;

[(k)] (j) The Oregon Utility Notification Center; or

[(L)] (k) Any other public body specifically exempted from the code by another provision of law.

(4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with qualified nonprofit agencies providing employment opportunities for individuals with disabilities under ORS 279.835 to 279.855.

SECTION 123a. ORS 282.076 is amended to read:

282.076. (1) An athletic department of any university under the jurisdiction of the State Board of Higher Education **or an athletic department of a public university with a governing board listed in section 3 of this 2013 Act** *[shall not be]* **is not** required to use state printing services controlled by the Director of the Oregon Department of Administrative Services or the designee of the director as required by ORS 282.020 (1).

(2) A state agency that gives to the director prior written notice of its intent to use other printing services *[shall not be]* **is not** required to use state printing services controlled by the director or the director's designee as required by ORS 282.020 (1), if the agency can demonstrate that these other printing services provide better value in the form of lower prices or better responsiveness than those services already provided by the Oregon Department of Administrative Services.

SECTION 123b. ORS 284.540 is amended to read:

284.540. (1) There is established the Governor's Council on Oregon's Economy.

(2) The members of the council are:

(a) The presiding officer of the Oregon Business Development Commission;

(b) The chairperson of the Oregon Transportation Commission;

(c) The chairperson of the State Board of Agriculture;

(d) The *[president of the State Board of Higher Education]* **chairperson of the Higher Education Coordinating Commission;** and

(e) Other persons designated by the Governor.

(3) The council shall meet quarterly to:

(a) Discuss and coordinate the activities of each entity described in subsection (2) of this section that relate to economic development and improving the economy in Oregon; and

(b) Discuss and recommend to the Legislative Assembly methods for creating certainty for the development process.

SECTION 123c. ORS 284.706, as amended by sections 21 and 31, chapter 90, Oregon Laws 2012, is amended to read:

284.706. (1) There is created the Oregon Innovation Council consisting of the following voting members:

(a) The Governor or the Governor's designated representative, who shall be chairperson of the council.

(b) Five members appointed by the Governor who are engaged in the operations of Oregon traded sector industries or Oregon growth businesses.

(c) One member appointed by the Governor who is a representative of an Oregon-based, generally accredited, not-for-profit private institution of higher education.

(d) A member of the Oregon Growth Account Board, appointed by the board, who has experience in the field of venture capital.

(e) A member of the Engineering and Technology Industry Council, appointed by the Engineering and Technology Industry Council.

(f) The Director of the Oregon Business Development Department.

(g) The [*Chancellor of the Oregon University System*] **executive director of the Higher Education Coordinating Commission.**

[(h) *The Commissioner for Community College Services.*]

[(i)] (h) The State Treasurer.

(2)(a) The Speaker of the House of Representatives shall appoint two members to the council who are members of the House of Representatives.

(b) The President of the Senate shall appoint two members to the council who are members of the Senate.

(c) Members of the Legislative Assembly appointed to the council are nonvoting members and may act in an advisory capacity only.

(3) The following persons, or their representatives, shall serve as ex officio, nonvoting members of the council:

(a) The presiding officer of the Oregon Business Development Commission.

(b) The [*president of the State Board of Higher Education*] **chairperson of the Higher Education Coordinating Commission.**

(c) The chairperson of the State Board of Education.

(d) An executive officer of an association representing Oregon-based, generally accredited, not-for-profit private institutions of higher education, appointed by the Governor.

(4) The term of office of each appointed voting member of the council is three years, but an appointed member serves at the pleasure of the appointing authority. Before the expiration of the term of an appointed voting member, the appointing authority shall appoint a successor whose term begins on July 1 next following. An appointed member is eligible for reappointment. If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the remainder of the unexpired term.

(5) A majority of the voting members of the council constitutes a quorum for the transaction of business.

(6) Official action by the council requires the approval of a majority of the voting members of the council.

(7) The council shall meet at least twice per fiscal year at a place, day and time determined by the chairperson. The council may also meet at other times and places specified by a call of the chairperson or by written request of a majority of the voting members of the council.

(8) The council may adopt rules necessary for the operation of the council.

(9) The council may establish committees and delegate to the committees duties as the council considers desirable.

(10) The Oregon Business Development Department shall provide staff support to the council.

(11) Members of the council who are members of the Legislative Assembly are entitled to compensation and expense reimbursement as provided in ORS 171.072.

(12) Members of the council who are not members of the Legislative Assembly are entitled to compensation and expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members of the council who are public officers shall be paid out of funds appropriated to the public agency that employs the member. Claims for compensation and expenses of members of the council who are

not public officers shall be paid out of funds appropriated to the Oregon Business Development Department for that purpose.

(13) All agencies of state government, as defined in ORS 174.111, are directed to assist the council in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the council consider necessary to perform their duties.

SECTION 123d. ORS 286A.700 is amended to read:

286A.700. (1) As used in this section:

(a) "Oregon Baccalaureate Bonds" means bonds of the State of Oregon issued by the State Treasurer at the request of the Oregon University System that are designated as baccalaureate bonds.

(b) "Post-secondary education" means training and instruction provided by fully accredited public universities or private institutions of higher learning, community colleges and post-high-school career schools.

(2) The Legislative Assembly encourages citizens of the State of Oregon to avail themselves of post-secondary education opportunities.

(3) The Legislative Assembly finds:

(a) For the benefit of its citizens, the state supports a system of common schools, public universities and community colleges.

(b) A post-secondary education advances a citizen's ability to pursue life, liberty and happiness through a wide range of employment opportunities.

(c) A well-educated citizenry contributes to the economic well-being of the state and nation.

(d) A well-trained and skilled citizenry enhances economic development of the state.

(e) While students have just begun their education upon completion of a formal education, a lifetime pursuit of learning contributes to a well-informed citizenry and to Oregon's cherished quality of life.

(f) Citizens educated in Oregon are more likely to pursue careers in Oregon.

(g) It is in the interest of this state to encourage its citizens to plan and save for a post-secondary education.

(h) An Oregon Baccalaureate Bond program that provides citizens an opportunity to save for a post-secondary education for their children, themselves or any citizen is in the social and economic interest of the State of Oregon.

(i) A systematic way to save for post-secondary education can assist all of Oregon's higher education, community college and career schools to better project enrollments, thereby permitting the prudent allocation of scarce resources.

(4) At the request of the [*Oregon University System*] **Higher Education Coordinating Commission**, the State Treasurer may:

(a) Issue bonds as Oregon Baccalaureate Bonds, to encourage investors to save for post-secondary education opportunities.

(b) Investigate and implement the means and procedures to facilitate the participation by the broadest practical range of investors in the Oregon Baccalaureate Bond program. The means and procedures may include, but are not limited to, adjustments in the denominations in which the bonds are issued and the frequency with which the bonds are issued.

(5) The purchase of an Oregon Baccalaureate Bond does not guarantee the purchaser, owner or beneficiary of the bond admittance to a public university or private post-secondary institution.

SECTION 123e. ORS 291.375, as amended by section 10, chapter 107, Oregon Laws 2012, is amended to read:

291.375. (1) Prior to the submission of any application for financial assistance or grants from the United States or any agency of the United States by or on behalf of any agency of this state, the application must be submitted for legislative review in the following manner:

(a) If the application is to be submitted to the federal government when the Legislative Assembly is in session, the application shall be submitted to the Joint Committee on Ways and Means for review.

(b) If the application is to be submitted to the federal government when the Legislative Assembly is not in session, the application shall be submitted to the Emergency Board or to the Joint Interim Committee on Ways and Means for review.

(2) If the legislative agency authorized under subsection (1) of this section to review applications described therein approves the application, it may be submitted to the appropriate federal agency. If the legislative agency disapproves of the application, it may not be submitted to any federal agency unless it is or can be modified to meet the objections of the legislative agency.

(3) Notwithstanding subsection (1) of this section, the Joint Committee on Ways and Means, the Emergency Board or the Joint Interim Committee on Ways and Means may exempt any state agency from the requirements of this section. Project grants for departmental research, organized activities related to instruction, sponsored research or other sponsored programs carried on within the Oregon University System **or the public universities with governing boards listed in section 3 of this 2013 Act**, for which no biennial expenditure limitations have been established, are exempt from the requirements of this section.

(4) The review required by this section is in addition to and not in lieu of the requirements of ORS 293.550.

SECTION 124. ORS 33.710 is amended to read:

33.710. (1) As used in [ORS 33.710 and] **this section and ORS 33.720**, unless the context requires otherwise:

(a) "Governing body" means the city council, board of commissioners, board of directors, county court or other managing board of a municipal corporation, including a board managing a municipally owned public utility or a dock commission **and a governing board established for a public university pursuant to section 3 of this 2013 Act**.

(b) "Municipal corporation" means any county, city, port, school district, union high school district, community college district **or public university with a governing board established pursuant to section 3 of this 2013 Act** and all other public or quasi-public corporations, including a municipal utility or dock commission operated by a separate board or commission.

(2) The governing body may commence a proceeding in the circuit court of the county in which the municipal corporation or the greater part thereof is located, for the purpose of having a judicial examination and judgment of the court as to the regularity and legality of:

(a) The proceedings in connection with the establishment or creation of the municipal corporation, including any action or proceedings proclaiming the creation of the municipal corporation or declaring the result of any election therein.

(b) The proceedings of the governing body and of the municipal corporation providing for and authorizing the issue and sale of bonds of the municipal corporation, whether the bonds or any of them have or have not been sold or disposed of.

(c) Any order of the governing body levying a tax.

(d) The authorization of any contract and as to the validity of the contract, whether or not it has been executed.

(e) Any decision of the governing body that raises novel or important legal issues that would be efficiently and effectively resolved by a proceeding before the decision becomes effective, when the decision will:

(A) Require a significant expenditure of public funds;

(B) Significantly affect the lives or businesses of a significant number of persons within the boundaries of the governing body; or

(C) Indirectly impose a significant financial burden on the cost of conducting business within the boundaries of the governing body.

(f) The authority of the governing body to enact any ordinance, resolution or regulation.

(g) Any ordinance, resolution or regulation enacted by the governing body, including the constitutionality of the ordinance, resolution or regulation.

(3) All proceedings of the municipal corporation may be judicially examined and determined in one special proceeding, or any part thereof may be separately examined and determined by the court.

(4) Nothing in this section allows a governing body to have a judicial examination and judgment of the court without a justiciable controversy.

SECTION 125. ORS 307.090 is amended to read:

307.090. (1) Except as provided by law, all property of the state and all public or corporate property used or intended for corporate purposes of the several counties, cities, towns, school districts, irrigation districts, drainage districts, ports, water districts, housing authorities, **public universities listed in ORS 352.002** and all other public or municipal corporations in this state, is exempt from taxation.

(2) Any city may agree with any school district to make payments in lieu of taxes on all property of the city located in any such school district, and which is exempt from taxation under subsection (1) of this section when such property is outside the boundaries of the city and owned, used or operated for the production, transmission, distribution or furnishing of electric power or energy or electric service for or to the public.

SECTION 126. ORS 307.112, as amended by section 2, chapter 42, Oregon Laws 2012, is amended to read:

307.112. (1) Real or personal property of a taxable owner held under lease, sublease or lease-purchase agreement by an institution, organization or public body, other than the State of Oregon, **or a public university listed in ORS 352.002**, granted exemption or the right to claim exemption for any of its property under ORS 307.090, 307.130, 307.136, 307.140, 307.145, 307.147 or 307.181 (3), is exempt from taxation if:

(a) The property is used by the lessee or, if the lessee is not in possession of the property, by the entity in possession of the property, in the manner, if any, required by law for the exemption of property owned, leased, subleased or being purchased by it; and

(b) It is expressly agreed within the lease, sublease or lease-purchase agreement that the rent payable by the institution, organization or public body has been established to reflect the savings below market rent resulting from the exemption from taxation.

(2) To obtain the exemption under this section, the lessee or, if the lessee is not in possession of the property, the entity in possession of the property, must file a claim for exemption with the county assessor, verified by the oath or affirmation of the president or other proper officer of the institution or organization, or head official of the public body or legally authorized delegate, showing:

(a) A complete description of the property for which exemption is claimed.

(b) If applicable, all facts relating to the use of the property by the lessee or, if the lessee is not in possession of the property, by the entity in possession of the property.

(c) A true copy of the lease, sublease or lease-purchase agreement covering the property for which exemption is claimed.

(d) Any other information required by the claim form.

(3) If the assessor is not satisfied that the rent stated in the lease, sublease or lease-purchase agreement has been established to reflect the savings below market rent resulting from the tax exemption, before the exemption may be granted the lessor must provide documentary proof, as specified by rule of the Department of Revenue, that the rent has been established to reflect the savings below market rent resulting from the tax exemption.

(4)(a) The claim must be filed on or before April 1 preceding the tax year for which the exemption is claimed, except:

(A) If the lease, sublease or lease-purchase agreement is entered into after March 1 but not later than June 30, the claim must be filed within 30 days after the date the lease, sublease or lease-purchase agreement is entered into if exemption is claimed for that year; or

(B) If a late filing fee is paid in the manner provided in ORS 307.162 (2), the claim may be filed within the time specified in ORS 307.162 (2).

(b) The exemption first applies for the tax year beginning July 1 of the year for which the claim is filed.

(5)(a) An exemption granted under this section continues as long as the use of the property remains unchanged and during the period of the lease, sublease or lease-purchase agreement.

(b) If the use changes, a new claim must be filed as provided in this section.

(c) If the use changes due to sublease of the property or any portion of the property from the tax exempt entity described in subsection (1) of this section to another tax exempt entity, the entity in possession of the property must file a new claim for exemption as provided in this section.

(d) If the lease, sublease or lease-purchase agreement expires before July 1 of any year, the exemption terminates as of January 1 of the same calendar year.

SECTION 127. ORS 291.055 is amended to read:

291.055. (1) Notwithstanding any other law that grants to a state agency the authority to establish fees, all new state agency fees or fee increases adopted during the period beginning on the date of adjournment sine die of a regular session of the Legislative Assembly and ending on the date of adjournment sine die of the next regular session of the Legislative Assembly:

(a) Are not effective for agencies in the executive department of government unless approved in writing by the Director of the Oregon Department of Administrative Services;

(b) Are not effective for agencies in the judicial department of government unless approved in writing by the Chief Justice of the Supreme Court;

(c) Are not effective for agencies in the legislative department of government unless approved in writing by the President of the Senate and the Speaker of the House of Representatives;

(d) Shall be reported by the state agency to the Oregon Department of Administrative Services within 10 days of their adoption; and

(e) Are rescinded on adjournment sine die of the next regular session of the Legislative Assembly as described in this subsection, unless otherwise authorized by enabling legislation setting forth the approved fees.

(2) This section does not apply to:

(a) Any tuition or fees charged by [*the State Board of Higher Education and the public universities*] **a public university** listed in ORS 352.002.

(b) Taxes or other payments made or collected from employers for unemployment insurance required by ORS chapter 657 or premium assessments required by ORS 656.612 and 656.614 or contributions and assessments calculated by cents per hour for workers' compensation coverage required by ORS 656.506.

(c) Fees or payments required for:

(A) Health care services provided by the Oregon Health and Science University, by the Oregon Veterans' Homes and by other state agencies and institutions pursuant to ORS 179.610 to 179.770.

(B) Assessments and premiums paid to the Oregon Medical Insurance Pool established by ORS 735.614 and 735.625.

(C) Copayments and premiums paid to the Oregon medical assistance program.

(D) Assessments paid to the Department of Consumer and Business Services under ORS 743.951 and 743.961.

(d) Fees created or authorized by statute that have no established rate or amount but are calculated for each separate instance for each fee payer and are based on actual cost of services provided.

(e) State agency charges on employees for benefits and services.

(f) Any intergovernmental charges.

(g) Forest protection district assessment rates established by ORS 477.210 to 477.265 and the Oregon Forest Land Protection Fund fees established by ORS 477.760.

(h) State Department of Energy assessments required by ORS 469.421 (8) and 469.681.

(i) Any charges established by the State Parks and Recreation Director in accordance with ORS 565.080 (3).

(j) Assessments on premiums charged by the Department of Consumer and Business Services pursuant to ORS 731.804 or fees charged by the Division of Finance and Corporate Securities of the Department of Consumer and Business Services to banks, trusts and credit unions pursuant to ORS 706.530 and 723.114.

(k) Public Utility Commission operating assessments required by ORS 756.310 or charges paid to the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987.

(L) Fees charged by the Housing and Community Services Department for intellectual property pursuant to ORS 456.562.

(m) New or increased fees that are anticipated in the legislative budgeting process for an agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted budget or the legislatively approved budget for the agency.

(n) Tolls approved by the Oregon Transportation Commission pursuant to ORS 383.004.

(o) Convenience fees as defined in ORS 182.126 and established by the Oregon Department of Administrative Services under ORS 182.132 (3) and recommended by the Electronic Government Portal Advisory Board.

(3)(a) Fees temporarily decreased for competitive or promotional reasons or because of unexpected and temporary revenue surpluses may be increased to not more than their prior level without compliance with subsection (1) of this section if, at the time the fee is decreased, the state agency specifies the following:

(A) The reason for the fee decrease; and

(B) The conditions under which the fee will be increased to not more than its prior level.

(b) Fees that are decreased for reasons other than those described in paragraph (a) of this subsection may not be subsequently increased except as allowed by ORS 291.050 to 291.060 and 294.160.

SECTION 128. ORS 291.357 is amended to read:

291.357. (1) As used in this section, "general governmental purposes" means:

(a) Those activities defined as governmental activities under the accounting standards promulgated by the Governmental Accounting Standards Board of the Financial Accounting Foundation that are in effect on August 10, 2001; and

(b) Post-secondary educational activities that are partially funded by student tuition and fees.

(2) Each biennium, state governmental appropriations for general governmental purposes shall be no greater than eight percent of projected personal income in Oregon for the same biennium. Projected personal income shall be based on the United States Department of Commerce projections used by the Oregon Department of Administrative Services in the last forecast given to the Legislative Assembly before adjournment sine die of the odd-numbered year regular session on which the printed, adopted budget is based.

(3) For purposes of this section, the following are considered to be appropriations:

(a) An authorization, given by law, to expend moneys in a biennium;

(b) A limitation, imposed by law, on the expenditure in a biennium of moneys that are continuously appropriated; and

(c) An estimate of amounts of moneys that are continuously appropriated that will be spent in a biennium without limitation.

(4) The following appropriations are not subject to the limitation on appropriations contained in this section:

(a) Appropriations for the construction or acquisition of assets that are financed by state bonds, certificates of participation or other forms of borrowing.

(b) Appropriations of moneys received directly or indirectly from the federal government.

(c) Appropriations for fee remission programs of [*the Oregon University System*] **public universities listed in ORS 352.002.**

(d) Appropriations of moneys voluntarily donated to a state agency.

(e) Appropriations of moneys from revenue increases or new revenue sources if the increases or sources result from approval of a measure by the people at an election held on or after August 10, 2001.

(f) Appropriations to fund new programs or to increase funding for existing programs if the need for new or increased funding results from approval of a measure by the people at an election held on or after August 10, 2001.

(5) The limitation on appropriations established by this section may be exceeded for a biennium if the Governor declares an emergency and three-fifths of the members serving in each house of the Legislative Assembly affirmatively vote to exceed the limitation for the biennium.

NOTE: Section 129 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 130. ORS 292.043 is amended to read:

292.043. (1) As used in this section:

(a) "Foundation" means:

(A) A tax exempt organization designated by a rule adopted by a state agency; or

(B) A tax exempt organization designated by the State Board of Higher Education **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act** to solicit contributions for the support of a public university listed in ORS 352.002.

(b) "Salary and wages" has the meaning given that term in ORS 292.014.

(2) Any state official authorized to disburse funds in payment of salaries or wages of the officers and employees of a state agency, or of the officers, teachers, instructors and other employees of [*the Oregon University System*] **a public university listed in ORS 352.002**, is authorized, upon written request of the individual, to deduct each month from the salary or wages of the individual the amount of money designated by the individual for payment to a foundation.

(3) The individual may withdraw the authorization at any time if the individual so notifies such officer in writing.

(4) The moneys so deducted shall be paid over promptly to the foundation designated by the individual. Subject to any rules prescribed by a state agency, [*or*] the State Board of Higher Education **or the governing board of the public university**, the state official authorized to disburse the funds in payment of salaries and wages may prescribe any procedures necessary to carry out this section.

SECTION 131. ORS 292.044 is amended to read:

292.044. (1) As used in this section:

(a) "Employee" means officers, faculty, teachers, instructors and other employees of [*the Oregon University System as described*] **a public university listed in ORS 352.002**.

(b) "Nonprofit organization" means an organization described in section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a) of the Internal Revenue Code.

(2)(a) The Chancellor of the Oregon University System or a designee of the chancellor may approve a written request made by a public university or office, department or activity under the jurisdiction of the State Board of Higher Education, in which an employee of the public university or office, department or activity may designate an amount from the salary or wages of the employee for payment to a qualifying nonprofit organization. A request made to the chancellor under this section must identify the nonprofit organization to whom payments would be made.

(b) **The governing board of a public university with a governing board listed in section 3 of this 2013 Act may approve a written request made by the university or office, department or activity under the board's jurisdiction, in which an employee of the university or office, department or activity may designate an amount from the salary or wages of the employee for payment to a qualifying nonprofit organization. A request made under this section must identify the nonprofit organization to whom payments would be made.**

(3) Upon written approval [*of the chancellor or of a designee of the chancellor*] and a written request of an employee of the public university or office, department or activity to which the approval applies, the state official within the Oregon University System **or public university with a governing board listed in section 3 of this 2013 Act** authorized to disburse funds in payment of sal-

aries or wages shall deduct from the salary or wages of the employee the amount of money designated by the employee for payment to the nonprofit organization.

(4) The moneys deducted from the salaries or wages under subsection (3) of this section shall be paid over promptly to the nonprofit organization.

(5) The [*Chancellor of the*] Oregon University System [*or a designee of the chancellor*] **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** shall prescribe procedures for determining whether an organization qualifies as a nonprofit organization under this section.

SECTION 132. ORS 307.095 is amended to read:

307.095. (1) Any portion of state property that is used during the tax year for parking on a rental or fee basis to private individuals is subject to ad valorem taxation.

(2) The real market value of such portion shall be computed by determining that percentage which the total of receipts from private use bears to the total of receipts from all use of the property. The assessed value of such portion shall be computed as provided in ORS 308.146. However, receipts from any use by a state officer or employee in the performance of the official duties of the state officer or employee shall not be considered as receipts from private use in computing the portion subject to ad valorem taxation.

(3) This section and ORS 276.592 do not apply to state property that is used by [*the Oregon University System*] **a public university listed in ORS 352.002** or the Oregon Health and Science University solely to provide parking for employees, students or visitors.

SECTION 133. ORS 307.110 is amended to read:

307.110. (1) Except as provided in ORS 307.120, all real and personal property of this state or any institution or department thereof or of any county or city, town or other municipal corporation or political subdivision of this state, held under a lease or other interest or estate less than a fee simple, by any person whose real property, if any, is taxable, except employees of the state, municipality or political subdivision as an incident to such employment, shall be subject to assessment and taxation for the assessed or specially assessed value thereof uniformly with real property of nonexempt ownerships.

(2) Each leased or rented premises not exempt under ORS 307.120 and subject to assessment and taxation under this section which is located on property used as an airport and owned by and serving a municipality or port shall be separately assessed and taxed.

(3) Nothing contained in this section shall be construed as subjecting to assessment and taxation any publicly owned property described in subsection (1) of this section that is:

(a) Leased for student housing by a school or college to students attending such a school or college.

(b) Leased to or rented by persons, other than sublessees or subrenters, for agricultural or grazing purposes and for other than a cash rental or a percentage of the crop.

(c) Utilized by persons under a land use permit issued by the Department of Transportation for which the department's use restrictions are such that only an administrative processing fee is able to be charged.

(d) County fairgrounds and the buildings thereon, in a county holding annual county fairs, managed by the county fair board under ORS 565.230, if utilized, in addition to county fair use, for any of the purposes described in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or farm machinery or equipment.

(e) The properties and grounds managed and operated by the State Parks and Recreation Director under ORS 565.080, if utilized, in addition to the purpose of holding the Oregon State Fair, for horse stalls or for storage for recreational vehicles or farm machinery or equipment.

(f) State property that is used by [*the Oregon University System*] **a public university listed in ORS 352.002** or the Oregon Health and Science University to provide parking for employees, students or visitors.

(g) Property of a housing authority created under ORS chapter 456 which is leased or rented to persons of lower income for housing pursuant to the public and governmental purposes of the

housing authority. For purposes of this paragraph, “persons of lower income” has the meaning given the phrase under ORS 456.055.

(h) Property of a health district if:

(A) The property is leased or rented for the purpose of providing facilities for health care practitioners practicing within the county; and

(B) The county is a frontier rural practice county under rules adopted by the Office of Rural Health.

(4) Property determined to be an eligible project for tax exemption under ORS 285C.600 to 285C.626 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.371 and that is leased by this state, any institution or department thereof or any county, city, town or other municipal corporation or political subdivision of this state to an eligible applicant shall be assessed and taxed in accordance with ORS 307.123. The property’s continued eligibility for taxation and assessment under ORS 307.123 is not affected:

(a) If the eligible applicant retires the bonds prior to the original dates of maturity; or

(b) If any applicable lease or financial agreement is terminated prior to the original date of expiration.

(5) The provisions of law for liens and the payment and collection of taxes levied against real property of nonexempt ownerships shall apply to all real property subject to the provisions of this section. Taxes remaining unpaid upon the termination of a lease or other interest or estate less than a fee simple, shall remain a lien against the real or personal property.

(6) If the state enters into a lease of property with, or grants an interest or other estate less than a fee simple in property to, a person whose real property, if any, is taxable, then within 30 days after the date of the lease, or within 30 days after the date the interest or estate less than a fee simple is created, the state shall file a copy of the lease or other instrument creating or evidencing the interest or estate with the county assessor. This section applies notwithstanding that the property may otherwise be entitled to an exemption under this section, ORS 307.120 or as otherwise provided by law.

SECTION 133a. ORS 320.100 is amended to read:

320.100. (1) All moneys received from the taxes imposed under ORS 320.011 and 320.012, including penalties, shall be paid by the Department of Revenue in the following manner:

(a) Seventy-five percent (75%) of the moneys shall be credited, appropriated or remitted as follows:

(A) Forty-three and two-tenths percent (43.2%) thereof shall be credited to the General Fund to be available for payment of general governmental expenses.

(B) Nine and seven-tenths percent (9.7%) is continuously appropriated to pay the expenses of state and local programs of the Oregon Youth Conservation Corps established under ORS 418.650 to 418.663.

(C) Forty-seven and one-tenth percent (47.1%) thereof shall be remitted to the county treasurers of the several counties of the state. Each county shall receive such share of the moneys as its population, determined by [*the State Board of Higher Education*] **Portland State University**, bears to the total population of the counties of the state, as determined by the census last preceding such apportionment.

(b) Twenty-five percent (25%) of the moneys shall be continuously appropriated to pay the expenses of the state and local programs of the Oregon Youth Conservation Corps established under ORS 418.650 to 418.663.

(2) All revenues received under this section by the treasurers of the several counties shall be placed in the general fund of each county to be expended by the county courts or the board of county commissioners of the several counties for general governmental expenses.

SECTION 133b. ORS 329.810 is amended to read:

329.810. (1) After consulting with representatives of teachers, administrators, school boards, schools of education, the Oregon University System, **the public universities with governing boards listed in section 3 of this 2013 Act** and such others as it considers appropriate, the De-

partment of Education shall approve training for mentors and beginning teachers and administrators in programs qualifying for grants-in-aid under ORS 329.788 to 329.820.

(2) The training curriculum for mentors shall be based on research and knowledge of the needs of beginning teachers and administrators.

(3) Mentors shall be trained to build relationships of trust and mutual collaboration with beginning teachers and administrators.

(4) Mentors shall receive professional development before the school year begins and throughout the school year.

SECTION 133c. ORS 337.521 is amended to read:

337.521. (1) The [*State Board of Higher Education*] **Higher Education Coordinating Commission** may work with publishers, recognized national organizations of publishers, representatives of post-secondary education institutions, the system described in ORS 192.517 and other interested parties to:

(a) Develop unified, statewide guidelines consistent with ORS 337.511 to 337.524;

(b) Administer ORS 337.511 to 337.524; and

(c) Review guidelines annually and revise the guidelines as necessary due to changes in technology or other changes.

(2) The guidelines may address the following:

(a) The procedures and standards relating to the distribution of files and materials pursuant to ORS 337.511 to 337.524;

(b) Available electronic formats;

(c) Procedures for granting exceptions when it is determined that a publisher is not able to comply with the requirements of ORS 337.511 to 337.524 due to technical, economic or other practical impediments; and

(d) Other matters deemed necessary or appropriate to carry out the purposes of ORS 337.511 to 337.524.

(3) The [*State Board of Higher Education*] **Higher Education Coordinating Commission** shall review the recommendations, published on or after July 1, 2007, of the Association of American Publishers' Alternative Formats Solutions Initiative, and determine whether the recommendations should be incorporated into ORS 337.511 to 337.524.

SECTION 134. ORS 340.310, as amended by section 10, chapter 104, Oregon Laws 2012, is amended to read:

340.310. (1) The Higher Education Coordinating Commission shall develop statewide standards for dual credit programs to be implemented by public high schools, community colleges and [*state institutions of higher education within the Oregon University System*] **public universities listed in ORS 352.002**. The standards must establish the manner by which:

(a) A student may, upon completion of a course, earn course credit both for high school and for a community college or [*state institution of higher education within the Oregon University System*] **public university**; and

(b) Teachers of courses that are part of a dual credit program will work together to determine the quality of the program and to ensure the alignment of the content, objectives and outcomes of individual courses.

(2) Each public high school, community college and [*state institution of higher education within the Oregon University System*] **public university** that provides a dual credit program must implement the statewide standards developed under subsection (1) of this section.

(3) Each school district, community college and [*state institution of higher education within the Oregon University System*] **public university** that provides a dual credit program shall submit an annual report to the Higher Education Coordinating Commission on the academic performance of students enrolled in a dual credit program. The Higher Education Coordinating Commission shall establish the required contents of the report, which must provide sufficient information to allow the commission to determine the quality of the dual credit program.

SECTION 135. ORS 341.440 is amended to read:

341.440. (1) A community college district may contract with another community college district, common or union high school district, education service district, *[the Oregon University System]* **public university listed in ORS 352.002**, the Oregon Health and Science University, with a private educational institution accredited by the Northwest Association of Schools and Colleges or its successor or a career school as defined in ORS 345.010 to obtain educational services for students enrolled in the community college of the district. However, the educational services so obtained must meet the standards for educational services provided by the college and the contract price to the college for such services must not exceed the costs which would otherwise be incurred by the college to provide its students the same or similar services.

(2) Educational services for which a district operating a community college may contract include services offered by correspondence and services offered electronically or through telecommunications if such services are accredited by a nationally recognized accrediting association.

(3) For purposes of ORS 341.626, costs incurred under subsection (1) of this section shall be considered operating expenses of the district if the contract is approved by the Commissioner for Community College Services.

SECTION 135a. ORS 342.443 is amended to read:

342.443. (1) The Education and Workforce Policy Advisor shall report biennially to the Legislative Assembly longitudinal data on the number and percentage of:

- (a) Minority students enrolled in community colleges;
- (b) Minority students applying for admission to public universities listed in ORS 352.002;
- (c) Minority students accepted in public universities;
- (d) Minority students graduated from public universities;
- (e) Minority candidates seeking to enter public teacher education programs in this state;
- (f) Minority candidates admitted to public teacher education programs;
- (g) Minority candidates who have completed approved public teacher education programs;
- (h) Minority candidates receiving Oregon teaching licenses based on preparation in this state and preparation in other states;
- (i) Minority teachers who are newly employed in the public schools in this state; and
- (j) Minority teachers already employed in the public schools.

(2) The advisor also shall report comparisons of minorities' and nonminorities' scores on basic skills, pedagogy and subject matter tests.

(3) The Oregon University System, **the public universities with governing boards listed in section 3 of this 2013 Act**, the Department of Education, the Teacher Standards and Practices Commission, community colleges and school districts shall cooperate with the advisor in collecting data and preparing the report.

SECTION 135b. ORS 343.465 is amended to read:

343.465. (1) It is the policy of this state to respect the unique nature of each child, family and community with particular attention to cultural and linguistic diversity, and to support a system of services for preschool children with disabilities and their families that:

(a) Recognizes the importance of the child's family, supports and builds on each family's strengths and respects family decision-making and input regarding service options and public policy.

(b) Identifies, evaluates and refers services for preschool children with disabilities at the earliest possible time.

(c) Uses specialized services and all other community services and programs for children, including community preschools, Head Start programs, community health clinics, family support programs and other child-oriented agencies.

(d) Uses a variety of funding sources for preschool children with disabilities and their families, including public and private funding, insurance and family resources.

(e) Assists families in utilizing necessary services in the most cost-effective and efficient manner possible by using a coordinated planning and implementation process.

(f) Insures that all children and their families, regardless of disability, risk factors or cultural or linguistic differences, are able to utilize services for which they would otherwise be qualified.

(g) Encourages services and supports for preschool children with disabilities and their families in their home communities and in settings with children without disabilities.

(h) Recognizes the importance of developing and supporting well-trained and competent personnel to provide services to preschool children with disabilities, and their families.

(i) Evaluates the system's impact on the child and family, including child progress, service quality, family satisfaction, transition into public schooling, longitudinal and cumulative reporting over several biennia and interagency coordination at both the state and local level.

(j) Reports information described in paragraph (i) of this subsection to the State Interagency Coordinating Council, the Governor, the State Board of Education, **the public universities with governing boards listed in section 3 of this 2013 Act** and the Legislative Assembly each biennium.

(2) In carrying out the provisions of subsection (1) of this section, the Department of Education, the Department of Human Services, **the public universities with governing boards listed in section 3 of this 2013 Act** and the Oregon University System shall coordinate services to preschool children with disabilities, or who are at risk of developing disabling conditions, and their families. All program planning, standards for service, policies regarding services delivery and budget development for services for preschool children with disabilities, and their families shall reflect the policy outlined in subsection (1) of this section and elaborated through rules and agreements.

SECTION 136. ORS 343.961 is amended to read:

343.961. (1) As used in this section:

(a) "Day treatment program" means a public or private program that provides treatment of children with a mental illness, an emotional disturbance or another mental health issue.

(b) "Eligible day treatment program" means a day treatment program with which the Oregon Health Authority contracts for long term care or treatment. "Eligible day treatment program" does not include residential treatment programs or programs that provide care or treatment to juveniles who are in detention facilities.

(c) "Eligible residential treatment program" means a residential treatment program with which the Oregon Health Authority, the Department of Human Services or the Oregon Youth Authority contracts for long term care or treatment. "Eligible residential treatment program" does not include psychiatric day treatment programs or programs that provide care or treatment to juveniles who are in detention facilities.

(d) "Residential treatment program" means a public or private residential program that provides treatment of children with a mental illness, an emotional disturbance or another mental health issue.

(e) "Student" means a child who is placed in an eligible day treatment program or eligible residential treatment program by a public or private entity or by the child's parent.

(2) The Department of Education shall be responsible for payment of the costs of education of students in eligible day treatment programs and eligible residential treatment programs by contracting with the school district in which the eligible day treatment program or eligible residential treatment program is located. The costs of education do not include transportation, care, treatment or medical expenses.

(3)(a) The school district in which an eligible day treatment program or eligible residential treatment program is located is responsible for providing the education of a student, including the identification, location and evaluation of the student for the purpose of determining the student's eligibility to receive special education and related services.

(b) A school district that is responsible for providing an education under this subsection may provide the education:

(A) Directly or through another school district or an education service district; and

(B) In the facilities of an eligible day treatment program or eligible residential treatment program, the facilities of a school district or the facilities of an education service district.

(c) When a student is no longer in an eligible day treatment program or eligible residential treatment program, the responsibilities imposed by this subsection terminate and become the responsibilities of the school district where the student is a resident, as determined under ORS 339.133 and 339.134.

(4) A school district may request the Department of Education to combine several eligible day treatment programs or eligible residential treatment programs into one contract with another school district or an education service district.

(5) The Oregon Health Authority, the Department of Human Services or the Oregon Youth Authority shall give the school district providing the education at an eligible day treatment program or an eligible residential treatment program 14 days' notice, to the extent practicable, before a student is dismissed from the program.

(6) The Department of Education may make advances to school districts responsible for providing an education to students under this section from funds appropriated for that purpose based on the estimated agreed cost of educating the students per school year. Advances equal to 25 percent of the estimated cost may be made on September 1, December 1 and March 1 of the current year. The balance may be paid whenever the full determination of cost is made.

(7) School districts that provide the education described in this section on a year-round plan may apply for 25 percent of the funds appropriated for that purpose on July 1, October 1, January 1, and 15 percent on April 1. The balance may be paid whenever the full determination of cost is made.

(8) In addition to the payment methods described in this section, the Department of Education may:

(a) Negotiate interagency agreements to pay for the cost of education in day treatment programs and residential treatment programs operated under the auspices of the State Board of Higher Education **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act**; and

(b) Negotiate intergovernmental agreements to pay for the cost of education in day treatment programs and residential treatment programs operated under the auspices of the Oregon Health and Science University Board of Directors.

SECTION 137. ORS 344.259 is amended to read:

344.259. (1) The State Board of Education shall coordinate continuing education in lower division, developmental, adult self-improvement, professional and technical education for agencies under its regulatory authority. The State Board of Higher Education shall coordinate continuing education in upper division and graduate education for public universities under its jurisdiction.

(2) When significantly adverse impact is alleged by one or more of the agencies listed in this subsection, the affected parties jointly shall provide for written agreements. These agreements shall allocate responsibility for planning and providing continuing education or off-campus instruction in specific areas or by specific types. The agencies are:

- (a) The State Board of Education.
- (b) The State Board of Higher Education.
- (c) Community college districts.
- (d) Independent colleges.
- (e) Proprietary schools.

(f) The governing board of a public university with a governing board listed in section 3 of this 2013 Act.

(3) In the event the affected parties fail to reach a written agreement within 120 days following receipt of written notice of the allegation, either party may request the Education and Workforce Policy Advisor to review and to recommend resolution.

(4) Nothing in this section prohibits the offering of upper division or graduate programs within 30 miles of the campus of [*the Oregon University System university*] **a public university listed in ORS 352.002** offering the program, or the offering of lower division programs within 30 miles of the campus offering the program in areas outside a community college district. Such programs are entitled to the same college credit and financial support as programs offered on the campus of the university.

SECTION 138. ORS 344.753 is amended to read:

344.753. (1) Employers who enter into written agreements with educational institutions and who are providing training to participants in youth apprenticeship and training or work based learning programs are eligible for reimbursement of expenses incurred in the training process. These expenses may include wages paid to the student, training costs for mentors and supervisors, equipment costs to set up youth training capacity, curriculum development costs, costs of establishing interfirm training centers or other costs necessitated by the training agreement.

(2) The amount of reimbursement shall be 50 percent of the actual cost of the investment, such reimbursement not to exceed \$2,500 per student who completes the agreed upon course of study. In the event that a student drops out of the program through no fault of the employer, the Department of Education may reimburse the employer for costs incurred to that point.

(3) Eligible employers may elect to receive education service credits in lieu of the reimbursement provided in this section. The amount of the education service credit shall equal the value of the potential reimbursement on a dollar-for-dollar basis. Education service credits may be used to purchase educational services provided to the employer by school districts, education service districts, community colleges, *[the Oregon University System]* **public universities listed in ORS 352.002** or private providers approved by the Department of Education.

(4) Employers who terminate students without the concurrence of the school forfeit all claim to reimbursements or education service credits earned under this section.

(5) The total amount of employer reimbursement allowable under this section to all employers shall not exceed the amount allocated therefor biennially from the Administrative Services Economic Development Fund.

(6) Reimbursements allowed under this section must first be certified with regard to eligibility and availability of funds pursuant to a method established by the Department of Education in consultation with the Bureau of Labor and Industries.

SECTION 138a. ORS 351.049 is amended to read:

351.049. The State Board of Higher Education shall forward all mission statements of the public universities listed in ORS [352.002] **351.011** to the Higher Education Coordinating Commission for approval.

SECTION 138b. ORS 351.203 is amended to read:

351.203. [(1)] The State Board of Higher Education **and the public universities with governing boards listed in section 3 of this 2013 Act** shall cooperate with the *[Education and Workforce Policy Advisor]* **Chief Education Officer of the Oregon Education Investment Board** in the development of a state comprehensive education plan including post-secondary education and in review of the board's programs and budget. The board **and the public universities with governing boards listed in section 3 of this 2013 Act** shall submit in timely fashion to the *[advisor such]* **Chief Education Officer** the data as is appropriate in a form prescribed by the *[advisor]* **officer**.

[(2)] *The board shall cooperate with the mediation process administered by the Higher Education Coordinating Commission pursuant to ORS 348.603 and, if a negotiated resolution cannot be reached by mediation, comply with the decisions of the commission regarding proposed new post-secondary programs and proposed new post-secondary locations, including those proposed by Oregon Health and Science University in cooperation with the State Board of Higher Education under ORS 353.440.]*

SECTION 139. ORS 353.440 is amended to read:

353.440. The Legislative Assembly finds that:

(1) Public universities *[in the Oregon University System]* **listed in ORS 352.002** and other educational sectors have academic programs that are related to or integrated with the programs of Oregon Health and Science University.

(2) It is in the best interest of the state that a coordinated approach be taken to these related and integrated academic programs.

(3) In order to best ensure the continued harmony of such academic programs, the Oregon Health and Science University and *[the Oregon University System]* **public universities** shall coordinate such programs and shall advise each other of the following proposed changes to such academic programs:

- (a) Creation or significant revision, such as a merger or closure, of degree programs;
 - (b) Creation or significant revision, such as a merger or closure, of schools; and
 - (c) Creation or significant revision of major academic policies.
- (4) The Oregon Health and Science University and the Higher Education Coordinating Commission shall coordinate and advise each other of the following types of proposed changes to their related or integrated academic programs:
- (a) Coordination of strategic plans for achieving higher education goals;
 - (b) Seeking advice and input from each other on modifications to statutory educational missions;
 - (c) Working to develop a statewide educational data system;
 - (d) Collaborating as necessary on the creation of any new degree programs; and
 - (e) Notifying each other and commenting on tuition rate changes.
- (5) In order to further the coordination described by this section, Oregon Health and Science University officers shall maintain a role in the appropriate committees of the State Board of Higher Education, the Higher Education Coordinating Commission and the Oregon University System.

SECTION 140. ORS 357.004 is amended to read:

357.004. As used in ORS 357.001 to 357.200, unless the context requires otherwise:

- (1) "Depository library" means a library that is designated as such under ORS 357.095.
- (2)(a) "Issuing agency" means state government, as that term is defined in ORS 174.111.
- (b) "Issuing agency" does not include the State Board of Higher Education, or any public university or office, department or activity under the control of the board, **or the governing board of a public university with a governing board listed in section 3 of this 2013 Act.**
- (3)(a) "Public document" means informational matter produced for public distribution or access regardless of format, medium, source or copyright, originating in or produced with the imprint of, by the authority of or at the total or partial expense of any state agency. "Public document" includes informational matter produced on computer diskettes, CD-ROMs, computer tapes, the Internet or in other electronic formats.
- (b) "Public document" does not include:
 - (A) Correspondence, forms, interoffice or intraoffice memoranda;
 - (B) Legislative bills;
 - (C) Oregon Revised Statutes or any edition thereof; or
 - (D) Reports and publications of the Oregon Supreme Court, the Oregon Court of Appeals and the Oregon Tax Court.

SECTION 140a. ORS 358.575 is amended to read:

- 358.575. (1) The voting members of the Oregon Heritage Commission shall be representatives of:
- (a) Heritage interests, including Indian tribes with federal recognition, that reflect the cultural and geographic diversity of this state; and
 - (b) Heritage interests reflected in community institutions, libraries, museums, architecture, archaeology and historic preservation.
- (2) The advisory members of the commission shall be:
- (a) One member designated by the Director of the Department of Land Conservation and Development;
 - (b) One member designated by the Trustees of the State Library;
 - (c) One member designated by the [*State Board of Higher Education*] **Higher Education Coordinating Commission;**
 - (d) One member designated by the Oregon Tourism Commission;
 - (e) One member designated by the Superintendent of Public Instruction;
 - (f) The Executive Director of the Oregon Historical Society or a designee of the executive director;
 - (g) The State Archivist or a designee of the archivist;
 - (h) The Coordinator of the State Historical Records Advisory Board or a designee of the coordinator; and
 - (i) The State Historic Preservation Officer or a designee of the officer.

SECTION 140b. ORS 401.922 is amended to read:

401.922. The Office of Emergency Management shall provide technical, clerical and other necessary support services to the Seismic Safety Policy Advisory Commission. The Department of Consumer and Business Services, the State Department of Geology and Mineral Industries, the Department of Land Conservation and Development, the Department of Transportation, the Oregon Health Authority, the Water Resources Department, **the public universities with governing boards listed in section 3 of this 2013 Act** and the Oregon University System shall provide assistance, as required, to the commission to enable it to meet its objectives.

SECTION 141. ORS 408.095 is amended to read:

408.095. (1) As used in this section, "community college" has the meaning given that term in ORS 341.005.

(2) There is created in the Department of Veterans' Affairs the Campus Veterans' Service Officers Program.

(3) The purpose of the program is to provide educational outreach to veterans to help ensure that they obtain maximum state and federal benefits.

(4) The department shall appoint a sufficient number of campus veterans' service officers to ensure that each Oregon community college and each public university [*in the Oregon University System, as described*] **listed** in ORS 352.002[,] is provided veterans' services.

(5) Each community college and public university [*in the Oregon University System*] shall provide office space that may be used for the provision of veterans' services.

(6) The department may adopt rules to implement the Campus Veterans' Service Officers Program.

SECTION 142. ORS 408.506 is amended to read:

408.506. The Department of Human Services, the Department of Transportation, the Housing and Community Services Department, the Employment Department, the Department of Justice, the Judicial Department, the Oregon University System, **public universities with governing boards listed in section 3 of this 2013 Act**, the Bureau of Labor and Industries, the Department of Community Colleges and Workforce Development and the Department of Veterans' Affairs shall partner with the Oregon Military Department to provide reintegration services for veterans throughout this state through regional strategies.

SECTION 143. ORS 430.651 is amended to read:

430.651. (1) If the Oregon Health Authority uses a formula for allocating to counties moneys, and if the formula includes population as a factor in determining the amount of each allocation, the authority shall calculate the formula annually using the most current population data that is available.

(2) The authority shall use as the source of the population data required by subsection (1) of this section the primary population research center that is part of [*the Oregon University System*] **Portland State University**.

SECTION 143a. ORS 442.830 is amended to read:

442.830. (1) There is established the Oregon Patient Safety Commission Board of Directors consisting of 17 members, including the Public Health Officer and 16 directors who shall be appointed by the Governor and who shall be confirmed by the Senate in the manner prescribed in ORS 171.562 and 171.565.

(2) Membership on the board shall reflect the diversity of facilities, providers, insurers, purchasers and consumers that are involved in patient safety. Directors shall demonstrate interest, knowledge or experience in the area of patient safety.

(3) The membership of the board shall be as follows:

(a) The Public Health Officer or the officer's designee;

(b) One faculty member, who is not involved in the direct delivery of health care, of the Oregon University System, **a public university with a governing board listed in section 3 of this 2013 Act** or a private Oregon university;

(c) Two representatives of group purchasers of health care, one of whom shall be employed by a state or other governmental entity and neither of whom may provide direct health care services or have an immediate family member who is involved in the delivery of health care;

(d) Two representatives of health care consumers, neither of whom may provide direct health care services or have an immediate family member who is involved in the delivery of health care;

(e) Two representatives of health insurers, including a representative of a domestic not-for-profit health care service contractor, a representative of a domestic insurance company licensed to transact health insurance or a representative of a health maintenance organization;

(f) One representative of a statewide or national labor organization;

(g) Two physicians licensed under ORS chapter 677 who are in active practice;

(h) Two hospital administrators or their designees;

(i) One pharmacist licensed under ORS chapter 689;

(j) One representative of an ambulatory surgical center or an outpatient renal dialysis facility;

(k) One nurse licensed under ORS chapter 678 who is in active clinical practice; and

(L) One nursing home administrator licensed under ORS chapter 678 or one nursing home director of nursing services.

(4) The term of office of each director appointed by the Governor is four years. Before the expiration of the term of a director, the Governor shall appoint a successor whose term begins on July 2 next following. A director is eligible for reappointment for an additional term. If there is a vacancy for any cause, the Governor shall make an appointment to become effective immediately for the unexpired term. The board shall nominate a slate of candidates whenever a vacancy occurs or is announced and shall forward the recommended candidates to the Governor for consideration.

(5) The board shall select one of its members as chairperson and another as vice chairperson for the terms and with the duties and powers as the board considers necessary for performance of the functions of those offices. The board shall adopt bylaws as necessary for the efficient and effective operation of the commission.

(6) The Governor may remove any member of the board at any time at the pleasure of the Governor, but not more than eight directors shall be removed within a period of four years, unless it is for corrupt conduct in office. The board may remove a director as specified in the commission bylaws.

(7) The board may appoint subcommittees and advisory groups as needed to assist the board, including but not limited to one or more consumer advisory groups and technical advisory groups. The technical advisory groups shall include physicians, nurses and other licensed or certified professionals with specialty knowledge and experience as necessary to assist the board.

(8) No voting member of the board may be an employee of the commission.

SECTION 143b. ORS 461.543 is amended to read:

461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery Account is continuously appropriated to and shall be used by the [*State Board of Higher Education*] **Higher Education Coordinating Commission** to fund sports programs at public universities listed in ORS 352.002. Seventy percent of the revenues in the fund shall be used to fund nonrevenue producing sports and 30 percent shall be used for revenue producing sports. Of the total amount available in the fund, at least 50 percent shall be made available for women's athletics.

(2) The board shall allocate moneys in the Sports Lottery Account among the public universities, giving due consideration to:

(a) The athletic conference to which the public university belongs and the relative costs of competing in that conference.

(b) The level of effort being made by the public university to generate funds and support from private sources.

(3) As used in subsections (1) to (3) of this section, "revenue producing sport" is a sport that produces net revenue over expenditures during a calendar year or if its season extends into two calendar years, produces net revenue over expenditures during the season.

(4) An amount equal to one percent of the moneys transferred to the Administrative Services Economic Development Fund from the State Lottery Fund shall be allocated from the Administrative Services Economic Development Fund to the Sports Lottery Account.

(5) The amounts received by the Sports Lottery Account shall be allocated as follows:

(a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but not to exceed \$8 million annually, adjusted annually pursuant to the Consumer Price Index, as defined in ORS 327.006.

(b) Twelve percent for the purpose of scholarships, to be distributed equally between scholarships based on academic merit and scholarships based on need, as determined by rule of the board, but not to exceed \$1,090,909 annually.

(c) All additional money to the Oregon Student Access Commission for the Oregon Opportunity Grant program under ORS 348.260.

SECTION 143c. ORS 468A.245 is amended to read:

468A.245. The Oregon Global Warming Commission shall develop an outreach strategy to educate Oregonians about the scientific aspects and economic impacts of global warming and to inform Oregonians of ways to reduce greenhouse gas emissions and ways to prepare for the effects of global warming. The commission, at a minimum, shall work with state and local governments, the State Department of Energy, the Department of Education, the [State Board of Higher Education] **Higher Education Coordinating Commission** and businesses to implement the outreach strategy.

SECTION 144. ORS 471.580 is amended to read:

471.580. (1) As used in this section:

(a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in a beverage based on the standard drink measurement used by the Centers for Disease Control and Prevention.

(b) "Education provider" means:

(A) A community college, as defined in ORS 341.005, offering a food or beverage career program approved by the State Board of Education;

(B) A career school, as defined in ORS 345.010, offering a food or beverage career program approved by the Oregon Student Assistance Commission or the State Board of Education;

(C) An institution of higher education listed in ORS 352.002 offering a food or beverage career program approved by the State Board of Higher Education **or by the governing board of a public university with a governing board listed in section 3 of this 2013 Act**; or

(D) A private and independent institution of higher education, as defined in ORS 352.720, offering a food or beverage career program that qualifies for payment under ORS 352.740.

(c) "Food or beverage career program" means a course of study designed to qualify a person for a career in the food service industry or alcoholic beverage industry, including but not limited to a course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant management.

(2) The charging or payment of tuition or a special fee for enrollment in a class that is part of a food or beverage career program or in a workshop or seminar concerning matters related to food or beverage industry workforce training, offered by an education provider, that includes the consumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other exchange of consideration for, alcoholic beverages.

(3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess and consume alcoholic beverages on a licensed or unlicensed premises that the education provider uses for educational purposes if:

(a) The person is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The alcoholic beverages are served to, and possessed and consumed by, the person for educational purposes as part of the class curriculum or a workshop or seminar concerning food or beverage workforce training;

(c) The service, possession and consumption of the alcoholic beverages are supervised by a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person does not purchase the alcoholic beverages; and

(e) The amount served to the person for consumption purposes during any two-hour class, workshop or seminar period does not exceed two ounces of alcohol equivalence.

(4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another person who is 18, 19 or 20 years of age on premises that an education provider uses for educational purposes if:

(a) The person served is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The alcoholic beverages are served to, and consumed by, the person for educational purposes as part of the class curriculum or, with the approval of the education provider, as part of a workshop or seminar concerning food or beverage workforce training;

(c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person served does not purchase the alcoholic beverages; and

(e) The amount served to the person for consumption purposes during any two-hour class period does not exceed two ounces of alcohol equivalence.

(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed premises that an education provider uses for educational purposes if:

(a) The person is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The person possesses and consumes the alcoholic beverages for educational purposes as part of the class curriculum or, with the approval of the education provider, as part of a workshop or seminar concerning food or beverage workforce training;

(c) The person possesses and consumes the alcoholic beverages under the supervision of a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person does not purchase the alcoholic beverages; and

(e) The amount consumed by the person during any two-hour class, workshop or seminar period does not exceed two ounces of alcohol equivalence.

(6) Notwithstanding ORS 471.410, a person who exercises control over private real property may allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this section.

(7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older in accordance with this chapter or the ability of a person 21 years of age or older to possess or consume alcoholic beverages in accordance with this chapter.

SECTION 145. ORS 471.580, as amended by section 44, chapter 104, Oregon Laws 2012, is amended to read:

471.580. (1) As used in this section:

(a) "Alcohol equivalence" means the amount of ethanol that would be expected to be present in a beverage based on the standard drink measurement used by the Centers for Disease Control and Prevention.

(b) "Education provider" means:

(A) A community college, as defined in ORS 341.005, offering a food or beverage career program approved by the State Board of Education;

(B) A career school, as defined in ORS 345.010, offering a food or beverage career program approved by the Oregon Student Assistance Commission or the Higher Education Coordinating Commission;

(C) An institution of higher education listed in ORS 352.002 offering a food or beverage career program approved by the State Board of Higher Education **or by the governing board of a public university with a governing board listed in section 3 of this 2013 Act**; or

(D) A private and independent institution of higher education, as defined in ORS 352.720, offering a food or beverage career program that qualifies for payment under ORS 352.740.

(c) "Food or beverage career program" means a course of study designed to qualify a person for a career in the food service industry or alcoholic beverage industry, including but not limited to a course of study in culinary arts, viticulture, winemaking, enology, brewing or restaurant management.

(2) The charging or payment of tuition or a special fee for enrollment in a class that is part of a food or beverage career program or in a workshop or seminar concerning matters related to food or beverage industry workforce training, offered by an education provider, that includes the consumption of alcoholic beverages for educational purposes, is not a sale or purchase of, or other exchange of consideration for, alcoholic beverages.

(3) Notwithstanding ORS 471.130, 471.406, 471.410 and 471.475, an education provider may serve alcoholic beverages to a person who is 18, 19 or 20 years of age and may allow the person to possess and consume alcoholic beverages on a licensed or unlicensed premises that the education provider uses for educational purposes if:

(a) The person is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The alcoholic beverages are served to, and possessed and consumed by, the person for educational purposes as part of the class curriculum or a workshop or seminar concerning food or beverage workforce training;

(c) The service, possession and consumption of the alcoholic beverages are supervised by a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person does not purchase the alcoholic beverages; and

(e) The amount served to the person for consumption purposes during any two-hour class, workshop or seminar period does not exceed two ounces of alcohol equivalence.

(4) Notwithstanding ORS 471.130 or 471.410, a person may serve alcoholic beverages to another person who is 18, 19 or 20 years of age on premises that an education provider uses for educational purposes if:

(a) The person served is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The alcoholic beverages are served to, and consumed by, the person for educational purposes as part of the class curriculum or, with the approval of the education provider, as part of a workshop or seminar concerning food or beverage workforce training;

(c) The service and consumption of the alcoholic beverages are supervised by a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person served does not purchase the alcoholic beverages; and

(e) The amount served to the person for consumption purposes during any two-hour class period does not exceed two ounces of alcohol equivalence.

(5) Notwithstanding ORS 471.130 or 471.410 or the prohibitions in ORS 471.430, a person who is 18, 19 or 20 years of age may possess and consume alcoholic beverages on a licensed or unlicensed premises that an education provider uses for educational purposes if:

(a) The person is enrolled as a student in a required or elective class that is part of a food or beverage career program offered by the education provider;

(b) The person possesses and consumes the alcoholic beverages for educational purposes as part of the class curriculum or, with the approval of the education provider, as part of a workshop or seminar concerning food or beverage workforce training;

(c) The person possesses and consumes the alcoholic beverages under the supervision of a faculty or staff member of the education provider who is 21 years of age or older;

(d) The person does not purchase the alcoholic beverages; and

(e) The amount consumed by the person during any two-hour class, workshop or seminar period does not exceed two ounces of alcohol equivalence.

(6) Notwithstanding ORS 471.410, a person who exercises control over private real property may allow a person who is 18, 19 or 20 years of age to remain on the property after the person who is 18, 19 or 20 years of age consumes an alcoholic beverage on the property in accordance with this section.

(7) Subsections (3) to (5) of this section do not affect the ability of an education provider, a licensee or a permittee to make alcoholic beverages available to a person 21 years of age or older in accordance with this chapter or the ability of a person 21 years of age or older to possess or consume alcoholic beverages in accordance with this chapter.

SECTION 145a. ORS 526.215 is amended to read:

526.215. To aid in the economic development of the State of Oregon, the State Board of Higher Education, **or if Oregon State University establishes a governing board, Oregon State University**, shall institute and carry on research and experimentation to develop the maximum yield from the forestlands of Oregon, to obtain the fullest utilization of the forest resource, and to study air and water pollution as it relates to the forest products industries.

SECTION 145b. ORS 576.768 is amended to read:

576.768. (1) The report submitted by the Oregon Wine Board under ORS 182.472 must include a description of the long term strategic plan created by the board and a description of the progress made in implementing the statewide strategic objectives of the board during the most recent biennium.

(2) Notwithstanding ORS 182.462:

(a) The board shall prepare and submit annual plans and a budget recommended by the board for promotion and for research during the next fiscal year.

(b) The board shall adopt rules specifying the procedures, criteria and timelines for the preparation and approval of the annual plans and budget for promotion and for research.

(c) The Director of the Oregon Business Development Department shall review the budget and plans submitted under this section. In reviewing the annual plans and budget, the director shall consider whether the information supplied by the board is factual and consistent with ORS 576.750 to 576.775 and the positive development of the Oregon wine grape growing and wine making industries. The director shall either approve the budget and plans prior to the commencement of the next fiscal year or disapprove and return the budget and plans to the board with conditions necessary for approval prior to the commencement of the next fiscal year. In reviewing the budget and plans, the director may consult with and receive coordinated support from:

(A) The State Department of Agriculture;

(B) The Oregon Tourism Commission;

(C) The Oregon University System, **or if Oregon State University establishes a governing board, Oregon State University**;

(D) The Department of Community Colleges and Workforce Development; and

(E) The Oregon Liquor Control Commission.

SECTION 146. ORS 659.850 is amended to read:

659.850. (1) As used in this section, "discrimination" means any act that unreasonably differentiates treatment, intended or unintended, or any act that is fair in form but discriminatory in operation, either of which is based on race, color, religion, sex, sexual orientation, national origin, marital status, age or disability. "Discrimination" does not include enforcement of an otherwise valid dress code or policy, as long as the code or policy provides, on a case-by-case basis, for reasonable accommodation of an individual based on the health and safety needs of the individual.

(2) A person may not be subjected to discrimination in any public elementary, secondary or community college education program or service, school or interschool activity or in any higher education program or service, school or interschool activity where the program, service, school or activity is financed in whole or in part by moneys appropriated by the Legislative Assembly.

(3) The State Board of Education **and the Higher Education Coordinating Commission** [*and the State Board of Higher Education*] shall establish rules necessary to ensure compliance with subsection (2) of this section in the manner required by ORS chapter 183.

SECTION 147. ORS 659.855 is amended to read:

659.855. (1) Any public elementary or secondary school determined by the Superintendent of Public Instruction or any community college determined by the Commissioner for Community College Services to be in noncompliance with provisions of ORS 659.850 and this section shall be subject to appropriate sanctions, which may include withholding of all or part of state funding, as established by rule of the State Board of Education.

(2) Any public university listed in ORS 352.002 determined by the [*Chancellor of the Oregon University System*] **Higher Education Coordinating Commission** to be in noncompliance with provisions of ORS 659.850 and this section shall be subject to appropriate sanctions, which may include withholding of all or part of state funding, as established by rule of the [*State Board of Higher Education*] **commission**.

(3) Any public charter school determined by the sponsor of the school or the superintendent to be in noncompliance with the provisions of ORS 659.850 and this section shall be subject to appropriate sanctions, which may include the withholding of all or part of state funding by the sponsor or superintendent, as established by rule of the State Board of Education.

SECTION 148. ORS 659.860 is amended to read:

659.860. (1) Any person claiming to be aggrieved by unlawful discrimination as prohibited by ORS 659.850 may file a civil action in circuit court for equitable relief or, subject to the terms and conditions of ORS 30.265 to 30.300, damages, or both. The court may order such other relief as may be appropriate. Damages shall be \$200 or actual damages, whichever is greater.

(2) The action authorized by this section shall be filed within one year of the filing of a grievance.

(3) [*No action shall*] **An action may not** be filed unless, within 180 days of the alleged discrimination, a grievance has been filed with the school district board, public charter school governing body, community college board of education, **governing board of a public university with a governing board listed in section 3 of this 2013 Act** or State Board of Higher Education.

(4) [*No action may*] **An action may not** be filed until 90 days after filing a grievance unless only injunctive relief is sought pursuant to ORCP 79. The right to temporary or preliminary injunctive relief shall be independent of the right to pursue any administrative remedy available to complainants pursuant to ORS 659.850.

(5) [*No action may*] **An action may not** be filed if the school district board, public charter school governing body, community college board of education, **governing board of a public university with a governing board listed in section 3 of this 2013 Act** or State Board of Higher Education has obtained a conciliation agreement with the person filing the grievance or if a final determination of a grievance has been made except as provided in ORS 183.480.

(6) Notwithstanding the filing of a grievance, pursuant to subsection (3) of this section, any person seeking to maintain an action under this section shall also file a notice of claim within 180 days of the alleged discrimination as required by ORS 30.275.

(7) The court shall award reasonable attorney fees to a prevailing plaintiff in any action under this section. The court may award reasonable attorney fees and expert witness fees incurred by a defendant who prevails in the action if the court determines that the plaintiff had no objectively reasonable basis for asserting a claim or no objectively reasonable basis for appealing an adverse decision of a trial court.

(8) Nothing in this section is intended to reduce the obligations of the education agencies under this section and ORS 659.850 and 659.855.

SECTION 148a. ORS 660.312 is amended to read:

660.312. (1) The Governor shall be responsible for a coordinated and comprehensive response to education and workforce issues. The Governor shall appoint an Education and Workforce Policy Advisor, who serves at the pleasure of the Governor. The advisor shall, with the advice of such

advisory committees as may be appointed or assigned, advise the Governor on policy, planning and coordination for education and workforce development in Oregon.

(2) The duties of the advisor shall include:

(a) Guiding the development of state-level policy related to education and workforce issues;

(b) Providing general direction and serving as a liaison between state and local efforts in education, training and workforce development;

(c) Ensuring, through collaboration with the leadership of local workforce investment boards and regional workforce committees, the alignment of statewide, local and regional strategic plans, and the periodic reporting of performance in the implementation of such plans; and

(d) Consulting with local workforce investment boards and regional workforce committees on the development and implementation of a workforce performance measurement system.

(3) In the performance of duties, the advisor shall collectively involve state agencies, including but not limited to:

(a) The Department of Education;

(b) The Oregon University System;

(c) The Oregon Business Development Department;

(d) The Department of Community Colleges and Workforce Development;

(e) The Employment Department;

(f) The Department of Human Services;

(g) The Bureau of Labor and Industries;

(h) The Department of Corrections;

(i) The Oregon Student Access Commission; [and]

(j) The Teacher Standards and Practices Commission[.]; and

(k) The public universities with governing boards listed in section 3 of this 2013 Act.

(4) The advisor shall seek input from key interested parties to help guide policy development, including but not limited to representatives of:

(a) Businesses and industry organizations;

(b) Labor and labor organizations;

(c) Local education providers;

(d) Local government;

(e) Student, teacher, parent and faculty organizations;

(f) Community-based organizations;

(g) Public-private partnership organizations;

(h) Independent nonprofit and proprietary post-secondary colleges and schools; and

(i) Regional workforce committees, local workforce investment boards and regional investment boards.

(5) The advisor shall meet, on a regularly scheduled basis, with the local workforce investment boards, regional workforce committees and such others as necessary to ensure that local interests are represented. The advisor shall seek input, advice and feedback on policy issues affecting state, regional and local education and workforce development from interested parties and other committees formed under ORS 660.306, 660.312 and 660.315.

(6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary to carry out the duties of the advisor.

SECTION 149. ORS 660.358 is amended to read:

660.358. (1) The State Workforce Investment Board, in consultation with the Governor, the Education and Workforce Policy Advisor and other parties deemed appropriate by the board and after consideration of the clean energy and energy efficiency policies of this state, shall develop a plan for a green jobs growth initiative to promote the development of emerging technologies and innovations that lead to, create or sustain family wage green jobs.

(2) The plan for the initiative developed by the board shall:

(a) Identify industries that are high demand green industries based on current and projected creation of family wage green jobs and the potential for career pathways created for such jobs.

(b) Use the needs of identified high demand green industries as the basis for the planning of workforce development activities that promote the development of emerging green technologies and innovations. These activities include, but are not limited to, such efforts undertaken by community colleges, [the] public universities [of the Oregon University System] **listed in ORS 352.002**, designated signature research centers, registered apprenticeship programs and other private sector training programs.

(c) Leverage and align existing public workforce development programs and other public and private resources to the goal of recruiting, supporting, educating and training of targeted populations of workers.

(d) Require the board to work collaboratively with stakeholders from business, labor and low income advocacy groups in the regional economy to develop and implement the initiative.

(e) Link adult basic and remedial education programs with job training for skills necessary for green jobs.

(f) Require the board to collaborate with employers and labor organizations to identify skills and competencies necessary for green job career pathways.

(g) Ensure that support services are integrated with education and training for green jobs and that such services are provided by organizations with direct access to and experience with targeted populations.

(h) Include an analysis of occupations in the forest products industry to:

(A) Determine key growth factors and employment projections for green jobs in the forest products industry; and

(B) Define the educational and skill standards required for current and emerging green occupations in the forest products industry.

(3) Based on the analysis conducted under subsection (2)(h) of this section, the State Workforce Investment Board, in consultation with the Education and Workforce Policy Advisor, shall identify those forest products industries to be classified as high-demand green industries, taking into consideration current and future job creation and the strategic importance of the development of high-demand green forest products industry jobs to the development and growth of the state's green economy.

(4) As used in this section, "forest products industry" includes, but is not limited to, businesses that grow, manage, harvest, transport or process forest, wood and paper products.

SECTION 150. ORS 820.100 is amended to read:

820.100. (1) The State Board of Education shall adopt and enforce such reasonable standards relating to school bus and school activity vehicle construction and school bus and school activity vehicle equipment as the board deems necessary for safe and economical operation, except that the board may not authorize the use of school buses manufactured before April 1, 1977.

(2) The State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** may adopt and enforce separate [rules] **standards** of the type described under this section for school buses and school activity vehicles that are under the board's jurisdiction, except that the board may not authorize the use of school buses manufactured before April 1, 1977.

(3) The State Board of Education shall adopt and enforce standards for school bus stop arms authorized by ORS 820.105.

(4) [Rules] **Standards** adopted under this section:

(a) Must be consistent with requirements established by statute or by rule adopted under statutory authority that relate to the same subject.

(b) Shall be consistent with minimum uniform national standards, if such standards exist.

(c) May include different requirements for different classes or types of school buses or school activity vehicles.

(d) May include any exemptions determined appropriate under ORS 820.150.

SECTION 151. ORS 820.110 is amended to read:

820.110. (1) The State Board of Education shall adopt and enforce rules to establish requirements of operation, qualifications or special training of drivers and special accident reports for school buses and school activity vehicles.

(2) The State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** may adopt and enforce separate [rules] standards of the type described under this section for school buses and school activity vehicles that are under its jurisdiction.

(3) The rules **and standards** adopted under this section:

(a) Are subject to ORS 820.190 and 820.200 and to any other statute or regulation relating to the operation of vehicles, qualifications of drivers and accident reports.

(b) Must be consistent with requirements established by statute or by rule adopted under statutory authority that relate to the same subject.

(c) May include different requirements for different classes or types of school buses or school activity vehicles.

(d) May include any exemptions determined appropriate under ORS 820.150.

(4) If the Department of Transportation suspends, cancels or revokes any driving privileges of a person who holds a school bus endorsement under ORS 807.035 (5), the Department of Transportation shall notify the Department of Education of the suspension, cancellation or revocation.

SECTION 152. ORS 820.120 is amended to read:

820.120. (1) The State Board of Education shall adopt and enforce rules to provide for the inspection of school buses and school activity vehicles to assure that the vehicles are in compliance with requirements under **standards and** rules established under ORS 820.100 and 820.110, as applicable, and that the vehicles are safe for operation. The rules may include intervals of inspections.

(2) The State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** may adopt and enforce separate [rules] standards of the type described under this section for school buses and school activity vehicles that are under its jurisdiction.

(3) The rules **and standards** adopted under this section:

(a) Are subject to any other statute or regulation relating to the safety of vehicles for operation and the inspection of vehicles.

(b) May include different requirements for different classes or types of school buses or school activity vehicles.

(c) May include any exemptions determined appropriate under ORS 820.150.

SECTION 153. ORS 820.130 is amended to read:

820.130. The Department of Transportation shall issue registration for a school bus when notified that the vehicle conforms to applicable **standards and** rules under ORS 820.100 to 820.120 and that the vehicle is safe for operation on the highways. Notification required by this section shall be from:

(1) The State Board of Education or its authorized representative regarding vehicles under its regulatory authority.

(2) The State Board of Higher Education or its authorized representative regarding vehicles under its jurisdiction.

(3) The governing board of a public university with a governing board listed in section 3 of this 2013 Act or the authorized representative of the board regarding vehicles under the board's jurisdiction.

SECTION 153a. ORS 820.140 is amended to read:

820.140. The Department of Transportation may revoke the registration of any school bus if the department determines that the vehicle:

(1) Is not maintained and operated in accordance with **standards and** rules applicable to the vehicle under ORS 820.100 to 820.120; or

(2) Is not safe for operation over or is not safely operated over the public highways.

SECTION 154. ORS 820.150 is amended to read:

820.150. (1) The State Board of Education, by rule, may establish classes or types of vehicles that are not considered school buses or school activity vehicles for purposes of the Oregon Vehicle Code or classes of school buses or school activity vehicles that are not subject to regulation under the Oregon Vehicle Code either partially or completely.

(2) The State Board of Higher Education **and the governing board of a public university with a governing board listed in section 3 of this 2013 Act** may adopt separate [rules] standards of the type described under this section for vehicles that are under its jurisdiction.

(3) Rules **and standards** adopted under this section are subject to the following:

(a) Any exemption, either partial or total, established under this section may be based upon passenger capacity, on limited use or on any other basis the State Board of Education, **the governing board** or the State Board of Higher Education considers appropriate.

(b) [No] **An** exemption, either partial or total, [shall] **may not** be established under this section for any vehicle that is marked with or displays the words “school bus.”

(c) Any vehicle determined not to be a school bus under this section is not a school bus within the definition established under ORS 801.460. Partial exemptions established for vehicles under this section may include removal of the vehicle from any provisions relating to school buses under the vehicle code.

(d) Any vehicle determined not to be a school activity vehicle under this section is not a school activity vehicle within the definition established under ORS 801.455. Partial exemptions established for vehicles under this section may include removal of the vehicle from any provisions relating to school activity vehicles under the vehicle code.

(e) In considering any rules **and standards** under this section, the boards shall consider the need to [assure] **ensure** student safety.

SECTION 154a. ORS 820.160 is amended to read:

820.160. (1) A person commits the offense of illegal display of school bus markings if the person displays the words “School Bus” on any vehicle unless the vehicle:

(a) Is used in transporting school children to or from school or an authorized school activity or function; and

(b) Complies with the applicable requirements under **standards and** rules established under ORS 820.100 to 820.120.

(2) The offense described in this section, illegal display of school bus markings, is a Class B traffic violation.

SECTION 154b. ORS 820.180 is amended to read:

820.180. (1) A person commits the offense of unsafe school vehicle operation if:

(a) The person operates or owns and causes or permits to be operated a school bus or school activity vehicle in a manner that is in violation of any **standards and** rules applicable to the vehicle that are adopted under ORS 820.100 to 820.120;

(b) The person owns or leases and causes or permits to be operated for school purposes a school bus or school activity vehicle containing more passengers than the vehicle is designed to transport; or

(c) The person operates or owns and causes or permits to be operated a school bus manufactured before April 1, 1977.

(2) A person is not in violation of subsection (1)(b) of this section if a bus or vehicle contains more passengers than it is designed to transport due to unforeseen or unusual circumstances.

(3) The offense described in this section, unsafe school vehicle operation, is a Class B traffic violation.

SECTION 154c. Section 5, chapter 904, Oregon Laws 2009, is amended to read:

Sec. 5. The [State Board of Higher Education] **Higher Education Coordinating Commission** shall determine **by rule how** [the capital renewal, code compliance and safety projects to be undertaken with] moneys made available under section 6 (1)(a), **chapter 904, Oregon Laws 2009, shall be allocated to universities listed in ORS 352.002** [of this 2009 Act on the basis of the board’s determination of the most critical capital renewal, code compliance and safety needs. In determining the

capital renewal, code compliance and safety needs, the board shall give priority to projects that protect the health and safety of occupants and maintain the structural integrity of facilities].

SECTION 154d. Section 9, chapter 904, Oregon Laws 2009, as amended by section 6, chapter 99, Oregon Laws 2010, and section 2, chapter 15, Oregon Laws 2011, is amended to read:

Sec. 9. (1) Except as provided in subsection (3) of this section, the project approvals and expenditure limitations in chapter 904, Oregon Laws 2009, and the expenditure limitations established by the Emergency Board during the biennium beginning July 1, 2009, for capital construction or acquisition projects of the Oregon University System, **of the public universities with governing boards listed in section 3 of this 2013 Act** and of the Department of Community Colleges and Workforce Development for community colleges, expire on June 30, 2015, unless otherwise noted or unless changed by the Legislative Assembly.

(2) The project approvals and expenditure limitations established by section 2 (5)(b), (e) and (i), chapter 725, Oregon Laws 2003, and section 2 (3)(h), chapter 845, Oregon Laws 2001, for capital construction or acquisition projects of the Oregon University System expire on June 30, 2011, unless otherwise changed by the Legislative Assembly.

(3) The project approvals and expenditure limitations in section 6 (4)(c), (k) and (L), (5)(c) and (e) and (7)(k), chapter 904, Oregon Laws 2009, and the expenditure limitations established by the Emergency Board during the biennium beginning July 1, 2009, for capital construction or acquisition projects of the Oregon University System described in section 6 (4)(c), (k) and (L), (5)(c) and (e) and (7)(k), chapter 904, Oregon Laws 2009, expire on June 30, 2015, unless otherwise noted or unless changed by the Legislative Assembly.

(4) The project approvals and expenditure limitations in section 6 (1)(a), (2)(b), (4)(b), (6)(a) and (7)(b) and (c), chapter 904, Oregon Laws 2009, expire on June 30, 2015, unless provided otherwise.

SECTION 154e. Section 8, chapter 615, Oregon Laws 2011, is amended to read:

Sec. 8. The [*State Board of Higher Education*] **Higher Education Coordinating Commission** shall determine **by rule how** [*the capital renewal, code compliance and safety projects to be undertaken with*] moneys made available under section 9 (1)(a), **chapter 615, Oregon Laws 2011, shall be allocated to universities listed in ORS 352.002** [*of this 2011 Act on the basis of the board's determination of the most critical capital renewal, code compliance and safety needs. In determining the capital renewal, code compliance and safety needs, the board shall give priority to projects that protect the health and safety of occupants and maintain the structural integrity of facilities. Capital renewal, code compliance and safety projects do not include acquisition of buildings, structures or land*].

SECTION 154f. Section 11, chapter 615, Oregon Laws 2011, is amended to read:

Sec. 11. (1) The project approvals and expenditure limitations established in section 9 [*of this 2011 Act*], **chapter 615, Oregon Laws 2011**, and the expenditure limitations established by the Emergency Board during the biennium beginning July 1, 2011, for capital construction or acquisition projects of the Oregon University System **and public universities with governing boards listed in section 3 of this 2013 Act** expire on June 30, 2017, unless otherwise noted or unless changed by the Legislative Assembly.

(2) The project approvals and expenditure limitations established by section 2 (6)(h), chapter 787, Oregon Laws 2005, and increased by the Emergency Board at its April 2006 meeting, for capital construction or acquisition projects of the Oregon University System expire on June 30, 2013, unless otherwise changed by the Legislative Assembly.

(3) The project approvals and expenditure limitations established by section 2 (4)(g), (5)(g), 5(j), (6)(k) and (6)(p), chapter 787, Oregon Laws 2005, for capital construction or acquisition projects of the Oregon University System expire on June 30, 2013, unless otherwise changed by the Legislative Assembly.

(4) The project approvals and expenditure limitations established by section 2 (6)(e), chapter 761, Oregon Laws 2007, and increased by the Emergency Board at its September 2010 meeting, for capital construction or acquisition projects of the Oregon University System expire on June 30, 2013, unless otherwise changed by the Legislative Assembly.

(5) The project approvals and expenditure limitations established by the Emergency Board at its September 2010 meeting for construction of student family housing at Western Oregon University expire on June 30, 2017, unless otherwise changed by the Legislative Assembly.

(6) The project approvals and expenditure limitations established by section 3 (1), (6) and (7), chapter 787, Oregon Laws 2005, for capital construction or acquisition projects at Columbia Gorge Community College, Klamath Community College and Southwestern Oregon Community College expire on June 30, 2012, unless otherwise changed by the Legislative Assembly.

(7) The project approval and expenditure limitation established by section 16 [of this 2011 Act], **chapter 615, Oregon Laws 2011**, for Strand Agriculture Hall deferred maintenance at Oregon State University expires on June 30, 2015, unless otherwise changed by the Legislative Assembly.

SECTION 155. Section 14, chapter 36, Oregon Laws 2012, is amended to read:

Sec. 14. (1) For the purposes of this section:

(a) "Achievement compact" means an agreement entered into between the Oregon Education Investment Board and the governing body of an education entity as described in this section.

(b) "Education entity" means:

(A) A school district, as defined in ORS 332.002;

(B) An education service district operated under ORS chapter 334;

(C) A community college district or community college service district operated under ORS chapter 341;

(D) The Oregon University System established by ORS 351.011;

(E) A public university [of the Oregon University System, as] listed in ORS 352.002; and

(F) The health professions and graduate science programs of the Oregon Health and Science University operated under ORS chapter 353.

(c) "Governing body of an education entity" means:

(A) For a school district, the school district board.

(B) For an education service district, the board of directors of the education service district.

(C) For a community college district or a community college service district, the board of education of the community college district.

(D) For the Oregon University System, the State Board of Higher Education.

(E) For a public university of the Oregon University System, the president of the university.

(F) For a public university with a governing board listed in section 3 of this 2013 Act, the governing board of the university.

[(F)] (G) For the Oregon Health and Science University, the Oregon Health and Science University Board of Directors.

(2)(a) Prior to the beginning of each fiscal year, the governing body of each education entity must enter into an achievement compact with the Oregon Education Investment Board for the fiscal year.

(b) Governing bodies of education entities identified in subsection (1)(b)(A) to (C) of this section shall enter into achievement compacts as part of the budgeting process under ORS 294.305 to 294.565 and shall submit achievement compacts to the board prior to July 1 of each year.

(c) The board shall specify a process for adoption and a timeline for submission of achievement compacts for education entities identified in subsection (1)(b)(D) to (F) of this section.

(d) The board shall provide to each school district a number quantifying the district's estimated level of funding for the next fiscal year compared to the determination of funding needed to ensure that the state's system of kindergarten through grade 12 public education meets the quality goals specified under ORS 327.506.

(3)(a) The board shall establish the terms for achievement compacts.

(b) The terms of an achievement compact may include:

(A) A description of goals for outcomes that are consistent with the educational goals identified in ORS 329.015, the findings described in ORS 351.003 and the mission of education provided in ORS 351.009.

(B) A description of the outcomes and measures of progress that will allow each education entity to quantify:

(i) Completion rates for:

(I) Critical stages of learning and programs of study;

(II) The attainment of diplomas, certificates and degrees; and

(III) Achieving the high school and post-secondary education goals established in ORS 351.009 and a projection of the progress needed to achieve those goals by 2025;

(ii) Validations of the quality of knowledge and skills acquired by students of the education entity; and

(iii) The relevance of the knowledge and skills acquired by the students of the education entity and the means by which those skills and knowledge will contribute to the workforce, the economy and society as described in state policy.

(C) Other information suggested by the governing body of an education entity and approved by the board.

(c) Notwithstanding the terms described in paragraph (b) of this subsection, for an achievement compact entered into by an education entity identified in subsection (1)(b)(F) of this section, the terms of the achievement compact shall be limited to the enrollment of, and attainment of degrees by, Oregon residents in programs for which the state provides funding.

(4)(a) The governing body of each education entity shall identify a target number and percentage of students for achievement of the outcomes, measures of progress and goals specified in the achievement compact for the fiscal year.

(b) The governing body of each education entity shall provide a target number and percentage of students for the aggregate of all disadvantaged subgroups, as defined by federal law or specified by rules adopted by the board. The target number and percentage of students must reflect the education entity's goals of improving education outcomes for disadvantaged student groups and closing any student achievement gaps between disadvantaged student groups and other student groups.

(5) As part of the process of entering into an achievement compact, the governing body of an education entity shall ensure that open communications are provided to parents, students, teachers or faculty, employees, exclusive bargaining representatives and community representatives for the purposes of explaining and discussing the outcomes, measures of progress, goals and targets specified in the achievement compact for the fiscal year. The open communications must be provided during each education entity's public budget process.

(6) The board shall specify the format of the achievement compacts and provide model achievement compacts to the governing body of each education entity.

(7) The board may adopt a timeline and method for governing bodies of education entities to provide the board with a report at the end of a fiscal year that describes the achievements made by the education entities during the fiscal year. The report:

(a) Must include disaggregated data for each disadvantaged student group specified by the board; and

(b) May state achievements in numbers and percentages and in relation to the outcomes, measures of progress, goals and targets specified in the achievement compact for the fiscal year.

SECTION 156. Section 13, chapter 761, Oregon Laws 2007, as amended by section 5, chapter 2, Oregon Laws 2009, section 93, chapter 762, Oregon Laws 2009, and section 32, chapter 2, Oregon Laws 2011, is amended to read:

Sec. 13. (1) There is established in the General Fund an account to be known as the Portland State University Science Research and Teaching Center and Hazardous Waste Facility Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for a Science Research and Teaching Center and Hazardous Waste Facility Phase I at Portland State University.

(2) The account shall consist of proceeds from certificates of participation, grant funds, gift funds, proceeds of legal settlements, federal and local government funds made available to and funds donated to [*the Oregon University System*] **Portland State University** for the purpose of the center

and facility project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$7,000,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to [*the Oregon University System*] **Portland State University** and may be transferred to the account designated by [ORS 351.626] **the university** for the center and facility project described in subsection (1) of this section.

SECTION 157. Section 14, chapter 761, Oregon Laws 2007, as amended by section 94, chapter 762, Oregon Laws 2009, and section 33, chapter 2, Oregon Laws 2011, is amended to read:

Sec. 14. (1) There is established in the General Fund an account to be known as the University of Oregon Integrative Science Complex, Phase 2 Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for an Interactive Science Complex, Phase 2 at the University of Oregon.

(2) The account shall consist of grant funds, gift funds, federal and local government funds made available to and funds donated to the [*Oregon University System*] **University of Oregon** for the purpose of the Interactive Science Complex, Phase 2 project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$30,000,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **University of Oregon** and may be transferred to the account designated by [ORS 351.626] **the university** for the Interactive Science Complex, Phase 2 project described in subsection (1) of this section.

SECTION 158. Section 15, chapter 761, Oregon Laws 2007, as amended by section 95, chapter 762, Oregon Laws 2009, and section 34, chapter 2, Oregon Laws 2011, is amended to read:

Sec. 15. (1) There is established in the General Fund an account to be known as the University of Oregon Hayward Field Account. Funds in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution at Hayward Field at the University of Oregon.

(2) The account shall consist of funds received from not-for-profit organizations, grant funds, gift funds, federal and local government funds made available to and funds donated to the [*Oregon University System*] **University of Oregon** for the purpose of the Hayward Field project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$2,500,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **University of Oregon** and may be transferred to the account designated by [ORS 351.626] **the university** for the purposes described in subsection (1) of this section.

SECTION 159. Section 17, chapter 761, Oregon Laws 2007, as amended by section 97, chapter 762, Oregon Laws 2009, and section 36, chapter 2, Oregon Laws 2011, is amended to read:

Sec. 17. (1) There is established in the General Fund an account to be known as the Portland State University Science PCAT Redevelopment Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities on the current site of the Portland Center for Advanced Technology at Portland State University.

(2) The account shall consist of grant funds, gift funds, proceeds of legal settlements, federal and local government funds made available to and funds donated to [*the Oregon University System*] **Portland State University** for the purpose of the project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$10,000,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to [*the Oregon University System*] **Portland State University** and may be transferred to the account designated by [ORS 351.626] **the university** for the project described in subsection (1) of this section.

SECTION 160. Section 22, chapter 904, Oregon Laws 2009, as amended by section 50, chapter 2, Oregon Laws 2011, and section 46, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 22. (1) There is established in the General Fund an account to be known as the Portland State University Science Research and Teaching Center/Hazardous Waste Facility Phase 2 Project

Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for a facility project at [Oregon] **Portland State University**.

(2) The account shall consist of proceeds from grant funds, gift funds and federal and local government funds made available to [the Oregon University System] **Portland State University** for the purpose of the facility project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$2,500,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to [the Oregon University System] **Portland State University** and may be transferred to the account designated by [ORS 351.626] **the university** for the facility project described in subsection (1) of this section.

SECTION 161. Section 24, chapter 904, Oregon Laws 2009, as amended by section 52, chapter 2, Oregon Laws 2011, and section 48, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 24. (1) There is established in the General Fund an account to be known as the University of Oregon Allen Hall Expansion and Remodel Project Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for a facility project at the University of Oregon.

(2) The account shall consist of proceeds from grant funds and gift funds made available to and funds donated to the [Oregon University System] **University of Oregon** for the purpose of the facility project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$7,500,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [Oregon University System] **University of Oregon** and may be transferred to the account designated by [ORS 351.626] **the university** for the facility project described in subsection (1) of this section.

SECTION 162. Section 3, chapter 797, Oregon Laws 2001, is amended to read:

Sec. 3. Subject to available funding, if a building evaluated under section 2 (4), **chapter 797, Oregon Laws 2001**, [of this 2001 Act] is found by a board to pose an undue risk to life safety during a seismic event, the State Board of Higher Education, **governing board of a public university with a governing board listed in section 3 of this 2013 Act**, local school district board, community college board or education service district board, as appropriate, shall develop a plan for seismic rehabilitation of the building or for other actions to reduce the risk. For a board that is subject to ORS 291.224, the board's plan to rehabilitate or take other action to reduce the seismic risk of a building must be included in the capital construction program of the board. A board that is subject to ORS 291.224 shall rank the relative benefit of projects to reduce seismic risk in comparison with other life safety and code requirement projects. Subject to availability of funding, all seismic rehabilitations or other actions to reduce seismic risk must be completed before January 1, 2032. If the building is listed on a national or state register of historic places or properties or is designated as a landmark by local ordinance, the plan for seismic rehabilitation or other action shall be developed in a manner that gives consideration to preserving the character of the building.

SECTION 162a. ORS 354.090 is amended to read:

354.090. The [State Board of Higher Education] **Oregon Institute of Technology** is declared the managing agency of the FM radio station KTEC, licensed to the Oregon Institute of Technology, and as such shall prescribe rules and regulations in conformity with the regulations and laws of the United States Government relating to educational FM radio stations. By such rules and regulations the [State Board of Higher Education] **Oregon Institute of Technology** shall make the facilities of the radio station available in the training programs of the [Oregon Institute of Technology] **university**.

SECTION 162b. (1) **The amendments to ORS 354.090 by section 162a of this 2013 Act become operative only if the Oregon Institute of Technology becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act.**

(2) If the condition specified in subsection (1) of this section is met, the amendments to ORS 354.090 by section 162a of this 2013 Act become operative on the date the Governor appoints the members of the governing board under section 168a of this 2013 Act.

SECTION 162c. ORS 351.516 is amended to read:

351.516. (1) There is established in the General Fund an account to be known as the Eastern Oregon University Regional Agricultural, Health and Life Sciences Building Account. Funds in the account shall be used to acquire or construct a new building for agriculture, health and life sciences studies at Eastern Oregon University.

(2) The account shall consist of proceeds from lottery bonds and federal and local government funds made available to and funds donated to [*the Oregon University System*] **Eastern Oregon University** for the purpose of the Eastern Oregon University Regional Agricultural, Health and Life Sciences Building project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account.

(3) Moneys in the account are continuously appropriated to [*the Oregon University System*] **Eastern Oregon University** for the purposes described in subsection (1) of this section. The account may not be credited with more than \$14,470,500 in interest, proceeds from lottery bonds, donations and federal and local government funds for purposes of this subsection.

SECTION 162d. (1) The amendments to ORS 351.516 by section 162c of this 2013 Act become operative only if Eastern Oregon University becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act.

(2) If the condition specified in subsection (1) of this section is met, the amendments to ORS 351.516 by section 162c of this 2013 Act become operative on the date the Governor appoints the members of the governing board under section 168a of this 2013 Act.

SECTION 163. ORS 352.035, 352.048, 352.049, 352.051, 352.052 and 352.053 are repealed.

SECTION 164. Notwithstanding ORS 62.720, 321.185, 351.506, 351.507, 351.508, 351.532, 352.560, 567.010, 567.025, 567.030 and 759.445 and section 1, chapter 39, Oregon Laws 2012, and section 6, chapter 79, Oregon Laws 2012, if the president of Oregon State University notifies the Governor that the university will become a university with a governing board in the manner set forth in section 168 or 168a of this 2013 Act, any moneys provided or transferred by law to the Oregon University System or State Board of Higher Education for the benefit of or use by Oregon State University shall be provided directly to Oregon State University.

SECTION 165. Notwithstanding ORS 196.438, 351.350, 352.230, 352.239, 352.247, 352.610, 526.225, 542.710, 561.364, 566.210, 567.005, 567.035, 567.210, 567.260, 567.455, 567.505, 567.510 and 567.580, if the president of Oregon State University notifies the Governor that the university will become a university with a governing board in the manner set forth in section 168 or 168a of this 2013 Act, the university shall act independently, rather than under the direction, control or management of the State Board of Higher Education.

SECTION 165a. Notwithstanding ORS 352.221 and 352.223 and section 16, chapter 761, Oregon Laws 2007, section 7, chapter 2, Oregon Laws 2009, and section 18, chapter 904, Oregon Laws 2009, if the Oregon Institute of Technology becomes a university with a governing board in the manner set forth in section 168a of this 2013 Act, any moneys provided or transferred by law to the Oregon University System or State Board of Higher Education for the benefit of or use by the Oregon Institute of Technology shall be provided directly to the Oregon Institute of Technology.

ESTABLISHMENT OF SPECIAL COMMITTEE AND WORK GROUP

SECTION 166. (1) The Special Committee on University Governance and Operations is established, consisting of 10 members appointed as follows:

(a) The President of the Senate shall appoint four members from among members of the Senate.

(b) The Speaker of the House of Representatives shall appoint four members from among members of the House of Representatives.

(c) The Governor shall appoint two members who are members of the Oregon Education Investment Board.

(2) The special committee shall review, discuss and analyze:

(a) Issues of administration within the state post-secondary education system with an emphasis on four-year public universities; and

(b) Coordination of operations, academic programs, shared services and other elements of that system, after considering the recommendations of the Work Group on University Shared Services established under section 166a of this 2013 Act.

(3) The special committee may recommend legislation on the future relationship between Oregon's institutions of post-secondary education.

(4) The special committee shall evaluate options related to institutional governance as Oregon's public universities transition to new governing boards, with a focus on how best to coordinate academic services among the universities in order to increase student access, affordability and success in pursuit of the mission described in ORS 351.009. Options may include the role of a chancellor or an academic leader, the composition of the interim State Board of Higher Education between July 1, 2014, and June 30, 2015, or the composition and authorities of a consortium board for universities that do not request institutional governing boards.

(5) With respect to university governance, any legislation recommended by the special committee shall:

(a) Take into consideration the unique mission associated with each of Oregon's seven public universities and identify how these missions can best be accomplished and sustained over the next 10 years; and

(b) Ensure that the public missions of Oregon's public universities, including access and affordability for residents of this state, are maintained and enhanced.

(6) With respect to university operations, any legislation recommended by the special committee shall define the operating arrangements between the institutions in order to ensure:

(a) That all post-secondary institutions, including public universities listed in ORS 352.002 and Oregon's 17 community colleges, are able to achieve the goals and mission described in ORS 351.006 and 351.009; and

(b) The achievement of cost efficiencies, economies of scale, cost effectiveness, accountability, administrative streamlining and the ability to provide the best quality education possible for the amount of state moneys spent.

(7)(a) Any shared services legislation recommended by the special committee must further consider the recommended shared services model provided by the Work Group on University Shared Services under section 166a (11) of this 2013 Act.

(b) The shared services subject to review by the special committee shall include, but are not limited to, risk management, cash management, asset management, treasury services, payroll, employee benefits, accounting, auditing, purchasing and contracting, information technology and any other administrative function that might benefit from the sharing or pooling of public university resources.

(8) A majority of the members of the special committee constitutes a quorum for the transaction of business.

(9) Official action by the special committee requires the approval of a majority of the members of the committee.

(10) The special committee shall elect two of its members to serve as cochairpersons, one of whom is from the Senate and one of whom is from the House of Representatives.

(11) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(12) The special committee shall meet at times and places specified by the call of the cochairpersons or of a majority of the members of the committee.

(13) The special committee may adopt rules necessary for the operation of the committee.

(14)(a) The special committee shall convene and begin work no later than September 15, 2013.

(b) The special committee shall submit interim recommendations to the Governor and Legislative Assembly no later than January 15, 2014, for consideration during the 2014 regular legislative session.

(c) The special committee shall continue to meet and submit final recommendations to the Governor and Legislative Assembly, if necessary, no later than November 15, 2014, for consideration during the 2015 regular legislative session.

(15) The Legislative Administration Committee shall provide staff support to the special committee.

(16) Members of the special committee who are not members of the Legislative Assembly are not entitled to compensation.

(17) All agencies of state government, as defined in ORS 174.111, and public universities listed in ORS 352.002 are directed to assist the special committee in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the committee consider necessary to perform their duties.

(18) The special committee may accept contributions of funds and assistance from any source, public or private, for the purposes of the consultation with national experts required for the activities described in subsections (2) to (7) of this section.

SECTION 166a. (1) The Work Group on University Shared Services is established, consisting of the presidents of the seven public universities listed in ORS 352.002 or the presidents' designees.

(2) The work group shall develop a shared services model that delivers efficient and effective administrative operations to participating post-secondary institutions in a manner that focuses on quality, responsiveness and customer service and that seeks to achieve cost savings, economies of scale, accountability, transparency and streamlining.

(3) In developing a shared services model under subsection (2) of this section, the services that the work group must consider include, but are not limited to, risk management, cash management, asset management, treasury services, payroll, employee benefits, accounting, auditing, purchasing and contracting, information technology and any other administrative function that might benefit from the sharing or pooling of public university resources.

(4) In recommending how to achieve a shared services enterprise for the public universities listed in ORS 352.002, the work group shall:

(a) Recommend an appropriate entity to facilitate the sharing of services among the public universities listed in ORS 352.002 after universities with governing boards are established;

(b) Recommend how the shared services coordinating entity described in paragraph (a) of this subsection will be managed;

(c) Determine the financial impact that will be caused, both cumulatively and individually, for each university that establishes a governing board and leaves the Oregon University System;

(d) Recommend a mechanism to mitigate or eliminate the negative financial impact caused by universities establishing governing boards and leaving the Oregon University System, or require universities establishing governing boards and leaving the Oregon University System to remain in each shared service. In determining this mechanism, the work group must consider the appropriateness of assessments or reductions of appropriations; and

(e) Identify services that should remain shared among public universities listed in ORS 352.002 after the establishment of universities with governing boards. In determining whether a service should remain shared, the work group must consider the economies of scale achieved by sharing the service, the benefit to the public in sharing the service and the positive and negative financial impact on each public university if one or more universities with governing boards either stops or continues to participate in the service.

(5) The State Board of Higher Education and the office of the Chancellor of the Oregon University System shall assist the work group in developing the work group's recommendations. The work group may seek and accept consulting or other technical assistance from any source in preparing its recommendations.

(6) A majority of the members of the work group constitutes a quorum for the transaction of business.

(7) Official action by the work group requires the approval of a majority of the members of the work group.

(8) The work group shall elect one of its members to serve as chairperson.

(9) The work group shall meet at times and places specified by the call of the chairperson or of a majority of the members of the work group.

(10) The work group may adopt rules necessary for the operation of the work group.

(11)(a) The work group shall submit a first draft of its recommended shared services model to the Special Committee on University Governance and Operations established in section 166 of this 2013 Act no later than December 15, 2013.

(b) The work group shall finalize and submit its recommended shared services model to the special committee no later than September 15, 2014.

(12) The Oregon University System shall provide staff support to the work group.

(13) Members of the work group are not entitled to compensation.

(14) All agencies of state government, as defined in ORS 174.111, are directed to assist the work group in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the work group consider necessary to perform their duties.

SECTION 167. Sections 166 and 166a of this 2013 Act are repealed on the date of the convening of the 2016 regular session of the Legislative Assembly as specified in ORS 171.010.

OPERATIVE DATE AND TRANSITIONAL PROVISIONS

SECTION 168. (1) Notwithstanding the operative date set forth in section 171 of this 2013 Act, the Governor shall appoint all of the members of the Board of Trustees of the University of Oregon and all of the members of the Board of Trustees of Portland State University by August 19, 2013, so that these appointees may be confirmed by the Senate in the manner provided in ORS 171.562 and 171.565 by September 30, 2013.

(2) If the president of Oregon State University notifies the Governor by August 1, 2013, the university will become a university with a governing board:

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

(b) The Governor shall appoint all of the members of the Board of Trustees of Oregon State University in the same manner and time frame as set forth in subsection (1) of this section.

(3) If the president of Oregon State University notifies the Governor between August 2, 2013, and January 1, 2014, that the university will become a university with a governing board, the Board of Trustees of Oregon State University shall be established in the manner set forth in section 168a of this 2013 Act.

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

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

(b) Not later than February 1, 2014, the Governor shall appoint all of the members of the governing board in the manner set forth in section 6 of this 2013 Act.

(2)(a) If the president of Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University determines that the university should become a university with a governing board, the president shall notify the Governor and the State Board of Higher Education of the university's intent. Notification under this subsection must occur during the period beginning March 1, 2014, and ending June 1, 2015.

(b) Within 45 days of receiving notification under this subsection from a university president, the State Board of Higher Education shall decide whether or not to endorse the university's decision. If the board endorses the request, the board shall immediately communicate any endorsement to the Governor.

(b) Upon receiving notification that the State Board of Higher Education has endorsed a university's decision to become a university with a governing board, the Governor shall:

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

(B) Not later than six months after receiving the notification, appoint all of the members of the governing board in the manner set forth in section 6 of this 2013 Act.

(3) Notwithstanding section 169 of this 2013 Act, if Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University become a university with a governing board under subsection (2) of this section, the president of that university shall take over administrative responsibilities for the university from the State Board of Higher Education on either July 1, 2015 or when the Governor appoints the members of the governing board, whichever date comes later.

SECTION 169. Except as provided in section 168a of this 2013 Act, the State Board of Higher Education shall continue to have jurisdiction over the operations of a university with a governing board as defined in section 2 of this 2013 Act through June 30, 2014. However, the governing board shall propose funding requests pursuant to section 8 of this 2013 Act and ORS 351.052, as amended by section 42 of this 2013 Act, and shall prepare budgets, in cooperation with the Higher Education Coordinating Commission, for the biennium beginning July 1, 2015.

SECTION 170. (1) Except as otherwise expressly provided in this section, all persons employed by a university with a governing board, as defined in section 2 of this 2013 Act, on the effective date of this 2013 Act shall continue their employment with the university and shall retain any seniority, contractual rights or tenure granted prior to the effective date of this 2013 Act. Nothing in this section shall affect any term or condition of any collective bargaining agreement in effect on the effective date of this 2013 Act.

(2) All of the duties, functions, powers and lawfully incurred rights and obligations of the State Board of Higher Education that pertain to a university with a governing board are transferred to and vested in the governing board. The transfer shall include but not be limited to all applicable contractual rights and obligations and title to all applicable records, property, supplies and materials, including equipment, books and papers. For the purpose of succession to these rights and obligations, the governing board is considered to be a continuation of the State Board of Higher Education and not a new authority, and the governing board must exercise such rights and fulfill such obligations as if they had not been assigned or transferred, except as otherwise provided by law.

(3) All unexpended moneys, including but not limited to General Fund appropriations, gifts, bequests, other funds, assessments, liability and worker's compensation reserves and premiums that are appropriated to, held, managed or invested by or on behalf of or otherwise available to a university with a governing board, are appropriated and transferred to the university.

(4) A university with a governing board shall conduct and complete any proceeding, action, prosecution or other matter that the university commenced before the effective date of this 2013 Act and that is pending on the effective date of this 2013 Act.

(5) The transfer of duties, functions and powers to a governing board or university with a governing board does not affect any action, suit or proceeding relating to the university, except that the university shall be substituted for the State Board of Higher Education and the State of Oregon in any such action, suit or proceeding.

(6) Any action, proceeding or other matter that was commenced by a state agency, a state officer, the State Board of Higher Education or an officer or employee of the State Board of Higher Education before the effective date of this 2013 Act and relates to the governing board or university with a governing board and is still pending on the effective date of this 2013 Act shall be conducted and completed by the governing board or university.

(7) Nothing in this 2013 Act relieves any person, public entity or private entity of any obligation with respect to a tax, fee, fine or other charge, interest, penalty, forfeiture, rule, policy, document, record or proceeding.

(8) Notwithstanding any other provision of this section, the lawfully adopted rules and policies of the State Board of Higher Education pertaining to a university with a governing board that are in effect on the effective date of this 2013 Act continue in effect until lawfully superseded or repealed by the standards or policies of the governing board or the university. References in rules or policies of the State Board of Higher Education to the state board or an officer or employee of the state board are considered to be references to the governing board or an officer or employee of a university with a governing board.

SECTION 171. Sections 2, 2a, 2b, 3, 5, 8 to 18, 164, 165, 169 and 170 of this 2013 Act, the amendments to statutes and session laws by sections 24, 25, 28 to 37, 40 to 162 and 176 to 178 of this 2013 Act and the repeal of statutes by section 163 of this 2013 Act become operative on July 1, 2014.

SECTION 172. The State Board of Higher Education and a university with a governing board as defined in section 2 of this 2013 Act may take any action before the operative date specified in section 171 of this 2013 Act that is necessary for the State Board of Higher Education and the university to exercise, on and after the operative date specified in section 171 of this 2013 Act, all of the duties, functions and powers conferred on the State Board of Higher Education and university by this 2013 Act.

SECTION 172a. This 2013 Act is intended to preserve the autonomy of the universities listed in ORS 352.002 whether they are governed by a university governing board or a university consortium board.

CONFLICT AMENDMENTS

SECTION 173. If Senate Bill 225 becomes law, section 101 of this 2013 Act (amending ORS 30.264) is repealed.

SECTION 174. If House Bill 3079 becomes law, section 34 of this 2013 Act (amending ORS 348.603) is repealed.

SECTION 175. If House Bill 3120 becomes law, sections 82, 83 and 84 of this 2013 Act (all amending ORS 351.735) are repealed.

SECTION 176. If Senate Bill 267 becomes law, section 123b of this 2013 Act (amending ORS 284.540) is repealed and ORS 284.540, as amended by section 3, chapter 230, Oregon Laws 2013 (Enrolled Senate Bill 267), is amended to read:

284.540. (1) There is established the Governor's Council on Oregon's Economy.

(2) The members of the council are:

(a) The presiding officer of the Oregon Business Development Commission;

(b) The chairperson of the Oregon Transportation Commission;

(c) The chairperson of the State Board of Agriculture;

(d) The chairperson of the [*State Board of Higher Education*] **Higher Education Coordinating Commission**; and

(e) Other persons designated by the Governor.

(3) The council shall meet quarterly to:

(a) Discuss and coordinate the activities of each entity described in subsection (2) of this section that relate to economic development and improving the economy in Oregon; and

(b) Discuss and recommend to the Legislative Assembly methods for creating certainty for the development process.

SECTION 177. If Senate Bill 267 becomes law, section 123c of this 2013 Act (amending ORS 284.706) is repealed and ORS 284.706, as amended by sections 21 and 31, chapter 90, Oregon Laws 2012, and sections 4 and 5, chapter 230, Oregon Laws 2013 (Enrolled Senate Bill 267), is amended to read:

284.706. (1) There is created the Oregon Innovation Council consisting of the following voting members:

(a) The Governor or the Governor's designated representative, who shall be chairperson of the council.

(b) Five members appointed by the Governor who are engaged in the operations of Oregon traded sector industries or Oregon growth businesses.

(c) One member appointed by the Governor who is a representative of an Oregon-based, generally accredited, not-for-profit private institution of higher education.

(d) A member of the Oregon Growth Account Board, appointed by the board, who has experience in the field of venture capital.

(e) A member of the Engineering and Technology Industry Council, appointed by the Engineering and Technology Industry Council.

(f) The Director of the Oregon Business Development Department.

(g) The [*Chancellor of the Oregon University System*] **executive director of the Higher Education Coordinating Commission**.

[(h) *The Commissioner for Community College Services.*]

[(i)] (h) The State Treasurer.

(2)(a) The Speaker of the House of Representatives shall appoint two members to the council who are members of the House of Representatives.

(b) The President of the Senate shall appoint two members to the council who are members of the Senate.

(c) Members of the Legislative Assembly appointed to the council are nonvoting members and may act in an advisory capacity only.

(3) The following persons, or their representatives, shall serve as ex officio, nonvoting members of the council:

(a) The presiding officer of the Oregon Business Development Commission.

(b) The chairperson of the [*State Board of Higher Education*] **Higher Education Coordinating Commission**.

(c) The chairperson of the State Board of Education.

(d) An executive officer of an association representing Oregon-based, generally accredited, not-for-profit private institutions of higher education, appointed by the Governor.

(4) The term of office of each appointed voting member of the council is three years, but an appointed member serves at the pleasure of the appointing authority. Before the expiration of the term of an appointed voting member, the appointing authority shall appoint a successor whose term begins on July 1 next following. An appointed member is eligible for reappointment. If there is a

vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the remainder of the unexpired term.

(5) A majority of the voting members of the council constitutes a quorum for the transaction of business.

(6) Official action by the council requires the approval of a majority of the voting members of the council.

(7) The council shall meet at least twice per fiscal year at a place, day and time determined by the chairperson. The council may also meet at other times and places specified by a call of the chairperson or by written request of a majority of the voting members of the council.

(8) The council may adopt rules necessary for the operation of the council.

(9) The council may establish committees and delegate to the committees duties as the council considers desirable.

(10) The Oregon Business Development Department shall provide staff support to the council.

(11) Members of the council who are members of the Legislative Assembly are entitled to compensation and expense reimbursement as provided in ORS 171.072.

(12) Members of the council who are not members of the Legislative Assembly are entitled to compensation and expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members of the council who are public officers shall be paid out of funds appropriated to the public agency that employs the member. Claims for compensation and expenses of members of the council who are not public officers shall be paid out of funds appropriated to the Oregon Business Development Department for that purpose.

(13) All agencies of state government, as defined in ORS 174.111, are directed to assist the council in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the council consider necessary to perform their duties.

SECTION 178. If House Bill 2148 becomes law, section 135 of this 2013 Act (amending ORS 341.440) is repealed and ORS 341.440, as amended by section 36, chapter 1, Oregon Laws 2013 (Enrolled House Bill 2148), is amended to read:

341.440. (1) A community college district may contract with another community college district, a common or union high school district, an education service district, [*the Oregon University System*] **a public university listed in ORS 352.002**, the Oregon Health and Science University, a private educational institution accredited by the Northwest Commission on Colleges and Universities or its successor or a career school as defined in ORS 345.010 to obtain educational services for students enrolled in the community college of the district. However, the educational services so obtained must meet the standards for educational services provided by the college and the contract price to the college for such services must not exceed the costs that would otherwise be incurred by the college to provide its students the same or similar services.

(2) Educational services for which a district operating a community college may contract include services offered by correspondence and services offered electronically or through telecommunications if such services are accredited by a nationally recognized accrediting association.

(3) For purposes of ORS 341.626, costs incurred under subsection (1) of this section shall be considered operating expenses of the district if the contract is approved by the Commissioner for Community College Services.

SECTION 179. If House Bill 3120 becomes law, section 16 of this 2013 Act is amended to read:

Sec. 16. (1) The following entities are not subject to any provision of law enacted after January 1, 2013, that is unique to governmental entities unless the following entities are expressly named:

(a) A university with a governing board; and

(b) Any not-for-profit organization or other entity if the equity of the entity is owned or controlled exclusively by a university with a governing board and if the organization or entity is created by the university to advance any of the university's statutory missions.

(2) Notwithstanding subsection (1) of this section, the provisions of ORS 30.260 to 30.460, 33.710, 33.720, 200.005 to 200.025, 200.045 to 200.090, 236.605 to 236.640, 276.080, 279.835, 279.840, 279.850 and 297.040 and ORS chapters 35, 190, 192 and 244 apply to a university with a governing board under the same terms as they apply to public bodies other than the state.

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

(4) Notwithstanding subsections (1) and (3) of this section, ORS 240.167, 279C.600 to 279C.625, 279C.800, 279C.810, 279C.825, 279C.830, 279C.835, 279C.840, 279C.845, 279C.850, 279C.855, 279C.860, 279C.865, 279C.870 and 292.043 apply to a university with a governing board under the same terms as they apply to public bodies other than the state.

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

(6) Except as set forth in subsection (3) of this section, ORS 243.650 to 243.782 apply to a university with a governing board under the same terms as they apply to the state.

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

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

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

(10) If state bonds are issued for the benefit of a university with a governing board, the university shall have the powers and duties of a related agency as defined in ORS 286A.001 to the extent necessary for the issuance of such state bonds and the administration of the proceeds of the state bonds.

(11) Nothing in this section may be construed so that statutory provisions that are not set forth in this section apply to a university with a governing board.

CAPTIONS

SECTION 180. The unit captions used in this 2013 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2013 Act.

EMERGENCY CLAUSE

SECTION 181. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.

Passed by Senate July 3, 2013

Repassed by Senate July 8, 2013

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House July 6, 2013

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2013

Approved:

.....M,....., 2013

.....
John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2013

.....
Kate Brown, Secretary of State