

Enrolled
Senate Bill 80

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CHAPTER

AN ACT

Relating to higher education governance; creating new provisions; amending ORS 21.007, 30.864, 33.710, 62.720, 147.425, 174.117, 182.122, 182.415, 183.635, 184.631, 184.897, 192.501, 195.033, 196.438, 200.025, 200.055, 238.215, 240.185, 243.107, 243.650, 243.800, 243.820, 243.850, 243.910, 243.945, 244.050, 270.100, 273.155, 273.573, 273.586, 273.785, 276.610, 276.612, 276.915, 279A.065, 279C.800, 282.076, 283.095, 283.143, 283.310, 284.711, 284.735, 286A.035, 286A.700, 287A.001, 291.002, 291.038, 291.229, 291.231, 291.375, 291.445, 292.043, 292.044, 293.701, 293.790, 295.195, 319.415, 321.185, 326.500, 327.380, 329.489, 329.810, 339.331, 339.336, 342.147, 342.443, 342.447, 343.465, 343.961, 344.259, 348.283, 348.849, 348.900, 351.054, 351.065, 351.067, 351.077, 351.094, 351.097, 351.105, 351.155, 351.160, 351.170, 351.180, 351.203, 351.205, 351.296, 351.379, 351.505, 351.641, 351.642, 351.643, 351.644, 351.646, 351.647, 351.657, 351.681, 351.692, 351.695, 351.697, 351.708, 351.711, 351.735, 351.751, 351.810, 351.820, 351.830, 351.840, 351.870, 352.012, 352.021, 352.029, 352.054, 352.107, 352.129, 352.138, 352.191, 352.221, 352.223, 352.230, 352.239, 352.247, 352.252, 352.383, 352.390, 352.610, 352.669, 353.040, 353.050, 353.108, 353.330, 353.370, 353.440, 354.090, 357.004, 357.203, 390.235, 401.922, 408.506, 442.830, 470.060, 471.580, 526.215, 526.225, 561.364, 566.210, 567.005, 567.010, 567.205, 567.210, 567.220, 567.230, 567.235, 567.325, 567.330, 567.405, 567.410, 567.430, 567.455, 567.475, 567.480, 567.505, 567.510, 567.515, 567.520, 567.575, 567.580, 576.035, 576.768, 634.657, 659.860, 702.005, 759.445, 815.080, 820.100, 820.110, 820.120, 820.130, 820.150 and 825.017 and section 3, chapter 797, Oregon Laws 2001, sections 11, 12, 15, 16 and 17, chapter 761, Oregon Laws 2007, sections 6 and 7, chapter 2, Oregon Laws 2009, sections 14, 15, 16, 18, 19, 20, 21, 22 and 23, chapter 904, Oregon Laws 2009, section 1, chapter 90, Oregon Laws 2010, section 11, chapter 519, Oregon Laws 2011, section 2, chapter 624, Oregon Laws 2011, section 14, chapter 36, Oregon Laws 2012, section 7, chapter 83, Oregon Laws 2014, section 22, chapter 121, Oregon Laws 2014, section 44, chapter 1, Oregon Laws 2015, and sections 29 and 30, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303); repealing ORS 341.739, 348.010, 351.011, 351.013, 351.015, 351.020, 351.040, 351.045, 351.049, 351.057, 351.060, 351.062, 351.063, 351.064, 351.070, 351.072, 351.075, 351.085, 351.086, 351.087, 351.088, 351.092, 351.096, 351.100, 351.110, 351.115, 351.117, 351.130, 351.140, 351.150, 351.153, 351.190, 351.210, 351.220, 351.230, 351.240, 351.250, 351.260, 351.267, 351.277, 351.282, 351.284, 351.287, 351.304, 351.310, 351.317, 351.320, 351.340, 351.345, 351.350, 351.353, 351.356, 351.450, 351.455, 351.460, 351.473, 351.476, 351.479, 351.482, 351.485, 351.506, 351.507, 351.508, 351.509, 351.511, 351.516, 351.517, 351.518, 351.519, 351.521, 351.532, 351.538, 351.539, 351.545, 351.590, 351.615, 351.626, 351.627, 351.628, 351.633, 351.638, 351.875, 351.880, 351.885, 352.004, 352.010, 352.360, 352.385, 352.650, 542.710, 542.720, 567.040, 567.045, 567.255, 567.260, 567.265, 567.270, 567.275 and 567.365

and section 3, chapter 788, Oregon Laws 2005, sections 164, 165, 165a, 168 and 169, chapter 768, Oregon Laws 2013, section 32, chapter ____, Oregon Laws 2015 (Enrolled House Bill 2411), section 51, chapter 245, Oregon Laws 2015 (Enrolled House Bill 2412), and section 20, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303); and declaring an emergency.

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

**DISSOLUTION OF OREGON UNIVERSITY SYSTEM AND
STATE BOARD OF HIGHER EDUCATION**

SECTION 1. ORS 352.054 is amended to read:

352.054. (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, chapter 768, Oregon Laws 2013*];
- (d) Eastern Oregon University[, *if Eastern Oregon University becomes a university with a governing board in the manner set forth in section 168a, chapter 768, Oregon Laws 2013*];
- (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, chapter 768, Oregon Laws 2013*];
- (f) Southern Oregon University[, *if Southern Oregon University becomes a university with a governing board in the manner set forth in section 168a, chapter 768, Oregon Laws 2013*]; and
- (g) Western Oregon University[, *if Western Oregon University becomes a university with a governing board in the manner set forth in section 168a, chapter 768, Oregon Laws 2013*].

(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, chapter 768, Oregon Laws 2013*].

(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, chapter 768, Oregon Laws 2013*].

(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, chapter 768, Oregon Laws 2013*].

(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, chapter 768, Oregon Laws 2013*].

(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, chapter 768, Oregon Laws 2013*].

SECTION 2. (1) The Oregon University System is abolished.

(2) The office of the Chancellor of the Oregon University System is abolished.

(3) The State Board of Higher Education is abolished.

(4)(a) The office of the Chancellor of the Oregon University System shall deliver to the Higher Education Coordinating Commission or, as appropriate, the State Archives, all re-

cords and property within the jurisdiction or possession of the office of the chancellor that relate to public universities listed in ORS 352.002.

(b) The Governor shall resolve any dispute between the office of the Chancellor of the Oregon University System and the Higher Education Coordinating Commission or the State Archives relating to transfers of records and property under this section, and the Governor's decision is final.

SECTION 3. (1) Except as otherwise expressly provided in this section, all persons employed by a university with a governing board, as set forth in ORS 352.054, shall continue their employment with the university and shall retain any seniority, contractual rights or tenure granted prior to the effective date of this 2015 Act. Nothing in this section shall affect any term or condition of any employment agreement or collective bargaining agreement in effect on the effective date of this 2015 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 2015 Act and that is pending on the effective date of this 2015 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 2015 Act and relates to the governing board or university with a governing board and is still pending on the effective date of this 2015 Act shall be conducted and completed by the governing board or university.

(7) Nothing in this 2015 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 2015 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 4. (1) ORS 341.739, 348.010, 351.011, 351.013, 351.015, 351.020, 351.040, 351.045, 351.049, 351.057, 351.060, 351.062, 351.063, 351.064, 351.070, 351.072, 351.075, 351.085, 351.086, 351.087, 351.088, 351.092, 351.096, 351.100, 351.110, 351.115, 351.117, 351.130, 351.140, 351.150, 351.153, 351.190, 351.210, 351.220, 351.230, 351.240, 351.250, 351.260, 351.267, 351.277, 351.282,

351.284, 351.287, 351.304, 351.310, 351.317, 351.320, 351.340, 351.345, 351.350, 351.353, 351.356, 351.450, 351.455, 351.460, 351.473, 351.476, 351.479, 351.482, 351.485, 351.506, 351.507, 351.508, 351.509, 351.511, 351.516, 351.517, 351.518, 351.519, 351.521, 351.532, 351.538, 351.539, 351.545, 351.590, 351.615, 351.626, 351.627, 351.628, 351.633, 351.638, 351.875, 351.880, 351.885, 352.004, 352.010, 352.360, 352.385, 352.650, 542.710, 542.720, 567.040, 567.045, 567.255, 567.260, 567.265, 567.270, 567.275 and 567.365 are repealed.

(2) Sections 164, 165, 165a, 168 and 169, chapter 768, Oregon Laws 2013, are repealed.

(3) Section 3, chapter 788, Oregon Laws 2005, as amended by section 3, chapter 746, Oregon Laws 2007, and sections 3 and 3a, chapter 906, Oregon Laws 2009, is repealed.

BONDING AND FUND PROVISIONS

SECTION 5. (1) The Oregon University System Fund established in ORS 351.506 is abolished. Any moneys remaining in the Oregon University System Fund on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014.

(2) The account in the Oregon University System Fund established in ORS 348.010 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for the purpose of granting 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.

(3) The account in the Oregon University System Fund established in ORS 351.210 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014.

(4) The account in the Oregon University System Fund established in ORS 351.250 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for the purpose of paying the agreed share, if any, to assignors, and for the advancement of research or for the acquisition and development of intellectual property, or both.

(5) The account in the Oregon University System Fund established in ORS 351.545 is abolished.

(6) The account in the Oregon University System Fund established in ORS 351.590 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for the purpose of disbursements 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.

(7) The account in the Oregon University System Fund established in ORS 351.615 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for the repair and alteration of auxiliary enterprise buildings and replacement of equipment.

(8) The account in the Oregon University System Fund established in ORS 351.626 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public

University Fund established under section 7, chapter 83, Oregon Laws 2014, for the construction, expansion and remodeling of public university facilities.

(9) The account in the Oregon University System Fund established in ORS 351.627 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for the purpose of capital construction.

(10) The account in the Oregon University System Fund established in ORS 351.638 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for the purpose of attracting new, outstanding faculty members to public universities.

(11) The account in the Oregon University System Fund established in ORS 351.875 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for the purpose of providing grants for research.

(12) The account in the Oregon University System Fund established in ORS 352.360 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, 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.

(13) The account in the Oregon University System Fund established in ORS 352.650 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014.

(14) The subaccount in the Oregon University System Fund established in section 2, chapter 624, Oregon Laws 2011, is abolished. Any moneys remaining in the subaccount on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, to allow necessary compliance under the Internal Revenue Code.

SECTION 6. (1) The Higher Education Donation Fund established under ORS 351.130 is abolished. Any moneys remaining in the fund on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for the purpose for which the moneys were donated.

(2) The Higher Education Academic Modernization Account established under ORS 351.628 is abolished. Any moneys remaining in the account on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for academic modernization, capital repair, deferred maintenance and making facilities compliant with building and safety codes.

(3) The Oregon University System Capital Construction, Deferred Maintenance and Capital Repair Project Fund established in section 3, chapter 788, Oregon Laws 2005, is abolished. Any moneys remaining in the fund on the effective date of this 2015 Act that are unexpended, unobligated and not subject to any conditions are transferred to the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, for capital construction, deferred maintenance and capital repair projects.

SECTION 7. Notwithstanding any other provision of law, the unexpended proceeds, and any interest earnings thereon, of bonds issued by the State Treasurer for the benefit of a

university with a governing board that have not been transferred to a university prior to July 1, 2015, and are not subject to transfer pursuant to a loan, grant or other agreement entered into between the State of Oregon and a university with a governing board or the Oregon University System, are transferred to and made available for expenditure by the university with a governing board on whose behalf the bonds were issued before the effective date of this 2015 Act.

SECTION 8. ORS 286A.035 is amended to read:

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

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

(3) As part of the Governor's budget report described in ORS 291.216, the Governor shall:

(a) Consider the prudent maximum amounts advised by the State Treasurer pursuant to subsection (2) of this section to determine the Governor's total recommended amount; and

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

(4) [*Except as otherwise provided in ORS 351.476,*] The Legislative Assembly shall determine the amount of bonds the State Treasurer may issue for each state agency for a biennium. If the Legislative Assembly fails to make the determination described in this subsection by the first day of the biennium, the unused portion of the authorization the Legislative Assembly made for the preceding biennium is deemed to carry forward for the current biennium at the amount authorized for the preceding biennium until the earlier of:

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

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

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

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

(b) Assigned a maximum amount to each category.

(6) This section applies to bonds:

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

(b) Except refunding bonds.

SECTION 9. 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*] **Higher Education Coordinating Commission** 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 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 10. ORS 291.445 is amended to read:

291.445. (1) Before July 1 of each fiscal year, the Oregon Department of Administrative Services shall request from the appropriate state agency a certificate as prescribed in this section. The request shall be made by letter to the agency.

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

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

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

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

(a) Certify to the Director of the Oregon Department of Administrative Services that the amounts available or that will become available during the current year from General Fund appropriations to defray program bond principal and interest that has accrued or will accrue during the

current year are sufficient and will be sufficient to pay program bond principal and interest scheduled for payment during the current year; or

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

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

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

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

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

(7) For purposes of this section:

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

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

(B) The [State Board of Higher Education] **Higher Education Coordinating Commission**, [as] **for bonds** authorized by Article XI-F(1) of the Oregon Constitution [and ORS 351.350] (**higher education** building projects).

(C) The Department of Environmental Quality, as authorized by Article XI-H of the Oregon Constitution and ORS 468.195 to 468.260 (pollution control).

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

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

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

(G) Other agencies as required by the Oregon Department of Administrative Services by rule adopted using the criterion of this subsection.

(b) Each agency authorized to issue general obligation bonds that are ordinarily to be repaid from other than General Fund appropriations shall determine the amount of revenues or other funds

that are available and the amount of taxes, if any, that should be levied for the ensuing year in the manner required under rules adopted by the Oregon Department of Administrative Services and make the certification required under subsection (2) of this section.

(8)(a) State agencies that are authorized to issue general obligation bonds that are ordinarily to be repaid from General Fund appropriations include but are not limited to:

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

(B) The [*State Board of Higher Education*] **Higher Education Coordinating Commission**, [*as for bonds*] authorized by Article XI-G of the Oregon Constitution [*and ORS 351.345*] (higher education and community colleges).

(C) Other agencies as required by the Oregon Department of Administrative Services by rule adopted using the criterion of this subsection.

(b) Each agency authorized to issue general obligation bonds ordinarily to be repaid from General Fund appropriations shall furnish any data required by the Oregon Department of Administrative Services to determine the amount of revenues or other funds that are available and the amount of taxes, if any, that should be levied for the ensuing year and the administrative division of the Oregon Department of Administrative Services that has primary responsibility for accounting shall make the determination for purposes of the making of the certification required under subsection (3) of this section.

SECTION 11. ORS 293.701 is amended to read:

293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:

(1) "Council" means the Oregon Investment Council.

(2) "Investment funds" means:

(a) Public Employees Retirement Fund referred to in ORS 238.660;

(b) Industrial Accident Fund referred to in ORS 656.632;

(c) Consumer and Business Services Fund referred to in ORS 705.145;

(d) Employment Department Special Administrative Fund referred to in ORS 657.822;

(e) Insurance Fund referred to in ORS 278.425;

(f) Funds under the control and administration of the Department of State Lands;

(g) Oregon Student Assistance Fund referred to in ORS 348.570;

(h) Moneys made available to the Commission for the Blind under ORS 346.270 and 346.540 or rules adopted thereunder;

(i) Forest Development Revenue Bond Fund referred to in ORS 530.147 and State Forestry General Obligation Bond Fund referred to in ORS 530.280;

(j) Oregon War Veterans' Fund referred to in ORS 407.495;

(k) Oregon War Veterans' Bond Sinking Account referred to in ORS 407.515;

(L) World War II Veterans' Compensation Fund;

(m) World War II Veterans' Bond Sinking Fund;

(n) Funds in the hands of the State Treasurer that are not required to meet current demands and that are invested in the Oregon Short Term Fund established under ORS 293.728 or in another commingled investment vehicle;

(o) State funds that are not subject to the control and administration of officers or bodies specifically designated by law;

(p) Funds derived from the sale of state bonds;

(q) Social Security Revolving Account referred to in ORS 237.490;

(r) [*Oregon University System Fund established by ORS 351.506 and the Higher Education Donation Fund established by ORS 351.130*] **Public University Fund established by section 7, chapter 83, Oregon Laws 2014;**

(s) Local Government Employer Benefit Trust Fund referred to in ORS 657.513;

(t) Elderly and Disabled Special Transportation Fund established by ORS 391.800;

(u) Education Stability Fund established by ORS 348.696;

(v) Deferred Compensation Fund established under ORS 243.411; and

(w) Trust for Cultural Development Account established under ORS 359.405.

(3) "Investment officer" means the State Treasurer in the capacity as investment officer for the council.

SECTION 12. ORS 293.790 is amended to read:

293.790. (1) Under authority of **Article XI**, section 6, [*Article XI*] of the Oregon Constitution, the state, subject to subsection (2) of this section, may hold and dispose of the stock of any company, association or corporation, including stock already received, that is donated or bequeathed, and the state, acting **on behalf of the governing board of a public university listed in ORS 352.002** [*by and through the State Board of Higher Education*], subject to subsection (2) of this section, may invest and reinvest in the stock of any company, association or corporation, any funds or moneys of the [*State Board of Higher Education that*] **public university held in the Public University Fund established under section 7, chapter 83, Oregon Laws 2014, that is permitted to be held, disposed or invested under Article XI, section 6, of the Oregon Constitution.**[.]

[(a) Are or have been donated or bequeathed for higher education purposes;]

[(b) Are the proceeds from the disposition of stock that is donated or bequeathed for higher education purposes, including stock already received; or]

[(c) Are dividends paid with respect to stock that is donated or bequeathed for higher education purposes, including stock already received.]

(2) The state, including any of its agencies having control of, or authority to invest and reinvest in, any stock described in subsection (1) of this section, in holding, disposing of or investing and reinvesting in such stock, shall be governed by ORS 130.750 to 130.775, notwithstanding the date of acquisition of such stock. Moneys received from the disposition of such stock, including dividends, shall be maintained separate and distinct from the General Fund, and those moneys, including interest earned thereon, are appropriated continuously for the purposes of the donation or bequest and of the investments and reinvestments [*authorized by subsection (1) of this section and by ORS 351.130*]. Except as specifically authorized by law, the state or any of its agencies may not purchase stock.

(3)[(a)] This section does not apply to investment and reinvestment of moneys in the Public Employees Retirement Fund, the Industrial Accident Fund, the Deferred Compensation Fund and the Education Stability Fund or to acquisition, retention, management and disposition of investments of those funds as provided in ORS 293.701 to 293.857.

[(b) This section does not apply to investment or reinvestment of moneys or stock resulting from the holding and disposing of stock by the state as allowed under section 6 (2), Article XI of the Oregon Constitution.]

SECTION 13. ORS 295.195 is amended to read:

295.195. [(1) *Notwithstanding any other provision of ORS chapter 295, the Oregon University System, with the approval of the State Treasurer, may deposit funds in a financial institution in a foreign country, if the circumstances under which the funds are to be used render it impracticable to keep the funds in a domestic financial institution or if the terms of a grant, gift or contract require that the funds be kept in a foreign country.*]

[(2)] (1) Notwithstanding any other provision of this chapter, to the extent estimated to be necessary to fund operations or activities for one biennium of the State of Oregon in a foreign country, the State Treasurer may deposit funds in a financial institution in a foreign country.

[(3)] (2) When funds are deposited in a financial institution in a foreign country pursuant to subsection (1) [*or (2)*] of this section, the institution shall not be required to maintain collateral as provided in ORS 295.015. Reasonable and prudent measures to protect the public funds from loss shall be exercised to the extent permitted under the laws of the foreign country.

[(4)] (3) The State Treasurer shall report to the Legislative Assembly biennially on the amounts of deposits in foreign countries, and the operation and activities funded by such deposits. The report shall be submitted to the offices of the President of the Senate and the Speaker of the House of Representatives and shall be referred by each of them to appropriate standing committees other

than committees concerned with budgets of the State Treasurer or the activity or operation so funded.

SECTION 14. ORS 351.160 is amended to read:

351.160. (1) The [State Board of Higher Education] **governing board of a public university listed in ORS 352.002** may undertake the construction of any building or structure for higher education when the **governing** board conservatively estimates that the [Oregon University System] **public university** will have sufficient revenues to pay the operating costs and any indebtedness for the building or structure. For purposes of this section, “revenues” includes all funds available to the **governing** board except amounts appropriated by the Legislative Assembly from the General Fund. The **governing** board may enter into contracts for the acquisition, erection, improvement, repair, equipping and furnishing of buildings and structures for dormitories, housing, boarding, off-street motor vehicle parking facilities and other purposes for higher education pursuant to Article XI-F(1) of the Oregon Constitution[,] **and** ORS 351.160 to 351.190[, 351.350 to 351.460 and 351.505].

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

SECTION 15. ORS 351.170 is amended to read:

351.170. [(1) The State Board of Higher Education] **A public university listed in ORS 352.002** may establish rates, charges and fees for use of buildings, structures and projects under its control. The rates and charges shall be sufficient, in the judgment of the [board] **governing board of the university** and with other available revenues, as defined in ORS 351.160, to pay the operating costs and any indebtedness for the buildings, structures and projects.

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

SECTION 16. ORS 351.180 is amended to read:

351.180. The [State Board of Higher Education] **governing board of a public university listed in ORS 352.002** may cause the buildings, structures or projects referred to in ORS 351.160 and 351.170 and the equipment and furnishings therein and the appurtenances thereto to be insured against fire and other hazards in such sums as will protect the holders of the outstanding bonds issued to finance the cost thereof. Such insurance shall be in lieu of that afforded by the Insurance Fund, without right of insurers, in the event of loss, to subrogation to or contribution from said fund.

NOTE: Section 17 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 18. ORS 351.379 is amended to read:

351.379. (1) ORS 351.365 to 351.379 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 August 14, 2013, 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 August 14, 2013, 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] **with** 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 August 14, 2013, 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 ORS 351.374.

(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 August 14, 2013, 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 August 14, 2013, 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 ORS 352.054, 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 August 14, 2013, 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 ORS 352.135.

(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.

SECTION 19. ORS 351.505 is amended to read:

351.505. [The State Board of Higher Education] **A university with a governing board** may, in its discretion, accept financial assistance and grants, either in the form of money or labor, from the United States or any of its agencies, subject to the terms and conditions thereof, regardless of any

laws of this state in conflict with the regulations of the federal government with respect thereto, and may also accept from others any donation or grant of land, **to be taken and held in the name of the State of Oregon, acting by and through the governing board**, or gift of money or other valuable gift or thing, for any of the purposes contemplated by Article XI-F(1) and Article XI-G of the Oregon Constitution[,] **and** ORS 351.160 to 351.190[, 351.345 to 351.460, 351.500 and 351.505]. Unless enjoined by the terms or conditions of any such gift or grant, the **governing** board may convert the same, or any of them, into money, through sale or disposal thereof.

SECTION 20. ORS 351.681 is amended to read:

351.681. *[At the direction of the Oregon University System, the State Treasurer shall]* **Oregon State University may** establish in the **Public University Fund established under section 7, chapter 83, Oregon Laws 2014, [Oregon University System Fund]** a subaccount dedicated to funding investments in professional forestry education. A subaccount created as provided in this section shall consist of any moneys from harvest taxes, appropriations, gifts, grants or donations made available to *[Oregon State]* **the** university for the specific purpose of making investments in professional forestry education under this section. The university shall make any allocations of moneys from the subaccount to investments in professional forestry education in accordance with the criteria and measurements established by the Forestry Education Council under ORS 351.679.

SECTION 21. 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:]*

[(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 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]

[(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 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 ORS *[352.054]* **352.002** 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)] (1) 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)] (2) 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)] (3) 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 22. ORS 352.138, as amended by section 6, chapter 113, Oregon Laws 2014, and section 17, chapter 121, Oregon Laws 2014, is amended to read:

352.138. (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 **and ORS 352.033**, 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, 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 **and ORS 352.033**, 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) **Notwithstanding ORS 352.033**, except as set forth in subsection (3) of this section, ORS 243.650 to 243.782 and 276.073 to 276.090 and ORS chapters 238 and 238A 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) **Notwithstanding ORS 352.033**, 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) **Notwithstanding ORS 352.033**, ORS 351.692, 351.695 and 351.697 apply to a **university with 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 the state bonds and the administration of the proceeds of the state bonds.

(11) If state bonds are issued for the benefit of a university with a governing board under Article XI-Q of the Oregon Constitution, the university shall have the powers and duties of a project agency, as defined in ORS 286A.816, to the extent necessary for the issuance of the state bonds and the administration of the proceeds of the state bonds.

(12) 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 23. ORS 353.330 is amended to read:

353.330. (1) Nothing in chapter 162, Oregon Laws 1995, shall be construed in any way to impair the obligations or agreements of the State of Oregon or the [*State Board of Higher Education*] **Oregon Department of Administrative Services** with respect to bonds, certificates of participation, financing agreements or other agreements for the borrowing of money issued prior to July 1, 1995, by the State of Oregon on behalf of the State Board of Higher Education for equipment or projects for Oregon Health and Science University. The university and the [*Oregon University System*] **department** shall take all actions necessary to ensure full compliance with all indentures, resolutions, declarations, agreements and other documents issued with respect to the bonds, certificates of participation, financing agreements or other agreements for the borrowing of money

issued prior to July 1, 1995, by the State of Oregon on behalf of the State Board of Higher Education for equipment or projects for the university. The [*Oregon University System*] **department** and the university shall establish, in a written agreement that [*shall be subject to the approval of*] **is approved by** the State Treasurer, the responsibility of the university for the payment to the [*Oregon University System*] **department** of moneys sufficient to pay when due all principal, interest and any other charges on bonds, certificates of participation, financing agreements or other agreements for the borrowing of money issued prior to July 1, 1995, by the State of Oregon on behalf of the State Board of Higher Education for equipment or projects for the university.

(2) Holders of obligations issued by the university on or after July 1, 1995, may be paid *pari passu* with the obligations issued by the State of Oregon on behalf of the State Board of Higher Education for equipment or projects for the university prior to July 1, 1995, from the rents, revenues, receipts, appropriations or other income of the university, but only to the extent that:

(a) Such holders have no rights, liens or other interests with respect to such rents, revenues, receipts, appropriations or other income of the university that are senior or superior to the rights granted to the holders of obligations issued prior to July 1, 1995, by the State of Oregon on behalf of the State Board of Higher Education for equipment or projects for the university; and

(b) [*The State Board of Higher Education,*] The [*Oregon*] department [*of Administrative Services*] or the State of Oregon, acting for the benefit of such holders of obligations, is granted a lien or other security interest in the rents, revenues, receipts, appropriations or other income of the university that is not junior to and is at least *pari passu* with any lien or other security interest granted to the holders of obligations issued by the university.

(3) Any expenses, including legal expenses, judgments, liabilities and federal arbitrage and rebate penalties arising from the actions of the university, if incurred with respect to bonds, certificates of participation, financing agreements or other agreements for the borrowing of money issued prior to July 1, 1995, by the State of Oregon on behalf of the State Board of Higher Education for equipment or projects for the university, shall be paid when due by the university, subject to the university's right to reasonably contest such charges, judgments, liabilities or penalties. The university shall assist the [*Controller of the Oregon University System*] **department** in making any necessary calculations and filing any necessary reports related to arbitrage and rebate on such indebtedness.

(4) Any amounts deposited with the State Treasurer, [*the Controller of the Oregon University System,*] the [*Oregon*] department [*of Administrative Services*] or its designated agents in any debt service in reserve accounts for the debt service associated with any bonds, certificates of participation, financing agreements or other agreements for the borrowing of money issued prior to July 1, 1995, by the State of Oregon on behalf of the State Board of Higher Education for equipment or projects for the university shall remain with the State Treasurer, [*the Controller of the Oregon University System,*] the [*Oregon*] department [*of Administrative Services*] or its designated agents until such time as the bonds, certificates of participation, financing agreements or other agreements for the borrowing of money for which such reserve accounts have been established have been retired or defeased. The university shall be credited with the investment earnings on such reserve accounts.

SECTION 24. ORS 353.370 is amended to read:

353.370. In addition to, and not in limitation of, the means of satisfying state general obligation bond obligations under ORS 291.445, Oregon Health and Science University, promptly upon the discovery of any shortfall in moneys available to the university for the payment when due of amounts under any bonds, certificates of participation, financing agreements or other agreements for the borrowing of moneys issued prior to July 1, 1995, by the State of Oregon on behalf of the State Board of Higher Education for equipment or projects for the university, shall notify in writing the Legislative Assembly, or if the Legislative Assembly is not in session, the Emergency Board, of the existence and amount of the shortfall. The Legislative Assembly or the Emergency Board, as the case may be, may provide funds to satisfy the payment of any such amount. By enacting this provision, the Legislative Assembly acknowledges its current intention to provide, from funds other than those appropriated or otherwise made available to [*the Oregon University System*] **public uni-**

versities listed in ORS 352.002, funds to pay such amount. However, except as may be required by the Oregon Constitution or ORS 291.445, neither the Legislative Assembly nor the Emergency Board shall have any legal obligation to provide funds under this section.

SECTION 25. Section 11, chapter 761, Oregon Laws 2007, as amended by section 91, chapter 762, Oregon Laws 2009, and section 30, chapter 2, Oregon Laws 2011, is amended to read:

Sec. 11. (1) There is established in the General Fund an account to be known as the Western Oregon University Business, Math and Computer Science Facility Project Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for a facility project at Western Oregon University.

(2) The account shall consist of proceeds from lottery bonds, grant funds, gift funds, federal and local government funds made available to and funds donated to [*the Oregon University System*] **Western Oregon 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 \$500,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Western Oregon 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 26. Section 12, chapter 761, Oregon Laws 2007, as amended by section 92, chapter 762, Oregon Laws 2009, and section 31, chapter 2, Oregon Laws 2011, is amended to read:

Sec. 12. (1) There is established in the General Fund an account to be known as the Oregon State University Pauling Research and Education Building Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for the Pauling Research and Education Building at the Oregon State University.

(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*] **Oregon State University** for the purpose of the Pauling Research and Education Building 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 \$31,256,035 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Oregon State University** and may be transferred to the account designated by [*ORS 351.626*] **the university** for the Pauling Research and Education Building project described in subsection (1) of this section.

SECTION 27. Section 15, chapter 761, Oregon Laws 2007, as amended by section 95, chapter 762, Oregon Laws 2009, section 34, chapter 2, Oregon Laws 2011, and section 158, chapter 768, Oregon Laws 2013, 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 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 **Higher Education Coordinating Commission for distribution to the University of Oregon** and may be transferred to the account designated by the university for the purposes described in subsection (1) of this section.

SECTION 28. Section 16, chapter 761, Oregon Laws 2007, as amended by section 14, chapter 15, Oregon Laws 2008, section 96, chapter 762, Oregon Laws 2009, and section 35, chapter 2, Oregon Laws 2011, is amended to read:

Sec. 16. (1) There is established in the General Fund an account to be known as the Oregon Institute of Technology Center for Health Professions Account. Funds in the account shall be used

for the acquisition, construction, remodeling, expansion and renovation of facilities for a Center for Health Professions project for the Oregon Institute of Technology.

(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*] **Oregon Institute of Technology** for the purpose of the Center for Health Professions 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 \$9,000,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to the Oregon Institute of Technology** and may be transferred to the account designated by [*ORS 351.626*] **the university** for the Center for Health Professions project described in subsection (1) of this section.

SECTION 29. Section 17, chapter 761, Oregon Laws 2007, as amended by section 97, chapter 762, Oregon Laws 2009, section 36, chapter 2, Oregon Laws 2011, and section 159, chapter 768, Oregon Laws 2013, 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 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 Higher Education Coordinating Commission for distribution to** Portland State University and may be transferred to the account designated by the university for the project described in subsection (1) of this section.

SECTION 30. Section 6, chapter 2, Oregon Laws 2009, as amended by section 37, chapter 2, Oregon Laws 2011, and section 37, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 6. (1) There is established in the General Fund an account to be known as the Western Oregon University Classroom and Office Building Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for classroom and office space at Western Oregon 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*] **Western Oregon University** for the purpose of the classroom and office space 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 \$3,000,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Western Oregon University** and may be transferred to the account designated by [*ORS 351.626*] **the university** for the classroom and office space project described in subsection (1) of this section.

SECTION 31. Section 7, chapter 2, Oregon Laws 2009, as amended by section 38, chapter 2, Oregon Laws 2011, and section 38, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 7. (1) There is established in the General Fund an account to be known as the Oregon Institute of Technology Owens Hall Deferred Maintenance Account. Funds in the account shall be used for the purposes described in Article XI-G of the Oregon Constitution at Owens Hall at the Oregon Institute of Technology.

(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*] **Oregon Institute of Technology** 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 \$1,444,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the **Higher Education Coordinating Commission for distribution to the Oregon Institute of Technology** [*Oregon University System*] 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 32. Section 14, chapter 904, Oregon Laws 2009, as amended by section 42, chapter 2, Oregon Laws 2011, and section 39, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 14. (1) There is established in the General Fund an account to be known as the South Waterfront Life Sciences Facility Project Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for a facility project located in the South Waterfront Central District in the North Macadam Urban Renewal Area in the City of Portland.

(2) The account shall consist of proceeds from grant funds, gift funds and federal and local government funds made available to and funds donated to the [*Oregon University System*] **Higher Education Coordinating Commission** 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 \$50,000,000 for purposes of this subsection.

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

SECTION 33. Section 15, chapter 904, Oregon Laws 2009, as amended by section 43, chapter 2, Oregon Laws 2011, and section 40, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 15. (1) There is established in the General Fund an account to be known as the Oregon State University Biofuels Demonstration 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 State University.

(2) The account shall consist of proceeds from grant funds, gift funds and federal and local government funds made available to and funds donated to [*the Oregon University System*] **Oregon 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 \$4,000,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Oregon 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 34. Section 16, chapter 904, Oregon Laws 2009, as amended by section 44, chapter 2, Oregon Laws 2011, and section 41, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 16. (1) There is established in the General Fund an account to be known as the Eastern Oregon University Zabel Hall Deferred Maintenance Project Account. Funds in the account shall be used for the acquisition, construction, remodeling, expansion and renovation of facilities for a facility project at Eastern Oregon University.

(2) The account shall consist of proceeds from lottery bonds made available to [*the Oregon University System*] **Eastern Oregon 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 \$1,522,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Eastern Oregon 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 35. Section 18, chapter 904, Oregon Laws 2009, as amended by section 46, chapter 2, Oregon Laws 2011, and section 43, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 18. (1) There is established in the General Fund an account to be known as the Oregon Institute of Technology Geothermal Renewable Energy Demonstration 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 Oregon Institute of Technology.

(2) The account shall consist of proceeds from grant funds, gift funds and federal and local government funds made available to and funds donated to the [*Oregon University System*] **Oregon Institute of Technology** 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 \$2,000,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to the Oregon Institute of Technology** 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 36. Section 19, chapter 904, Oregon Laws 2009, as amended by section 47, chapter 2, Oregon Laws 2011, and section 44, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 19. (1) There is established in the General Fund an account to be known as the Oregon State University Strand Agriculture Hall Deferred Maintenance 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 State University.

(2) The account shall consist of proceeds from lottery bonds made available to [*the Oregon University System*] **Oregon 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 \$6,586,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Oregon 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 37. Section 20, chapter 904, Oregon Laws 2009, as amended by section 8, chapter 99, Oregon Laws 2010, and section 48, chapter 2, Oregon Laws 2011, is amended to read:

Sec. 20. (1) There is established in the General Fund an account to be known as the Oregon State University Bates Hall/Hallie Ford Healthy Children and Families Center 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 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*] **Oregon 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 \$5,000,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Oregon 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 38. Section 21, chapter 904, Oregon Laws 2009, as amended by section 49, chapter 2, Oregon Laws 2011, and section 45, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 21. (1) There is established in the General Fund an account to be known as the Oregon State University Student Success Center 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 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*] **Oregon 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 \$2,054,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Oregon 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 39. Section 22, chapter 904, Oregon Laws 2009, as amended by section 50, chapter 2, Oregon Laws 2011, section 46, chapter 9, Oregon Laws 2011, and section 160, chapter 768, Oregon Laws 2013, 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 Portland State University.

(2) The account shall consist of proceeds from grant funds, gift funds and federal and local government funds made available to 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 Higher Education Coordinating Commission for distribution to** Portland State University and may be transferred to the account designated by the university for the facility project described in subsection (1) of this section.

SECTION 40. Section 23, chapter 904, Oregon Laws 2009, as amended by section 51, chapter 2, Oregon Laws 2011, and section 47, chapter 9, Oregon Laws 2011, is amended to read:

Sec. 23. (1) There is established in the General Fund an account to be known as the Southern Oregon University Theatre Arts 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 Southern Oregon University.

(2) The account shall consist of proceeds from grant funds, gift funds and federal and local government funds made available to and funds donated to [*the Oregon University System*] **Southern Oregon 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 \$5,500,000 for purposes of this subsection.

(3) Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Southern Oregon 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 41. Section 7, chapter 83, Oregon Laws 2014, is amended to read:

Sec. 7. (1) The Public University Fund is established in the State Treasury, separate and distinct from the General Fund. Any interest or other investment income derived from moneys in the Public University Fund is credited to the fund.

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

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

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

(c) The State Treasurer may conclusively rely on a written instruction from the public universities as to the designated public university responsible for the fund.

(d) The designated public university shall inform the State Treasurer of the personnel authorized to provide instructions to the State Treasurer with respect to moneys in the fund. The State Treasurer may rely on instructions from the authorized personnel of the designated public university related to the deposit, withdrawal, investment, transfer, borrowing or lending of moneys in the fund. The State Treasurer is not responsible for or liable to the public universities for any error or omission in the instructions the State Treasurer receives from the designated public university.

(4) All moneys in the Public University Fund are continuously appropriated to the public university responsible for the Public University Fund, to be used only in a manner consistent with the agreement or other structure authorized by law as described in subsection (3) of this section.

(5) The moneys in the Public University Fund may be invested as provided in ORS 293.701 to 293.857.

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

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

(8) Notwithstanding any other provision of law, public universities that participate in the Public University Fund or, as appropriate, the public university designated under subsection (3)(a) of this section, may transfer or lend the moneys in the fund to other participating public universities listed in ORS 352.002. The Public University Fund may be a borrowing fund for purposes of ORS 293.205 to 293.225 and may borrow from the Oregon Short Term Fund established in ORS 293.728 or other state funds. Subject to the limitations of Article XI, section 7 of the Oregon Constitution, the Public University Fund may be a lending fund for purposes of ORS 293.205 to 293.225 and may lend moneys to other state funds. The public university designated under subsection (3)(a) of this section shall be the relevant state agency or department for whom the State Treasurer may transfer funds or with whom the State Treasurer may enter into an agreement pursuant to ORS 293.205 to 293.225.

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

(a) The public university designated under subsection (3)(a) of this section is the relevant state agency or department; and

(b) The personnel of the designated public university authorized to provide instructions to the State Treasurer are the relevant state officers.

(10)(a) The State Treasurer may establish separate or commingled funds, or establish separate or commingled accounts within funds established under this subsection. The State Treasurer may establish separate or commingled accounts within *[in]* other funds in the State Treasury, *including the Oregon University System Fund established in ORS 351.506 and the Higher Education Donation Fund established in ORS 351.130,* to receive, hold, keep, manage or invest moneys of a university with a governing board pursuant to any agreements entered into by the State Treasurer and the

university under ORS 352.135. The moneys in a fund or account established under this subsection may be invested as provided in ORS 293.701 to 293.857 and any interest or other investment income derived from the fund or account shall be credited to the fund or account. [Notwithstanding the appropriations in ORS 351.130 and 351.506,] All moneys held in a fund or account established under this subsection are continuously appropriated to the relevant university with a governing board that has entered into an agreement with the State Treasurer under ORS 352.135 for the purpose of carrying out the powers and duties of the university with a governing board or the purposes for which the moneys were donated.

(b) Except for moneys held to provide for the payment of state bonds and other state obligations described in ORS 352.089 (5), a university with a governing board may transfer or lend the moneys held in the State Treasury pursuant to any agreements entered into under ORS 352.135 to other public universities listed in ORS 352.002. A fund or account in the State Treasury that holds moneys of a university with a governing board pursuant to an agreement entered into under ORS 352.135 may be a borrowing fund for purposes of ORS 293.205 to 293.225 and may borrow from the Oregon Short Term Fund established in ORS 293.728 or other state funds. Subject to the limitations of Article XI, section 7 of the Oregon Constitution, a fund or account in the State Treasury that holds moneys of a university with a governing board pursuant to an agreement entered into under ORS 352.135 may be a lending fund for purposes of ORS 293.205 to 293.225 and may lend moneys to other state funds. The university with a governing board that has entered into an agreement with the State Treasurer under ORS 352.135 is the relevant state agency or department for whom the State Treasurer may transfer funds or with whom the State Treasurer may enter into an agreement pursuant to ORS 293.205 to 293.225.

(c) Notwithstanding any other provision of law, ORS 293.169, 293.171, 293.353, 293.406, 293.450, 293.455, 293.460 and 293.465 to 293.485 apply to moneys received, held, kept, managed or invested by the State Treasurer for a university with a governing board pursuant to an agreement entered into under ORS 352.135 and to checks, warrants or electronic funds transfers from or to any funds or accounts established pursuant to this subsection. For purposes of ORS 293.169, 293.171, 293.353, 293.406, 293.450, 293.455, 293.460 and 293.465 to 293.485:

(A) The university with a governing board that has entered into an agreement with the State Treasurer under ORS 352.135 is the relevant state agency or department; and

(B) The personnel of the university with a governing board authorized to provide instructions to the State Treasurer are the relevant state officers.

SECTION 42. Section 22, chapter 121, Oregon Laws 2014, is amended to read:

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

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

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

(B) Provide for granting of \$161,490,000 to the university upon satisfaction of the terms and conditions imposed in the grant agreement.

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

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

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

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

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

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

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

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

(B) Administer the grant.

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

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

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

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

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

SECTION 43. Section 2, chapter 624, Oregon Laws 2011, is amended to read:

Sec. 2. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the Oregon Department of Administrative Services, after the department consults with the [*Oregon University System*] **Higher Education Coordinating Commission**, the State Treasurer is authorized to issue lottery bonds for capital construction, deferred maintenance and capital renewal, code compliance and safety projects.

(2) The use of lottery bond proceeds is authorized based on the following findings:

(a) New buildings and facilities are needed in order for universities to have adequate facilities for teaching.

(b) Having adequate university buildings and facilities is essential to Oregon's healthy economic growth.

(c) Major subsystems within university buildings are wearing out and must be replaced in order for universities to have adequate facilities for teaching.

(d) Having safe and fully functioning university facilities is essential to Oregon's healthy economic growth.

(3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1) of this section by the State Treasurer for:

(a) Capital construction, including deferred maintenance, may not exceed the amount of \$87,479,000 and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

(b) Capital renewal, code compliance and safety projects may not exceed the amount of \$25 million and an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs as defined in ORS 286A.560.

[*(4) Of the net proceeds of lottery bonds issued pursuant to this section for the biennium beginning July 1, 2011, an amount not to exceed:*]

[*(a) \$25 million shall be deposited into the Oregon University System Capital Construction, Deferred Maintenance and Capital Repair Project Fund established in section 3, chapter 788, Oregon Laws 2005.*]

[*(b) \$87,479,000 shall be deposited into the Oregon University System Fund established in ORS 351.506, segregated in a distinct subaccount to allow necessary compliance under the Internal Revenue Code.*]

CONFORMING AMENDMENTS

SECTION 44. ORS 21.007 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 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*] **Higher Education Coordinating Commission** 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 45. 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 standards issued by the State Board of Education[, *the State Board of Higher Education*] or the governing board of a public university [*with a governing board*] listed in ORS [352.054] **352.002** 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 46. ORS 33.710 is amended to read:

33.710. (1) As used in 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] **the governing board [established for] of a public university [pursuant to ORS 352.054] listed in ORS 352.002.**

(b) "Municipal corporation" means any county, city, port, school district, union high school district, community college district or public university **listed in ORS 352.002** with a governing board [*established pursuant to ORS 352.054*] 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 47. ORS 62.720 is amended to read:

62.720. (1) All intangible personal property distributable in the course of a voluntary or involuntary dissolution of a cooperative that is unclaimed by the owner within two years after the date for final distribution is presumed abandoned. Such property shall be subject to the provisions of ORS 98.302 to 98.436 and 98.992, except that with respect to agricultural cooperatives, the report of unclaimed property shall be filed with the Department of State Lands as set forth in ORS 98.352. A copy of the report shall also be filed with [*the State Board of Higher Education*] **Oregon State University**.

(2) All unclaimed property specified in the report required by ORS 98.352 shall be delivered within the time specified in ORS 98.362 to the Department of State Lands which shall assume custody and shall be responsible for the safekeeping thereof. The department shall reconcile the report to the delivered funds, deduct the costs as provided for in subsection (3) of this section, and forward the funds to [*the State Board of Higher Education*] **Oregon State University** within 14 working days of receipt of the funds. Any person who pays or delivers unclaimed property to the Department of State Lands under this section is relieved of all liability to the extent of the value of the property so paid or delivered for any claim which then exists or which thereafter may arise or be made in respect to the property.

(3) All funds received under this section shall be used [*for the benefit of Oregon State University*] in such programs related to agricultural research as the university may determine except for:

(a) The payment of claims which may be made pursuant to this section; and

(b) The payment of expenses of mailing and publication in connection with any unclaimed property, reasonable service charges and expenses of the Department of State Lands in connection with claims made pursuant to ORS 98.392 to 98.402.

(4) The provisions of ORS 98.392 to 98.402 are applicable to claims against unclaimed property delivered to [*the State Board of Higher Education*] **Oregon State University** pursuant to this section. [*The State Board of Higher Education*] **Oregon State University** shall pay such claims from funds delivered to it pursuant to this section within 30 days of receipt of a verified copy of a finding and decision of the Department of State Lands made pursuant to ORS 98.396 or a certified copy of a judgment made pursuant to ORS 98.402.

(5) As used in this section, an agricultural cooperative is any cooperative in which farmers act together in producing, processing, preparing for market, handling or marketing the agricultural products of such farmers, and any cooperative in which farmers act together in purchasing, testing, grading, processing, distributing and furnishing farm supplies or farm business services.

(6) The provisions of this section are applicable with respect to the voluntary or involuntary dissolution of any cooperative, which dissolution commenced on or after January 1, 1970.

SECTION 48. ORS 147.425 is amended to read:

147.425. (1) As used in this section:

(a) "Health care provider" has the meaning given that term in ORS 192.556.

(b) "Law enforcement agency" means:

(A) A city or municipal police department.

(B) A county sheriff's office.

(C) The Oregon State Police.

(D) A district attorney.

(E) A police department established by a university under ORS 352.383 or 353.125.

(F) A special campus security officer commissioned under ORS [352.385] **352.118**.

(G) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011.

(c) "Person crime" means a person felony or person Class A misdemeanor, as those terms are defined in the rules of the Oregon Criminal Justice Commission.

(d) "Personal representative" means a person selected under subsection (2) of this section to accompany the victim of a crime to certain phases of an investigation and prosecution.

(e) "Protective service worker" means an employee or contractor of a local or state agency whose role it is to protect children or vulnerable adults from abuse or neglect.

(2) A victim of a person crime, who is at least 15 years of age at the time the crime is committed, may select a person who is at least 18 years of age as the victim's personal representative for purposes of this section. The victim may not select a person who is a suspect in, or a party or witness to, the crime as a personal representative.

(3) Except for grand jury proceedings and child abuse assessments occurring at a child advocacy center recognized by the Department of Justice, a personal representative may accompany the victim to those phases of the investigation, including medical examinations, and prosecution of the crime at which the victim is entitled or required to be present.

(4) A health care provider, law enforcement agency, protective service worker or court may not prohibit a personal representative from accompanying a victim as authorized by subsection (3) of this section unless the health care provider, law enforcement agency, protective service worker or court believes that the personal representative would compromise the process.

(5) A health care provider, law enforcement agency, protective service worker or court is immune from any liability, civil or criminal, that might otherwise be incurred or imposed with respect to a decision under subsection (4) of this section to prohibit a personal representative from accompanying a victim.

(6) The fact that a personal representative was allowed or was not allowed to accompany a victim may not be used as a basis for excluding otherwise admissible evidence.

(7) The fact that a victim has or has not selected a personal representative under this section may not be used as evidence in the criminal case.

SECTION 49. ORS 147.425, as amended by section 44, chapter 644, Oregon Laws 2011, and section 20, chapter 180, Oregon Laws 2013, is amended to read:

147.425. (1) As used in this section:

(a) "Health care provider" has the meaning given that term in ORS 192.556.

(b) "Law enforcement agency" means:

(A) A city or municipal police department.

(B) A county sheriff's office.

(C) The Oregon State Police.

(D) A district attorney.

(E) A police department established by a university under ORS 352.383 or 353.125.

(F) A special campus security officer commissioned under ORS [352.385] **352.118**.

(c) "Person crime" means a person felony or person Class A misdemeanor, as those terms are defined in the rules of the Oregon Criminal Justice Commission.

(d) "Personal representative" means a person selected under subsection (2) of this section to accompany the victim of a crime to certain phases of an investigation and prosecution.

(e) "Protective service worker" means an employee or contractor of a local or state agency whose role it is to protect children or vulnerable adults from abuse or neglect.

(2) A victim of a person crime, who is at least 15 years of age at the time the crime is committed, may select a person who is at least 18 years of age as the victim's personal representative for purposes of this section. The victim may not select a person who is a suspect in, or a party or witness to, the crime as a personal representative.

(3) Except for grand jury proceedings and child abuse assessments occurring at a child advocacy center recognized by the Department of Justice, a personal representative may accompany the victim to those phases of the investigation, including medical examinations, and prosecution of the crime at which the victim is entitled or required to be present.

(4) A health care provider, law enforcement agency, protective service worker or court may not prohibit a personal representative from accompanying a victim as authorized by subsection (3) of this section unless the health care provider, law enforcement agency, protective service worker or court believes that the personal representative would compromise the process.

(5) A health care provider, law enforcement agency, protective service worker or court is immune from any liability, civil or criminal, that might otherwise be incurred or imposed with respect to a decision under subsection (4) of this section to prohibit a personal representative from accompanying a victim.

(6) The fact that a personal representative was allowed or was not allowed to accompany a victim may not be used as a basis for excluding otherwise admissible evidence.

(7) The fact that a victim has or has not selected a personal representative under this section may not be used as evidence in the criminal case.

SECTION 50. 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 ORS 352.054] **A public university listed in ORS 352.002.**

(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 51. ORS 182.122 is amended to read:

182.122. (1) As used in this section:

(a) "Executive department" has the meaning given that term in ORS 174.112.

(b) "Information systems" means computers, hardware, software, storage media, networks, operational procedures and processes used in the collection, processing, storage, sharing or distribution of information within, or with any access beyond ordinary public access to, the state's shared computing and network infrastructure.

(2) The Oregon Department of Administrative Services has responsibility for and authority over information systems security in the executive department, including taking all measures reasonably necessary to protect the availability, integrity or confidentiality of information systems or the information stored in information systems. The Oregon Department of Administrative Services shall, after consultation and collaborative development with agencies, establish a state information systems security plan and associated standards, policies and procedures.

(3) The Oregon Department of Administrative Services, in its sole discretion, shall:

(a) Review and verify the security of information systems operated by or on behalf of agencies;

(b) Monitor state network traffic to identify and react to security threats; and

(c) Conduct vulnerability assessments of agency information systems for the purpose of evaluating and responding to the susceptibility of information systems to attack, disruption or any other event that threatens the availability, integrity or confidentiality of information systems or the information stored in information systems.

(4) The Oregon Department of Administrative Services shall contract with qualified, independent consultants for the purpose of conducting vulnerability assessments under subsection (3) of this section.

(5) In collaboration with agencies, the Oregon Department of Administrative Services shall develop and implement policies for responding to events that damage or threaten the availability, integrity or confidentiality of information systems or the information stored in information systems, whether those systems are within, interoperable with or outside the state's shared computing and network infrastructure. In the policies, the department shall prescribe actions reasonably necessary to:

(a) Promptly assemble and deploy in a coordinated manner the expertise, tools and methodologies required to prevent or mitigate the damage caused or threatened by an event;

(b) Promptly alert other persons of the event and of the actions reasonably necessary to prevent or mitigate the damage caused or threatened by the event;

(c) Implement forensic techniques and controls developed under subsection (6) of this section;

(d) Evaluate the event for the purpose of possible improvements to the security of information systems; and

(e) Communicate and share information with agencies, using preexisting incident response capabilities.

(6) After consultation and collaborative development with agencies, the Oregon Department of Administrative Services shall implement forensic techniques and controls for the security of information systems, whether those systems are within, interoperable with or outside the state's shared computing and network infrastructure. The techniques and controls must include the use of specialized expertise, tools and methodologies, to investigate events that damage or threaten the availability, integrity or confidentiality of information systems or the information stored in information systems. The department shall consult with the Oregon State Police, the Office of Emergency Management, the Governor and others as necessary in developing forensic techniques and controls under this section.

(7) The Oregon Department of Administrative Services shall ensure that reasonably appropriate remedial actions are undertaken when the department finds that such actions are reasonably necessary by reason of vulnerability assessments of information systems under subsection (3) of this section, evaluation of events under subsection (5) of this section and other evaluations and audits.

(8)(a) Agencies are responsible for the security of computers, hardware, software, storage media, networks, operational procedures and processes used in the collection, processing, storage, sharing or distribution of information outside the state's shared computing and network infrastructure following information security standards, policies and procedures established by the Oregon Department of Administrative Services and developed collaboratively with agencies. Agencies may establish plans, standards and measures that are more stringent than the standards established by the department to address specific agency needs if those plans, standards and measures do not contradict or contravene the state information systems security plan. Independent agency security plans shall be developed within the framework of the state information systems security plan.

(b) An agency shall report the results of any vulnerability assessment, evaluation or audit conducted by the agency to the department for the purposes of consolidating statewide security reporting and, when appropriate, to prompt a state incident response.

(9) This section does not apply to:

(a) Research and student computer systems used by or in conjunction with [*the State Board of Higher Education or*] any public university listed in ORS 352.002; and

(b)(A) Gaming systems and networks operated by the Oregon State Lottery or its contractors;
or

(B) The results of Oregon State Lottery reviews, evaluations and vulnerability assessments of computer systems outside the state's shared computing and network infrastructure.

(10) The Oregon Department of Administrative Services shall adopt rules to carry out its responsibilities under this section.

SECTION 52. ORS 182.415 is amended to read:

182.415. As used in ORS 182.415 to 182.435 unless the context requires otherwise:

(1) "Furnishings" includes furniture usually used in connection with occupancy of a household but does not include rugs, draperies, ranges, refrigerators, washers, dryers or any item of furnishings received by the state or one of its agencies as a gift, nor does it include any furniture purchased for the state-owned residence required in relation to the official duties of an institutional executive [*or the Chancellor of the Oregon University System prior to September 9, 1971*].

(2) "Housing" includes single and multiple family dwellings, apartments, and manufactured dwellings and manufactured dwelling pads, available on a monthly tenancy but does not include guard stations maintained by the State Forestry Department or dormitory facilities at any state institution or at any public university listed in ORS 352.002.

(3) "Dormitory" includes any facility that houses students and those facilities used primarily for sleeping purposes by the employees of the Department of Human Services or the Oregon Health Authority.

(4) "State agency" has the meaning given that term in ORS 291.002.

SECTION 53. ORS 183.635 is amended to read:

183.635. (1) Except as provided in this section, all agencies must use administrative law judges assigned from the Office of Administrative Hearings established under ORS 183.605 to conduct contested case hearings, without regard to whether those hearings are subject to the procedural requirements for contested case hearings.

(2) The following agencies need not use administrative law judges assigned from the office:

(a) Attorney General.

(b) Boards of stewards appointed by the Oregon Racing Commission.

(c) Bureau of Labor and Industries and the Commissioner of the Bureau of Labor and Industries.

(d) Department of Corrections.

(e) Department of Education, State Board of Education and Superintendent of Public Instruction.

(f) Department of Human Services for vocational rehabilitation services cases under 29 U.S.C. 722(c) and disability determination cases under 42 U.S.C. 405.

(g) Department of Revenue.

(h) Department of State Police.

(i) Employment Appeals Board.

(j) Employment Relations Board.

(k) Energy Facility Siting Council.

(L) Fair Dismissal Appeals Board.

(m) Governor.

(n) Land Conservation and Development Commission.

(o) Land Use Board of Appeals.

(p) Local government boundary commissions created pursuant to ORS 199.430.

(q) [*Oregon University System and*] Public universities listed in ORS 352.002.

(r) Oregon Youth Authority.

(s) Psychiatric Security Review Board.

(t) The Oregon Health Authority for hearings conducted under ORS 161.315 to 161.351.

(u) Public Utility Commission.

(v) State Accident Insurance Fund Corporation.

(w) State Apprenticeship and Training Council.

(x) State Board of Parole and Post-Prison Supervision.

(y) State Land Board.

(z) State Treasurer.

(3) The Workers' Compensation Board is exempt from using administrative law judges assigned from the office for any hearing conducted by the board under ORS chapters 147, 654 and 656. Except as specifically provided in this subsection, the Department of Consumer and Business Services must use administrative law judges assigned from the office only for contested cases arising out of the department's powers and duties under:

(a) ORS 86A.095 to 86A.198, 86A.990 and 86A.992 and ORS chapter 59;

(b) ORS chapter 455;

(c) ORS chapter 674;

(d) ORS chapters 706 to 716;

(e) ORS chapter 717;

(f) ORS chapters 723, 725 and 726; and

(g) ORS chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750.

(4) Notwithstanding any other provision of law, in any proceeding in which an agency is required to use an administrative law judge assigned from the office, an officer or employee of the agency may not conduct the hearing on behalf of the agency.

(5) Notwithstanding any other provision of ORS 183.605 to 183.690, an agency is not required to use an administrative law judge assigned from the office if:

(a) Federal law requires that a different administrative law judge or hearing officer be used; or

(b) Use of an administrative law judge from the office could result in a loss of federal funds.

(6) Notwithstanding any other provision of this section, the Department of Environmental Quality must use administrative law judges assigned from the office only for contested case hearings conducted under the provisions of ORS 183.413 to 183.470.

SECTION 54. 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)] **(d)** The governing board of a public university *[with a governing board]* listed in ORS *[352.054]* **352.002**.

(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 55. ORS 184.897 is amended to read:

184.897. The Department of Transportation and the Department of Land Conservation and Development, after consultation with and in cooperation with other state agencies *[and the Oregon University System]*, shall:

(1) Educate the public about the need to reduce greenhouse gas emissions from motor vehicles with a gross vehicle weight rating of 10,000 pounds or less; and

(2) Educate the public about the costs and benefits of reducing greenhouse gas emissions.

SECTION 56. ORS 192.501, as amended by section 1, chapter 37, Oregon Laws 2014, and section 1, chapter 64, Oregon Laws 2014, 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]* **that** 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]* **that** 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, excluding appraisals obtained in the course of transactions involving an interest in real estate that is acquired, leased, rented, exchanged, transferred or otherwise disposed of as part of the project, but only after the transactions have closed and are concluded;

(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[,] or 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, 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) The following voluntary conservation agreements and reports:

(a) Land management plans required for voluntary stewardship agreements entered into under ORS 541.423; and

(b) Written agreements relating to the conservation of greater sage grouse entered into voluntarily by owners or occupiers of land with a soil and water conservation district under ORS 568.550.

(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.

(38)(a) Personally identifiable information collected as part of an electronic fare collection system of a mass transit system.

(b) The exemption from disclosure in paragraph (a) of this subsection does not apply to public records that have attributes of anonymity that are sufficient, or that are aggregated into groupings that are broad enough, to ensure that persons cannot be identified by disclosure of the public records.

(c) As used in this subsection:

(A) "Electronic fare collection system" means the software and hardware used for, associated with or relating to the collection of transit fares for a mass transit system, including but not limited to computers, radio communication systems, personal mobile devices, wearable technology, fare instruments, information technology, data storage or collection equipment, or other equipment or improvements.

(B) "Mass transit system" has the meaning given that term in ORS 267.010.

(C) "Personally identifiable information" means all information relating to a person that acquires or uses a transit pass or other fare payment medium in connection with an electronic fare collection system, including but not limited to:

(i) Customer account information, date of birth, telephone number, physical address, electronic mail address, credit or debit card information, bank account information, Social Security or taxpayer

identification number or other identification number, transit pass or fare payment medium balances or history, or similar personal information; or

(ii) Travel dates, travel times, frequency of use, travel locations, service types or vehicle use, or similar travel information.

SECTION 57. 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, section 69, chapter 637, Oregon Laws 2011, section 2, chapter 325, Oregon Laws 2013, section 108, chapter 768, Oregon Laws 2013, section 2, chapter 37, Oregon Laws 2014, and section 2, chapter 64, Oregon Laws 2014, 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]* **that** 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*] **that** 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, excluding appraisals obtained in the course of transactions involving an interest in real estate that is acquired, leased, rented, exchanged, transferred or otherwise disposed of as part of the project, but only after the transactions have closed and are concluded;

(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[,] or 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, 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) The following voluntary conservation agreements and reports:

(a) Land management plans required for voluntary stewardship agreements entered into under ORS 541.423; and

(b) Written agreements relating to the conservation of greater sage grouse entered into voluntarily by owners or occupiers of land with a soil and water conservation district under ORS 568.550.

(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.

(37)(a) Personally identifiable information collected as part of an electronic fare collection system of a mass transit system.

(b) The exemption from disclosure in paragraph (a) of this subsection does not apply to public records that have attributes of anonymity that are sufficient, or that are aggregated into groupings that are broad enough, to ensure that persons cannot be identified by disclosure of the public records.

(c) As used in this subsection:

(A) "Electronic fare collection system" means the software and hardware used for, associated with or relating to the collection of transit fares for a mass transit system, including but not limited to computers, radio communication systems, personal mobile devices, wearable technology, fare instruments, information technology, data storage or collection equipment, or other equipment or improvements.

(B) "Mass transit system" has the meaning given that term in ORS 267.010.

(C) "Personally identifiable information" means all information relating to a person that acquires or uses a transit pass or other fare payment medium in connection with an electronic fare collection system, including but not limited to:

(i) Customer account information, date of birth, telephone number, physical address, electronic mail address, credit or debit card information, bank account information, Social Security or taxpayer identification number or other identification number, transit pass or fare payment medium balances or history, or similar personal information; or

(ii) Travel dates, travel times, frequency of use, travel locations, service types or vehicle use, or similar travel information.

SECTION 58. ORS 195.033 is amended to read:

195.033. (1) As used in this section, "affected local government" means:

(a) A city or county for which the Portland State University Population Research Center is preparing a population forecast;

(b) A county that contains all or part of a city or an urban growth boundary for which the center is preparing a population forecast; and

(c) A local service district, as defined in ORS 174.116, that includes territory within the area subject to the population forecast.

(2) For the purpose of land use planning, the center shall issue a population forecast for:

(a) Each county except Multnomah, Clackamas and Washington Counties;

(b) The portions of Multnomah, Clackamas and Washington Counties that are not within Metro; and

(c) The area within each urban growth boundary other than the urban growth boundary of Metro.

(3) A local government with land use jurisdiction over land for which the center issues population forecasts under subsection (2) of this section shall apply the current final population forecast when changing the comprehensive plan or a land use regulation of the local government.

(4) The center shall issue population forecasts for each area described in subsection (2) of this section not less than once every four years on a schedule established by *[rule of the State Board of Higher Education adopted]* **standards adopted by Portland State University** in consultation with the Department of Land Conservation and Development.

(5) When issuing a population forecast, the center shall:

(a) Consider and, if appropriate, incorporate available local data and information about local conditions received from representatives of local governments and members of the public;

(b) Cause, directly or with the assistance of the Department of Land Conservation and Development, the issuance of notice to all affected local governments and to members of the public that have provided a written request for notice to the center; and

(c) Post the methodology and supporting data used to make the population forecast on a publicly available website when the center causes notice to be issued as described in paragraph (b) of this subsection.

(6) A population forecast must forecast population for a 50-year period including:

(a) Forecasts for intervals, within the 50-year period, that are established by *[rule of the State Board of Higher Education adopted]* **standards adopted by Portland State University** in consultation with the Department of Land Conservation and Development; and

(b) Population cohorts as provided by *[rule of the board adopted]* **standards adopted by the university** in consultation with the department.

(7) Within 45 days after the center issues a proposed population forecast under this section, a member of the public or an affected local government may file objections with the center. An objection must be supported by the inclusion of data or information that supports the objection. If the center:

(a) Does not receive an objection within the 45-day period, the proposed population forecast becomes final.

(b) Receives an objection within the 45-day period, the center shall review the objections filed, make changes to the proposed population forecast, if necessary in the discretion of the center, and issue a final population forecast.

(8) Periodically, the Department of Land Conservation and Development may require the center to submit its forecasting methodology and local data collection practices for review by an advisory committee established by the department and composed of experts in the field of population forecasting, representatives of cities and counties and members of the public.

(9) The issuance of a final population forecast under this section is:

(a) Not a land use decision; and

(b) A final decision not subject to further review or appeal.

(10) The Land Conservation and Development Commission, in consultation with *[the State Board of Higher Education]* **Portland State University**, shall adopt rules to implement the population forecasting program required by this section.

(11) Each biennium, the commission shall allocate, from the grant funding described in ORS 197.639 (5), an amount of moneys that the Land Conservation and Development Commission, in

consultation with [*the State Board of Higher Education*] **Portland State University**, determines is sufficient to operate the population forecasting program required by this section.

SECTION 59. ORS 196.438 is amended to read:

196.438. (1) The Governor shall establish an Ocean Policy Advisory Council that is staffed by the State Department of Fish and Wildlife, the Department of Land Conservation and Development and other departments as the Governor deems necessary. The council shall be composed of:

- (a) The Governor or the Governor's designee, as a nonvoting member;
- (b) The director or the director's designee of the following agencies, as nonvoting members:
 - (A) Department of Environmental Quality;
 - (B) State Department of Fish and Wildlife;
 - (C) State Department of Geology and Mineral Industries;
 - (D) Department of Land Conservation and Development;
 - (E) Department of State Lands;
 - (F) Parks and Recreation Department;
 - (G) State Department of Agriculture; and

(H) [*On behalf of the State Board of Higher Education,*] The director or director's designee of Oregon State University, Sea Grant College;

(c) A member of the governing body of Coos, Curry, Douglas or Lane County to be appointed by the Governor, chosen in consultation with and with the approval of a majority of the members of the governing bodies of Coos, Curry, Douglas and Lane Counties;

(d) A member of the governing body of Clatsop, Lincoln or Tillamook County to be appointed by the Governor, chosen in consultation with and with the approval of a majority of the members of the governing bodies of Clatsop, Lincoln and Tillamook Counties;

(e) An elected city official from a coastal city bordering the territorial sea to be appointed by the Governor with advice from an Oregon coastal zone management association;

(f) A representative of each of the following ocean interests, to be appointed by the Governor, and subject to confirmation by the Senate pursuant to section 4, Article III, Oregon Constitution:

- (A) Commercial ocean fisheries of the North Coast from Newport north;
- (B) Commercial ocean fisheries of the South Coast south of Newport;
- (C) Charter, sport or recreation ocean fisheries of the North Coast from Newport north;
- (D) Charter, sport or recreation ocean fisheries of the South Coast south of Newport;
- (E) Ports marine navigation or transportation;
- (F) Coastal nonfishing recreation interests of surfing, diving, kayaking or windsurfing;
- (G) A coastal conservation or environmental organization;
- (H) Oregon Indian tribes appointed after consultation with the Commission on Indian Services;
- (I) A coastwide organization representing a majority of small ports and local governments, as

a nonvoting member; and

(J) A statewide conservation or environmental organization; and

(g) Two representatives of the public, at least one of whom shall be a resident of a county bordering the territorial sea, to be appointed by the Governor.

(2) The term of office of each member appointed by the Governor is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next following. A member is eligible for re-appointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) A majority of the voting members of the council constitutes a quorum for the transaction of business.

(4) The voting members of the council shall elect a person from among the membership to chair the council.

SECTION 60. ORS 200.025 is amended to read:

200.025. (1) There is created, in the Office of the Governor, the Advocate for Minority, Women and Emerging Small Business who shall be appointed by the Governor.

(2) There is created in the Oregon Business Development Department the Office for Minority, Women and Emerging Small Business, the employees of which shall be appointed by the Director of the Oregon Business Development Department.

(3)(a) The director may prescribe the duties and assignments of all officers and employees of the Office for Minority, Women and Emerging Small Business. The director shall establish the compensation of all officers and employees of the office.

(b) The officers and employees of the office shall be allowed reimbursement for reasonable and necessary travel and other expenses incurred in the performance of their duties.

(4) The Advocate for Minority, Women and Emerging Small Business shall:

(a) Advise the Governor and the director on activities and initiatives that may promote the economic integration of minorities, women and emerging small businesses into the business sector;

(b) Prepare an annual report to the Governor, director and Legislative Assembly on the status of minorities and women in the marketplace, accomplishments and resolutions of issues of concern to minority and women's enterprises and recommendations for executive and legislative actions; and

(c) Carry out other duties that may be assigned by the Governor.

(5) The Office for Minority, Women and Emerging Small Business shall:

(a) Provide information to minority, women and emerging small businesses;

(b) Assist in the development and implementation of an aggressive strategy for this state, based on research and monitoring, that encourages participation of minorities, women and emerging small businesses in the state's economy;

(c) Make recommendations to the director on the research, development and implementation of the plan for the involvement of disadvantaged and minority groups and emerging small businesses in all state programs;

(d) Maintain an Oregon Opportunity Register and Clearinghouse for information on public agency and other contract solicitations for professional services, supplies and services and other bid opportunities, in consultation with [*the State Board of Higher Education*] **public universities listed in ORS 352.002**, the Department of Transportation and other entities;

(e) Monitor the certification and compliance program for disadvantaged, minority, women and emerging small businesses under ORS 200.055;

(f) Investigate complaints and possible abuses of the certification program; and

(g) Assist in the promotion and coordination of plans, programs and operations of state government that strengthen minority and women participation in the economic life of this state.

SECTION 61. ORS 200.055 is amended to read:

200.055. (1) Any disadvantaged, minority, women or emerging small business enterprise is entitled to be certified as such upon application to the Oregon Business Development Department. If the application is approved by the department, the department shall certify the applicant as a disadvantaged, minority, women or emerging small business enterprise. The enterprise shall be considered so certified by any public contracting agency.

(2) In consultation with [*the State Board of Higher Education*] **public universities listed in ORS 352.002** and the Department of Transportation, and with the approval of the Advocate for Minority, Women and Emerging Small Business, the Oregon Business Development Department by rule shall adopt a uniform standard form and procedure designed to provide complete documentation that a business enterprise is certified as a disadvantaged, minority, women or emerging small business enterprise. The department shall compile and make available upon request a list of certified disadvantaged, minority, women or emerging small business enterprises.

(3) Any business enterprise that is refused certification as a disadvantaged business enterprise or denied recertification as such or whose certification is revoked may appeal directly to the United States Department of Transportation.

(4) Any business enterprise that is refused certification as a minority, women or emerging small business enterprise or has its certification revoked may request a contested case hearing as provided in ORS chapter 183.

(5) The Oregon Business Development Department shall be the sole agency authorized to certify enterprises as disadvantaged, minority, women or emerging small business enterprises eligible to perform on public contracts in this state.

(6) The Oregon Business Development Department by rule may establish a fee not to exceed \$100 for a copy of the list of certified disadvantaged, minority, women and emerging small business enterprises and may assess state agencies for services under ORS 200.005 to 200.075.

(7) The Department of Transportation may collect a fee, not to exceed \$200, from a bidder upon bidder prequalifications to cover the costs of the Oregon Business Development Department in administering ORS 200.005 to 200.075. The Department of Transportation shall transfer such fees to the credit of the account established under subsection (8) of this section.

(8) The Oregon Business Development Department shall establish a special account in which to deposit fees and assessments. The special account is continuously appropriated to the department to meet its expenses in administering ORS 200.005 to 200.075.

SECTION 62. 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 or*] governing board of a public university [*with a governing board*] listed in ORS [352.054] **352.002**, 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 **governing** 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 **governing** 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 **governing** 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 **governing** 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 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 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 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 63. ORS 240.185 is amended to read:

240.185. (1) On and after January 1, 1984, the number of persons employed by the state shall not exceed 1.5 percent of the state's population of the prior year.

(2) The population figure shall be that required by ORS 190.510 to 190.610.

(3) This section applies to all full-time equivalent budgeted positions.

(4) This section does not apply to the Governor, the Secretary of State, the State Treasurer, the Supreme Court or the Legislative Assembly in the conduct of duties vested in any of them by the Oregon Constitution. However, this exception applies only to the office of the Governor and not to the executive branch of government.

(5) This section does not apply to personnel who administer unemployment insurance benefits programs of the Employment Department, to personnel who administer programs required to be implemented as a condition for the continued certification of the Employment Division Law by the United States Secretary of Labor or to personnel who administer programs implemented by the United States Department of Labor under federal law if the state is required to enter into contracts to provide such programs.

[(6) This section does not apply to personnel whose positions are funded by the gifts, grants and contracts program in the Oregon University System.]

[(7)] (6) In order to assess the effect of subsection (1) of this section, the Oregon Department of Administrative Services by December 31 of each even-numbered year shall conduct a workload analysis of each state agency, regardless of whether the agency is exempt from the application of subsection (1) of this section. The workload analysis of each agency shall be submitted to the Legislative Assembly prior to its convening in the subsequent odd-numbered year regular session and shall accompany the agency's budget request before the Joint Ways and Means Committee.

SECTION 64. 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 65. ORS 243.650, as amended by section 1, chapter 15, Oregon Laws 2014, is amended to read:

243.650. As used in ORS 243.650 to 243.782, unless the context requires otherwise:

(1) "Appropriate bargaining unit" means the unit designated by the Employment Relations Board or voluntarily recognized by the public employer to be appropriate for collective bargaining. However, an appropriate bargaining unit may not include both academically licensed and unlicensed or nonacademically licensed school employees. Academically licensed units may include but are not limited to teachers, nurses, counselors, therapists, psychologists, child development specialists and similar positions. This limitation does not apply to any bargaining unit certified or recognized prior to June 6, 1995, or to any school district with fewer than 50 employees.

(2) "Board" means the Employment Relations Board.

(3) "Certification" means official recognition by the board that a labor organization is the exclusive representative for all of the employees in the appropriate bargaining unit.

(4) "Collective bargaining" means the performance of the mutual obligation of a public employer and the representative of its employees to meet at reasonable times and confer in good faith with

respect to employment relations for the purpose of negotiations concerning mandatory subjects of bargaining, to meet and confer in good faith in accordance with law with respect to any dispute concerning the interpretation or application of a collective bargaining agreement, and to execute written contracts incorporating agreements that have been reached on behalf of the public employer and the employees in the bargaining unit covered by such negotiations. The obligation to meet and negotiate does not compel either party to agree to a proposal or require the making of a concession. This subsection may not be construed to prohibit a public employer and a certified or recognized representative of its employees from discussing or executing written agreements regarding matters other than mandatory subjects of bargaining that are not prohibited by law as long as there is mutual agreement of the parties to discuss these matters, which are permissive subjects of bargaining.

(5) "Compulsory arbitration" means the procedure whereby parties involved in a labor dispute are required by law to submit their differences to a third party for a final and binding decision.

(6) "Confidential employee" means one who assists and acts in a confidential capacity to a person who formulates, determines and effectuates management policies in the area of collective bargaining.

(7)(a) "Employment relations" includes, but is not limited to, matters concerning direct or indirect monetary benefits, hours, vacations, sick leave, grievance procedures and other conditions of employment.

(b) "Employment relations" does not include subjects determined to be permissive, nonmandatory subjects of bargaining by the Employment Relations Board prior to June 6, 1995.

(c) After June 6, 1995, "employment relations" does not include subjects that the Employment Relations Board determines to have a greater impact on management's prerogative than on employee wages, hours, or other terms and conditions of employment.

(d) "Employment relations" does not include subjects that have an insubstantial or de minimis effect on public employee wages, hours, and other terms and conditions of employment.

(e) For school district bargaining, "employment relations" excludes class size, the school or educational calendar, standards of performance or criteria for evaluation of teachers, the school curriculum, reasonable dress, grooming and at-work personal conduct requirements respecting smoking, gum chewing and similar matters of personal conduct, the standards and procedures for student discipline, the time between student classes, the selection, agendas and decisions of 21st Century Schools Councils established under ORS 329.704, requirements for expressing milk under ORS 653.077, and any other subject proposed that is permissive under paragraphs (b), (c) and (d) of this subsection.

(f) For employee bargaining involving employees covered by ORS 243.736, "employment relations" includes safety issues that have an impact on the on-the-job safety of the employees or staffing levels that have a significant impact on the on-the-job safety of the employees.

(g) For all other employee bargaining except school district bargaining and except as provided in paragraph (f) of this subsection, "employment relations" excludes staffing levels and safety issues (except those staffing levels and safety issues that have a direct and substantial effect on the on-the-job safety of public employees), scheduling of services provided to the public, determination of the minimum qualifications necessary for any position, criteria for evaluation or performance appraisal, assignment of duties, workload when the effect on duties is insubstantial, reasonable dress, grooming, and at-work personal conduct requirements respecting smoking, gum chewing, and similar matters of personal conduct at work, and any other subject proposed that is permissive under paragraphs (b), (c) and (d) of this subsection.

(8) "Exclusive representative" means the labor organization that, as a result of certification by the board or recognition by the employer, has the right to be the collective bargaining agent of all employees in an appropriate bargaining unit.

(9) "Fact-finding" means identification of the major issues in a particular labor dispute by one or more impartial individuals who review the positions of the parties, resolve factual differences and make recommendations for settlement of the dispute.

(10) "Fair-share agreement" means an agreement between the public employer and the recognized or certified bargaining representative of public employees whereby employees who are not members of the employee organization are required to make an in-lieu-of-dues payment to an employee organization except as provided in ORS 243.666. Upon the filing with the board of a petition by 30 percent or more of the employees in an appropriate bargaining unit covered by such union security agreement declaring they desire that the agreement be rescinded, the board shall take a secret ballot of the employees in the unit and certify the results thereof to the recognized or certified bargaining representative and to the public employer. Unless a majority of the votes cast in an election favor the union security agreement, the board shall certify deauthorization of the agreement. A petition for deauthorization of a union security agreement must be filed not more than 90 calendar days after the collective bargaining agreement is executed. Only one such election may be conducted in any appropriate bargaining unit during the term of a collective bargaining agreement between a public employer and the recognized or certified bargaining representative.

(11) "Final offer" means the proposed contract language and cost summary submitted to the mediator within seven days of the declaration of impasse.

(12) "Labor dispute" means any controversy concerning employment relations or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment relations, regardless of whether the disputants stand in the proximate relation of employer and employee.

(13) "Labor organization" means any organization that has as one of its purposes representing employees in their employment relations with public employers.

(14) "Last best offer package" means the offer exchanged by parties not less than 14 days prior to the date scheduled for an interest arbitration hearing.

(15) "Legislative body" means the Legislative Assembly, the city council, the county commission and any other board or commission empowered to levy taxes.

(16) "Managerial employee" means an employee of the State of Oregon or *[the Oregon University System]* **a public university listed in ORS 352.002** who possesses authority to formulate and carry out management decisions or who represents management's interest by taking or effectively recommending discretionary actions that control or implement employer policy, and who has discretion in the performance of these management responsibilities beyond the routine discharge of duties. A "managerial employee" need not act in a supervisory capacity in relation to other employees. Notwithstanding this subsection, "managerial employee" does not include faculty members at a community college, college or university.

(17) "Mediation" means assistance by an impartial third party in reconciling a labor dispute between the public employer and the exclusive representative regarding employment relations.

(18) "Payment-in-lieu-of-dues" means an assessment to defray the cost for services by the exclusive representative in negotiations and contract administration of all persons in an appropriate bargaining unit who are not members of the organization serving as exclusive representative of the employees. The payment must be equivalent to regular union dues and assessments, if any, or must be an amount agreed upon by the public employer and the exclusive representative of the employees.

(19) "Public employee" means an employee of a public employer but does not include elected officials, persons appointed to serve on boards or commissions, incarcerated persons working under section 41, Article I of the Oregon Constitution, or persons who are confidential employees, supervisory employees or managerial employees.

(20) "Public employer" means the State of Oregon, and the following political subdivisions: Cities, counties, community colleges, school districts, special districts, mass transit districts, metropolitan service districts, public service corporations or municipal corporations and public and quasi-public corporations.

(21) "Public employer representative" includes any individual or individuals specifically designated by the public employer to act in its interests in all matters dealing with employee representation, collective bargaining and related issues.

(22) "Strike" means a public employee's refusal in concerted action with others to report for duty, or his or her willful absence from his or her position, or his or her stoppage of work, or his or her absence in whole or in part from the full, faithful or proper performance of his or her duties of employment, for the purpose of inducing, influencing or coercing a change in the conditions, compensation, rights, privileges or obligations of public employment; however, nothing shall limit or impair the right of any public employee to lawfully express or communicate a complaint or opinion on any matter related to the conditions of employment.

(23) "Supervisory employee" means any individual having authority in the interest of the employer to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward or discipline other employees, or responsibly to direct them, or to adjust their grievances, or effectively to recommend such action, if in connection therewith, the exercise of the authority is not of a merely routine or clerical nature but requires the use of independent judgment. Failure to assert supervisory status in any Employment Relations Board proceeding or in negotiations for any collective bargaining agreement does not thereafter prevent assertion of supervisory status in any subsequent board proceeding or contract negotiation. Notwithstanding the provisions of this subsection, "supervisory employee" does not include:

(a) A nurse, charge nurse or nurse holding a similar position if that position has not traditionally been classified as supervisory; or

(b) A firefighter prohibited from striking by ORS 243.736 who assigns, transfers or directs the work of other employees but does not have the authority to hire, discharge or impose economic discipline on those employees.

(24) "Unfair labor practice" means the commission of an act designated an unfair labor practice in ORS 243.672.

(25) "Voluntary arbitration" means the procedure whereby parties involved in a labor dispute mutually agree to submit their differences to a third party for a final and binding decision.

SECTION 66. ORS 243.800 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 ORS [352.054] **352.002** 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 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 subsection 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.

ment 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 **Public Employees Retirement 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*] **governing board** 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*] **public university's** 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 67. 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*] a 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 68. 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 ORS [*352.054*] **352.002** 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 **governing** 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 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 69. 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 public universities listed in ORS 351.011,*] the governing board of a public university [*with a governing board*] listed in ORS [*352.054*] **352.002** and for the Oregon Health and Science University, 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 70. ORS 243.945 is amended to read:

243.945. Notwithstanding ORS 243.910 to 243.945, any person who is hired on or after September 9, 1995, is not eligible to be assisted by the [*Oregon University System*] **board** under the provisions of ORS 243.910 to 243.945.

SECTION 71. ORS 244.050 is amended to read: N244.050.

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) Executive director of the Higher Education Coordinating 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)]* **(I)** Oregon Investment Council.
 - [(K)]* **(J)** Land Conservation and Development Commission.
 - [(L)]* **(K)** Oregon Liquor Control Commission.
 - [(M)]* **(L)** Oregon Short Term Fund Board.
 - [(N)]* **(M)** State Marine Board.
 - [(O)]* **(N)** Mass transit district boards.
 - [(P)]* **(O)** Energy Facility Siting Council.
 - [(Q)]* **(P)** Board of Commissioners of the Port of Portland.
 - [(R)]* **(Q)** Employment Relations Board.
 - [(S)]* **(R)** Public Employees Retirement Board.
 - [(T)]* **(S)** Oregon Racing Commission.
 - [(U)]* **(T)** Oregon Transportation Commission.
 - [(V)]* **(U)** Water Resources Commission.
 - [(W)]* **(V)** Workers' Compensation Board.
 - [(X)]* **(W)** Oregon Facilities Authority.
 - [(Y)]* **(X)** Oregon State Lottery Commission.
 - [(Z)]* **(Y)** Pacific Northwest Electric Power and Conservation Planning Council.
 - [(AA)]* **(Z)** Columbia River Gorge Commission.
 - [(BB)]* **(AA)** Oregon Health and Science University Board of Directors.
 - [(CC)]* **(BB)** Capitol Planning Commission.
 - [(DD)]* **(CC)** Higher Education Coordinating Commission.
 - [(EE)]* **(DD)** Oregon Growth Board.
 - [(FF)]* **(EE)** Early Learning Council.
- (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 ORS [352.054] **352.002**.

(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 72. 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 **listed in ORS 352.002** [*of the Oregon University System or public universities with governing boards listed in ORS 352.054*], 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*] **that** 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*] **that** 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 ORS [352.054] **352.002**;
- (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) A home or farm acquired or sold by the Department of Veterans' Affairs under ORS 88.720, 406.050, 407.135, 407.145, 407.375 and 407.377.

(b) Real property acquired or sold by the Housing and Community Services Department under the provisions of ORS 456.515 to 456.725 or ORS chapter 458.

SECTION 73. 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 ORS [352.054] **352.002** 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 74. ORS 273.573 is amended to read:

273.573. (1) To aid and advise the State Parks and Recreation Director in the performance of the functions related to the Natural Areas Program, the director may establish a natural areas advisory committee.

(2) The advisory committee may assist the State Parks and Recreation Department:

(a) In the development of policy for the Natural Areas Program through the review and approval of the Oregon Natural Areas Plan;

(b) By reviewing nominations for registration and the voluntary dedication of natural areas, and instruments of dedication for such areas;

(c) In providing recommendations to the State Parks and Recreation Commission, State Land Board, State Board of Forestry, State Fish and Wildlife Commission, [*State Board of Higher Education*] **public universities listed in ORS 352.002** and Oregon Transportation Commission regarding areas under their respective jurisdictions that are appropriate for dedication; and

(d) In advising the State Parks and Recreation Commission in the adoption of rules that may be considered necessary in carrying out ORS 273.563 to 273.591.

(3) Members of the advisory committee are not entitled to compensation, but in the discretion of the director may be reimbursed from funds available to the department for actual and necessary

travel and other expenses incurred by them in the performance of their official duties in the manner and amount provided in ORS 292.495.

SECTION 75. ORS 273.586 is amended to read:

273.586. (1) A private individual or organization that is the owner of any registered natural area may voluntarily agree to dedicate that area as a state natural area by executing with the State Parks and Recreation Department an instrument of dedication. The instrument of dedication shall be effective upon its recording in the real property records of the office of the clerk of the county in which any or all of the state natural area is located.

(2) Any public agency may dedicate lands under the provisions of ORS 273.563 to 273.591 following the providing of opportunity for adequate public notice and hearing by the agency. The Oregon Transportation Commission, the State Fish and Wildlife Commission, the State Board of Forestry, the [*State Board of Higher Education*] **governing board of a public university listed in ORS 352.002**, the State Parks and Recreation Commission and the State Land Board shall, with the advice and assistance of the department, establish procedures for the dedication of state natural areas on land, the title of which is held by the State of Oregon, and which is under that agency's management and control.

(3) The instrument of dedication shall contain any information or provisions as the private owner, organization or agency and department consider necessary to complete the dedication.

(4) Dedication of a state natural area may be terminated as follows:

(a) The dedication of a state natural area by a public agency may be terminated following the providing of opportunity for adequate public notice and hearing and a finding by that agency of an imperative and unavoidable necessity, or a finding by that agency, with the approval of the department, that the state natural area is no longer needed according to the guidelines of the Oregon Natural Areas Plan.

(b) The dedication of a state natural area by a private individual or organization may be terminated by the private individual or organization after the department is assured that there has been compliance with the procedures required by the terms of the dedication instrument.

(c) The dedication of a state natural area may be terminated by the State Parks and Recreation Commission upon the advice of the department if the area is no longer needed according to the guidelines of the plan, or has permanently lost its natural character.

SECTION 76. ORS 273.785 is amended to read:

273.785. ORS 273.551 and 273.775 to 273.790 do not apply to:

(1) Soil, clay, stone, sand and gravel acquired or used by state agencies for the purpose of constructing or repairing roads or other state facilities, or the proceeds from those materials.

(2) Mineral or geothermal resource rights or proceeds from those rights acquired by the State Fish and Wildlife Commission pursuant to an agreement with the federal government under 16 U.S.C. 669 to 669i (P.L. 75-415).

(3) Mineral or geothermal resource rights or proceeds from those rights if other disposition is required by federal rules or regulations or any agreement entered into at the time of acquisition of the mineral or geothermal resource rights by the state.

(4) Proceeds of mineral and geothermal resource rights acquired by the state pursuant to ORS 530.010 and 530.030, other than those distributed under ORS 530.110 (1)(c).

(5) Mineral or geothermal resource rights or proceeds from those rights acquired after January 1, 1974, for the state by the Department of Veterans' Affairs pursuant to ORS 88.720, 406.050 (2), 407.135 or 407.145. After consultation, the Department of State Lands and the Department of Veterans' Affairs shall enter into an interagency agreement governing consultation between them concerning mineral and geothermal resource values on properties acquired for the state by the Department of Veterans' Affairs. The Department of Veterans' Affairs shall adopt rules relating to the release of mineral and geothermal rights on such properties.

(6) Mineral or geothermal resource rights or proceeds from those rights given by a donor to any public university or office, department or activity under the control of the [*State Board of Higher Education*] **governing board of a public university listed in ORS 352.002** that are acquired or held

for the state by the [*State Board of Higher Education*] **public university** pursuant to ORS chapters 351 and 567. In managing mineral or geothermal resource leases, the [*State Board of Higher Education*] **governing board** shall consult with the Department of State Lands in accordance with an interagency agreement established by the department and the [*State Board of Higher Education*] **governing board** governing consultation between the department and the [*State Board of Higher Education*] **public university** and governing management of the mineral or geothermal resources.

(7) Mineral or geothermal resource rights or proceeds from those rights acquired and held by the Department of Transportation. In managing mineral or geothermal resource leases, the Department of Transportation shall enter into an intergovernmental agreement with the Department of State Lands governing consultation between the departments and governing management of the mineral or geothermal resources.

(8) Mineral or geothermal resource rights or proceeds from those rights acquired and held by the Housing and Community Services Department.

SECTION 77. 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 ORS [*352.054*] **352.002** 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 78. 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 ORS [*352.054*] **352.002** 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 79. ORS 276.915 is amended to read:

276.915. (1) An authorized state agency may construct or renovate a facility only if the authorized state agency determines that the design incorporates all reasonable cost-effective energy conservation measures and alternative energy systems. The determination by the authorized state agency shall include consideration of indoor air quality issues and operation and maintenance costs.

(2) Whenever an authorized state agency determines that a major facility is to be constructed or renovated, the authorized state agency shall cause to be included in the design phase of the construction or renovation a provision that requires an energy consumption analysis to be prepared for the facility under the direction of a professional engineer or registered architect or under the direction of a person that is prequalified in accordance with this section. The authorized state agency and the State Department of Energy shall agree to the list of energy conservation measures and alternative energy systems that the energy consumption analysis will include. The energy consumption analysis and facility design shall be delivered to the State Department of Energy during the design development phase of the facility design. The State Department of Energy shall review the energy consumption analysis and forward its findings to the authorized state agency within 10 working days after receiving the energy consumption analysis, if practicable.

(3) The State Department of Energy, in consultation with authorized state agencies, shall adopt rules to carry out the provisions of ORS 276.900 to 276.915. These rules shall:

(a) Include a simplified and usable method for determining which energy conservation measures and alternative energy systems are cost-effective. The method shall reflect the energy costs of the utility serving the facility.

(b) Prescribe procedures for determining if a facility design incorporates all reasonable cost-effective energy conservation measures and alternative energy systems.

(c) Establish fees through which an authorized state agency will reimburse the State Department of Energy for the department's review of energy consumption analyses and facility designs and the department's reporting tasks. The fees imposed may not exceed 0.2 percent of the capital construction cost of the facility and must be included in the energy consumption analysis required in subsection (2) of this section. The State Department of Energy may provide for a waiver of fees and reviews if the authorized state agency demonstrates that the facility will be designed and constructed in a manner that incorporates only cost-effective energy conservation measures or in a manner that exceeds the energy conservation provisions of the state building code by 20 percent or more.

(d) Periodically define highly efficient facilities. A facility constructed or renovated after June 30, 2001, shall exceed the energy conservation provisions of the state building code by 20 percent or more, unless otherwise required by rules adopted under this section.

(e) Establish guidelines for implementing subsection (4) of this section.

(f) Establish guidelines for incorporating energy efficiency requirements into lease agreements of 10 or more years to be phased in as current lease agreements expire or as new lease agreements are entered into, allowing reasonable time for the owner to implement the requirements of this section.

(g) Establish criteria by which the State Department of Energy determines that a person is prequalified to perform work in accordance with this section.

(4) Before June 30, 2015, an authorized state agency shall reduce the total amount of energy the authorized state agency uses in the authorized state agency's owned facilities by at least 20 percent from a baseline amount the State Department of Energy determines by rule based on usage in calendar year 2000.

(5) An authorized state agency shall report annually to the State Department of Energy concerning energy use in the authorized state agency's facilities. The State Department of Energy shall specify by rule the form and content of and deadlines for the reports.

(6) An authorized state agency that fails to achieve and maintain a 20 percent reduction in energy use on and after June 30, 2015, shall submit biennial energy conservation plans to the State Department of Energy. The State Department of Energy shall specify by rule the form and content of and deadlines for the energy conservation plans.

(7) The State Department of Energy by rule may require mandatory prequalification as a condition for a person to submit a bid or proposal to perform the following work for an authorized state agency:

(a) Direct an energy consumption analysis for an authorized state agency under subsection (2) of this section, unless the person is a professional engineer or a registered architect;

(b) Enter into an energy savings performance contract; or

(c) Perform energy audits, building commissioning, monitoring and verification services and other services related to the operation and management of a facility's energy systems, except for architectural, engineering, photogrammetric mapping, transportation planning or land surveying services as defined in ORS 279C.100.

(8) The State Department of Energy may recover from authorized state agencies the costs associated with administering the provisions of this section, including costs associated with adopting rules, maintaining a state energy use database and prequalifying a person under this section.

(9) The State Department of Energy[,] **and** the Oregon Department of Administrative Services [*and the Oregon University System*] shall jointly prepare a biennial report summarizing the progress toward achieving the goals of this section. The biennial report shall be made available to the public.

SECTION 80. ORS 279A.065 is amended to read:

279A.065. (1) The Attorney General shall prepare and maintain model rules that specify procedures for public contracting under the Public Contracting Code and that are appropriate for all contracting agencies to use. The Attorney General may devise and publish forms for use with the model rules. The Attorney General shall adopt the model rules in accordance with ORS chapter 183. Before adopting or amending a model rule, the Attorney General shall consult with the Director of

the Oregon Department of Administrative Services, the Director of Transportation, representatives of county governments, representatives of city governments, representatives of school boards and other knowledgeable persons.

(2) The Attorney General shall adopt model rules that specify procedures for all contracting agencies to use to enter into energy savings performance contracts. Before adopting or amending a rule under this subsection, the Attorney General shall consult with the Oregon Department of Administrative Services, the State Department of Energy, [the Oregon University System,] local contracting agencies and other knowledgeable persons. The Attorney General may develop standard contract forms for use with energy savings performance contracts.

(3)(a) The Attorney General shall adopt model rules that specify procedures for all contracting agencies to use to procure construction manager/general contractor services. Before adopting or amending a rule under this subsection, the Attorney General shall consult with the Director of the Oregon Department of Administrative Services, the Director of Transportation, local contracting agencies, construction contractors, construction subcontractors and other knowledgeable persons.

(b) Notwithstanding subsection (6) of this section, a contracting agency may not adopt the contracting agency's own rules for procuring construction manager/general contractor services.

(4) After each legislative session, the Attorney General shall review all laws the Legislative Assembly passed that affect public contracting to determine if the Attorney General should amend or repeal a model rule prepared under this section or adopt a new rule. If the Attorney General determines that a modification of the model rules is necessary, the Attorney General shall prepare the modification within such time as to allow the modification to take effect no later than 120 days after the effective date of the legislation that caused the Attorney General to modify the rule. The Attorney General may prepare a modification to take effect 121 or more days after the effective date of the legislation if the Attorney General, in a notice to the state agencies and persons listed in subsection (1) of this section, specifies when the modification will take effect.

(5) A contracting agency that has not adopted the contracting agency's own rules of procedure in accordance with subsection (6) of this section is subject to the model rules the Attorney General adopts under this section, including all modifications to the model rules that the Attorney General may adopt.

(6)(a) A contracting agency may adopt the contracting agency's own rules of procedure for public contracts that:

(A) Specifically state that the model rules the Attorney General adopts under this section do not apply to the contracting agency; and

(B) Prescribe the rules of procedure that the contracting agency will use for public contracts, which may include portions of the model rules the Attorney General adopts.

(b) A contracting agency that adopts rules under this subsection shall review the rules each time the Attorney General modifies the model rules under this section to determine whether the contracting agency should modify the contracting agency's rules to ensure compliance with statutory changes.

SECTION 81. ORS 279C.800 is amended to read:

279C.800. As used in ORS 279C.800 to 279C.870:

(1) "Fringe benefits" means the amount of:

(a) The rate of contribution a contractor or subcontractor makes irrevocably to a trustee or to a third person under a plan, fund or program; and

(b) The rate of costs to the contractor or subcontractor that may be reasonably anticipated in providing the following items, except for items that federal, state or local law requires the contractor or subcontractor to provide:

(A) Benefits to workers pursuant to an enforceable written commitment to the workers to carry out a financially responsible plan or program for:

(i) Medical or hospital care;

(ii) Pensions on retirement or death; or

(iii) Compensation for injuries or illness that result from occupational activity;

- (B) Insurance to provide the benefits described in subparagraph (A) of this paragraph;
- (C) Unemployment benefits;
- (D) Life insurance;
- (E) Disability and sickness insurance or accident insurance;
- (F) Vacation and holiday pay;
- (G) Costs of apprenticeship or other similar programs; or
- (H) Other bona fide fringe benefits.

(2) "Housing" has the meaning given that term in ORS 456.055.

(3) "Locality" means the following district in which the public works, or the major portion thereof, is to be performed:

- (a) District 1, composed of Clatsop, Columbia and Tillamook Counties;
- (b) District 2, composed of Clackamas, Multnomah and Washington Counties;
- (c) District 3, composed of Marion, Polk and Yamhill Counties;
- (d) District 4, composed of Benton, Lincoln and Linn Counties;
- (e) District 5, composed of Lane County;
- (f) District 6, composed of Douglas County;
- (g) District 7, composed of Coos and Curry Counties;
- (h) District 8, composed of Jackson and Josephine Counties;
- (i) District 9, composed of Hood River, Sherman and Wasco Counties;
- (j) District 10, composed of Crook, Deschutes and Jefferson Counties;
- (k) District 11, composed of Klamath and Lake Counties;
- (L) District 12, composed of Gilliam, Grant, Morrow, Umatilla and Wheeler Counties;
- (m) District 13, composed of Baker, Union and Wallowa Counties; and
- (n) District 14, composed of Harney and Malheur Counties.

(4) "Prevailing rate of wage" means the rate of hourly wage, including all fringe benefits, that the Commissioner of the Bureau of Labor and Industries determines is paid in the locality to the majority of workers employed on projects of a similar character in the same trade or occupation.

(5) "Public agency" means the State of Oregon or a political subdivision of the State of Oregon, or a county, city, district, authority, public corporation or public entity organized and existing under law or charter or an instrumentality of the county, city, district, authority, public corporation or public entity.

(6)(a) "Public works" includes, but is not limited to:

(A) Roads, highways, buildings, structures and improvements of all types, the construction, reconstruction, major renovation or painting of which is carried on or contracted for by any public agency to serve the public interest;

(B) A project that uses funds of a private entity and \$750,000 or more of funds of a public agency for constructing, reconstructing, painting or performing a major renovation on a privately owned road, highway, building, structure or improvement of any type;

(C) A project that uses funds of a private entity for constructing a privately owned road, highway, building, structure or improvement of any type in which a public agency will use or occupy 25 percent or more of the square footage of the completed project;

(D) Notwithstanding the provisions of ORS 279C.810 (2)(a), (b) and (c), a device, structure or mechanism, or a combination of devices, structures or mechanisms, that:

(i) Uses solar radiation as a source for generating heat, cooling or electrical energy; and

(ii) Is constructed or installed, with or without using funds of a public agency, on land, premises, structures or buildings that a public body, as defined in ORS 174.109, owns; or

(E) Notwithstanding paragraph (b)(A) of this subsection and ORS 279C.810 (2)(b) and (c), construction, reconstruction, painting or major renovation of a road, highway, building, structure or improvement of any type that occurs, with or without using funds of a public agency, on real property that [*the Oregon University System or an institution in the Oregon University System*] **a public university listed in ORS 352.002** owns.

(b) "Public works" does not include:

(A) The reconstruction or renovation of privately owned property that a public agency leases;
or

(B) The renovation of publicly owned real property that is more than 75 years old by a private nonprofit entity if:

(i) The real property is leased to the private nonprofit entity for more than 25 years;

(ii) Funds of a public agency used in the renovation do not exceed 15 percent of the total cost of the renovation; and

(iii) Contracts for the renovation were advertised or, if not advertised, were entered into before July 1, 2003, but the renovation has not been completed on or before July 13, 2007.

SECTION 82. 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 ORS 352.054 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 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 83. ORS 283.095 is amended to read:

283.095. (1) As used in this section:

(a) "Financing agreement" has the meaning given that term in ORS 283.085.

(b) "State agency" has the meaning given that term in ORS 283.089.

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

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

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

SECTION 84. ORS 283.143 is amended to read:

283.143. (1) To encourage utilization of statewide integrated videoconferencing and statewide online access services, the Oregon Department of Administrative Services shall, in addition to any other charge or assessment for providing telecommunications services to state agencies, impose upon each agency and public corporation a surcharge, in an amount established by the department. All surcharge moneys collected shall be deposited in the Oregon Department of Administrative Services Operating Fund, and may be expended only for state agency and public corporation telecommunication and videoconferencing activities, under such terms and conditions as the department may prescribe.

(2) Notwithstanding subsection (1) of this section, the Oregon Department of Administrative Services shall not impose the surcharge established by this section on [the Oregon University System or] the Oregon Health and Science University. The Oregon Department of Administrative Services shall enter into an agreement with [the Oregon University System and] the Oregon Health and Science University on the amounts to be paid by [the Oregon University System and] the Oregon Health and Science University to the Oregon Department of Administrative Services in lieu of the surcharge provided for in this section.

SECTION 85. ORS 283.310 is amended to read:

283.310. (1) The Oregon Department of Administrative Services shall control and regulate the acquisition, operation, use, maintenance and disposal of and access to motor vehicles used for:

(a) State business by state agencies of this state; or

(b) Official public business by a unit of local government or a state agency of another state, by an agency created by an interstate compact between this state and another state or states, by a United States governmental agency, or by an American Indian tribe or an agency of an American

Indian tribe, pursuant to an intergovernmental agreement between the agency or agencies and the department, entered into in accordance with ORS chapter 190, for the provision of motor pool vehicles, supplies and services, or any of them.

(2) The state agency on whose behalf a motor vehicle is used must state in writing in advance of such use that the particular activity for which the vehicle is to be used advances the lawful policies of the agency.

[(3) The State Board of Higher Education may not authorize or allow the use of any motor vehicle to transport students to an event or activity not directly related to an officially sanctioned program, as established under ORS 351.277, of a public university listed in ORS 352.002.]

[(4) The State Board of Higher Education, in conjunction with the Oregon Department of Administrative Services, shall establish by rule vehicle operation standards and training to promote safe vehicular travel practices in the conduct of all travel by employees, students and official volunteers at all public universities in the Oregon University System.]

SECTION 86. ORS 284.711 is amended to read:

284.711. (1) The Oregon Innovation Council shall provide advice to the Governor, the Legislative Assembly, research institutions, public agencies that provide economic development and the private sector on issues related to:

(a) Promoting agreements between research institutions and private industry that increase technology transfer and the commercialization of research;

(b) Promoting investment in specialized research facilities and signature research centers where Oregon has a distinct or emerging advantage for creating new products and businesses;

(c) Stimulating seed and start-up capital investment and entrepreneurial capacity that will promote economic growth in Oregon traded sector industries or Oregon growth businesses;

(d) Developing the entrepreneurial and management capacity critical to the competitiveness of Oregon traded sector industries or Oregon growth businesses in rapidly growing global markets;

(e) Enhancing the international competitiveness of Oregon traded sector industries or Oregon growth businesses; and

(f) Identifying workforce issues for occupations critical to the competitiveness of Oregon traded sector industries or Oregon growth businesses, including but not limited to scientific, engineering, information technology, business management and innovation-based economic development occupations.

(2) The Oregon Innovation Council shall advise the Engineering and Technology Industry Council established in ORS 351.663 on how to coordinate the Engineering and Technology Industry Council's goals and policies with the state plan developed under ORS 284.715.

(3) The council, the Oregon Business Development Commission, the *[State Board of Higher Education]* **Higher Education Coordinating Commission** and the office of the State Treasurer shall coordinate policies and programs related to the duties of the council.

(4) Based on the state plan developed under ORS 284.715 and subject to the approval of the Oregon Business Development Department, the council may distribute moneys in the Oregon Innovation Fund by grant or loan or pursuant to contracts with research institutions, the private sector and public entities.

(5) The council may assess and charge fees for making grants or loans under ORS 284.742.

SECTION 87. ORS 284.735 is amended to read:

284.735. (1) The Oregon Innovation Council may make grants and loans from the Oregon Commercialized Research Fund to Oregon growth businesses.

(2) To qualify for a grant or loan under this section, an Oregon growth business must enter into an agreement with one or more research institutions to carry out proof of concept activities to:

(a) Establish the commercial potential of research; and

(b) Develop a business concept that can attract early stage private investment, including angel capital and venture capital.

(3) Proof of concept activities for which an Oregon growth business may receive a grant or loan under this section include:

- (a) The development of intellectual property;
 - (b) The payment of salaries and related expenses for commercialized research;
 - (c) The acquisition of equipment and supplies required for the proof of concept activities;
 - (d) Furthering innovation-based economic development; and
 - (e) Other activities as defined by rule of the council.
- (4) To receive a grant or loan, the Oregon growth business or a research institution that has entered into an agreement with the business must agree to provide a cash match equivalent to:
- (a) 30 percent of the amount of the grant or loan for businesses with fewer than 20 employees.
 - (b) 50 percent of the amount of the grant or loan for businesses with 20 or more but fewer than 50 employees.
 - (c) 75 percent of the amount of the grant or loan for businesses with 50 or more but fewer than 100 employees.
- (5)(a) The council shall award grant or loan moneys to an Oregon growth business in a two-phase contract. Each phase of the contract shall have clearly defined performance measures included in the contract between the business and the council.
- (b) Under phase I of the contract, a business may be granted or loaned an initial investment not to exceed \$75,000. Phase I shall also include an agreement that upon successful completion of the performance measures for phase I, the business shall be eligible for funding under phase II. The amount of grant or loan moneys available to a business under both phases may not exceed \$200,000.
- (6) The council shall require any Oregon growth business that receives a grant or loan under this section and that moves more than 50 percent of the employees of the business out of the state within two years after receiving grant or loan moneys to repay the total amount of the grant or loan moneys.
- (7) The council shall require an Oregon growth business that receives a loan under this section to repay the loan within five years after receiving the loan. The council shall deposit any loan moneys received under this subsection in the Oregon Commercialized Research Fund.
- (8) The council may award up to 15 percent of the amount of moneys available in the fund for grants or loans:
- (a) To the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to public universities listed in ORS 352.002** for education of faculty on issues related to developing effective technology transfer and commercialized research processes; and
 - (b) For other activities as defined by rule of the council.
- (9) The council may adopt rules to administer this section. The council shall follow the advice of the Oregon Commercialized Research Fund Advisory Council when adopting rules to administer this section.
- SECTION 88.** 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)(a) "Bond" means a contractual undertaking or instrument of a public body to repay borrowed moneys.
 - (b) "Bond" does not mean a credit enhancement device.
 - (4) "Capital construction" has the meaning given that term in ORS 310.140.
 - (5) "Capital costs" has the meaning given that term in ORS 310.140.
 - (6) "Capital improvements" has the meaning given that term in ORS 310.140.

(7)(a) "Credit enhancement device" 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) "Credit enhancement device" does not mean a bond.

(8) "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.

(9) "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.

(10) "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.

(11) "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.

(12) "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.

(13) "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.

(14) "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 ORS [352.054] **352.002**; or

(g) Any other political subdivision of this state that is authorized by the Legislative Assembly to issue bonds.

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

(16) "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.

(17) "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.

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

(19) "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 89. ORS 291.002 is amended to read:

291.002. As used in ORS 291.001 to 291.034, 291.201 to 291.222, 291.232 to 291.260, 291.261, 291.307 and 291.990, unless the context requires otherwise:

(1) "Classification of expenditures" means the major groups or categories of expenditures for the purpose of budget-making and accounting that are established as provided in ORS 291.206.

(2) "Dedicated fund" means a fund in the State Treasury, or a separate account or fund in the General Fund in the State Treasury, that by law is dedicated, appropriated or set aside for a limited object or purpose, but "dedicated fund" does not include a revolving fund or a trust fund.

- (3) "Department" means the Oregon Department of Administrative Services.
- (4) "Director" means the Director of the Oregon Department of Administrative Services.
- (5) "Legislatively adopted budget" means the budget enacted by the Legislative Assembly during an odd-numbered year regular session.
- (6) "Legislatively approved budget" means the legislatively adopted budget as modified by the Emergency Board meeting in an interim period or by the Legislative Assembly meeting in special session or in an even-numbered year regular session.
- (7) "Revolving fund" means a fund in the State Treasury, established by law, from which is paid the cost of goods or services furnished to or by a state agency, and which is replenished through charges made for such goods or services or through transfers from other accounts or funds; *and specifically includes funds derived from receipts by the State Board of Higher Education of tuition, fees, dormitory earnings, student activity receipts and sales of products and services incident to education functions*].
- (8) "State agency" or "agency" means every state officer, board, commission, department, institution, branch or agency of the state government, whose costs are paid wholly or in part from funds held in the State Treasury, except:
- (a) The Legislative Assembly, the courts and their officers and committees;
 - (b) The Public Defense Services Commission; and
 - (c) The Secretary of State and the State Treasurer in the performance of the duties of their constitutional offices.
- (9) "State officer" means any elected or appointed state officer, including members of boards and commissions, except the members and officers of the Legislative Assembly, the courts, the Secretary of State and the State Treasurer in the performance of the duties of their constitutional offices and the members of the Public Defense Services Commission.
- (10) "Trust fund" means a fund in the State Treasury in which designated persons or classes of persons have a vested beneficial interest or equitable ownership, or which was created or established by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated objects or purposes.

SECTION 90. ORS 291.038, as amended by section 4, chapter 102, Oregon Laws 2014, is amended to read:

291.038. (1) The State Chief Information Officer shall oversee policy for and coordinate planning, architecture and standardization of all information and telecommunications technology by state government and agencies of state government so that statewide and individual state agencies' plans and activities are addressed in the most integrated, economic and efficient manner, in a manner that minimizes duplication, fragmentation, redundancy and cost in state agency operations and in a manner that most effectively meets state agency program needs.

(2) To facilitate accomplishment of the purpose set forth in subsection (1) of this section, the State Chief Information Officer shall:

(a) Adopt rules, policies and standards to plan for, develop architecture for and standardize the state's information resources and technologies. In developing rules, policies and standards, the State Chief Information Officer shall consult with state agencies that have needs that information resources may satisfy. State agencies shall cooperate with the State Chief Information Officer in preparing and complying with rules, policies and standards.

(b) Formulate rules, policies and standards to promote electronic communication and information sharing among state agencies and programs, between state and local governments and with the public where appropriate.

(c) Seek to minimize duplicative or redundant advisory boards by recommending streamlined governance structures for information technology projects that involve more than one state agency, board or commission.

(3) The State Chief Information Officer shall formulate rules, policies, plans, standards and specifications to ensure that information resources and technologies fit together in a statewide system capable of providing ready access to information, computing or telecommunication resources.

Plans and specifications that the State Chief Information Officer adopts must be based on industry standards for open systems to the greatest extent possible. Before adopting rules described in subsection (2) of this section, the State Chief Information Officer shall present the proposed rules to the Joint Legislative Committee on Information Management and Technology. The State Chief Information Officer has the responsibility to review, oversee and ensure that state agencies' rules and planning, acquisition and implementation activities align with and support the statewide information resources management plan. The Oregon Department of Administrative Services is responsible for procuring information technology fairly, competitively and in a manner that is consistent with the State Chief Information Officer's rules.

(4)(a) The policy of the State of Oregon is that state government telecommunications networks should be designed to provide state-of-the-art services where economically and technically feasible, using shared, rather than dedicated, lines and facilities.

(b) The department shall, when procuring telecommunications network services, consider achieving the economic development and quality of life outcomes set forth in the Oregon benchmarks.

(5)(a) The department, upon request, may furnish and deliver statewide integrated videoconferencing and statewide online access service to a public or private entity that primarily conducts activities for the direct good or benefit of the public or community at large in providing educational, economic development, health care, human services, public safety, library or other public services. The department shall adopt rules with respect to furnishing the service.

(b) The department shall establish statewide integrated videoconferencing and statewide online access user fees, services, delivery, rates and long range plans. The rates must reflect the department's cost in providing the service.

(c) The department by rule shall restrict the department's furnishing or delivery of Internet access service to private entities if the service would directly compete with two or more local established providers of Internet access services within the local exchange telecommunications service area.

(d) The rates and services established and provided under this section are not subject to the Public Utility Commission's regulation or authority.

(6) An organization or organizations recognized as tax exempt under section 501(c)(3) of the Internal Revenue Code that primarily conduct activities for the direct good or benefit of the public or community at large in providing educational, economic development, health care, human services, public safety, library or other public services and have formed an affiliation with one or more federal, state or local governmental units within this state may apply to the department for designation as a community of interest. The application must be in the form that the department prescribes and contain information regarding the governmental affiliation relationship, the tax exempt status of each organization and the public benefit services the organization provides or intends to provide. The department shall establish an application review and appeal process to ensure that designating the organizations as a community of interest for the purposes of including the organization in telecommunications contracts under ORS 283.520 will result in providing educational, medical, library or other services for public benefit.

(7) This section does not apply to [*the State Board of Higher Education or*] any public university listed in ORS 352.002.

(8) As used in this section:

(a) "Information resources" means media, instruments and methods for planning, collecting, processing, transmitting and storing data and information, including telecommunications.

(b) "Information technology" includes, but is not limited to, present and future forms of hardware, software and services for data processing, office automation and telecommunications.

(c) "Internet access service" means electronic connectivity to the Internet and the services of the Internet.

(d) "Open systems" means systems that allow state agencies freedom of choice by providing a vendor-neutral operating environment where different computers, applications, system software and networks operate together easily and reliably.

(e) "State-of-the-art services" includes equipment, facilities and the capability to distribute digital communication signals that transmit voice, data, video and images over a distance.

(f) "Statewide integrated videoconferencing" means a statewide electronic system capable of transmitting video, voice and data communications.

(g) "Statewide online access" means electronic connectivity to information resources such as computer conferencing, electronic mail, databases and Internet access.

(h) "Telecommunications" means hardware, software and services for transmitting voice, data, video and images over a distance.

SECTION 91. ORS 291.229 is amended to read:

291.229. (1) As part of the development of the legislatively adopted budget in each odd-numbered year regular session of the Legislative Assembly, the Oregon Department of Administrative Services shall make a report to the Joint Committee on Ways and Means on the actions taken by state agencies during the previous biennium to attain a ratio of at least 11 nonsupervisory employees to every supervisory employee, as defined in ORS 243.650.

(2) As used in this section:

(a) "State agency" means all state officers, boards, commissions, departments, institutions, branches, agencies, divisions and other entities, without regard to the designation given to those entities, that are within the executive branch of government as described in Article III, section 1, of the Oregon Constitution.

(b) "State agency" does not include:

(A) The legislative department as defined in ORS 174.114;

(B) The judicial department as defined in ORS 174.113;

(C) The Public Defense Services Commission;

(D) The Secretary of State and the State Treasurer in the performance of the duties of their constitutional offices;

(E) Semi-independent state agencies listed in ORS 182.454;

(F) The Oregon Tourism Commission;

(G) The Oregon Film and Video Office;

(H) [*The Oregon University System*] **Public universities listed in ORS 352.002;**

(I) The Oregon Health and Science University;

(J) The Travel Information Council;

(K) Oregon Corrections Enterprises;

(L) The Oregon State Lottery Commission;

(M) The State Accident Insurance Fund Corporation;

(N) The Oregon Health Insurance Exchange Corporation;

(O) The Oregon Utility Notification Center;

(P) Oregon Community Power;

(Q) The Citizens' Utility Board;

(R) A special government body as defined in ORS 174.117;

(S) Any other public corporation created under a statute of this state and specifically designated as a public corporation; and

(T) Any other semi-independent state agency denominated by statute as a semi-independent state agency.

SECTION 92. ORS 291.231 is amended to read:

291.231. (1) Notwithstanding ORS 291.229, a state agency that employs more than 100 employees and has not, by April 11, 2012, attained a ratio of at least 11 to 1 of employees of the state agency who are not supervisory employees to supervisory employees:

(a) May not fill the position of a supervisory employee until the agency has increased the agency's ratio of employees to supervisory employees so that the ratio is at least one additional employee to supervisory employees; and

(b) Shall, not later than October 31, 2012, lay off or reclassify the number of supervisory employees necessary to attain the increase in the ratio specified in paragraph (a) of this subsection if the increase in that ratio is not attained under paragraph (a) of this subsection or through attrition.

(2) Notwithstanding ORS 291.229, a state agency that employs more than 100 employees and has complied with the requirements of subsection (1) of this section, but has not attained a ratio of at least 11 to 1 of employees of the state agency who are not supervisory employees to supervisory employees:

(a) May not fill the position of a supervisory employee until the agency has increased the agency's ratio of employees to supervisory employees by at least one additional employee; and

(b) Not later than October 31 of each subsequent year, shall lay off or reclassify the number of supervisory employees necessary to increase the agency's ratio of employees to supervisory employees so that the ratio is at least one additional employee to supervisory employees.

(3) Layoffs or reclassifications required under this section must be made in accordance with the terms of any applicable collective bargaining agreement. A supervisory employee who is reclassified into a classified position pursuant to this section shall be compensated in the salary range for the classified position unless otherwise provided by an applicable collective bargaining agreement.

(4) Upon application from a state agency, the Director of the Oregon Department of Administrative Services may grant a state agency an exception from the requirements of subsections (1) to (3) of this section. The director may grant an exception under this section that:

(a) Applies to a particular position if the director determines the exception is necessary to allow the state agency to maintain public or state agency employee safety;

(b) Applies to a division, unit, office, branch or other smaller part of the state agency if the director determines the exception is necessary to allow the state agency to maintain public or state agency employee safety or because of the geographic location of the division, unit, office, branch or other smaller part of the state agency; or

(c) The director determines is warranted because the state agency has supervisory employees exercising authority over personnel who are not employees of the state agency, the state agency has a significant number of part-time or seasonal employees or the state agency has another unique personnel need.

(5) Not later than five business days before the director proposes to grant an exception under this section, the director shall notify each collective bargaining agent of the public or state agency employees in the appropriate bargaining unit for the state agency requesting an exception.

(6) The department shall report all exceptions granted under this subsection to the Joint Committee on Ways and Means, the Joint Interim Committee on Ways and Means or the Emergency Board.

(7) As used in this section:

(a)(A) "State agency" means all state officers, boards, commissions, departments, institutions, branches, agencies, divisions and other entities, without regard to the designation given to those entities, that are within the executive branch of government as described in Article III, section 1, of the Oregon Constitution.

(B) "State agency" does not include:

(i) The legislative department as defined in ORS 174.114;

(ii) The judicial department as defined in ORS 174.113;

(iii) The Public Defense Services Commission;

(iv) The Secretary of State and the State Treasurer in the performance of the duties of their constitutional offices;

(v) Semi-independent state agencies listed in ORS 182.454;

(vi) The Oregon Tourism Commission;

(vii) The Oregon Film and Video Office;

- (viii) *[The Oregon University System]* **Public universities listed in ORS 352.002;**
- (ix) The Oregon Health and Science University;
- (x) The Travel Information Council;
- (xi) Oregon Corrections Enterprises;
- (xii) The Oregon State Lottery Commission;
- (xiii) The State Accident Insurance Fund Corporation;
- (xiv) The Oregon Health Insurance Exchange Corporation;
- (xv) The Oregon Utility Notification Center;
- (xvi) Oregon Community Power;
- (xvii) The Citizens' Utility Board;
- (xviii) A special government body as defined in ORS 174.117;
- (xix) Any other public corporation created under a statute of this state and specifically designated as a public corporation; and
- (xx) Any other semi-independent state agency denominated by statute as a semi-independent state agency.

(b) "Supervisory employee" has the meaning given that term in ORS 243.650.

SECTION 93. ORS 291.375 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 ORS 352.054]* **listed in ORS 352.002**, 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 94. 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 ORS *[352.054]* **352.002** to solicit contributions for the support of *[a]* **the** 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 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 **or standards** prescribed by a state agency[, *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 95. 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 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 ORS [352.054] **352.002** may approve a written request made by the university or office, department or activity under the **governing** 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 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 ORS [352.054] **352.002** authorized to disburse funds in payment of salaries 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 [*Oregon University System and the*] governing board of a public university [*with a governing board*] listed in ORS [352.054] **352.002** shall prescribe procedures for determining whether an organization qualifies as a nonprofit organization under this section.

SECTION 96. ORS 319.415 is amended to read:

319.415. (1) On or before July 15 of each year, the Oregon Department of Administrative Services, after consultation with the Department of Transportation and the State Marine Board, shall determine the amount of the motor vehicle fuel tax imposed under ORS 319.010 to 319.430 during the preceding fiscal year with respect to fuel purchased and used to operate or propel motor boats. The amount determined shall be reduced by the amount of any refunds for motor boats used for commercial purposes actually paid during the preceding year on account of ORS 319.280 (1)(a).

(2)(a) The Oregon Department of Administrative Services shall estimate the amount of fuel described in subsection (1) of this section that is used to operate or propel motor boats by conducting a statistically valid, unbiased, independent survey of boat owners. The survey shall be conducted once every four years and shall be designed to estimate the average daily fuel consumption by motor boats and the total days of motor boat use per year. The survey shall be used to determine the amount of the transfer required by subsection (3) of this section for the first transfer that occurs after the survey is completed. If the tax rate changes during the fiscal year, the amount of tax to be transferred shall be prorated based on the percentage of total motor boat use taking place during each tax period.

(b) In years when no survey is conducted, the amount to be transferred under subsection (3) of this section shall be calculated by multiplying the per boat fuel consumption factors from the preceding survey by the number of motor boats as shown by the annual actual count of boat registrations. The resulting amount, in gallons per year, shall be the basis for the determination of the amount to be transferred.

(c) The survey required by paragraph (a) of this subsection shall be developed by a research department within [*the Oregon University System*] **Oregon State University**, in consultation with the State Marine Board and the Department of Transportation. The Oregon Department of Administrative Services shall contract for the development and conduct of the survey, and the costs shall be paid by the Department of Transportation. Costs paid by the Department of Transportation may be deducted from the amount transferred to the State Marine Board under subsection (3) of this section.

(3) The Oregon Department of Administrative Services shall certify the amount of the estimate made under subsection (1) of this section, as reduced by refunds, to the Department of Transportation, to the State Marine Board and to the State Treasurer. Thereupon, that amount shall be transferred from the Department of Transportation Driver and Motor Vehicle Suspense Account to the Boating Safety, Law Enforcement and Facility Account created under ORS 830.140, and is continuously appropriated to the State Marine Board for the purposes for which the moneys in the Boating Safety, Law Enforcement and Facility Account are appropriated.

SECTION 97. ORS 321.185 is amended to read:

321.185. (1) There hereby is established in the State Treasury in the General Fund an account to be known as the Forest Research and Experiment Account, which account hereby is appropriated continuously to the [*State Board of Higher Education*] **Higher Education Coordinating Commission for distribution to Oregon State University** for the purposes of ORS 526.215 and 526.225.

(2) The Forest Research and Experiment Account shall consist of allocations from harvest taxes as provided in ORS 321.015 (1).

SECTION 98. ORS 326.500, as amended by section 4, chapter 739, Oregon Laws 2013, is amended to read:

326.500. (1) The STEM Investment Council is established. The council shall function under the joint direction and control of the State Board of Education and the [*State Board of*] Higher Education **Coordinating Commission**.

(2)(a) The council is established for the purpose of assisting the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** in jointly developing and overseeing a long-term strategy that advances the following educational goals related to science, technology, engineering and mathematics:

(A) Double the percentage of students in 4th and 8th grades who are proficient or advanced in mathematics and science, as determined using a nationally representative assessment of students' knowledge in mathematics and science; and

(B) Double the number of students who earn a post-secondary degree requiring proficiency in science, technology, engineering or mathematics.

(b) Achievement of the goals described in paragraph (a) of this subsection shall be determined based on a comparison between the 2014-2015 school year or academic year and the 2024-2025 school year or academic year.

(3) To advance the educational goals described in subsection (2) of this section, the council shall make recommendations to:

(a) The Superintendent of Public Instruction regarding the administration of the STEM Investment Grant Program established in ORS 327.380; and

(b) The Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** regarding other investments in science, technology, engi-

neering and mathematics that are made or overseen by the State Board of Education or the [State Board of] Higher Education **Coordinating Commission**.

(4) The council consists of nine members from the private sector who are jointly appointed by the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** and serve at the pleasure of the superintendent[, *commissioner and chancellor*] **and the executive director**.

(5) To aid and advise the council in the performance of the council's duties, the council:

(a) Shall recruit educators and administrators from kindergarten through grade 12 and from post-secondary education to be nonvoting advisory members of the council;

(b) May recruit nonvoting advisory members to the council who are in addition to the members identified in paragraph (a) of this subsection; and

(c) May establish advisory and technical committees that the council considers necessary.

(6)(a) The Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** shall jointly appoint a council director. The council director shall serve at the pleasure of the superintendent[, *commissioner and chancellor*] **and the executive director**.

(b) Except as otherwise directed by the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission**, the activities of the council shall be directed and supervised by the council director.

(7) Members of the council are not entitled to compensation or reimbursement for expenses and serve as volunteers of the council.

(8) The council shall submit an annual report to the State Board of Education, the [State Board of] Higher Education **Coordinating Commission** and the Legislative Assembly on the progress made toward achieving the goals described in subsection (2) of this section and the distribution of funds under the STEM Investment Grant Program.

SECTION 99. ORS 326.500, as amended by sections 4 and 6, chapter 739, Oregon Laws 2013, is amended to read:

326.500. (1) The STEM Investment Council is established. The council shall function under the joint direction and control of the State Board of Education and the [State Board of] Higher Education **Coordinating Commission**.

(2)(a) The council is established for the purpose of assisting the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** in jointly developing and overseeing a long-term strategy that advances the following educational goals related to science, technology, engineering and mathematics:

(A) Having a specified percentage of students in 4th and 8th grades who are proficient or advanced in mathematics and science, as determined using a nationally representative assessment of students' knowledge in mathematics and science; and

(B) Having a specified number of students who earn a post-secondary degree requiring proficiency in science, technology, engineering or mathematics.

(b) Achievement of the goals described in paragraph (a) of this subsection shall be determined based on percentages and numbers determined by the council.

(3) To advance the educational goals described in subsection (2) of this section, the council shall make recommendations to:

(a) The Superintendent of Public Instruction regarding the administration of the STEM Investment Grant Program established in ORS 327.380; and

(b) The Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** regarding other investments in science, technology, engi-

neering and mathematics that are made or overseen by the State Board of Education or the [State Board of] Higher Education **Coordinating Commission**.

(4) The council consists of nine members from the private sector who are jointly appointed by the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** and serve at the pleasure of the superintendent[, *commissioner and chancellor*] **and the executive director**.

(5) To aid and advise the council in the performance of the council's duties, the council:

(a) Shall recruit educators and administrators from kindergarten through grade 12 and from post-secondary education to be nonvoting advisory members of the council;

(b) May recruit nonvoting advisory members to the council who are in addition to the members identified in paragraph (a) of this subsection; and

(c) May establish advisory and technical committees that the council considers necessary.

(6)(a) The Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission** shall jointly appoint a council director. The council director shall serve at the pleasure of the superintendent[, *commissioner and chancellor*] **and the executive director**.

(b) Except as otherwise directed by the Superintendent of Public Instruction[, *the Commissioner for Community College Services and the Chancellor of the Oregon University System*] **and the executive director of the Higher Education Coordinating Commission**, the activities of the council shall be directed and supervised by the council director.

(7) Members of the council are not entitled to compensation or reimbursement for expenses and serve as volunteers of the council.

(8) The council shall submit an annual report to the State Board of Education, the [State Board of] Higher Education **Coordinating Commission** and the Legislative Assembly on the progress made toward achieving the goals described in subsection (2) of this section and the distribution of funds under the STEM Investment Grant Program.

SECTION 100. ORS 327.380 is amended to read:

327.380. (1) The STEM Investment Grant Program is established to provide funding to school districts, community colleges and public universities listed in ORS 352.002 to advance the goals described in ORS 326.500 (2).

(2) The STEM Investment Council shall evaluate grant applications and make recommendations on the applications to the Chief Education Officer. Under the direction of the Chief Education Officer, the Department of Education shall distribute moneys for the grant program and otherwise administer the grant program.

(3)(a) An application for a grant awarded under this section may be submitted by:

(A) A school district;

(B) A community college district;

(C) A public university;

(D) The Department of Education;

(E) The Department of Community Colleges and Workforce Development;

[(F) *The Oregon University System*;]

[(G)] (F) Any other state agency; or

[(H)] (G) Any combination of entities identified in this paragraph that are organized as a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics.

(b) A grant awarded under this section may be used for:

(A) Classroom or extracurricular activities that further the development of skills related to science, technology, engineering or mathematics; or

(B) A project that is related to science, technology, engineering or mathematics and that involves collaboration with a private entity.

(4) When evaluating applications for a grant, the council:

(a) Shall give priority to applications for activities or projects that produce the largest impact at the lowest cost or for the greatest number of students throughout this state, including grants for activities or projects that:

(A) Are determined by the council to be likely to become self-supporting within three years;

(B) Expand evidence-based, effective practices in science, technology, engineering or mathematics;

(C) Can be replicated by other entities in this state;

(D) Show evidence of attracting matching funds;

(E) If the applicant is an entity identified in subsection (3)(a)(A) to (C) of this section, have demonstrable support from the governing body of the entity;

(F) Help improve access by underrepresented groups to activities that involve science, technology, engineering or mathematics; or

(G) Are elements of a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics;

(b) May give priority to applications for activities or projects that benefit students in more than one student group among students in kindergarten through grade 12, students in community colleges and students in universities;

(c) Shall attempt to achieve a balance, as determined by the council, among grants that are awarded for the sole benefit of students in kindergarten through grade 12, students in community colleges and students in universities; and

(d) Shall take into consideration geographic and demographic diversity.

SECTION 101. ORS 327.380, as amended by section 8, chapter 739, Oregon Laws 2013, is amended to read:

327.380. (1) The STEM Investment Grant Program is established to provide funding to school districts, community colleges and public universities listed in ORS 352.002 to advance the goals described in ORS 326.500 (2).

(2) The STEM Investment Council shall evaluate grant applications and make recommendations on the applications to the Superintendent of Public Instruction. Under the direction of the Superintendent of Public Instruction, the Department of Education shall distribute moneys for the grant program and otherwise administer the grant program.

(3)(a) An application for a grant awarded under this section may be submitted by:

(A) A school district;

(B) A community college district;

(C) A public university;

(D) The Department of Education;

(E) The Department of Community Colleges and Workforce Development;

[(F) *The Oregon University System*];

[(G)] (F) Any other state agency; or

[(H)] (G) Any combination of entities identified in this paragraph that are organized as a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics.

(b) A grant awarded under this section may be used for:

(A) Classroom or extracurricular activities that further the development of skills related to science, technology, engineering or mathematics; or

(B) A project that is related to science, technology, engineering or mathematics and that involves collaboration with a private entity.

(4) When evaluating applications for a grant, the council:

(a) Shall give priority to applications for activities or projects that produce the largest impact at the lowest cost or for the greatest number of students throughout this state, including grants for activities or projects that:

(A) Are determined by the council to be likely to become self-supporting within three years;

(B) Expand evidence-based, effective practices in science, technology, engineering or mathematics;

(C) Can be replicated by other entities in this state;

(D) Show evidence of attracting matching funds;

(E) If the applicant is an entity identified in subsection (3)(a)(A) to (C) of this section, have demonstrable support from the governing body of the entity;

(F) Help improve access by underrepresented groups to activities that involve science, technology, engineering or mathematics; or

(G) Are elements of a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics;

(b) May give priority to applications for activities or projects that benefit students in more than one student group among students in kindergarten through grade 12, students in community colleges and students in universities;

(c) Shall attempt to achieve a balance, as determined by the council, among grants that are awarded for the sole benefit of students in kindergarten through grade 12, students in community colleges and students in universities; and

(d) Shall take into consideration geographic and demographic diversity.

SECTION 102. ORS 329.489 is amended to read:

329.489. (1) Within the State of Oregon's kindergarten through grade 12 education system, proficiency for students in American Sign Language shall be in accordance with rules adopted by the State Board of Education pursuant to ORS chapter 329 and any other applicable state or federal law.

(2) The State Board of Education is encouraged to continue to:

(a) Coordinate with [*the State Board of Higher Education*] **public universities listed in ORS 352.002** and the Oregon School for the Deaf to develop curricula for American Sign Language courses;

(b) Implement programs to locate and prepare qualified teachers and interpreters of American Sign Language; and

(c) Assist public high schools in identifying local and regional needs and resources available for American Sign Language courses.

SECTION 103. 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 ORS [*352.054*] **352.002** and such others as it considers appropriate, the Department 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 104. ORS 339.331 is amended to read:

339.331. (1) There is created the Center for School Safety within the [*Oregon University System*] **University of Oregon**. The mission of the center shall be to:

(a) Serve as the central point for data analysis;

(b) Conduct research;

(c) Disseminate information about successful school safety programs, research results and new programs; and

(d) Provide technical assistance for improving the safety of schools in collaboration with the Department of Education and others.

(2) To fulfill its mission, the Center for School Safety shall:

(a) Establish a clearinghouse for information and materials concerning school violence prevention and intervention services. As used in this paragraph, "intervention services" means any preventive, developmental, corrective or supportive service or treatment provided to a student who is at risk of school failure, is at risk of participation in violent behavior or juvenile crime or has been expelled from the school district. "Intervention services" may include, but is not limited to:

- (A) Screening to identify students at risk for emotional disabilities or antisocial behavior;
- (B) Direct instruction in academic, social, problem-solving and conflict resolution skills;
- (C) Alternative education programs;
- (D) Psychological services;
- (E) Identification and assessment of abilities;
- (F) Counseling services;
- (G) Medical services;
- (H) Day treatment;
- (I) Family services; and
- (J) Work and community service programs.

(b) Provide program development and implementation expertise and technical support to schools, law enforcement agencies and communities. The expertise and support may include coordinating training for administrators, teachers, students, parents and other community representatives.

(c) Analyze the data collected in compliance with section 5, chapter 618, Oregon Laws 2001.

(d) Research and evaluate school safety programs so schools and communities are better able to address their specific needs.

(e) Promote interagency efforts to address discipline and safety issues within communities throughout the state.

(f) Prepare and disseminate information regarding the best practices in creating safe and effective schools.

(g) Advise the State Board of Education on rules and policies.

(h) Provide an annual report on the status of school safety in Oregon by July 1 of each year to:

- (A) The Governor;
- (B) The Attorney General;
- (C) The State Board of Education; and
- (D) All relevant legislative committees.

(3) The University of Oregon Institute on Violence and Destructive Behavior shall provide staff support to the Center for School Safety board of directors and shall manage the center.

(4) The Center for School Safety board of directors may seek and accept public and private funds for the center.

SECTION 105. ORS 339.336 is amended to read:

339.336. (1) The [*Oregon University System*] **University of Oregon** may seek and accept contributions of funds and assistance from the United States, its agencies or from any other source, public or private, and agree to conditions thereon not inconsistent with ORS 339.331, 339.333 and 339.339. All such funds are to aid in financing the functions of the Center for School Safety and shall be deposited in the Center for School Safety Account and shall be disbursed for the purpose for which contributed.

(2) The Center for School Safety Account is established in the General Fund of the State Treasury. Except for moneys otherwise designated by statute, all federal funds or other moneys received by the [*Oregon University System*] **University of Oregon** for the center shall be paid into the State Treasury and credited to the account. All moneys in the account are appropriated continuously to the **Higher Education Coordinating Commission for distribution to the University of Oregon** [*Oregon University System*] and shall be used by the [*system*] **university** for the purposes of carrying out ORS 339.331, 339.333 and 339.339.

SECTION 106. ORS 342.147 is amended to read:

342.147. (1) After considering recommendations of the State Board of Education, the Teacher Standards and Practices Commission shall establish by rule standards for approval of teacher edu-

cation institutions and teacher education programs. Public teacher education institutions shall be approved for programs of more than four years' duration only if teacher education programs which are reasonably attainable in a four-year period are also available in the system of higher education and are designed to culminate in a baccalaureate degree that qualifies its graduates for entry-level teaching licenses.

(2) The commission shall establish rules that allow teacher education programs leading to graduate degrees to commence prior to the student's completion of baccalaureate degree requirements and that allow the combined use of undergraduate and graduate level course work in achieving program completion.

(3) Whenever any teacher education institution or program is denied approved status or has such status withdrawn, such denial or withdrawal must be treated as a contested case within the meaning of ORS chapter 183.

(4) Nothing in this section is intended to grant any authority to the commission relating to granting degrees or establishing degree requirements that are within the authority of [*the State Board of Higher Education or any of the*] public universities listed in ORS 352.002, or that are within the authority of the governing board of any private institution of higher education.

SECTION 107. ORS 342.443 is amended to read:

342.443. (1) The Oregon Education Investment Board 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 board also shall report comparisons of minorities' and nonminorities' scores on basic skills, pedagogy and subject matter tests.

(3) The [*Oregon University System*] **Higher Education Coordinating Commission**, the public universities [*with governing boards*] listed in ORS [*352.054*] **352.002**, the Department of Education, the Teacher Standards and Practices Commission, community colleges and school districts shall cooperate with the board in collecting data and preparing the report.

SECTION 108. ORS 342.443, as amended by section 5, chapter 778, Oregon Laws 2013, 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*] **Higher Education Coordinating Commission**, the public universities [*with governing boards*] listed in ORS [352.054] **352.002**, 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 109. ORS 342.447 is amended to read:

342.447. (1) The [*State Board of Higher Education*] **Higher Education Coordinating Commission** shall require each public teacher education program in this state to prepare a plan with specific goals, strategies and deadlines for the recruitment, admission, retention and graduation of minority teachers.

(2) The [*state board*] **commission** shall review the plans for the adequacy and feasibility of the plans and, after making necessary revisions, shall adopt the plans.

(3) The [*state board*] **commission** shall adopt rules governing:

(a) The contents of the plans;

(b) The [*state board's*] **commission's** initial and biennial review process, including timetables for revising plans; and

(c) Other matters necessary for carrying out the provisions of ORS 342.433 to 342.449 and 351.077.

SECTION 110. 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 ORS [352.054] **352.002** 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[,] **and** the public universities [*with governing boards*] listed in ORS [352.054] **352.002** [*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 devel-

opment 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 111. 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) The school district where the student is a resident is responsible for providing transportation to a student enrolled in an eligible day treatment program. Transportation must be provided by the school district where the student is a resident each day the student is scheduled to receive services from the eligible day treatment program.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(9) In addition to the payment methods described in this section, the Department of Education may[.:]

[(a)] negotiate [*interagency*] **intergovernmental** 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 ORS [352.054] **352.002**]; 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*] **or** the Oregon Health and Science University Board of Directors.

SECTION 112. ORS 344.259 is amended to read:

344.259. (1) The [*State Board of Education*] **Higher Education Coordinating Commission** 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*] **commission** 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)] (a) The [*State Board of Higher Education*] **Higher Education Coordinating Commission.**

[(c)] (b) Community college districts.

[(d)] (c) Independent colleges.

[(e)] (d) Proprietary schools.

[(f)] (e) The governing board of a public university [*with a governing board*] listed in ORS [352.054] **352.002**.

(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 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 113. ORS 348.283 is amended to read:

348.283. (1) There is established within the Higher Education Coordinating 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[, *the Oregon University System*] and the public universities [*with governing boards*] listed in ORS [352.054] **352.002**.

SECTION 114. ORS 348.849 is amended to read:

348.849. (1) There is established the Oregon 529 College Savings Board to administer ORS 348.841 to 348.873.

(2) The board shall consist of:

(a) The State Treasurer or a designee of the State Treasurer;

(b) A member of the [*State Board of Higher Education*] **Higher Education Coordinating Commission**, to be selected by the [*State Board of Higher Education*] **commission**;

(c) A representative of accredited private colleges and universities located in this state, who shall be appointed by the State Treasurer; and

(d) Two public members, who by reason of their education and experience are qualified to serve, and who shall be appointed by the State Treasurer.

(3) The State Treasurer shall designate the board chairperson from among the members of the board. The chairperson shall serve at the pleasure of the State Treasurer.

(4)(a) The board member who is a member of the [*State Board of Higher Education*] **Higher Education Coordinating Commission** shall serve at the pleasure of the [*State Board of Higher Education*] **commission** but may not serve on the board following the end of the member's term on the [*State Board of Higher Education*] **commission**.

(b) The representative of private colleges and universities and the public members of the board shall serve at the pleasure of the State Treasurer for a term of office of three years. These members of the board may be reappointed to subsequent terms.

(5) The State Treasurer [*and the Oregon University System*] shall provide staff and assistance to the board in the administration of the Oregon 529 College Savings Network as directed by the board.

(6) A member of the board is entitled to compensation and expenses as provided in ORS 292.495.

(7) A majority of the members of the board constitutes a quorum for the transaction of business.

NOTE: Section 115 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 116. ORS 351.054 is amended to read:

351.054. The 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, deferred maintenance, special initiatives and investments; and

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

SECTION 117. 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 ORS 352.029 may, for the public university under its control, adopt 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) 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) A standard or order promulgated pursuant to this section may not deny to a faculty member full access to the member's personnel file or records kept by the [board or 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 is limited to three, to be kept in designated, available locations.

(5) Any evaluation received by telephone 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 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] **State Board of Higher Education** or its public universities, offices, departments or activities prior to July 1, 1975, shall be maintained in the files designated **by the governing board of the public university currently employing the faculty member**. 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] **State Board of Higher Education** 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 **currently** employed by [the board or its] a public [universities,] **university or its** 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 ORS [352.054 after July 1, 2014] **352.002 after the date that the university became a university with a governing board**, 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 ORS [352.054] **352.002** and, after July 1, 1975, **but before the date on which the public university became a university with a governing board**, the 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) A standard or order promulgated pursuant to this section does not limit the authority of 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 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 118. 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, and*] The governing board of a public university [*with a governing board*] listed in ORS [352.054] **352.002** may authorize receipt of compensation for any officer or employee 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 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 standards established by each **governing** board.

(2) Each **governing** board may not authorize compensation, as described in subsection (1) of this section, that, in the **governing** board's judgment, does not comport with the mission of the public university or substantially interferes with an officer's or employee's duties to the 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 **standards of the governing** board [*standards*]. The disclosure is a public record subject to public inspection.

(4) Each **governing** board shall adopt standards governing employee outside employment and activities, including potential conflict of interest, as defined by **standards of the governing** board [*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 119. ORS 351.077 is amended to read:

351.077. (1) The Higher Education Coordinating Commission shall ensure the implementation of the plans developed [*by the State Board of Higher Education*] under ORS 342.447 for recruitment of minority teachers.

(2) The commission shall report biennially to the Legislative Assembly on the implementation and results of the plans. The report may include recommendations on ways in which the Legislative Assembly can assist in increasing the number of minority teachers.

SECTION 120. 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 plan to employees of the Oregon University*

System 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 **public** university [*with a governing board*] listed in ORS [352.054] **352.002** 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 ORS [352.054] **352.002** 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 ORS [352.054] **352.002** 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 121. ORS 351.097 is amended to read:

351.097. [(1)] *The payment of salary or compensation of the officers, teachers, instructors and other employees of the Oregon University System, where such salary or compensation is payable out of the State Treasury and is fixed by law or the State Board of Higher Education at a definite rate per hour, day, week, month or year, shall be made weekly, biweekly, semimonthly or monthly with any necessary adjustments, as provided in this section.]*

[(2)] *With the approval of the board, the Chancellor of the Oregon University System shall make out, certify and transmit to the board at the end of each pay period a payroll, duly verified by the chancellor or other designated officer and approved by the proper auditing committee or officer, showing the names of the several officers, teachers, instructors and other employees during the preceding payroll period, the rate of compensation of each by the hour, day, week, month or year, the time employed, the amount due and any other facts the board requires. The board, if it approves the payroll, shall draw a warrant on the State Treasurer for the aggregate amount allowed in favor of the chancellor, who shall immediately pay over the moneys received to the several parties entitled thereto and take receipts therefor, which shall be transmitted to the board.]*

[(3)] *Notwithstanding subsection (2) of this section and pursuant to ORS 293.330, the State Board of Higher Education may authorize the chancellor to designate a person employed by and located at each public university under the jurisdiction of the board to implement and administer the payroll system selected by the board to pay employees designated by the board. The person shall be under bond to the State of Oregon.]*

[(4)] When an employee of a **public university listed in ORS 352.002** receives payment of salary or compensation in an amount greater than the employee's entitlement, the amount of the overpayment may be deducted from salary or compensation earned by the employee. The deduction may be in such form and manner as the [*State Board of Higher Education*] **governing board of the public university** may prescribe.

SECTION 122. 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 ORS

[352.054] **352.002**, in consultation with the Oregon Health Authority and the Alcohol and Drug Policy Commission, shall adopt standards that, as a minimum, describe the content of what shall be included in the policy and plan described in ORS 352.008.

SECTION 123. 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 ORS [352.054] **352.002** may, in the management of all forestlands under each **governing** 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 each **governing** 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 124. ORS 351.203 is amended to read:

351.203. [The State Board of Higher Education and the] Public universities [with governing boards] listed in ORS [352.054] **352.002** shall cooperate with the 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] **universities'** programs and budget. [The board and] The public universities [with governing boards listed in ORS 352.054] shall submit in timely fashion to the Chief Education Officer the data as is appropriate in a form prescribed by the officer.

SECTION 125. ORS 351.205 is amended to read:

351.205. [The State Board of Higher Education] **The governing boards of public universities listed in ORS 352.002** may allow interchange of members of the faculties of public universities [listed in ORS 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 126. ORS 351.296 is amended to read:

351.296. (1) As used in this section, "institution of higher education" means:

- (a) A public university listed in ORS 352.002;
- (b) A community college operated under ORS chapter 341; or
- (c) The Oregon Health and Science University.

(2) An institution of higher education shall allow members and agents of the Armed Forces of the United States to recruit on a public campus and shall set [rules and] standards for such recruitment that are the same as for all other employment recruitment activities allowed on the campus.

SECTION 127. ORS 351.641 is amended to read:

351.641. (1) The [State Board of Higher Education] **governing board of a public university listed in ORS 352.002** shall exempt a student who is not a citizen or a lawful permanent resident of the United States from paying nonresident tuition and fees for enrollment in a public university listed in ORS 352.002 if the student:

(a) During each of the three years immediately prior to receiving a high school diploma or leaving school before receiving a high school diploma, attended an elementary or a secondary school in this state;

(b) During each of the five years immediately prior to receiving a high school diploma or leaving school before receiving a high school diploma, attended an elementary or a secondary school in any state or territory of the United States, the District of Columbia or the Commonwealth of Puerto Rico;

(c) No more than three years before initially enrolling in a public university listed in ORS 352.002, received a high school diploma from a secondary school in this state or received the equivalent of a high school diploma; and

(d) Shows intention to become a citizen or a lawful permanent resident of the United States by submitting to the public university the student attends or plans to attend:

(A) An official copy of the student's application to register with a federal immigration program or federal deportation deferral program or a statement of intent that the student will seek to obtain citizenship as permitted under federal law; and

(B) An affidavit stating that the student has applied for a federal individual taxpayer identification number or other official federal identification document.

(2) The **governing** board shall exempt a student who is financially dependent upon a person who is not a citizen or a lawful permanent resident of the United States from paying nonresident tuition and fees for enrollment in a public university listed in ORS 352.002 if the student:

(a) During each of the three years immediately prior to receiving a high school diploma or leaving school before receiving a high school diploma, attended an elementary or a secondary school in this state and resided in this state with the person upon whom the student is dependent;

(b) During each of the five years immediately prior to receiving a high school diploma or leaving school before receiving a high school diploma, attended an elementary or a secondary school in any state or territory of the United States, the District of Columbia or the Commonwealth of Puerto Rico and resided with the person upon whom the student is dependent;

(c) No more than three years before initially enrolling in a public university listed in ORS 352.002, received a high school diploma from a secondary school in this state or received the equivalent of a high school diploma; and

(d) For a student who is not already a citizen or lawful permanent resident of the United States, shows intention to become a citizen or a lawful permanent resident of the United States by submitting to the public university the student attends or plans to attend:

(A) An official copy of the student's application to register with a federal immigration program or federal deportation deferral program or a statement of intent that the student will seek to obtain citizenship as permitted under federal law; and

(B) An affidavit stating that the student has applied for a federal individual taxpayer identification number or other official federal identification document.

(3) A student continues to qualify for exemption from nonresident tuition and fees under subsection (1) or (2) of this section for five years after initial enrollment under the exemption in a public university listed in ORS 352.002.

(4) A student who is a citizen or a lawful permanent resident of the United States and who has resided outside of Oregon for more than three years while serving in the Armed Forces of the United States, but who otherwise meets the requirements of subsection (1) or (2) of this section, shall qualify for exemption from nonresident tuition and fees for enrollment in a public university listed in ORS 352.002 without having to reestablish residency in Oregon.

(5) The **governing** board shall adopt *[rules]* **standards** to implement the provisions of this section.

(6) Not later than July 1 of each year, the *[Oregon University System]* **Higher Education Coordinating Commission** shall report to the Speaker of the House of Representatives, the President of the Senate and the interim committees of the Legislative Assembly with subject matter authority over higher education, for the preceding academic year:

(a) The number of students that applied and were accepted into public universities under this section; and

(b) The financial impact of this section on *[the Oregon University System]* **public universities listed in ORS 352.002.**

SECTION 128. ORS 351.642 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 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 ORS [352.054] **352.002** may contract with the Armed Forces of the United States to furnish educational service 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 same manner that fees and tuition payments for resident students are deposited and credited.

SECTION 129. ORS 351.643 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 Higher Education Coordinating 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 Higher Education Coordinating Commission and the governing board of a public university [*with a governing board listed in ORS 352.054*] **listed in ORS 352.002** shall adopt 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 130. 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 ORS *[352.054]* **352.002** shall adopt standards for the administration of this section, including standards setting the amount of credit and the method by which the credit is prorated.

SECTION 131. 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]* **Higher Education Coordinating Commission** or the governing board of a public university *[with a governing board]* listed in ORS *[352.054]* **352.002**.

SECTION 132. ORS 351.647 is amended to read:

351.647. The Legislative Assembly finds that:

(1) It is in the interest of this state and its people that Oregon residents have access to the post-secondary institutions in the Northwest which best provide for the educational needs of those students;

(2) The people of Oregon and their post-secondary institutions benefit through the provision of access to Oregon colleges and universities for students from the state of Washington and from the enhanced economic and cultural well-being of the northwest region;

(3) The state should reduce or eliminate the nonresident tuition barriers *[which]* **that** might exist between the states of Oregon and Washington to restrict or inhibit enrollment of residents of one of these states in a community college or public college or university in the other state;

(4) The general policy statement on reduction of admission and tuition barriers between the states of Oregon and Washington shall not apply to students at the Oregon Health and Science University, where enrollment priority shall continue to be given to qualified Oregon residents; and

(5) *[The State Board of Higher Education and]* The Higher Education Coordinating Commission shall develop plans to carry out the intent of this policy within the appropriations available, and shall report to the appropriate legislative review agency before implementing the plan.

SECTION 133. ORS 351.657 is amended to read:

351.657. The State Board of Education and the *[State Board of Higher Education]* **Higher Education Coordinating Commission** shall report annually on or before February 1 to committees of the Legislative Assembly related to veterans and military affairs and to higher education regarding students who have received tuition relief and assistance under ORS 351.656 and 352.375 including but not limited to the following:

(1) The number of nonresident veterans who were assessed reduced tuition rates under ORS 352.375 and the amount of nonresident tuition moneys not assessed as a result of receiving the reduced tuition rates under ORS 352.375;

(2) The number of qualified students receiving tuition waivers under ORS 351.656, the amount of tuition waived and the relationship of the qualified student to a service member or Purple Heart recipient under ORS 351.656; and

(3) Any other relevant information.

SECTION 134. 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)] (1) 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 **public** university listed in ORS 352.002 or the Oregon Health and Science University.

[(3)] (2) A **public** university 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)] **(3)** A **public** university 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 135. ORS 351.697 is amended to read:

351.697. (1) Each **public** university 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 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 or]* the governing board of a public university *[with a governing board]* listed in ORS *[352.054]* **352.002** 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 136. ORS 351.708 is amended to read:

351.708. (1) As used in this section, “employee group” means each category of employee employed by a public institution of higher education, including at least categories for:

- (a) Administrative or management employees;
- (b) Faculty employees; and
- (c) Classified or professional nonfaculty employees.

(2) The [*State Board of Higher Education*] **Higher Education Coordinating Commission** shall establish baselines and conduct an annual review of each public university listed in ORS 352.002 with respect to the employment of all employee groups. Each public university shall provide the necessary data for the [*board’s*] **commission’s** report prior to September 1 of each year. The [*board*] **commission** shall use data available from a national post-secondary data collection system within the United States Department of Education. The [*board*] **commission** shall report the results of the reviews to the Legislative Assembly and the Governor’s office prior to December 1 of each year.

(3) The Department of Community Colleges and Workforce Development shall determine definitions and data that will be used for annual reviews and conduct an annual review of each community college district with respect to the employment of all employee groups. The department shall use data available from a national post-secondary data collection system within the United States Department of Education. The department shall report the results of the reviews to the Legislative Assembly and the Governor before December 1 of each year.

(4) An annual review under this section must include:

(a) Examination of data related to the ratio of instruction provided by the following faculty categories:

- (A) Full-time faculty;
 - (B) Part-time faculty; and
 - (C) Graduate assistants.
- (b) The pay differential for the faculty categories.
- (c) The average contracted wages for each employee group.

(d) The number of employees in each employee group within a public university or community college district, and a ratio of the number of employees in each employee group to the number of students enrolled in the university or district, both full-time and part-time.

(e) The health care and other benefits provided for each faculty category.

(f) A recommendation on whether a different method of data tracking would improve the ability of the Legislative Assembly to obtain the most precise and relevant data on staffing ratios without placing undue financial burdens on public universities and community colleges.

SECTION 137. ORS 351.711 is amended to read:

351.711. Not later than July 1 of each year, the [*State Board of Higher Education*] **Higher Education Coordinating Commission** shall report to the Legislative Assembly in the manner provided by ORS 192.245:

(1) For each public university listed in ORS 352.002, the number of employees and the number of full-time equivalent employees of the university in the following categories:

(a) Supervisory employees, as defined in ORS 243.650 (23), who supervise classified employees covered by a collective bargaining agreement;

(b) Full-time faculty;

(c) Part-time faculty; and

(d) Classified employees.

[2] *The number of supervisory employees as defined in ORS 243.650 (23) and the number of non-supervisory employees in the office of the Chancellor of the Oregon University System.*

[3] (2) A recommendation on whether a different method of data tracking would improve the ability of the Legislative Assembly to obtain the most precise and relevant data on staffing ratios without placing undue financial burdens on public universities.

SECTION 138. ORS 351.735, as amended by section 2, chapter 83, Oregon Laws 2014, and section 1, chapter 113, Oregon Laws 2014, is amended to read:

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

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

(3) The Higher Education Coordinating Commission shall:

(a) Advise and assist the Oregon Education Investment Board on:

(A) 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 student access programs.

(B) Strategic investments in the state’s community colleges, public universities and student access programs necessary to achieve state post-secondary education goals.

(C) Coordination of the post-secondary elements of data collection and structure, with the advice and recommendation of the state’s independent institutions, community colleges and public universities, as appropriate, in order to assist the Oregon Education Investment Board in the construction of a state longitudinal data system, as authorized by law.

(b) Adopt a strategic plan for achieving state post-secondary education goals, taking into consideration the contributions of this state’s independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals. State post-secondary education goals as described in this section 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 residents;

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

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

(E) Tracking progress toward meeting the state’s post-secondary education goals established in the strategic plan described in this paragraph.

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

(i) Student access programs;

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

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

(iv) New facilities or programs;

(v) Capital improvements and deferred maintenance; and

- (vi) Special initiatives and investments.
- (B) In the development of the consolidated higher education budget request:
 - (i) Determine the costs necessary to provide quality post-secondary education;
 - (ii) Solicit input from educators, education policy experts, appropriate legislative committees, students and other persons interested in the development of the funding model; and
 - (iii) Solicit public input regarding educational priorities.
- (d) Adopt rules governing the distribution of appropriations from the Legislative Assembly to community colleges, public universities listed in ORS 352.002 and student access programs. These rules must be based on allocation formulas developed in consultation with the state's community colleges and public universities, as appropriate.
- (e) Approve or disapprove any significant change to the academic program of a community college or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the commission shall consider the recommendation from the community college or public university seeking to make the change to an academic program that is issued pursuant to the obligation of the governing board of a community college or public university to review and approve academic programs. The commission shall ensure that approved programs:
 - (A) Are consistent with the mission statement of the community college or public university;
 - (B) Do not unnecessarily duplicate academic programs offered by Oregon's other community colleges or public universities;
 - (C) Are not located in a geographic area that will cause undue hardship to Oregon's other community colleges or public universities; and
 - (D) Are allocated among Oregon's community colleges and public universities to maximize the achievement of statewide needs and requirements.
- (f) For public universities listed in ORS 352.002:
 - (A) Approve the mission statement adopted by a governing board of a public university [*or by the State Board of Higher Education*].
 - (B) Review and determine whether a proposed annual increase of resident undergraduate enrollment fees, *as described in ORS 351.063,* of greater than five percent is appropriate.
 - (C) Advise the Governor and the Legislative Assembly on issues of university governance.
 - (D) Approve and authorize degrees.
 - (g) Authorize degrees to be offered by independent post-secondary institutions in this state under ORS 348.594 to 348.615.
 - (h) Oversee the licensing of career schools under ORS 345.010 to 345.450.
 - (i) Have the authority to enter into and administer interstate agreements regarding the provision of post-secondary distance education. The participation by an educational institution that is not based in this state in distance learning courses or programs that are part of an interstate agreement entered into and administered under this paragraph does not constitute operating in this state for purposes of ORS 348.594 to 348.615. The commission, by rule, may impose a fee on any educational institution that seeks to operate under or participate in such interstate agreements. The fee amount shall be established to recover designated expenses incurred by the commission in participating in such agreements.
- (4) In addition to the duties described in subsections (2) and (3) of this section, the Higher Education Coordinating Commission shall advise the Legislative Assembly, the Governor, community colleges, public universities and other state boards and commissions on policies in order to:
 - (a) Ensure or improve access to higher education by diverse and underserved populations.
 - (b) Encourage student success and completion initiatives.
 - (c) Improve the coordination of the provision of educational services, including:
 - (A) Transfers and coenrollment throughout the higher education system;
 - (B) Accelerated college credit programs for high school students;
 - (C) Applied baccalaureate and other transfer degrees;
 - (D) Programs and grants that span multiple institutions; and
 - (E) Reciprocity agreements with other states.

(d) In coordination with the State Board of Education, enhance the use and quality of dual credit, career and technical pathways and efforts to create a culture of college attendance in this state.

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

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

(5) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter 183, may adopt administrative rules.

(6) With the exception of the rulemaking authority granted in subsection (5) of this section, the Higher Education Coordinating Commission may delegate any of its powers, duties or functions to a committee of the commission or to the executive director of the commission.

(7) The Higher Education Coordinating Commission may establish technical or advisory committees to assist the commission in exercising its powers, duties and functions.

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

SECTION 139. ORS 351.735, as amended by section 2, chapter 83, Oregon Laws 2014, and sections 1 and 2, chapter 113, Oregon Laws 2014, is amended to read:

351.735. (1) As used in this section, "student access programs" means scholarship, loan, grant and access programs described in ORS chapter 348.

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

(3) The Higher Education Coordinating Commission shall:

(a) 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 student access programs.

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

(c) Coordinate the post-secondary elements of data collection and structure, with the advice and recommendation of the state's independent institutions, community colleges and public universities, as appropriate, in order to construct a state longitudinal data system.

(d) Adopt a strategic plan for achieving state post-secondary education goals, taking into consideration the contributions of this state's independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals. State post-secondary education goals as described in this section 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 residents;

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

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

(E) Tracking progress toward meeting the state's post-secondary education goals established in the strategic plan described in this paragraph.

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

(i) Student access programs;

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

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

(iv) New facilities or programs;

(v) Capital improvements and deferred maintenance; and

(vi) Special initiatives and investments.

(B) In the development of the consolidated higher education budget request:

(i) Determine the costs necessary to provide quality post-secondary education;

(ii) Solicit input from educators, education policy experts, appropriate legislative committees, students and other persons interested in the development of the funding model; and

(iii) Solicit public input regarding educational priorities.

(f) Adopt rules governing the distribution of appropriations from the Legislative Assembly to community colleges, public universities listed in ORS 352.002 and student access programs. These rules must be based on allocation formulas developed in consultation with the state's community colleges and public universities, as appropriate.

(g) Approve or disapprove any significant change to the academic program of a community college or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the commission shall consider the recommendation from the community college or public university seeking to make the change to an academic program that is issued pursuant to the obligation of the governing board of a community college or public university to review and approve academic programs. The commission shall ensure that approved programs:

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

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

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

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

(h) For public universities listed in ORS 352.002:

(A) Approve the mission statement adopted by a governing board of a public university [*or by the State Board of Higher Education*].

(B) Review and determine whether a proposed annual increase of resident undergraduate enrollment fees[, *as described in ORS 351.063,*] of greater than five percent is appropriate.

(C) Advise the Governor and the Legislative Assembly on issues of university governance.

(D) Approve and authorize degrees.

(i) Authorize degrees to be offered by independent post-secondary institutions in this state under ORS 348.594 to 348.615.

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

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

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

(a) Ensure or improve access to higher education by diverse and underserved populations.

(b) Encourage student success and completion initiatives.

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

- (A) Transfers and coenrollment throughout the higher education system;
- (B) Accelerated college credit programs for high school students;
- (C) Applied baccalaureate and other transfer degrees;
- (D) Programs and grants that span multiple institutions; and
- (E) Reciprocity agreements with other states.

(d) In coordination with the State Board of Education, enhance the use and quality of dual credit, career and technical pathways and efforts to create a culture of college attendance in this state.

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

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

(5) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter 183, may adopt administrative rules.

(6) With the exception of the rulemaking authority granted in subsection (5) of this section, the Higher Education Coordinating Commission may delegate any of its powers, duties or functions to a committee of the commission or to the executive director of the commission.

(7) The Higher Education Coordinating Commission may establish technical or advisory committees to assist the commission in exercising its powers, duties and functions.

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

SECTION 140. ORS 351.751 is amended to read:

351.751. (1) The Higher Education Coordinating Commission shall work with [*the State Board of Higher Education*] **public universities listed in ORS 352.002**, community college districts and independent for-profit and not-for-profit institutions of higher education to carry out the following goals:

(a) Increase the number of students who receive academic credit for prior learning and the number of students who receive academic credit for prior learning that counts toward their major or toward earning their degree, certificate or credential, while ensuring that credit is awarded only for high quality course-level competencies;

(b) Increase the number and type of academic credits accepted for prior learning in institutions of higher education, while ensuring that credit is awarded only for high quality course-level competencies;

(c) Develop transparent policies and practices in awarding academic credit for prior learning to be adopted by the governing boards of public universities, community colleges and independent institutions of higher education;

(d) Improve prior learning assessment practices across all institutions of higher education;

(e) Create tools to develop faculty and staff knowledge and expertise in awarding academic credit for prior learning and to share exemplary policies and practices among institutions of higher education;

(f) Develop articulation agreements when patterns of academic credit for prior learning are identified for particular programs and pathways; and

(g) Develop outcome measures to track progress on the goals outlined in this section.

(2) The Higher Education Coordinating Commission shall appoint an advisory committee to coordinate implementation of the goals in subsection (1) of this section. The committee shall include:

(a) A member [*recommended for appointment by the State Board of Higher Education*] representing public universities in this state.

(b) A member [recommended for appointment by the Commissioner for Community College Services] representing community colleges in this state.

(c) A member representing independent not-for-profit institutions of higher education located in this state.

(d) A member representing for-profit institutions of higher education offering degree programs to students in this state.

(e) A member representing the business community.

(f) A member representing the labor community.

(g) A member who is a student at a two-year or four-year institution of higher education located in this state.

(h) Other members appointed by the Higher Education Coordinating Commission based upon a demonstrated interest in and knowledge of prior learning programs.

(3) The Higher Education Coordinating Commission shall submit an annual report to the Legislative Assembly no later than December 31 of each calendar year, in the manner prescribed by ORS 192.245, reporting on progress toward meeting the goals set forth in subsection (1) of this section.

(4) For the purposes of this section, "prior learning" means the knowledge and skills gained through work and life experience, through military training and experience and through formal and informal education and training from institutions of higher education in the United States and in other nations.

SECTION 141. ORS 351.810 is amended to read:

351.810. The [State Board of Higher Education] **Higher Education Coordinating Commission, public universities listed in ORS 352.002**, the Oregon Health and Science University and the Oregon members of the Western Interstate Commission for Higher Education are authorized to take any action necessary to achieving the ends of the Western Regional Higher Education Compact.

SECTION 142. ORS 351.820 is amended to read:

351.820. (1) Prior to June 1 of each even-numbered year, the Oregon members of the Western Interstate Commission for Higher Education shall determine the quotas of Oregon students for whom various kinds of educational service should be purchased in out-of-state institutions during the next biennium and shall recommend to the [State Board of Higher Education] **Higher Education Coordinating Commission** and the Oregon Health and Science University Board of Directors the amount to be included in its biennial budget to cover the cost of such educational service for students enrolled in their respective institutions.

(2) The [State Board of Higher Education] **Higher Education Coordinating Commission** and the Oregon Health and Science University Board of Directors shall negotiate contracts with the Western Interstate Commission for Higher Education for educational service of the kind and amount indicated by the quotas determined under subsection (1) of this section. The [board] **commission** shall make payments required by such contracts out of the money appropriated to [it] **the commission** for that purpose.

(3) The [State Board of Higher Education] **Higher Education Coordinating Commission** may also contract with higher education institutions, or others, which are not members of the Western Interstate Commission for Higher Education, to furnish educational services to students who are residents of the State of Oregon in those areas of higher education where the educational institutions of the State of Oregon are unable to provide the desired professional educational opportunities.

SECTION 143. ORS 351.830 is amended to read:

351.830. (1) Any Oregon resident desiring to take advantage of the Western Regional Higher Education Compact may make application to the [State Board of Higher Education] **Higher Education Coordinating Commission** for out-of-state educational service. From such applicants the [board] **commission** shall select students to fill the quotas determined under ORS 351.820.

(2) The [board] **commission** and the Oregon members of the Western Interstate Commission for Higher Education shall jointly establish criteria to be observed by the [board] **commission** in making such selections.

(3) The [board] **commission** shall certify the names of the students selected to the Western Interstate Commission for Higher Education and to the out-of-state institution to which each student desires admission.

SECTION 144. ORS 351.840 is amended to read:

351.840. (1) The [State Board of Higher Education] **governing boards of public universities listed in ORS 352.002** and the Oregon Health and Science University Board of Directors may contract with the Western Interstate Commission for Higher Education to furnish educational service in their respective Oregon public universities to out-of-state students.

(2) The [State Board of Higher Education] **governing boards of public universities listed in ORS 352.002** and the Oregon Health and Science University Board of Directors shall determine the number of out-of-state students that should be accepted into their respective universities, and shall make final decisions on admission of individual applicants.

(3) Payments made by the commission under such contracts shall be deposited **with the public university attended by the student** [in and credited to a designated account in the Oregon University System Fund established by ORS 351.506 for students enrolled in public universities under the jurisdiction of the State Board of Higher Education] in the same manner that fees and tuition payments for resident students are deposited and credited. The estimated amount of the payments must be considered by the **governing board of the public university** in making its biennial budgetary requests. Payments made by the commission under such contracts must be deposited with the Oregon Health and Science University for students who enroll in that university under the terms of such contracts.

SECTION 145. ORS 351.870 is amended to read:

351.870. (1) The Legislative Assembly finds and declares that basic research is fundamental to the continuation and expansion of applied research and is thus a necessary ingredient in economic growth. The Legislative Assembly further finds that basic research is itself an important activity which should be promoted.

(2) It is the policy of this state that basic research is an appropriate and necessary activity of our public universities. Further, the State of Oregon has an obligation with other states and the federal government to encourage and finance basic research if the state and nation are to be active participants in a future which will require ever increasing levels of knowledge and understanding.

(3) The Legislative Assembly acknowledges that a characteristic of basic research is that no defined result can be guaranteed and asserts that only through scholarly investigation can knowledge be advanced to be later developed and applied.

(4) The Legislative Assembly believes that moneys for basic research should be regularly appropriated and that such moneys should be used for support of qualified investigators and funding of research projects.

[5] *The Legislative Assembly intends that in implementing the policy on basic research or any other research policy, the State Board of Higher Education, in keeping with the principle of academic freedom, shall ensure open and free inquiry and publication in all public universities under its jurisdiction.*

SECTION 146. 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, 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 147. ORS 352.021 is amended to read:

352.021. (1) As used in this section, "internment camp" means a relocation center to which persons were ordered evacuated by Presidential Executive Order 9066, signed on February 19, 1942.

(2) A person who meets the requirements of subsection (4) of this section may request a public university listed in ORS 352.002 to award the person an honorary post-secondary degree.

(3) A representative of a deceased person who meets the requirements of subsection (4) of this section may request a public university to award an honorary post-secondary degree on behalf of the deceased person.

(4) Notwithstanding the requirements for a post-secondary degree established by a public university [*or by the State Board of Higher Education*], a public university that receives a request under subsection (2) or (3) of this section may award an honorary post-secondary degree to a person, or on behalf of a deceased person, who:

(a) Was a student at the public university in 1942; and

(b) Did not graduate from the public university because the person was ordered to an internment camp.

SECTION 148. ORS 352.029 is amended to read:

352.029. As used in ORS 351.365 to 351.379 and 352.025 to 352.146:

(1) "Governing board" means a governing board [*established by a university under ORS 352.054*] **of a public university listed in ORS 352.002** 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 **governing** 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 ORS [*352.054*] **352.002** that has established a governing board.

SECTION 149. ORS 352.107 is amended to read:

352.107. (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 ORS 352.089 (4) 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 ORS 352.135 (2). *[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 ORS 352.089, 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 **governing** board or university are required, necessary or appropriate to accomplish the rights and responsibilities granted to the **governing** board or university by law.

SECTION 150. ORS 352.129 is amended to read:

352.129. (1) Notwithstanding ORS 352.102 and 352.107 and section 169, chapter 768, Oregon Laws 2013, the amendments to ORS 243.107 and 351.094 by sections 88 and 113, chapter 768, Oregon Laws 2013, and the operative date set forth in section 171, chapter 768, Oregon Laws 2013, [a] **each** 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] 352.107.

(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 August 14, 2013, 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 ORS 352.025, 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 151. ORS 352.191 is amended to read:

352.191. [*The Oregon University System*] **Portland State University** may receive moneys from any public or private source to support the Mark O. Hatfield School of Government, the Center for Lakes and Reservoirs, the Graduate School of Social Work or the Institute of Portland Metropolitan Studies created under ORS 352.196, 352.207, 352.213 and 352.217. Gifts and grants received to support the Mark O. Hatfield School of Government, the Center for Lakes and Reservoirs, the Graduate School of Social Work or the Institute of Portland Metropolitan Studies shall be credited to the appropriate fund at Portland State University [*by the Oregon University System*].

SECTION 152. ORS 352.221 is amended to read:

352.221. (1) Pursuant to ORS 351.870, there is created [*within the Oregon University System*] the Oregon Renewable Energy Center. The Oregon Renewable Energy Center shall be administered by the Oregon Institute of Technology.

(2) The purpose of the Oregon Renewable Energy Center is to engage in renewable energy system engineering and applied research.

(3) The [*Oregon University System*] **Oregon Institute of Technology** may receive moneys from any public or private source to support the Oregon Renewable Energy Center. Gifts and grants re-

ceived to support the Oregon Renewable Energy Center shall be credited to the appropriate fund at the Oregon Institute of Technology [by the Oregon University System].

SECTION 153. ORS 352.223 is amended to read:

352.223. (1) As used in this section:

(a) "Allied health education programs" includes, but is not limited to:

- (A) Radiologic science;
- (B) Nuclear medicine;
- (C) Sonography;
- (D) Vascular technology;
- (E) Dental hygiene;
- (F) Respiratory care;
- (G) Clinical laboratory sciences; and
- (H) Emergency medical services provider education.

(b) "Allied health education programs" does not include any undergraduate or graduate nursing program administered by Oregon Health and Science University.

(2) There is created [within the Oregon University System] the Oregon Center for Health Professions. The Oregon Center for Health Professions shall be administered by the Oregon Institute of Technology.

(3) The purposes of the Oregon Center for Health Professions are to:

(a) Provide continued development of bachelor's degree level education programs in areas of allied health;

(b) Facilitate the creation of new partnerships between the health care industry and community colleges, private institutions of higher education and public universities listed in ORS 352.002 in order to increase the number of students and graduates in allied health education programs;

(c) Provide continuing education, professional development and certificate programs for allied health care professionals; and

(d) Align with and complement educational partnerships between the Oregon Institute of Technology and Oregon Health and Science University focusing on allied health education programs.

(4) The [Oregon University System] **Oregon Institute of Technology** may receive moneys from any public or private source to support the Oregon Center for Health Professions. Gifts and grants received to support the Oregon Center for Health Professions shall be credited to the appropriate fund at the Oregon Institute of Technology [by the Oregon University System].

SECTION 154. ORS 352.230 is amended to read:

352.230. (1) Oregon State University is designated and permanently adopted as the agricultural college of the state and shall provide, in accordance with the objectives sought by Congress in the establishment of state agricultural colleges, instruction in agriculture and the mechanic arts. The university is also a Sea Grant College dedicated to education and research in the marine sciences.

(2) [The State Board of Higher Education] **Oregon State University, or any other public university listed in ORS 352.002 that receives authorization from the Higher Education Coordinating Commission**, is authorized to enter into agreements with its counterpart in the State of Idaho and with the Board of Regents of Washington State University for cooperative development of the program in Veterinary Medicine.

SECTION 155. ORS 352.239 is amended to read:

352.239. (1) [There is created within the Oregon University System] The Institute for Natural Resources **is established at Oregon State University. In administering the institute, Oregon State University may seek the cooperation of other public universities listed in ORS 352.002.** [The Institute for Natural Resources shall be administered by Oregon State University and other institutions in the Oregon University System.]

(2) The Institute for Natural Resources shall serve the following purposes:

(a) Serve as a clearinghouse for scientifically based natural resources information.

(b) Provide scientifically based natural resources information to the public in integrated and accessible formats.

(c) Coordinate efforts with other state agencies and bodies to provide natural resources information to the public in a comprehensive manner.

(d) Facilitate and conduct research.

(e) Provide information and technical tools to assist decision-making on natural resources issues.

(f) Assist the State Parks and Recreation Commission in carrying out the Natural Areas Program by maintaining a data bank that contains a classification of natural heritage resources and an inventory of the locations of the resources. At a minimum, the institute shall record in the data bank the location of state natural areas, the natural heritage resources in those areas, sites that are inhabited by rare species, and lists that rank by rarity species, plant communities and ecosystem types. The institute shall make the information included in the data bank available to private landowners, researchers and local, state and federal agencies.

(g) Assist the State Parks and Recreation Department in carrying out the Natural Areas Program by reviewing and providing recommendations on proposals for registration and dedication of natural areas.

(3) When making observations on private land, an employee of [*an institution in the Oregon University System*] **Oregon State University or another public university listed in ORS 352.002 that is providing administrative support and** who is compiling information for the Natural Areas Program pursuant to subsection (2)(f) of this section must obtain permission from the landowner before entering the information into the data bank.

(4) Using existing resources, state agencies designated by the Governor shall enter into a memorandum of understanding, or other agreement deemed appropriate by the Governor, with the institute that defines and clarifies the roles and responsibilities of the agencies in order to prevent duplication of effort and to ensure that agency resources are used efficiently.

(5) State agencies may contract with the institute to fulfill agency needs regarding the collection, storage, integration, analysis, dissemination and monitoring of natural resources information and natural resources research and training.

SECTION 156. ORS 352.247 is amended to read:

352.247. (1) [*There is created within the Oregon University System*] The Oregon Climate Change Research Institute **is established at Oregon State University. In administering the institute, Oregon State University may seek the cooperation of other public universities listed in ORS 352.002.** [*The institute shall be administered by Oregon State University and institutional partners within the Oregon University System.*]

(2) The purpose of the Oregon Climate Change Research Institute is to:

(a) Facilitate research by [*Oregon University System*] faculty **at public universities listed in ORS 352.002** on climate change and its effects on natural and human systems in Oregon;

(b) Serve as a clearinghouse for climate change information;

(c) Provide climate change information to the public in integrated and accessible formats;

(d) Support the Oregon Global Warming Commission in developing strategies to prepare for and to mitigate the effects of climate change on natural and human systems; and

(e) Provide technical assistance to local governments to assist them in developing climate change policies, practices and programs.

(3) The Oregon Climate Change Research Institute shall assess, at least once each biennium, the state of climate change science, including biological, physical and social science, as it relates to Oregon and the likely effects of climate change on the state. The institute shall submit the assessment to the Legislative Assembly in the manner provided in ORS 192.245 and to the Governor.

(4) State agencies may contract with the Oregon Climate Change Research Institute to fulfill agency needs regarding the collection, storage, integration, analysis, dissemination and monitoring of climate change information, research and training.

SECTION 157. ORS 352.252 is amended to read:

352.252. (1) The Oceangoing Research Vessel Program is established at Oregon State University in order to assist in the research and study of the waters of the Pacific Coast. Potential areas of research include, but are not limited to:

- (a) Mapping the seabed in Oregon's territorial sea, as defined in ORS 196.405;
- (b) Analyzing marine ecosystems, including but not limited to existing marine reserves, existing marine protected areas, proposed marine reserves and proposed marine protected areas;
- (c) Analyzing the potential effects of climate change, including but not limited to ocean acidification;
- (d) Compiling comprehensive assessments of overall ocean health;
- (e) Understanding ocean dynamics, including but not limited to natural hazards such as tsunamis; and
- (f) Installing instruments to effectively monitor the impact of wave energy systems, marine reserves and marine protected areas on marine ecosystems and fish populations.

(2) The Oceangoing Research Vessel Program shall solicit from state agencies and from students and faculty *[within the Oregon University System]* of **public universities listed in ORS 352.002** proposals for the use of a research vessel operated under the program.

(3) In order to effectively allocate the use of research vessels operated under the Oceangoing Research Vessel Program, there is established a Research Vessel Council, consisting of seven members appointed by the President of Oregon State University. The president shall appoint to the council:

- (a) At least one member who is a trained scientist with at least five years of marine research experience;
- (b) Upon request from the agency, at least one member from each of the following agencies:
 - (A) State Department of Fish and Wildlife;
 - (B) State Department of Geology and Mineral Industries;
 - (C) Department of Land Conservation and Development; and
 - (D) Department of Environmental Quality; and
- (c) At least one member who has expertise in marine operations or marine education.

(4) The Research Vessel Council shall evaluate proposals submitted under subsection (2) of this section on the basis of the:

- (a) Proposal's geographical area of study;
- (b) Quality of the submitted management, research or educational rationale; and
- (c) Feasibility of accommodating the proposed work within the schedule of federally funded projects for the research vessel.

(5) The Research Vessel Council shall schedule the use of a research vessel for selected proposals as part of the University-National Oceanographic Laboratory System ship scheduling process.

SECTION 158. ORS 352.383 is amended to read:

352.383. (1) *[The State Board of Higher Education may, at the request of a public university under its control,]* **The governing board of a public university listed in ORS 352.002 may** authorize the university to establish a police department and commission one or more employees as police officers. A police department established under this section has all of the authority and immunity of a municipal police department of this state.

(2) Police officers commissioned under this section:

- (a) May enforce criminal laws and any administrative rules and policies adopted by the **governing** board *[or the commissioning university]*; and
- (b) Have all the authority and immunity of a peace officer or police officer of this state.

(3) When a university 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.

(4) The **governing** board may:

(a) Enter into an agreement, or authorize *[a]* **the** university under its control to enter into an agreement, with a municipal corporation or any department, agency or political subdivision of this state for the provision of mutual aid by their respective police officers.

(b) Adopt *[rules]* **standards** to carry out the provisions of this section.

SECTION 159. ORS 352.390 is amended to read:

352.390. (1) The [*State Board of Higher Education*] **Higher Education Coordinating Commission** shall cause to have prepared and submitted to the Legislative Assembly a program and time schedule for the establishment of regional services institutes at appropriate public universities. The program shall include academic curriculum and practical training appropriate to train students in various aspects of economic and community services planning, with particular emphasis on economic services planning for areas of the state that have common geographic, economic and social characteristics but that do not have sufficient population to qualify as metropolitan statistical areas.

(2) In carrying out its duties under subsection (1) of this section, the [*board*] **commission** shall consult with the Oregon Business Development Department and shall rely on the department for technical advice and, as necessary, technical services. The [*board*] **commission** shall also consult with community colleges, the Oregon State University Extension Service, economic development districts and special districts providing community and economic development services in the region in order to prepare curriculum and programs with particular emphasis on streamlining existing programs, avoiding duplication and overlap of programs, better utilizing students and resources and identifying needs in the region that are currently unaddressed.

(3) In preparing programs for establishing regional services institutes, the [*board*] **commission** shall give priority to establishing institutes at Eastern Oregon University and Southern Oregon University. [*The board may also direct the hiring of an institute director and other staff as may be from time to time required.*]

SECTION 160. ORS 352.610 is amended to read:

352.610. (1) Oregon State University shall execute the trust created by the last will and testament of John T. Apperson, deceased. The university shall administer the trust fund provided for and designated in the will as the J. T. Apperson Agricultural College Educational Fund.

(2) Oregon State University may accept, receive, own, hold, sell and dispose of any and all real and personal property given, devised or bequeathed to the State Land Board by John T. Apperson in trust for the purpose of creating the J. T. Apperson Agricultural College Educational Fund. The university shall manage and use it in accordance with the directions contained in the will of John T. Apperson, deceased, for the purpose of defraying the expenses and assisting in the education at Oregon State University of deserving young men and women who are residents of Oregon and are unable to bear the expense of a collegiate course at that institution.

(3) All necessary expenses incurred by Oregon State University in connection with the administration of the trust fund shall be payable out of the fund. [*The State Board of Higher Education or the university, if authority is delegated under ORS 351.070,*] **Oregon State University** may adopt any necessary [*rules*] **standards** for the transaction of business related to and the carrying out of this section and ORS 352.620.

SECTION 161. ORS 352.669 is amended to read:

352.669. The Legislative Assembly declares that all state agencies and the [*Oregon University System*] **Higher Education Coordinating Commission** should pursue policies and engage in practices that enhance the vitality of independent higher education in Oregon and should cooperate with the state's independent institutions.

SECTION 162. ORS 353.040 is amended to read:

353.040. (1) There is established an Oregon Health and Science University Board of Directors consisting of [*10*] **9** members. The directors, except for the president of the university, shall be appointed by the Governor and shall be confirmed by the Senate in the manner prescribed in ORS 171.562 and 171.565.

(2) Except for the president of the university, the term of office of each nonstudent member is four years. The term of office of the student member is two years. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on October 1 next following. A member is eligible for reappointment for one 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. To assist the Governor in appointing the student member, the duly organized and recognized entity of student government shall submit a list of nominees to the Governor for consideration.

(3) The membership of the board shall be as follows:

[(a) One representative who is a nonstudent member of the State Board of Higher Education.]

[(b)] (a) Seven representatives who, in the discretion of the Governor, have experience in areas related to the university missions or that are important to the success of Oregon Health and Science University, including but not limited to higher education, health care, scientific research, engineering and technology and economic and business development.

[(c)] (b) One representative who is a student enrolled at the university.

[(d)] (c) The president of the university, who shall be an ex officio voting member.

(4) Directors must be citizens of the United States. Except for the president of the university, no voting member may be an employee of the university.

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

(6) The board shall meet at least once every three months at Oregon Health and Science University. The board shall meet at such other times and places specified by the chairperson or by a majority of the members of the board.

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

SECTION 163. The amendments to ORS 353.040 by section 162 of this 2015 Act become operative on October 1, 2017.

SECTION 164. ORS 353.050 is amended to read:

353.050. Except as otherwise provided in this chapter, the Oregon Health and Science University Board of Directors, or university officials acting under the authority of the board, shall exercise all the powers of the Oregon Health and Science University and shall govern the university. In carrying out its powers, rights and privileges, the university shall be a governmental entity performing governmental functions and exercising governmental powers. The university or the board may either within or outside the state:

(1) Determine or approve policies for the organization, administration and development of the university.

(2) Appoint and employ any instructional, administrative, professional, trade, occupational and other personnel as are necessary or appropriate to carry out the missions of the university, and prescribe their compensation and terms of office or employment.

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

(4) Acquire, purchase, receive, hold, control, convey, sell, manage, operate, lease, license, lend, invest, improve, develop, use, dispose of and hold title to real and personal property of any nature, including intellectual property, in its own name.

(5) Sue in its own name and be sued, plead and be impleaded in all actions, suits or proceedings in any forum brought by or against it by any and all private or state, local, federal or other public entities, agencies or persons.

(6) Encourage gifts and donations for the benefit of the university, and subject to the terms of the gift, retain, invest and use such gifts as deemed appropriate by the university or the board.

(7) Acquire, receive, hold, keep, pledge, control, convey, manage, use, lend, expend and invest all funds, appropriations, gifts, bequests, stock and revenue from any source to the university.

(8) 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 board.

(9) Erect, construct, improve, develop, repair, maintain, equip, furnish, lease, lend, convey, sell, manage, operate, use, dispose of and hold title to buildings, structures and lands for the university.

(10) 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 to carry out or further the missions of the university.

(11) Create, develop, supervise, control and adopt academic programs, including standards, qualifications, policies or practices relating to admissions, curriculum, academic advancement, grading policy, student conduct, credits and scholarships and the granting of academic degrees, certificates and other forms of recognition.

(12) Authorize, create, eliminate, establish, operate, reorganize, reduce or expand any program, school, institute, health care facility or other unit of operation.

(13) Establish, charge, collect and use charges for enrollment into the university, including charges such as tuition for education and general services, incidental fees and such other charges found by the university to be necessary to carry out its educational programs. 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 of the university upon the recommendation of the recognized student government of the university.

(14) Establish, charge, collect and use charges and fees for university services and the use of university facilities.

(15) Impose charges, fines, fees and such other regulations considered convenient or necessary to control and regulate traffic and parking of vehicles to the same extent allowed [*the State Board of Higher Education*] **governing boards of public universities listed in ORS 352.002**. This authority includes the authority to enforce the regulations of the university in a court to the extent allowed the [*State Board of Higher Education*] **governing board of a public university listed in ORS 352.002** in [*enforcing the state board's regulations as provided in ORS 352.360 (7)*] **ORS 352.118**.

(16) Enforce and recover for payment to the university any fines that are authorized by this chapter.

(17) Adopt, amend or repeal bylaws, administrative rules, regulations and orders applicable to the matters that are the subject of this chapter.

(18) Contract with any state agency for the performance of such duties, functions and powers as is appropriate. A state agency shall not charge the university for such services an amount that is greater than the actual cost of the services.

(19) 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. Separate funds may be established for such investments. The State of Oregon shall have no proprietary or other interest in such investments or such funds.

(20) Make available, by lease or otherwise, or control access to any health care facilities or services or other of its properties and assets to such persons, firms, partnerships, associations or corporations and on such terms as considered appropriate, charge and collect rent or other fees or charges therefor and terminate or deny any such access or any such lease or other agreement for such reasons as considered appropriate and as may be consistent with its obligations under any such lease or other agreement.

(21) Contract for the operation of any department, section, equipment or holdings of the university and enter into any agreements with any person, firm or corporation for the management by said person, firm or corporation on behalf of the university of any of its properties or for the more

efficient or economical performance of clerical, accounting, administrative and other functions relating to its health care facilities.

(22) Select and appoint faculty as medical and dental staff members and others licensed to practice the healing arts, delineate and define the privileges granted each such individual, adopt and direct a plan for faculty clinical income and set the terms and conditions of that plan (including such modifications to any such existing plan as considered necessary or appropriate upon expiration of the term of such plan), and determine the extent to which and the terms upon which each such individual may provide teaching, research, consulting or other services at the university or any other health care facility.

(23) Enter into affiliation, cooperation, territorial, management or other similar agreements with other public or private universities or health care providers for the sharing, division, allocation or furnishing of services on an exclusive or a nonexclusive basis, referral of patients, management of facilities, formation of health care delivery systems and other similar activities.

(24) Perform any other acts that in the judgment of the board or university are requisite, necessary or appropriate in accomplishing the purposes described in or carrying out the powers granted by this chapter.

(25) Exercise these powers, notwithstanding that as a consequence of the exercise of such powers, the university engages in activities that might otherwise be deemed anticompetitive within the contemplation of state or federal antitrust laws.

SECTION 165. ORS 353.108 is amended to read:

353.108. (1) Legal title to real property and facilities acquired by the State of Oregon prior to July 1, 1995, and utilized by Oregon Health and Science University shall remain with the State of Oregon. However, the university shall have the exclusive care, custody and control of such real property and facilities pursuant to an exclusive leasehold interest in the real property and facilities for a term of 99 years. The term of the leasehold shall begin on July 1, 1995, and shall renew automatically and perpetually for consecutive 99-year terms.

(2) Notwithstanding any other provisions of Oregon law concerning the authority of state agencies to lease real property and facilities, the Oregon Department of Administrative Services acting on behalf of the State of Oregon shall execute a ground lease for all real property and facilities utilized by the university consistent with the provisions of this section.

(3) The ground lease shall not be subject to any termination unless:

(a) The State of Oregon causes all outstanding obligations of the university to be defeased under the terms of any applicable master indenture or financing agreement; and

(b) There are no other conditions placed on the university.

(4) Upon execution of the ground lease, the university shall pay the State of Oregon the sum of \$99 in consideration for the ground lease.

(5) The ground lease executed under this section shall supersede the lease entered into between the State of Oregon and the university in December 1995, with respect to the real property and facilities, including but not limited to provisions in the lease relating to or setting forth:

(a) Purported limitations on the authority of [*the State Board of Higher Education*] **public universities listed in ORS 352.002** to bind the State of Oregon;

(b) The term of the lease and the absence of any renewal provisions; and

(c) Any circumstances under which the lease may be terminated.

(6) The university shall manage and maintain all real property and facilities utilized by the university. Real property and facilities of the State of Oregon leased to the university pursuant to this section shall not be sold by the university but may be encumbered by the university. Such real property and facilities shall 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.

SECTION 166. ORS 353.440 is amended to read:

353.440. The Legislative Assembly finds that:

(1) Public universities 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 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 167. ORS 354.090 is amended to read:

354.090. [*The State Board of Higher Education*] **The 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*] **standards** 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*] **standards the Oregon Institute of Technology** shall make the facilities of the radio station available in the training programs of the Oregon Institute of Technology.

SECTION 168. ORS 354.090, as amended by section 162a, chapter 768, Oregon Laws 2013, is amended to read:

354.090. The 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*] **standards** in conformity with the regulations and laws of the United States Government relating to educational FM radio stations. By such [*rules and regulations*] **standards** the Oregon Institute of Technology shall make the facilities of the radio station available in the training programs of the [*university*] **Oregon Institute of Technology**.

SECTION 169. 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 **listed in ORS 352.002** or office, department or activity under the control of the **university** [*board, or the governing board of a public university with a governing board listed in ORS 352.054*].

(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 170. ORS 357.203 is amended to read:

357.203. (1) The State Library and State of Oregon Law Library operating budget for services to state agencies shall be assessed against all state agencies [*except the Oregon University System*]. The State Library assessment shall be apportioned among the agencies as follows:

(a) One-third of the assessment shall be based on the use of the State Library by the agency; and

(b) Two-thirds of the assessment shall be based on the number of full-time equivalent employees budgeted by the agency.

(2) Except as provided in subsection (4) of this section, the Oregon Department of Administrative Services shall cause the amount assessed to be transferred from the moneys appropriated to each state agency to the Miscellaneous Receipts Account for the State Library.

(3) Subject to the provisions of subsection (5) of this section, the department shall determine and may at any time redetermine which state funds or appropriations shall be assessed a reasonable share of State Library and State of Oregon Law Library operating expenses that support state agencies. In determining or redetermining the funds that shall be so assessed:

(a) A fund consisting of moneys the use of which is restricted by the Oregon Constitution shall be assessed only those governmental service expenses ascertained as being necessarily incurred in connection with the purposes set forth in the Oregon Constitution.

(b) Trust funds shall be assessed only those governmental service expenses ascertained as being necessarily incurred in connection with the purposes for which the trust fund was established.

(c) State agencies shall be assessed only the State Library and State of Oregon Law Library expenditures that support state agencies.

(4) The Oregon Department of Administrative Services shall cause the amount assessed against state agencies for the operating budget of the State of Oregon Law Library to be transferred to the Judicial Department. Moneys transferred under this subsection are continuously appropriated to the Judicial Department and may be used only for the costs of operating the State of Oregon Law Library.

(5) Unless the Oregon Department of Administrative Services and the Judicial Department agree to a different methodology and formula, the State of Oregon Law Library assessment shall be apportioned on the basis of the number of full-time equivalent employees budgeted by the agency.

SECTION 171. ORS 390.235 is amended to read:

390.235. (1)(a) A person may not excavate or alter an archaeological site on public lands, make an exploratory excavation on public lands to determine the presence of an archaeological site or remove from public lands any material of an archaeological, historical, prehistorical or anthropological nature without first obtaining a permit issued by the State Parks and Recreation Department.

(b) If a person who obtains a permit under this section intends to curate or arrange for alternate curation of an archaeological object that is uncovered during an archaeological investigation, the person must submit evidence to the State Historic Preservation Officer that the Oregon State Museum of Anthropology and the appropriate Indian tribe have approved the applicant's curatorial facilities.

(c) No permit shall be effective without the approval of the state agency or local governing body charged with management of the public land on which the excavation is to be made, and without the approval of the appropriate Indian tribe.

(d) The State Parks and Recreation Director, with the advice of the Oregon Indian tribes and Executive Officer of the Commission on Indian Services, shall adopt rules governing the issuance of permits.

(e) Disputes under paragraphs (b) and (c) of this subsection shall be resolved in accordance with ORS 390.240.

- (f) Before issuing a permit, the State Parks and Recreation Director shall consult with:
- (A) The landowning or land managing agency; and
 - (B) If the archaeological site in question is associated with a prehistoric or historic native Indian culture:
 - (i) The Commission on Indian Services; and
 - (ii) The most appropriate Indian tribe.
- (2) The State Parks and Recreation Department may issue a permit under subsection (1) of this section under the following circumstances:
- (a) To a person conducting an excavation, examination or gathering of such material for the benefit of a recognized scientific or educational institution with a view to promoting the knowledge of archaeology or anthropology;
 - (b) To a qualified archaeologist to salvage such material from unavoidable destruction; or
 - (c) To a qualified archaeologist sponsored by a recognized institution of higher learning, private firm or an Indian tribe as defined in ORS 97.740.
- (3) Any archaeological materials, with the exception of Indian human remains, funerary objects, sacred objects and objects of cultural patrimony, recovered by a person granted a permit under subsection (2) of this section shall be under the stewardship of the State of Oregon to be curated by the Oregon State Museum of Anthropology unless:
- (a) The Oregon State Museum of Anthropology with the approval from the appropriate Indian tribe approves the alternate curatorial facilities selected by the permittee;
 - (b) The materials are made available for nondestructive research by scholars; and
 - (c)(A) The material is retained by a recognized scientific, educational or Indian tribal institution for whose benefit a permit was issued under subsection (2)(a) of this section;
- (B) *[The State Board of Higher Education]* **The governing board of a public university listed in ORS 352.002**, with the concurrence of the appropriate Indian tribe, grants approval for material to be curated by an educational facility other than the institution that collected the material pursuant to a permit issued under subsection (2)(a) of this section; or
- (C) The sponsoring institution or firm under subsection (2)(c) of this section furnishes the Oregon State Museum of Anthropology with a complete catalog of the material within six months after the material is collected.
- (4) The Oregon State Museum of Anthropology shall have the authority to transfer permanent possessory rights in subject material to an appropriate Indian tribe.
- (5) Except for sites containing human remains, funerary objects and objects of cultural patrimony as defined in ORS 358.905, or objects associated with a prehistoric Indian tribal culture, the permit required by subsection (1) of this section or by ORS 358.920 shall not be required for forestry operations on private lands for which notice has been filed with the State Forester under ORS 527.670.
- (6) As used in this section:
- (a) "Private firm" means any legal entity that:
 - (A) Has as a member of its staff a qualified archaeologist; or
 - (B) Contracts with a qualified archaeologist who acts as a consultant to the entity and provides the entity with archaeological expertise.
 - (b) "Qualified archaeologist" means a person who has the following qualifications:
 - (A) A post-graduate degree in archaeology, anthropology, history, classics or other germane discipline with a specialization in archaeology, or a documented equivalency of such a degree;
 - (B) Twelve weeks of supervised experience in basic archaeological field research, including both survey and excavation and four weeks of laboratory analysis or curating; and
 - (C) Has designed and executed an archaeological study, as evidenced by a Master of Arts or Master of Science thesis, or report equivalent in scope and quality, dealing with archaeological field research.
- (7) Violation of the provisions of subsection (1)(a) of this section is a Class B misdemeanor.

SECTION 172. 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[,] and the public universities [*with governing boards*] listed in ORS **352.002** [*352.054 and the Oregon University System*] shall provide assistance, as required, to the commission to enable it to meet its objectives.

SECTION 173. 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 ORS [*352.054*] **352.002**, 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 174. 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 ORS [*352.054*] **352.002** 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 175. ORS 470.060 is amended to read:

470.060. (1) The following may file with the State Department of Energy an application to obtain moneys for a small scale local energy project as provided in this chapter:

(a) An individual who is an Oregon resident;

(b) An Oregon business;

(c) A nonprofit or public cooperative;

(d) A nonprofit corporation;

(e) An eligible federal agency;

(f) An eligible state agency;

(g) A public corporation created by this state;

(h) An intergovernmental entity created pursuant to an intergovernmental agreement under ORS 190.003 to 190.130;

(i) A special district;

(j) A local improvement district; *[or]*

(k) A public university listed in ORS 352.002; or

[(k)] (L) A municipal corporation.

(2) Applications to obtain financing for a small scale local energy project shall be made in writing on a form prescribed by the State Department of Energy. Applications submitted to the State Department of Energy shall:

(a) Describe the nature and purpose of the proposed small scale local energy project.

(b) State whether any purposes other than energy production, but consistent with energy production, will be served by the proposed small scale local energy project, and the nature of the other purposes, if any.

(c) Include an evaluation of the potential of the small scale local energy project to meet local community energy needs.

(d) Include an evaluation of the potential environmental impacts of the small scale local energy project.

(e) State whether any moneys other than those in the loan fund are proposed to be used for the development of the proposed small scale local energy project, and whether any other moneys are available or have been sought for the project.

(f) Describe the source of moneys for repayment of the loan applied for.

(3) If the application is for a loan other than an energy efficiency and sustainable technology loan to an individual, a fee of one-tenth of one percent of the amount of the loan applied for or \$2,500, whichever is less, shall be submitted with each application. In addition, the applicant may be required to pay for costs incurred in connection with the application that exceed the application fee and which the Director of the State Department of Energy determines are incurred solely in connection with processing the application. The applicant shall be advised of any additional costs the applicant must pay before the costs are incurred.

SECTION 176. 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 Higher Education Coordinating Commission;

(B) A career school, as defined in ORS 345.010, offering a food or beverage career program approved by the Higher Education Coordinating Commission;

(C) A public university offering a food or beverage career program approved by the Higher Education Coordinating Commission or by the governing board of a public university [*with a governing board*] listed in ORS [352.054] **352.002**; 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 177. Section 3, chapter 797, Oregon Laws 2001, as amended by section 162, chapter 768, Oregon Laws 2013, is amended to read:

Sec. 3. Subject to available funding, if a building evaluated under section 2 (4), chapter 797, Oregon Laws 2001, 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*] **ORS 352.002**, 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.

NOTE: Section 178 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 179. 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 180. ORS 526.225 is amended to read:

526.225. (1) [*The State Board of Higher Education shall establish a*] **The Forest Research Laboratory is established** at Oregon State University. [*and*] **In administering the laboratory, Oregon State University** shall cooperate with individuals, corporations, associations and public agencies wherever and whenever advisable to further the purposes of ORS 526.215, and may enter into any necessary agreements therefor.

(2) In order that there may be close coordination between the research and experimentation programs and the wise management and use of Oregon's forests for the production of goods and services that benefit all its citizens, the [*State Board of Higher Education*] **Higher Education Coordinating Commission, in consultation with Oregon State University,** shall appoint a Forest Research Laboratory Advisory Committee composed of 15 members. Nine members shall be indi-

viduals who are actively and principally engaged in timber management on forestlands, harvesting or the processing of forest products, one of whom shall be from a small woodland owner's association, three members shall be individuals who are the heads of state and federal public forestry agencies and three members shall be individuals from the public at large. No individual who is a public member may have any relationship or pecuniary interest that would interfere with that individual representing the public interest. The advisory committee shall render practical counsel in the fields of forest management and use and forest harvest and utilization as they relate to the economic and social well-being of the people of Oregon.

SECTION 181. ORS 561.364 is amended to read:

561.364. (1) In order to eliminate unnecessary duplication of effort and expense, there shall be the fullest cooperation between Oregon State University and the State Department of Agriculture, including the interchange of statistical information between the university and the department.

(2) If, in the interest of economy and efficiency, either temporary or permanent, it appears advisable to have any of the laboratory or statistical work of the department performed by Oregon State University, the Director of Agriculture and the director of the experiment station shall work out a cooperative plan of operation and shall agree upon such a division of the funds available for such work as may meet with the approval of the Governor [*and the State Board of Higher Education*].

SECTION 182. ORS 566.210 is amended to read:

566.210. (1) [*The State Board of Higher Education*] **Oregon State University** may hold institutes for the instruction of citizens of this state in the various branches of agriculture at such times and at such places as the **governing board of the university** may direct. The **governing board** shall [*make such rules and regulations*] **adopt standards** as it deems proper for organizing and conducting the institutes, and shall employ an agent or agents to perform such work in connection therewith as it deems best.

(2) The course of instruction at the institutes shall be so arranged as to present to those in attendance results of the most recent investigations in theoretical and practical agriculture.

SECTION 183. ORS 567.005 is amended to read:

567.005. [*The Oregon University System is authorized to construct at the site of*] Oregon State University [*at Corvallis,*] **is authorized to construct** such greenhouse facilities as may be necessary for testing seed potatoes for diseases, experimentation on insect control methods and materials, research on potato disease problems and for the development and testing of special varieties and strains of potatoes. The greenhouse facilities shall be under the control and management of the experiment station.

SECTION 184. ORS 567.010 is amended to read:

567.010. A separate account in the General Fund is established for the purposes described in ORS 567.005. Moneys in the account are continuously appropriated to the [*Oregon University System*] **Higher Education Coordinating Commission for distribution to Oregon State University** for the purposes described in ORS 567.005.

SECTION 185. ORS 567.205 is amended to read:

567.205. (1) In order to investigate and demonstrate the conditions under which useful plants may be grown on dry, arid or nonirrigated lands of this state and to determine the kinds of plants best adapted for growth on these lands, there is established in the manner provided for in ORS 567.205 to 567.240, an experiment station in this state for such purpose.

(2) The experiment station shall be located on such part of dry, arid or nonirrigated lands of this state as shall be selected by [*the State Board of Higher Education*] **Oregon State University** acting in cooperation with a representative of the United States Department of Agriculture.

SECTION 186. ORS 567.210 is amended to read:

567.210. The station shall be under the management and control of [*the State Board of Higher Education*] **Oregon State University** as a branch station [*of Oregon State*] **the** university.

SECTION 187. ORS 567.220 is amended to read:

567.220. [*The State Board of Higher Education*] **Oregon State University** shall cause to be prepared and published full and complete annual reports of the work undertaken and accomplished by the station, and an edition of such number of copies as the [*board*] **university** shall determine shall be published annually and distributed free of charge. The cost of such publication and distribution shall be deemed a part of the general expense of the station.

SECTION 188. ORS 567.230 is amended to read:

567.230. The county court of the county in which the experimental station may be located may acquire by purchase or lease sufficient suitable land to be selected by [*the State Board of Higher Education*] **Oregon State University**, acting in cooperation with a representative of the United States Department of Agriculture. In case the land is acquired by purchase, the purchase price shall be paid from the general funds of the county upon the order of the county court by a warrant, in the manner in which other claims against the county are paid. In case the site for the station is acquired by lease, the lease shall be made in favor of the State of Oregon for such term of years and upon such conditions as shall be required by [*the State Board of Higher Education*] **Oregon State University**, and the rent shall be paid out of the county treasury of the county in which the station is located by warrant drawn upon the county treasury by an order of the county court.

SECTION 189. ORS 567.235 is amended to read:

567.235. The county court of the county in which the station is located is authorized and directed to place upon the land acquired as provided in ORS 567.230 such buildings and other improvements, including a well, as may be required by [*the State Board of Higher Education*] **Oregon State University**. The expenses incurred thereby shall be paid in the manner provided by ORS 567.230 for payment of the purchase price or rent of the land.

SECTION 190. ORS 567.325 is amended to read:

567.325. [*The State Board of Higher Education*] **Oregon State University** may cooperate in work in any special field of the experiment station with the federal government or any department, bureau, or office thereof, and may enter into any necessary agreement therefor with said government, department, bureau or office.

SECTION 191. ORS 567.330 is amended to read:

567.330. [*The State Board of Higher Education*] **Oregon State University** shall cause to be prepared and published at least once every two years[,] full and complete reports of the work undertaken and accomplished by the station. The reports shall be distributed free of charge. The cost of such publication and distribution shall be deemed part of the general expenses of the station.

SECTION 192. ORS 567.405 is amended to read:

567.405. In order to investigate and demonstrate methods for improving agricultural and livestock conditions in the range areas in southeastern Oregon, an agricultural experiment station is established and shall be located in Harney County in such place as may be selected by [*the State Board of Higher Education*] **Oregon State University**.

SECTION 193. ORS 567.410 is amended to read:

567.410. The station shall be under the control and management of [*the State Board of Higher Education*] **Oregon State University** through its director of the Oregon agricultural experiment station, as a branch station of the Oregon agricultural experiment station.

SECTION 194. ORS 567.430 is amended to read:

567.430. [*The State Board of Higher Education*] **Oregon State University** shall cause to be prepared and published at least once every two years a full and completed report of the work undertaken and accomplished by the Harney County station. The reports shall be distributed free of charge and the cost of such publication and distribution shall be deemed a part of the general expense of the station.

SECTION 195. ORS 567.455 is amended to read:

567.455. To study and carry on investigations in horticultural, pathological and other agricultural problems as affects the interests of this state, there is established an agricultural experimental area in Hood River and Wasco Counties to be operated as the Mid-Columbia Experiment Station

under the control and management of [*the State Board of Higher Education*] **Oregon State University** through the Agricultural Experiment Station of Oregon State University.

SECTION 196. ORS 567.475 is amended to read:

567.475. [*The State Board of Higher Education*] **Oregon State University** shall cause to be prepared and published once every two years a full and complete report of the work accomplished by the station. The report shall be distributed free of charge. The cost of such publication and distribution shall be deemed a part of the general expense of the station.

SECTION 197. ORS 567.480 is amended to read:

567.480. [*The State Board of Higher Education*] **Oregon State University** may cooperate in the special work of the station with the United States Department of Agriculture or any office or bureau thereof, and may enter into any agreement therefor with said department, bureau or office.

SECTION 198. ORS 567.505 is amended to read:

567.505. There is established a branch agricultural experiment station of Oregon State University in southern Oregon, located in such part of southern Oregon as may be determined by the [*State Board of Higher Education*] **university**.

SECTION 199. ORS 567.510 is amended to read:

567.510. The station shall be under the management and control of [*the State Board of Higher Education*] **Oregon State University** as a branch station of [*Oregon State*] **the** university.

SECTION 200. ORS 567.515 is amended to read:

567.515. [*The State Board of Higher Education*] **Oregon State University** shall cause to be prepared and published at least once every two years a full and complete report of the work undertaken and accomplished by the station. The reports shall be distributed free of charge. The cost of such publication and distribution shall be deemed a part of the general expenses of the station.

SECTION 201. ORS 567.520 is amended to read:

567.520. [*The State Board of Higher Education*] **Oregon State University** may cooperate in work in any special field of the station with the federal government or any department, bureau or office thereof, and may enter into any necessary agreement therefor with said government, department, bureau or office.

SECTION 202. ORS 567.575 is amended to read:

567.575. All revenues derived from the land and experiment station not necessarily used in connection with the experiment station may be used by [*the State Board of Higher Education*] **Oregon State University** in the improvement of the property referred to in this section and ORS 567.580 in repairing structures thereon, for the use and benefit of the experiment station generally and for conducting agricultural experiments in eastern Oregon and not otherwise.

SECTION 203. ORS 567.580 is amended to read:

567.580. The station shall at all times be under the exclusive management and control of [*the State Board of Higher Education*] **Oregon State University** and shall be deemed a branch of the experiment station of [*Oregon State*] **the** university.

SECTION 204. ORS 576.035 is amended to read:

576.035. [*The State Board of Higher Education*] **Oregon State University**, acting through the Federal Cooperative Extension Service of [*Oregon State*] **the** university, shall cooperate with the Agriculture Marketing Service of the United States Department of Agriculture and with the appropriate offices of adjoining states to establish and maintain a food product market news service in the Klamath Basin and provide such services for the central Oregon and Malheur areas.

SECTION 205. 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 206. ORS 634.657 is amended to read:

634.657. (1) There is established an Integrated Pest Management Coordinating Committee, consisting of:

(a) The State Integrated Pest Management Coordinator;

(b) The integrated pest management coordinator for each state agency listed in ORS 634.660;

(c) A representative of [*the Oregon University System*] **public universities listed in ORS 352.002**, appointed by the [*State Board of Higher Education*] **Higher Education Coordinating Commission**; and

(d) The integrated pest management coordinator for each public university listed in ORS 352.002.

(2) The State Integrated Pest Management Coordinator shall chair the committee. The committee may elect a vice chair. The committee may assign duties to the chair and vice chair and provide them with the powers necessary to perform those duties.

(3) A majority of the committee members is a quorum for the purpose of conducting business. Action by the committee requires approval by a majority of the committee members.

(4) The committee shall meet three times per year at the call of the chair for the purposes of:

(a) Sharing information concerning the latest methods and approaches to integrated pest management used to reduce the risks posed by pests and concerning strategies related to pest management;

(b) Sharing information concerning program successes and knowledge gained in the implementation of integrated pest management programs;

(c) Developing an adaptive management approach to the improvement of integrated pest management by state agencies and public universities;

(d) Identifying issues regarding risk reduction and evolving innovative approaches to addressing the issues;

(e) Reporting on, and developing a set of performance metrics to adequately describe, state agency and public university progress in implementing integrated pest management;

(f) Sharing information concerning the integrated pest management programs of each state agency or public university in order to foster information exchange concerning the latest technological advances and protocols and to promote a consistent format for the programs;

(g) Achieving reductions in risks from pests and from strategies relating to pest management; and

(h) Evaluating the need for notification of pesticide use and the policies for notification as part of state agency and public university integrated pest management programs.

(5) In addition to the meetings required under subsection (4) of this section, the committee may convene as the committee deems appropriate for the purpose of coordinating state integrated pest management efforts with the work of the Invasive Species Council. The committee and the council shall jointly address the technical and management approach challenges shared by programs to reduce risks from pests and reduce threats from invasive species.

(6) The committee may identify threats of common interest to the committee and the council, determine the resources needed for addressing the threats and provide the information to state agencies and public universities.

(7) The committee shall prepare a biennial report to an interim committee of the Legislative Assembly relating to pest management matters. The report shall describe the status of state agency and public university integrated pest management programs. The committee shall biennially provide an opportunity for public comment and input for the report. The report on the state agency and public university integrated pest management programs shall include, but need not be limited to:

(a) A description of the meetings, if any, between the State Integrated Pest Management Coordinator and state agencies or public universities;

(b) A description of the meetings of the committee;

(c) A description of advances, innovations and training activities in methodologies for reducing risks from pests;

(d) A description of key problem matters, the approaches taken to address the matters and concerns remaining outstanding;

(e) Performance metric results for the implementation of integrated pest management, including but not limited to state agency and public university progress toward the goal of protecting the economy, ecosystems and water quality of this state and protecting the health and welfare of children, the elderly and other members of the public;

(f) The integrated pest management program status of each state agency and public university that uses state-owned or leased property;

(g) Examples of cost-savings and expenditures resulting from integrated pest management program implementation; and

(h) Any recommendations for integrated pest management program improvements, including but not limited to any proposals for revising the definition of "integrated pest management."

(8)(a) The committee may seek funding from public or private sources to enable the committee to develop pest risk and integrated pest management metrics or to develop new technologies, strategies and approaches for addressing specific pest threats. Unless restricted by the donor, the committee may use moneys donated under this subsection for any purpose described in this subsection.

(b) The State Department of Agriculture may accept funds donated under this subsection on behalf of the committee. The moneys shall be credited to a subaccount within the Department of Agriculture Service Fund and, notwithstanding ORS 561.144 and 634.326, shall be dedicated for funding activities of the committee. The Director of Agriculture shall draw warrants for the issuance of payments from the account as authorized by vote of a majority of the committee.

SECTION 207. 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) 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[,] or governing board of a public university [*with a governing board*] listed in ORS **352.002** [*352.054 or State Board of Higher Education*].

(4) 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 in-

dependent of the right to pursue any administrative remedy available to complainants pursuant to ORS 659.850.

(5) An action may not be filed if the school district board, public charter school governing body, community college board of education[,] **or** governing board of a public university [*with a governing board*] listed in ORS **352.002** [352.054 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 208. ORS 702.005 is amended to read:

702.005. As used in ORS 702.005 to 702.065, 702.991 and 702.994:

(1) "Agency contract" means:

(a) A written or oral agreement in which a student athlete authorizes a person, organization or legal, commercial or other entity to negotiate or solicit on behalf of the student athlete a professional sports services contract or an endorsement contract; or

(b) A written or oral agreement entered into by a student athlete that makes the student athlete ineligible to participate in an interscholastic or intercollegiate sport because of a violation of rules or regulations established by a state or national organization that governs student athlete eligibility or participation.

(2)(a) "Athlete agent" means an individual who, directly or indirectly:

(A) Represents or attempts to represent a student athlete for the purpose of marketing the student athlete's athletic ability or reputation for financial gain; or

(B) Seeks to obtain a type of financial gain or benefit from securing a prospective student athlete's enrollment at an educational institution or from a student athlete's potential earnings as a professional athlete.

(b) "Athlete agent" does not include a spouse, parent, sibling, grandparent or legal guardian of the student athlete or an individual acting solely on behalf of a professional sports team or professional sports organization.

(3) "Athletic director" means:

(a) An individual responsible for administering the overall athletic program of an educational institution or, if an educational institution has separately administered athletic programs for male students and female students, the athletic program for males or the athletic program for females, as appropriate;

(b) If the educational institution is a public or private elementary school or secondary school and the educational institution does not have a person responsible for administering the overall athletic program:

(A) The principal of the educational institution; or

(B) If the educational institution does not have a principal, the person designated by the governing body of the school district, education service district or charter school to manage the educational institution; or

(c) If the educational institution is a community college or university and the educational institution does not have a person responsible for administering the overall athletic program:

(A) The president of the educational institution; or

(B) If the educational institution does not have a president, [*the Chancellor of the Oregon University System or, if the educational institution is not a part of the Oregon University System,*] the person designated by the governing body of the educational institution to manage the educational institution.

(4) "Contact" means a communication, direct or indirect, between an athlete agent and a student athlete, to recruit or solicit the student athlete to enter into an agency contract.

(5) "Educational institution" means a public or private elementary school, secondary school, community college, university or other educational institution.

(6) "Endorsement contract" means an agreement under which a student athlete is employed or receives consideration to use on behalf of the other party any value that the student athlete may have because of publicity, reputation, following or fame obtained because of athletic ability or performance.

(7) "Intercollegiate sport" means a sport played at the collegiate level for which eligibility requirements for participation by a student athlete are established by a national association for the promotion or regulation of collegiate athletics.

(8) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public body, as defined in ORS 174.109, or any other legal or commercial entity.

(9) "Professional sports services contract" means an agreement under which an individual is employed, or agrees to render services, as a player on a professional sports team, with a professional sports organization or as a professional athlete.

(10) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(11) "Registration" means registration as an athlete agent pursuant to ORS 702.005 to 702.065, 702.991 and 702.994.

(12) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands or any territory or insular possession subject to the jurisdiction of the United States.

(13) "Student athlete" means an individual attending an educational institution within this state who engages in, is eligible to engage in or may be eligible in the future to engage in any interscholastic or intercollegiate sport. If an individual is permanently ineligible to participate in a particular interscholastic or intercollegiate sport, the individual is not a student athlete for purposes of that sport.

SECTION 209. ORS 759.445 is amended to read:

759.445. (1) There is established in the State Treasury, separate and distinct from the General Fund, the Connecting Oregon Communities Fund. Moneys in the fund shall consist of amounts deposited in the fund under ORS 759.405 and any other moneys deposited by a telecommunications carrier that elects to be subject to ORS 759.405 and 759.410, including amounts deposited pursuant to a performance assurance plan implemented by a telecommunications carrier in connection with an application under 47 U.S.C. 271, as in effect on January 1, 2002. Interest earned on moneys in the fund shall accrue to the fund. Moneys in the fund may be invested as provided in ORS 293.701 to 293.857. Moneys in the fund shall be used to provide access to advanced telecommunications technology in elementary schools and high schools, colleges and universities, community colleges, public television corporations, rural health care providers, public libraries and other eligible persons.

(2) Two dedicated accounts shall be established within the Connecting Oregon Communities Fund for purposes of supporting education and public access to advanced telecommunications services. The first \$25 million of the moneys deposited in the Connecting Oregon Communities Fund in both 2000 and 2001 shall be appropriated to the School Technology Account established under subsection (3) of this section. Except as provided in subsection (8) of this section, any additional moneys available in the fund shall be appropriated to the Public Access Account established under subsection (4) of this section.

(3) There is established the School Technology Account within the Connecting Oregon Communities Fund. The purpose of the School Technology Account is to improve access to advanced telecommunications services for students attending public school in kindergarten through grade 12. Moneys in the account shall be expended as provided in section 34, chapter 1093, Oregon Laws 1999.

(4)(a) There is established the Public Access Account within the Connecting Oregon Communities Fund. The purpose of the Public Access Account is to improve access to advanced telecommunications services for community colleges, universities, public libraries and rural health care providers.

(b) If funding has not been provided from other sources, the first \$3 million available in the Public Access Account shall be transferred to the [*Oregon University System*] **Higher Education Coordinating Commission** for the purpose of funding the Oregon Wide Area Network project to provide and expand Internet access for [*the Oregon University System*] **public universities listed in ORS 352.002**. [*The Oregon University System shall complete an audit of bandwidth utilization and report to the Joint Legislative Committee on Information Management and Technology during the Seventy-first Legislative Assembly in the manner provided in ORS 192.245.*]

(c) Following the transfer of funds described in paragraph (b) of this subsection, the next \$1 million available in the Public Access Account shall be transferred to the [*Oregon University System*] **Higher Education Coordinating Commission** for Oregon State University for the purpose of providing virtual access to persons with disabilities.

(d) Following the transfer of funds as described in paragraphs (b) and (c) of this subsection, the next \$2 million available in the Public Access Account shall be transferred to the Department of Community Colleges and Workforce Development for distribution to community colleges for the purpose of developing connectivity and distance education programs.

(e) Following the transfer of funds described in paragraphs (b) to (d) of this subsection, the next \$4 million available in the Public Access Account shall be transferred to the [*Oregon University System*] **Higher Education Coordinating Commission** for video transport and network management services for [*the Oregon University System*] **public universities**.

(f) Following the transfer of funds described in paragraphs (b) to (e) of this subsection, the next \$5.5 million available in the Public Access Account shall be transferred to the Oregon Public Broadcasting Corporation for the purpose of digitizing the state television network, using the Oregon Enterprise Network when possible.

(g) Following the transfer of funds described in paragraphs (b) to (f) of this subsection, the next \$500,000 available in the Public Access Account shall be transferred to the Southern Oregon Public Television Corporation for the purpose of digitizing the state television network, using the Oregon Enterprise Network when possible.

(h) Following the transfer of funds described in paragraphs (b) to (g) of this subsection, a public university listed in ORS 352.002 or the Oregon Health and Science University may apply for one-time matching funds up to \$1 million from the Public Access Account to endow a telecommunications chair for the purpose of increasing research and development of advanced telecommunications services applications. Only one chair may be endowed under this paragraph.

(5)(a) The Oregon Business Development Commission shall approve expenditure of any remaining moneys in the Public Access Account consistent with this section and ORS 759.430.

(b) Community colleges, public universities listed in ORS 352.002, public libraries, public television corporations and rural health care providers may apply to the Oregon Business Development Commission for funding from the Public Access Account under this subsection.

(c) Funds received from the account shall be used for the purchase of advanced telecommunications services, equipment or recurring costs of telecommunications connectivity. Priority shall be given to collaborative projects that improve access to advanced telecommunications services.

(d) Funds available in the Public Access Account under this subsection are continuously appropriated to the Oregon Business Development Department for the purposes described in this subsection.

(6) Public libraries and rural health care providers must apply for federal universal service support in order to be eligible for a grant from the Public Access Account.

(7) The video transport and network management services purchased with funds made available under this section shall be purchased through the Oregon Department of Administrative Services.

(8) Any moneys deposited in the Connecting Oregon Communities Fund under subsection (1) of this section pursuant to a performance assurance plan implemented by a telecommunications carrier in connection with an application under 47 U.S.C. 271, as in effect on January 1, 2002, shall be placed in the School Technology Account to be expended as provided in section 34, chapter 1093, Oregon Laws 1999.

SECTION 210. ORS 815.080 is amended to read:

815.080. (1) A person commits the offense of providing a safety belt, harness equipment or a child safety system that does not comply with standards if the person does any of the following:

(a) Sells or offers for sale a new motor vehicle that is not equipped with safety belts, safety harnesses or child safety systems that comply with and are installed in compliance with the rules adopted by the Department of Transportation under ORS 815.055. This paragraph applies only to motor vehicles that are primarily designed for transportation of individuals and that have seating for one or more passengers side-by-side with the operator. This paragraph requires only that the vehicle be equipped with one seat belt or harness for the operator and one for at least one of the passengers seated beside the operator.

(b) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other device for attaching or securing safety belts, safety harnesses or child safety system if the belt, harness, child safety system, anchor or device does not comply with the rules adopted by the department under ORS 815.055. This paragraph applies only to belts, harnesses, child safety systems, anchors or devices for use or installation on a vehicle that is primarily designed for transportation of individuals.

(c) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other device for attaching or securing safety belts, safety harnesses or child safety systems if the belt, harness, child safety system, anchor or device is not marked as required under federal safety standards and if the mark is not legible when the belt, harness, child safety system, anchor or other device is used or installed on a vehicle. This paragraph applies only to belts, harnesses, child safety systems, anchors or devices for use or installation on a vehicle that is primarily designed for transportation of individuals.

(d) Installs any safety belt, safety harness, child safety system, anchor or other device for attaching or securing safety belts, safety harnesses or child safety systems on a vehicle that is primarily designed for the transportation of individuals except in compliance with rules adopted by the department under ORS 815.055.

(2) This section does not apply to school buses or school activity vehicles that are subject to equipment standards adopted by the State Board of Education or the *[State Board of Higher Education under ORS 820.100]* **governing board of a public university listed in ORS 352.002.**

(3) The offense described in this section, providing a safety belt, harness equipment or a child safety system that does not comply with standards, is a Class C traffic violation.

SECTION 211. 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 ORS *[352.054]* **352.002** may adopt and enforce separate standards of the type described under this section for school buses and school activity vehicles that are under the **governing** board's jurisdiction, except that the **governing** 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) 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 212. 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 ORS [352.054] **352.002** may adopt and enforce separate 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 213. 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 ORS [352.054] **352.002** may adopt and enforce separate 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 214. 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] (2) The governing board of a public university [*with a governing board*] listed in ORS [352.054] **352.002** or the authorized representative of the **governing** board regarding vehicles under the **governing** board's jurisdiction.

SECTION 215. 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 ORS [352.054] **352.002** may adopt separate 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[,] **or** the governing board [*or the State Board of Higher Education*] considers appropriate.

(b) An exemption, either partial or total, 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 ensure student safety.

SECTION 216. ORS 825.017 is amended to read:

825.017. Except as provided in ORS 825.026 and 825.030, this chapter does not apply to the persons or vehicles described in this section. The exemption under this section applies to the following persons and vehicles:

(1) Vehicles being used by, or under contract with, any school board, district or person responsible for the administration of elementary or secondary school activities, and engaged exclusively in transporting students or combinations of students and other persons to or from school, to or from authorized school activities or other activities sponsored by the [*State Board of Higher Education*] **governing board of a public university listed in ORS 352.002**, or for purposes provided under ORS 332.427. This exemption shall not be affected by the charging of a fee to cover the costs of the transportation.

(2) Vehicles being used in a taxicab operation if the vehicle:

(a) Is a passenger vehicle with a passenger seating capacity that does not exceed five;

(b) Carries passengers for hire where the destination and route traveled may be controlled by a passenger and the fare is calculated on the basis of any combination of an initial fee, distance traveled or waiting time; and

(c) Is transporting persons or property, or both, between points in Oregon.

(3) Vehicles being used for the transportation of property by private carrier by means of a single vehicle or combination of vehicles with a combined weight that does not exceed 8,000 pounds.

(4) Vehicles being used in operating implements of husbandry.

(5) Vehicles being used as a hearse or ambulance.

(6) Vehicles being used over any private road or thoroughfare.

(7) Vehicles being used on any road, thoroughfare or property, other than a state highway, county road or city street, for the removal of forest products as defined in ORS 321.005, or the product of forest products converted to a form other than logs at or near the harvesting site, or

when used for the construction or maintenance of the road, thoroughfare or property, pursuant to a written agreement or permit authorizing the use, construction or maintenance of the road, thoroughfare or property, with:

- (a) An agency of the United States;
- (b) The State Board of Forestry;
- (c) The State Forester; or
- (d) A licensee of an agency named in this subsection.

(8) Vehicles being used on any county road for the removal of forest products as defined in ORS 321.005, or the products of forest products converted to a form other than logs at or near the harvesting site, if:

(a) The use is pursuant to a written agreement entered into with the State Board of Forestry, the State Forester or an agency of the United States, authorizing the owner of the motor vehicle to use the road and requiring the owner to pay for or to perform the construction or maintenance of the county road, including any operator of a motor vehicle retained to transport logs, poles and piling for the owners who are exempt under this section;

(b) The board, officer or agency that entered into the agreement or granted the permit, by contract with the county court or board of county commissioners, has assumed the responsibility for the construction or maintenance of the county road; and

(c) Copies of the agreements or permits required by this subsection are filed with the Director of Transportation.

(9) Vehicles being used in the transportation of persons for hire if the operation:

(a) Is performed by a nonprofit entity;

(b) Is not in competition with a regular route full-service scheduled carrier of persons that is subject to the provisions of this chapter or a service provided by a mass transit district formed under ORS chapter 267;

(c) Is performed by use of vehicles operating in compliance with ORS 820.020 to 820.070; and

(d) Is approved by the Department of Transportation as complying with paragraphs (a) to (c) of this subsection.

(10) Vehicles being used in transporting persons with disabilities, with or without their supervisors or assistants, to or from rehabilitation facilities or child care services if the motor vehicle is a passenger motor vehicle with a seating capacity of not more than 12 passengers. The exemption provided by this subsection applies only when the motor vehicle is operated by or under contract with any person responsible for the administration of rehabilitation facilities as defined in ORS 344.710 to 344.730 or child care services provided by a facility licensed under ORS 329A.030 and 329A.250 to 329A.450.

(11) Vehicles owned or operated by the United States or by any governmental jurisdiction within the United States except when owned or operated as a carrier of property for hire.

(12) Vehicles owned or operated by a mass transit district created under ORS chapter 267.

(13) Vehicles owned or operated by, or under contract with, a person responsible for the construction or reconstruction of a highway under contract with the Department of Transportation or with an agency of the United States when operated within the immediate construction project as described in the governmental agency contract during the construction period.

(14) Vehicles owned or operated by, or under contract with, a charitable organization when exclusively engaged in performing transportation, either one way or round trip, necessary to the operation of the charitable organization. As used in this subsection, "charitable organization" means an organization that has no capital stock and no provision for making dividends or profits, but derives its funds principally from public and private charity and holds them in trust for the promotion of the welfare of others and not for profit. Any organization claiming an exemption under this subsection shall file an affidavit with the department stating that it is organized and operated in accordance with the requirements of this subsection.

(15) Vehicles with a maximum speed that does not exceed 35 miles per hour that are designed for off-road use and that are operated on the public highways in any one calendar year a number

of miles that does not exceed 15 percent of the total number of miles the vehicle is operated for that calendar year.

(16) Passenger vehicles with a passenger seating capacity that does not exceed five when used in the transportation of new telephone books.

(17) A vehicle that is used in a limousine service operation in which the destination and route traveled may be controlled by the passenger and the fare is calculated on the basis of any combination of initial fee, distance traveled and waiting time if the vehicle:

- (a) Is a passenger vehicle with a passenger seating capacity that does not exceed eight;
- (b) Carries passengers for hire between points in Oregon; and
- (c) Operates on an irregular route basis.

(18) Fire trucks and rescue vehicles that are designated as emergency vehicles by the Department of Transportation under ORS 801.260, while involved in emergency and related operations.

(19) A person who provides services related to the packing or loading of household goods if the person does not:

- (a) Provide or operate a motor vehicle for the movement of the household goods; and
- (b) Act as an agent for any person who does provide or operate a motor vehicle for the movement of the household goods.

SECTION 217. Section 14, chapter 36, Oregon Laws 2012, as amended by section 4, chapter 434, Oregon Laws 2013, section 202d, chapter 747, Oregon Laws 2013, and section 155, chapter 768, Oregon Laws 2013, 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)] (D) A public university listed in ORS 352.002; and

[(F)] (E) 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)] (D) For a public university with a governing board listed in *[section 3 of this 2013 Act]* **ORS 352.054**, the governing board of the university.

[(G)] (E) 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:

(A) October 15 of each year for governing bodies of education entities identified in subsection (1)(b)(A) or (B) of this section; or

(B) July 1 of each year for governing bodies of education entities identified in subsection (1)(b)(C) of this section.

(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)*] **and (E)** 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)] **(1)(b)(E)** 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, as appropriate for the type of education entity represented by the governing body of the education entity. The purposes of the open communications are to explain and discuss 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 218. 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 commission, the governing board of a public university [*with a governing board listed in ORS 352.054*] **listed in ORS 352.002** 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 the commission or the board determines there is a statewide need, the commission or 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 commission, the governing board of a public university [*with a governing board listed in ORS 352.054*] **listed in ORS 352.002** 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 commission shall continue to provide and improve upon an effective articulation and transfer framework for students in Oregon's post-secondary sectors.

SECTION 219. Section 44, chapter 1, Oregon Laws 2015, is amended to read:

Sec. 44. (1) There is established the Oregon Marijuana Account, separate and distinct from the General Fund.

(2) At the end of each month, the Oregon Liquor Control Commission shall certify the amount of moneys available for distribution in the Oregon Marijuana Account and, after withholding such moneys as it may deem necessary to carry out its obligations under sections 3 to 70, **chapter 1, Oregon Laws 2015** [*of this Act*], shall within 35 days of the month for which a distribution is made distribute the moneys as follows:

(a) Forty percent [*shall*] **must** be transferred to the Common School Fund;

(b) Twenty percent [*shall*] **must** be transferred to the Mental Health Alcoholism and Drug Services Account established under ORS 430.380;

(c) Fifteen percent [*shall*] **must** be transferred to the State Police Account established under ORS 181.175;

(d) To assist local law enforcement in performing its duties under **sections 3 to 70, chapter 1, Oregon Laws 2015, 10** [*this Act, ten*] percent [*shall*] **must** be transferred to the cities of [*the*] **this** state in the following shares:

(A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such shares as the population of each city bears to the population of the cities of [*the*] **this** state, as de-

terminated by [the State Board of Higher Education] **Portland State University** last preceding such apportionment, under ORS 190.510 to 190.610; and

(B) For all distributions made from the Oregon Marijuana Account on or after July 1, 2017:

(i) Fifty percent of [such ten] **the 10** percent [shall] **must** be transferred in such shares as the number of licenses issued by the commission under sections 19 to 21, **chapter 1, Oregon Laws 2015**, [of this Act] during the calendar year preceding the date of the distribution for premises located in each city bears to the number of such licenses issued by the commission during such calendar year for all premises in [the] **this** state; and

(ii) Fifty percent of [such ten] **the 10** percent [shall] **must** be transferred in such shares as the number of licenses issued by the commission under section 22, **chapter 1, Oregon Laws 2015**, [of this Act] during the calendar year preceding the date of the distribution for premises located in each city bears to the number of such licenses issued by the commission during such calendar year for all premises in [the] **this** state;

(e) To assist local law enforcement in performing its duties under **sections 3 to 70, chapter 1, Oregon Laws 2015, 10** [this Act, ten] percent [shall] **must** be transferred to counties in the following shares:

(A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such shares as their respective populations bear to the total population of [the] **this** state, as estimated from time to time by [the State Board of Higher Education] **Portland State University**; and

(B) For all distributions made from the Oregon Marijuana Account on or after July 1, 2017:

(i) Fifty percent of [such ten] **the 10** percent [shall] **must** be transferred in such shares as the number of licenses issued by the commission under sections 19 to 21, **chapter 1, Oregon Laws 2015**, [of this Act] during the calendar year preceding the date of the distribution for premises located in each county bears to the number of such licenses issued by the commission during such calendar year for all premises in [the] **this** state; and

(ii) Fifty percent of [such ten] **the 10** percent [shall] **must** be transferred in such shares as the number of licenses issued by the commission under section 22, **chapter 1, Oregon Laws 2015**, [of this Act] during the calendar year preceding the date of the distribution for premises located in each county bears to the number of such licenses issued by the commission during such calendar year for all premises in [the] **this** state; and

(f) Five percent [shall] **must** be transferred to the Oregon Health Authority to be used for the establishment, operation[,] and maintenance of alcohol and drug abuse prevention, early intervention and treatment services.

(3) It is the intent of this section that the moneys distributed from the Oregon Marijuana Account to the distributees in subsection (2) of this section are in addition to any other available moneys to such distributees and do not supplant moneys available from any other source.

SECTION 220. For purposes of Article XI-M, section 1, of the Oregon Constitution, a building owned by the State Board of Higher Education includes a building owned by:

(1) **The State Board of Higher Education on the date before August 14, 2013, that, as a result of sections 2 and 3 of this 2015 Act and the amendments to ORS 352.054 by section 1 of this 2015 Act, is on the effective date of this 2015 Act owned by another agency or public corporation of this state and used for purposes within the authority of the board on the date before the effective date of this 2015 Act.**

(2) **An agency or public corporation of this state on or after the effective date of this 2015 Act and used for purposes within the authority of the board before the effective date of this 2015 Act.**

SECTION 221. For purposes of Article XV, section 8, of the Oregon Constitution, a person employed by the State Board of Higher Education includes a person who:

(1) **Was employed by the board on the date before August 14, 2013, and who, as a result of any provision of this 2015 Act, is employed by any board or commission established by law to supervise and coordinate the activities of Oregon's institutions of post-secondary education, a public university listed in ORS 352,002, a public agency or a public corporation of this**

state in a capacity that was within the authority of the board on the date before the effective date of this 2015 Act.

(2) On or after the effective date of this 2015 Act, is employed by any board or commission established by law to supervise and coordinate the activities of Oregon's institutions of post-secondary education, a public university listed in ORS 352,002, a public agency or a public corporation of this state in a capacity that was within the authority of the board before August 14, 2013.

MISCELLANEOUS

SECTION 222. Section 11, chapter 519, Oregon Laws 2011, as amended by section 2, chapter 37, Oregon Laws 2012, is amended to read:

Sec. 11. (1) On March 15, 2016, the Chief Education Officer of the Oregon Education Investment Board shall deliver to the [*Chancellor of the Oregon University System*] **Higher Education Coordinating Commission** all records and property within the jurisdiction of the Chief Education Officer that relate to the duties, functions and powers of the Oregon Education Investment Board. The [*Chancellor of the Oregon University System*] **Higher Education Coordinating Commission** shall take possession of the records and property.

(2) On March 15, 2016, the Chief Education Officer shall deliver to the Early Learning System Director all records and property within the jurisdiction of the Chief Education Officer that relate to the duties, functions and powers of the Early Learning Council. The Early Learning System Director shall take possession of the records and property.

(3) The Governor shall resolve any dispute between the Chief Education Officer and the [*Chancellor of the Oregon University System*] **Higher Education Coordinating Commission**, or the Chief Education Officer and the Early Learning System Director, relating to transfers of records and property under this section, and the Governor's decision is final.

SECTION 223. Section 1, chapter 90, Oregon Laws 2010, as amended by section 1, chapter 373, Oregon Laws 2011, and section 99, chapter 366, Oregon Laws 2015 (Enrolled House Bill 2408), is amended to read:

Sec. 1. (1) There is created the Grow Oregon Council, consisting of 19 members appointed as follows:

(a) The President of the Senate shall appoint:

(A) Two members from among members of the Senate who shall be from different political parties.

(B) Two members representing municipal or regional economic development organizations.

(C) One member who shall be a current or former business leader with fast-growth business experience.

(b) The Speaker of the House of Representatives shall appoint:

(A) Two members from among members of the House of Representatives who shall be from different political parties.

(B) Two members representing municipal or regional economic development organizations.

(C) One member who shall be a current or former business leader with fast-growth business experience.

(D) One member representing a nonprofit business development organization.

(c) The executive director of the Higher Education Coordinating Commission shall appoint:

(A) One member representing [*the Oregon University System*] **public universities listed in ORS 352.002** who shall be a current or former business leader.

(B) One member representing the community colleges in this state.

(d) The Director of the Oregon Business Development Department shall appoint:

(A) One member representing the department.

(B) One member representing a small business development center who shall be a current or former business leader.

- (e) The Governor shall appoint:
- (A) Two members who are currently principals of Oregon-based companies, or have been principals of Oregon-based companies within the past five years; and
- (B) Two members who represent trade associations.
- (f) At least two of the nonlegislative members appointed should have knowledge of advanced market research tools and their application.
- (2) The council shall:
- (a) Identify and assess Oregon's continuum of business development services with particular attention to the needs of stage two, high-growth businesses, advanced market research, including but not limited to connectivity among business service providers, and infrastructure to support entrepreneurship and growth company capacity building.
- (b) Collaborate with state and local governments and their departments, community colleges, institutions of higher education and business and economic development organizations to identify areas for program modification, enhancement, coordination and creation to deliver a more robust continuum of services for stage two, high-growth businesses consistent with the principles of economic gardening.
- (c) Make recommendations to the Seventy-seventh Legislative Assembly for program modification, enhancement, coordination and creation to deliver a more robust continuum of services for stage two, high-growth businesses consistent with the principles of economic gardening.
- (d) Recommend program areas in which [*Oregon University System*] **public university** graduate programs and community colleges may choose to participate in order to assist in providing a more robust continuum of services for stage two, high-growth businesses consistent with the principles of economic gardening, including but not limited to courses of study and internships.
- (e) Make recommendations for criteria for stage two, high-growth businesses as the criteria relate to recommended strategies for fast-growth stage-two business development.
- (f) Make recommendations for key metrics and outcomes to be measured should the state create an economic gardening program.
- (g) Make recommendations for how an economic gardening program may fit within efforts under way to support the development of the state's minority, women and emerging small business enterprises.
- (h) Explore opportunities for connecting market research and economic gardening services to capital access programs, including but not limited to the Building Opportunities for Oregon Small Business Today (BOOST) Account.
- (i) Explore opportunities for facilitating the access of stage two, high-growth businesses to international markets.
- (j) Advise the Oregon Business Development Department or other administering entity on a pilot program providing economic gardening services, if such a pilot program is authorized.
- (3) A majority of the members of the council constitutes a quorum for the transaction of business.
- (4) Official action by the council requires the approval of a majority of the members of the council.
- (5) The council shall elect one of its members to serve as chairperson.
- (6) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.
- (7)(a) The council shall meet at least once every three months, at times and places specified by the call of the chairperson or of a majority of the members of the council.
- (b) The Grow Oregon Council shall cease meeting once the council:
- (A) Completes its evaluation of the implementation of the pilot program providing economic gardening services, if such a program is authorized; or
- (B) Recommends against implementation of a pilot program.
- (8) The council may adopt rules necessary for the operation of the council.

(9) Notwithstanding ORS 171.072, members of the council who are members of the Legislative Assembly are not entitled to mileage expenses or a per diem and serve as volunteers on the council. Other members of the council are not entitled to compensation or reimbursement for expenses and serve as volunteers on the council.

(10) 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.

AMENDMENTS TO RESOLVE CONFLICTS

SECTION 224. If House Bill 3303 becomes law, ORS 200.025, as amended by section 60 of this 2015 Act, is amended to read:

200.025. (1) *[There is created, in the Office of the Governor, the Advocate for Minority, Women and Emerging Small Business who shall be appointed by the Governor.]* **The Governor shall appoint a Governor's Policy Advisor for Economic and Business Equity within the office of the Governor.**

(2) *[There is created in the Oregon Business Development Department the Office for Minority, Women and Emerging Small Business, the employees of which shall be appointed by]* **The Certification Office for Business Inclusion and Diversity is created within the Oregon Business Development Department, and the Director of the Oregon Business Development Department shall appoint the employees of the office.**

[(3)(a) The director may prescribe the duties and assignments of all officers and employees of the Office for Minority, Women and Emerging Small Business. The director shall establish the compensation of all officers and employees of the office.]

[(b) The officers and employees of the office shall be allowed reimbursement for reasonable and necessary travel and other expenses incurred in the performance of their duties.]

[(4)] **(3)** The *[Advocate for Minority, Women and Emerging Small Business]* **Governor's Policy Advisor for Economic and Business Equity** shall:

(a) Advise the Governor and the director on activities and initiatives that may promote the economic integration of minorities, women, **service-disabled veterans** and emerging small businesses into the business sector;

[(b) Prepare an annual report to the Governor, director and Legislative Assembly on the status of minorities and women in the marketplace, accomplishments and resolutions of issues of concern to minority and women's enterprises and recommendations for executive and legislative actions; and]

(b) Prepare an annual report to the Governor, director and Legislative Assembly on disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses that examines:

(A) The status of the enterprises and businesses in the marketplace;

(B) Accomplishments and resolutions that have occurred with respect to issues that concern the enterprises and businesses; and

(C) Recommendations for executive and legislative action; and

(c) Carry out other duties that *[may be assigned by]* the Governor **may assign.**

[(5)] **(4)** The *[Office for Minority, Women and Emerging Small Business]* **Certification Office for Business Inclusion and Diversity** shall:

(a) Provide information to *[minority, women and]* **minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses;**

(b) Assist in *[the development and implementation of]* **developing and implementing** an aggressive strategy for this state, based on research and monitoring, that encourages *[participation of]* minorities, women, **service-disabled veterans** and emerging small businesses **to participate** in the state's economy;

(c) [Make recommendations to the director on the research, development and implementation of the plan for the involvement of disadvantaged and minority groups and emerging small businesses in all state programs] **Recommend to the director methods for researching, developing and implementing a plan to involve minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses in all state programs;**

(d) **Maintain, in consultation with the Department of Transportation, public universities listed in ORS 352.002 and other entities, an Oregon Opportunity Register and Clearinghouse for information [on public agency and other contract solicitations for professional services, supplies and services and other bid opportunities, in consultation with public universities listed in ORS 352.002, the Department of Transportation and other entities] about contracting agency solicitations and other opportunities to submit bids or proposals to contracting agencies to provide goods, supplies and services, including professional services;**

[e) Monitor the certification and compliance program for disadvantaged, minority, women and emerging small businesses under ORS 200.055;]

(e) Monitor the certification and compliance program under ORS 200.055 for:

(A) Disadvantaged business enterprises;

(B) Minority-owned businesses, woman-owned businesses and businesses that service-disabled veterans own; and

(C) Emerging small businesses;

(f) Investigate complaints and possible abuses of the certification program; and

(g) Assist in [the promotion and coordination of] **promoting and coordinating** plans, programs and operations of state government that [strengthen minority and women participation] **help minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses to participate** in the economic life of this state.

SECTION 225. If House Bill 3303 becomes law, ORS 200.025, as amended by section 2, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303), is amended to read:

200.025. (1) The Governor shall appoint a Governor's Policy Advisor for Economic and Business Equity within the office of the Governor.

(2) The Certification Office for Business Inclusion and Diversity is created within the Oregon Business Development Department, and the Director of the Oregon Business Development Department shall appoint the employees of the office.

(3) The Governor's Policy Advisor for Economic and Business Equity shall:

(a) Advise the Governor and the director on activities and initiatives that may promote the economic integration of minorities, women, service-disabled veterans and emerging small businesses into the business sector;

(b) Prepare an annual report to the Governor, director and Legislative Assembly on disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses that examines:

(A) The status of the enterprises and businesses in the marketplace;

(B) Accomplishments and resolutions that have occurred with respect to issues that concern the enterprises and businesses; and

(C) Recommendations for executive and legislative action; and

(c) Carry out other duties that the Governor may assign.

(4) The Certification Office for Business Inclusion and Diversity shall:

(a) Provide information to minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses;

(b) Assist in developing and implementing an aggressive strategy for this state, based on research and monitoring, that encourages minorities, women, service-disabled veterans and emerging small businesses to participate in the state's economy;

(c) Recommend to the director methods for researching, developing and implementing a plan to involve minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses in all state programs;

(d) Maintain, in consultation with the [*State Board of Higher Education, the*] Department of Transportation, **public universities listed in ORS 352.002** and other entities, an Oregon Opportunity Register and Clearinghouse for information about contracting agency solicitations and other opportunities to submit bids or proposals to contracting agencies to provide goods, supplies and services, including professional services;

(e) Monitor the certification and compliance program under ORS 200.055 for:

(A) Disadvantaged business enterprises;

(B) Minority-owned businesses, woman-owned businesses and businesses that service-disabled veterans own; and

(C) Emerging small businesses;

(f) Investigate complaints and possible abuses of the certification program; and

(g) Assist in promoting and coordinating plans, programs and operations of state government that help minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses to participate in the economic life of this state.

SECTION 226. If House Bill 3524 does not become law, ORS 270.100, as amended by section 72 of this 2015 Act, is amended to read:

270.100. (1)(a) Before offering for sale any real property or equitable interest [*therein owned by the state*] **in real property that the state owns**, the state agency acting for the state in [*such*] **the sales** transaction shall report [*its intent of sale or transfer*] to the Oregon Department of Administrative Services **that the state agency intends to sell or transfer the real property or the equitable interest**. The department, or [*the*] **an agency the department** specifically [*designated by the department*] **designates**, shall notify other state agencies authorized to own real property of the intended sale or transfer to determine whether [*acquisition of*] **acquiring** the real property or interest [*therein*] **in the real property** 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 **or an interest in real property** [*to be sold or disposed of by*] **that** the State of Oregon **disposes of or sells**. The state agency responsible for selling or transferring the property **or the equitable interest** 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*] **must use state real property or an equitable interest in real property sold or transferred to the political subdivision** for a public purpose or benefit, and [*not be for resale*] **that the political subdivision may not resell the real property or the equitable interest** to a private purchaser.

(c) If a state agency that intends to sell or transfer real property or an equitable interest **in real property has not disposed of the real property or the equitable interest** [*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*] **the real property** to be appraised by one or more competent and experienced appraisers **in accordance with rules the department adopts**. Except as provided in ORS 273.825, if [*such*] **the property** has an appraised value exceeding \$5,000, [*it shall*] **the property or an equitable interest in the property may** 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*] **a state agency acquires** any real property or interest [*therein by any state agency*] **in real property**, except for highway right of way [*acquired by*] **that** the Department of Transportation **acquires**, [*and*] park properties [*acquired by*] **that** the State Parks and Recreation Department **acquires** and property within the approved projected campus boundaries for public universities listed in ORS 352.002, the state agency shall report [*its intent of acquisition*] to the Oregon Department of Administrative Services **that the state agency intends to acquire the real property or the interest in real property**. The department shall notify other state agencies [*owning land of the intended acquisition*] **that own land that the state agency intends to acquire real property or an interest in real property** to determine whether another state agency desires

to sell or transfer property that would meet the needs of the [*purchasing*] **acquiring** agency. In accordance with rules [*adopted by*] the Oregon Department of Administrative Services **adopts**, if no other state agency desires to sell or transfer property that would meet the needs of the agency **that intends to acquire real property or an interest in real property**, the agency may acquire the real property or interest [*therein*] **in real property**, 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*] **that** the State Department of Fish and Wildlife **controls**;

(b) State forestlands [*controlled by*] **that** the State Forestry Department **controls**;

(c) Property [*controlled by*] **that** the Department of Transportation **controls**;

(d) Property [*controlled by*] **that** the Department of State Lands **controls**;

(e) Property [*controlled by*] **that** public universities listed in ORS 352.002 **control**;

(f) **Property that the legislative branch of state government controls**;

[(f)] (g) Property [*controlled by the legislative or judicial branches*] **that the judicial branch of state government controls**; and

[(g)] (h) Property [*controlled by*] **that** the State Parks and Recreation Department **controls**.

(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*] **the public** 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) A home or farm [*acquired or sold by*] **that** the Department of Veterans' Affairs **acquires or sells** under ORS 88.720, 406.050, 407.135, 407.145, 407.375 [*and*] **or** 407.377.

(b) Real property [*acquired or sold by*] **that** the Housing and Community Services Department **acquires or sells** under the provisions of ORS 456.515 to 456.725 or ORS chapter 458.

(c) **Real property that the Oregon Health Authority or the Department of Human Services acquires or sells under ORS 410.075 or 416.340.**

SECTION 227. If House Bill 3524 does not become law, ORS 270.100, as amended by section 1, chapter 285, Oregon Laws 2015 (Enrolled Senate Bill 224), is amended to read:

270.100. (1)(a) Before offering for sale any real property or equitable interest in real property that the state owns, the state agency acting for the state in the sales transaction shall report to the Oregon Department of Administrative Services that the state agency intends to sell or transfer the real property or the equitable interest. The department, or an agency the department specifically designates, shall notify other state agencies authorized to own real property of the intended sale or transfer to determine whether acquiring the real property or interest in the real property 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 or an interest in real property that the State of Oregon disposes of or sells. The state agency responsible for selling or transferring the property or the equitable interest may require at the time of the sale or transfer that a political subdivision must use state real property or an equitable interest in real property sold or transferred to the political subdivision for a public purpose or benefit, and that the political subdivision may not resell the real property or the equitable interest to a private purchaser.

(c) If a state agency that intends to sell or transfer real property or an equitable interest in real property has not disposed of the real property or the equitable interest under paragraph (a) or (b) of this subsection, the state agency shall cause the real property to be appraised by one or more competent and experienced appraisers in accordance with rules the department adopts. Except as provided in ORS 273.825, if the property has an appraised value exceeding \$5,000, the property or

an equitable interest in the property may 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 a state agency acquires any real property or interest in real property, except for highway right of way that the Department of Transportation acquires, park properties that the State Parks and Recreation Department acquires and property within the approved projected campus boundaries for public universities [*of the Oregon University System or public universities with governing boards listed in ORS 352.054*] **listed in ORS 352.002**, the state agency shall report to the Oregon Department of Administrative Services that the state agency intends to acquire the real property or the interest in real property. The department shall notify other state agencies that own land that the state agency intends to acquire real property or an interest in real property to determine whether another state agency desires to sell or transfer property that would meet the needs of the acquiring agency. In accordance with rules the Oregon Department of Administrative Services adopts, if no other state agency desires to sell or transfer property that would meet the needs of the agency that intends to acquire real property or an interest in real property, the agency may acquire the real property or interest in real property, 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 that the State Department of Fish and Wildlife controls;
- (b) State forestlands that the State Forestry Department controls;
- (c) Property that the Department of Transportation controls;
- (d) Property that the Department of State Lands controls;
- (e) Property that [*the Oregon University System controls or that*] public universities [*with governing boards*] listed in ORS [*352.054*] **352.002** control;
- (f) Property that the legislative branch of state government controls;
- (g) Property that the judicial branch of state government controls; and
- (h) Property that the State Parks and Recreation Department controls.

(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 the public 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) A home or farm that the Department of Veterans' Affairs acquires or sells under ORS 88.720, 406.050, 407.135, 407.145, 407.375 or 407.377.

(b) Real property that the Housing and Community Services Department acquires or sells under the provisions of ORS 456.515 to 456.725 or ORS chapter 458.

(c) Real property that the Oregon Health Authority or the Department of Human Services acquires or sells under ORS 410.075 or 416.340.

SECTION 228. If House Bill 3524 becomes law, ORS 270.100, as amended by section 72 of this 2015 Act, is amended to read:

270.100. (1)(a) Before offering for sale any real property or equitable interest [*therein owned by the state*] **in real property that the state owns**, the state agency acting for the state in [*such*] **the sales** transaction shall report [*its intent of sale or transfer*] to the Oregon Department of Administrative Services **that the state agency intends to sell or transfer the real property or the equitable interest**. The department, or [*the*] **an agency the department** specifically [*designated by the department*] **designates**, shall notify other state agencies authorized to own real property of the intended sale or transfer to determine whether [*acquisition of*] **acquiring** the real property or interest [*therein*] **in the real property** would be advantageous to another state agency.

(b)(A) 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 **or an interest in real property** *[to be sold or disposed of by]* **that** the State of Oregon **disposes of or sells to:**

(i) **The following entities, on the condition that the entities will develop housing on the real property that will be occupied by families and individuals with an income no greater than 80 percent of the median family income for the county in which the real property is located:**

(I) Nonprofit organizations; and

(II) Indian tribes, as defined in ORS 97.740; and

(ii) Political subdivisions, as defined in ORS 271.005.

(B) The state agency responsible for selling or transferring the property **or the equitable interest** 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]* **must use state real property or an equitable interest in real property sold or transferred to the political subdivision** for a public purpose or benefit, and *[not be for resale]* **that the political subdivision may not resell the real property or the equitable interest** to a private purchaser.

(c) If a state agency that intends to sell or transfer real property or an equitable interest in real property has not disposed of the real property or the equitable interest *[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]* **the real property** to be appraised by one or more competent and experienced appraisers **in accordance with rules the department adopts.** Except as provided in ORS 273.825, if *[such]* **the property** has an appraised value exceeding \$5,000, *[it shall]* **the property or an equitable interest in the property** may 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]* **a state agency acquires** any real property or interest *[therein by any state agency]* **in real property,** except for highway right of way *[acquired by]* **that** the Department of Transportation **acquires,** *[and]* park properties *[acquired by]* **that** the State Parks and Recreation Department **acquires** and property within the approved projected campus boundaries for public universities listed in ORS 352.002, the state agency shall report *[its intent of acquisition]* to the Oregon Department of Administrative Services **that the state agency intends to acquire the real property or the interest in real property.** The department shall notify other state agencies *[owning land of the intended acquisition]* **that own land that the state agency intends to acquire real property or an interest in real property** to determine whether another state agency desires to sell or transfer property that would meet the needs of the *[purchasing]* **acquiring** agency. In accordance with rules *[adopted by]* the Oregon Department of Administrative Services **adopts,** if no other state agency desires to sell or transfer property that would meet the needs of the agency **that intends to acquire real property or an interest in real property,** the agency may acquire the real property or interest *[therein]* **in real property,** 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]* **that** the State Department of Fish and Wildlife **controls;**

(b) State forestlands *[controlled by]* **that** the State Forestry Department **controls;**

(c) Property *[controlled by]* **that** the Department of Transportation **controls;**

(d) Property *[controlled by]* **that** the Department of State Lands **controls;**

(e) Property *[controlled by]* **that** public universities listed in ORS 352.002 **control;**

(f) **Property that the legislative branch of state government controls;**

[(f)] (g) Property [controlled by the legislative or judicial branches] **that the judicial branch of state government controls**; and

[(g)] (h) Property [controlled by] **that the State Parks and Recreation Department controls**.

(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] **the public 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) A home or farm [acquired or sold by] **that the Department of Veterans' Affairs acquires or sells** under ORS 88.720, 406.050, 407.135, 407.145, 407.375 [and] **or 407.377**.

(b) Real property [acquired or sold by] **that the Housing and Community Services Department acquires or sells** under the provisions of ORS 456.515 to 456.725 or ORS chapter 458.

(c) **Real property that the Oregon Health Authority or the Department of Human Services acquires or sells under ORS 410.075 or 416.340.**

SECTION 229. If House Bill 3524 becomes law, ORS 270.100, as amended by section 1, chapter 285, Oregon Laws 2015 (Enrolled Senate Bill 224), and section 1a, chapter 572, Oregon Laws 2015 (Enrolled House Bill 3524), is amended to read:

270.100. (1)(a) Before offering for sale any real property or equitable interest in real property that the state owns, the state agency acting for the state in the sales transaction shall report to the Oregon Department of Administrative Services that the state agency intends to sell or transfer the real property or the equitable interest. The department, or an agency the department specifically designates, shall notify other state agencies authorized to own real property of the intended sale or transfer to determine whether acquiring the real property or interest in the real property would be advantageous to another state agency.

(b)(A) The department shall give the first opportunity after other state agencies to acquire, purchase, exchange or lease real property or an interest in real property that the State of Oregon disposes of or sells to:

(i) The following entities, on the condition that the entities will develop housing on the real property that will be occupied by families and individuals with an income no greater than 80 percent of the median family income for the county in which the real property is located:

(I) Nonprofit organizations; and

(II) Indian tribes, as defined in ORS 97.740; and

(ii) Political subdivisions, as defined in ORS 271.005.

(B) The state agency responsible for selling or transferring the property or the equitable interest may require at the time of the sale or transfer that a political subdivision must use state real property or an equitable interest in real property sold or transferred to the political subdivision for a public purpose or benefit, and that the political subdivision may not resell the real property or the equitable interest to a private purchaser.

(c) If a state agency that intends to sell or transfer real property or an equitable interest in real property has not disposed of the real property or the equitable interest under paragraph (a) or (b) of this subsection, the state agency shall cause the real property to be appraised by one or more competent and experienced appraisers in accordance with rules the department adopts. Except as provided in ORS 273.825, if the property has an appraised value exceeding \$5,000, the property or an equitable interest in the property may 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 a state agency acquires any real property or interest in real property, except for highway right of way that the Department of Transportation acquires, park properties that the State Parks and Recreation Department acquires and property within the approved projected campus boundaries for public universities [of the Oregon University System or public universities with governing boards listed in ORS 352.054] **listed in ORS 352.002**, the state agency shall report to the Oregon Department of Administrative Services that the state agency intends to acquire the real

property or the interest in real property. The department shall notify other state agencies that own land that the state agency intends to acquire real property or an interest in real property to determine whether another state agency desires to sell or transfer property that would meet the needs of the acquiring agency. In accordance with rules the Oregon Department of Administrative Services adopts, if no other state agency desires to sell or transfer property that would meet the needs of the agency that intends to acquire real property or an interest in real property, the agency may acquire the real property or interest in real property, 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 that the State Department of Fish and Wildlife controls;
- (b) State forestlands that the State Forestry Department controls;
- (c) Property that the Department of Transportation controls;
- (d) Property that the Department of State Lands controls;
- (e) Property that [*the Oregon University System controls or that*] public universities [*with governing boards*] listed in ORS [*352.054*] **352.002** control;
- (f) Property that the legislative branch of state government controls;
- (g) Property that the judicial branch of state government controls; and
- (h) Property that the State Parks and Recreation Department controls.

(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 the public 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) A home or farm that the Department of Veterans' Affairs acquires or sells under ORS 88.720, 406.050, 407.135, 407.145, 407.375 or 407.377.
- (b) Real property that the Housing and Community Services Department acquires or sells under the provisions of ORS 456.515 to 456.725 or ORS chapter 458.
- (c) Real property that the Oregon Health Authority or the Department of Human Services acquires or sells under ORS 410.075 or 416.340.

SECTION 230. ORS 273.785, as amended by section 76 of this 2015 Act, is amended to read:
273.785. ORS 273.551 and 273.775 to 273.790 do not apply to:

(1) Soil, clay, stone, sand and gravel [*acquired or used by*] **that** state agencies **acquire or use** for the purpose of constructing or repairing roads or other state facilities, or the proceeds from [*those materials*] **soil, clay, stone, sand or gravel.**

(2) Mineral or geothermal resource rights or **the** proceeds from [*those rights acquired by*] **mineral or geothermal resource rights that** the State Fish and Wildlife Commission [*pursuant to*] **acquires in** an agreement with the federal government under 16 U.S.C. 669 to 669i (P.L. 75-415).

(3) Mineral or geothermal resource rights or **the** proceeds from [*those*] **mineral or geothermal resource** rights if [*other disposition is required by*] federal rules or regulations or any agreement [*entered into at the time of acquisition of*] **that the state enters into at the time the state acquires the mineral or geothermal resource rights requires another disposition** [*the mineral or geothermal resource rights by the state*].

(4) Proceeds of mineral and geothermal resource rights [*acquired by*] **that** the state **acquires** pursuant to ORS 530.010 and 530.030, other than [*those*] **mineral and geothermal resource rights** distributed under ORS 530.110 (1)(c).

(5) Mineral or geothermal resource rights or **the** proceeds from [*those*] **mineral or geothermal resource** rights [*acquired after January 1, 1974, for the state by*] **that** the Department of Veterans' Affairs [*pursuant to*] **acquires for the state after January 1, 1974 under** ORS 88.720, 406.050 (2), 407.135 or 407.145. After consultation, the Department of State Lands and the Department of

Veterans' Affairs shall enter into an interagency agreement governing consultation between *[them]* **the departments** concerning mineral and geothermal resource values on properties **the Department of Veterans' Affairs acquires** *[acquired]* for the state *[by the Department of Veterans' Affairs]*. The Department of Veterans' Affairs shall adopt rules relating to the release of mineral and geothermal rights on *[such]* **the acquired** properties.

(6) Mineral or geothermal resource rights or **the** proceeds from *[those]* **mineral or geothermal resource** rights *[given by]* **that** a donor **gives** to any public university or office, department or activity under the control of the governing board of a public university listed in ORS 352.002 that *[are acquired or held]* **the public university acquires or holds** for the state *[by the public university pursuant to]* **under** ORS chapters 351 and 567. In managing mineral or geothermal resource leases, the governing board shall consult with the Department of State Lands in accordance with an interagency agreement *[established by]* **that** the department and the governing board *[governing]* **establish to govern** consultation between the department and the public university and *[governing]* **to govern** management of the mineral or geothermal resources.

(7) Mineral or geothermal resource rights or proceeds from *[those]* **mineral or geothermal resource** rights *[acquired and held by]* **that** the Department of Transportation **acquires and holds**. In managing mineral or geothermal resource leases, the Department of Transportation shall enter into an intergovernmental agreement with the Department of State Lands governing consultation between the departments and governing management of the mineral or geothermal resources.

(8) Mineral or geothermal resource rights or **the** proceeds from *[those]* **mineral or geothermal resource** rights *[acquired and held by]* **that** the Housing and Community Services Department **acquires and holds**.

(9) **Mineral or geothermal resource rights or the proceeds from mineral or geothermal resource rights that the Oregon Health Authority or the Department of Human Services acquires and holds.**

SECTION 231. ORS 273.785, as amended by section 2, chapter 285, Oregon Laws 2015 (Enrolled Senate Bill 224), is amended to read:

273.785. ORS 273.551 and 273.775 to 273.790 do not apply to:

(1) Soil, clay, stone, sand and gravel that state agencies acquire or use for the purpose of constructing or repairing roads or other state facilities, or the proceeds from soil, clay, stone, sand or gravel.

(2) Mineral or geothermal resource rights or the proceeds from mineral or geothermal resource rights that the State Fish and Wildlife Commission acquires in an agreement with the federal government under 16 U.S.C. 669 to 669i (P.L. 75-415).

(3) Mineral or geothermal resource rights or the proceeds from mineral or geothermal resource rights if federal rules or regulations or any agreement that the state enters into at the time the state acquires the mineral or geothermal resource rights requires another disposition.

(4) Proceeds of mineral and geothermal resource rights that the state acquires pursuant to ORS 530.010 and 530.030, other than mineral and geothermal resource rights distributed under ORS 530.110 (1)(c).

(5) Mineral or geothermal resource rights or the proceeds from mineral or geothermal resource rights that the Department of Veterans' Affairs acquires for the state after January 1, 1974 under ORS 88.720, 406.050 (2), 407.135 or 407.145. After consultation, the Department of State Lands and the Department of Veterans' Affairs shall enter into an interagency agreement governing consultation between the departments concerning mineral and geothermal resource values on properties the Department of Veterans' Affairs acquires for the state. The Department of Veterans' Affairs shall adopt rules relating to the release of mineral and geothermal rights on the acquired properties.

(6) Mineral or geothermal resource rights or the proceeds from mineral or geothermal resource rights that a donor gives to any public university or office, department or activity under the control of the *[State Board of Higher Education that the board acquires or holds]* **governing board of a public university listed in ORS 352.002 that the public university acquires or holds** for the state under ORS chapters 351 and 567. In managing mineral or geothermal resource leases, the

[*State Board of Higher Education*] **governing board** shall consult with the Department of State Lands in accordance with an interagency agreement that the department and the **governing board** establish to govern consultation between the department and the [*board*] **public university** and to govern management of the mineral or geothermal resources.

(7) Mineral or geothermal resource rights or proceeds from mineral or geothermal resource rights that the Department of Transportation acquires and holds. In managing mineral or geothermal resource leases, the Department of Transportation shall enter into an intergovernmental agreement with the Department of State Lands governing consultation between the departments and governing management of the mineral or geothermal resources.

(8) Mineral or geothermal resource rights or the proceeds from mineral or geothermal resource rights that the Housing and Community Services Department acquires and holds.

(9) Mineral or geothermal resource rights or the proceeds from mineral or geothermal resource rights that the Oregon Health Authority or the Department of Human Services acquires and holds.

SECTION 232. If House Bill 2412 becomes law and House Bill 2411 does not become law, ORS 342.147, as amended by section 106 of this 2015 Act, is amended to read:

342.147. (1)(a) [*After considering recommendations of the State Board of Education,*] The Teacher Standards and Practices Commission shall establish by rule standards for approval of [*teacher education institutions and teacher education programs*] **educator preparation providers and educator preparation programs**. [*Public teacher education institutions shall be approved for programs of more than four years' duration only if teacher education programs which are reasonably attainable in a four-year period are also available in the system of higher education and are designed to culminate in a baccalaureate degree that qualifies its graduates for entry-level teaching licenses.*]

(b) Standards for approval of an educator preparation program for early childhood education, elementary education, special education or reading must require that the program provide instruction on dyslexia and that the instruction be consistent with the knowledge and practice standards of an international organization on dyslexia.

(2) The **Teacher Standards and Practices** Commission shall establish rules that allow [*teacher education*] **educator preparation** programs leading to graduate degrees to commence prior to the [*student's*] **candidate's** completion of baccalaureate degree requirements and that allow the combined use of undergraduate and graduate level course work in achieving program completion.

(3) Whenever any [*teacher education institution or program*] **educator preparation provider or educator preparation program** is denied approved status or has such status withdrawn, [*such*] **the** denial or withdrawal must be treated as a contested case [*within the meaning of*] **under** ORS chapter 183.

(4) Nothing in this section is intended to grant [*any authority*] to the **Teacher Standards and Practices** Commission **any authority** relating to granting degrees or establishing degree requirements that are within the authority of **the Higher Education Coordinating Commission or any of the** public universities listed in ORS 352.002, or that are within the authority of the governing board of any private institution of higher education.

SECTION 233. If House Bill 2412 becomes law and House Bill 2411 does not become law, ORS 342.147, as amended by section 8, chapter 245, Oregon Laws 2015 (Enrolled House Bill 2412), is amended to read:

342.147. (1)(a) The Teacher Standards and Practices Commission shall establish by rule standards for approval of educator preparation providers and educator preparation programs.

(b) Standards for approval of an educator preparation program for early childhood education, elementary education, special education or reading must require that the program provide instruction on dyslexia and that the instruction be consistent with the knowledge and practice standards of an international organization on dyslexia.

(2) The Teacher Standards and Practices Commission shall establish rules that allow educator preparation programs leading to graduate degrees to commence prior to the candidate's completion of baccalaureate degree requirements and that allow the combined use of undergraduate and graduate level course work in achieving program completion.

(3) Whenever any educator preparation provider or educator preparation program is denied approved status or has such status withdrawn, the denial or withdrawal must be treated as a contested case under ORS chapter 183.

(4) Nothing in this section is intended to grant to the Teacher Standards and Practices Commission any authority relating to granting degrees or establishing degree requirements that are within the authority of [*the State Board of Higher Education,*] the Higher Education Coordinating Commission or any of the public universities listed in ORS 352.002, or that are within the authority of the governing board of any private institution of higher education.

SECTION 234. If both House Bill 2412 and House Bill 3069 become law and House Bill 2411 does not become law, ORS 342.147, as amended by section 8, chapter 245, Oregon Laws 2015 (Enrolled House Bill 2412), and section 233 of this 2015 Act, is amended to read:

342.147. (1)(a) The Teacher Standards and Practices Commission shall establish by rule standards for approval of educator preparation providers and educator preparation programs.

(b) Standards for approval of an educator preparation program for early childhood education, elementary education, special education or reading must require that the program provide instruction on dyslexia and that the instruction be consistent with the knowledge and practice standards of an international organization on dyslexia.

(2) The commission shall adopt rules that:

(a) Require educator preparation programs to demonstrate that candidates enrolled in the programs receive training to provide instruction that enables students to meet or exceed third-grade reading standards and become proficient readers by the end of the third grade, as designated by the State Board of Education. For the purposes of this paragraph:

(A) An educator preparation program may make the demonstration through course curriculum, approved textbooks or other program requirements.

(B) An educator preparation program that is unable to make the demonstration shall develop a plan to meet the requirement within one year and shall report to the commission on the progress of implementing that plan.

[2] **(b)** [*The Teacher Standards and Practices Commission shall establish rules that*] Allow educator preparation programs leading to graduate degrees to commence prior to the candidate's completion of baccalaureate degree requirements and [*that allow the combined use of*] **to combine** undergraduate and graduate level course work in achieving program completion.

(3) Whenever any educator preparation provider or educator preparation program is denied approved status or has such status withdrawn, the denial or withdrawal must be treated as a contested case under ORS chapter 183.

(4) Nothing in this section is intended to grant to the Teacher Standards and Practices Commission any authority relating to granting degrees or establishing degree requirements that are within the authority of the Higher Education Coordinating Commission or any of the public universities listed in ORS 352.002, or that are within the authority of the governing board of any private institution of higher education.

SECTION 235. If both House Bill 2412 and House Bill 3069 become law and House Bill 2411 does not become law, ORS 342.147, as amended by section 8, chapter 245, Oregon Laws 2015 (Enrolled House Bill 2412), and section 2, chapter 427, Oregon Laws 2015 (Enrolled House Bill 3069), is amended to read:

342.147. (1)(a) The Teacher Standards and Practices Commission shall establish by rule standards for approval of educator preparation providers and educator preparation programs.

(b) Standards for approval of an educator preparation program for early childhood education, elementary education, special education or reading must require that the program provide instruction on dyslexia and that the instruction be consistent with the knowledge and practice standards of an international organization on dyslexia.

(2) The commission shall adopt rules that:

(a) Require educator preparation programs to demonstrate that candidates enrolled in the programs receive training to provide instruction that enables students to meet or exceed third-grade

reading standards and become proficient readers by the end of the third grade, as designated by the State Board of Education. For the purposes of this paragraph:

(A) An educator preparation program may make the demonstration through course curriculum, approved textbooks or other program requirements.

(B) An educator preparation program that is unable to make the demonstration shall develop a plan to meet the requirement within one year and shall report to the commission on the progress of implementing that plan.

(b) Allow educator preparation programs leading to graduate degrees to commence prior to the candidate's completion of baccalaureate degree requirements and to combine undergraduate and graduate level course work in achieving program completion.

(3) Whenever any educator preparation provider or educator preparation program is denied approved status or has such status withdrawn, the denial or withdrawal must be treated as a contested case under ORS chapter 183.

(4) Nothing in this section is intended to grant to the Teacher Standards and Practices Commission any authority relating to granting degrees or establishing degree requirements that are within the authority of *[the State Board of Higher Education,]* the Higher Education Coordinating Commission or any of the public universities listed in ORS 352.002, or that are within the authority of the governing board of any private institution of higher education.

SECTION 236. If both House Bill 2411 and House Bill 2412 become law, ORS 342.147, as amended by section 106 of this 2015 Act, is amended to read:

342.147. (1)(a) *[After considering recommendations of the State Board of Education,]* The Teacher Standards and Practices Commission shall establish by rule standards for approval of *[teacher education institutions and teacher education]* **educator preparation providers and educator preparation** programs. *[Public teacher education institutions shall be approved for programs of more than four years' duration only if teacher education programs which are reasonably attainable in a four-year period are also available in the system of higher education and are designed to culminate in a baccalaureate degree that qualifies its graduates for entry-level teaching licenses.]*

(b) Standards for approval of an educator preparation program for early childhood education, elementary education, special education or reading must require that the program provide instruction on dyslexia and that the instruction be consistent with the knowledge and practice standards of an international organization on dyslexia.

(2) The **Teacher Standards and Practices** Commission shall establish rules that allow *[teacher education]* **approved educator preparation** programs leading to graduate degrees to commence prior to the *[student's]* **candidate's** completion of baccalaureate degree requirements and that allow the combined use of undergraduate and graduate level course work in achieving program completion.

(3) Whenever any *[teacher education institution or]* **educator preparation provider or educator preparation** program is denied approved status or has such status withdrawn, *[such]* **the** denial or withdrawal must be treated as a contested case *[within the meaning of]* **under** ORS chapter 183.

(4) Nothing in this section is intended to grant *[any authority]* to the **Teacher Standards and Practices** Commission **any authority** relating to granting degrees or establishing degree requirements that are within the authority of **the Higher Education Coordinating Commission or any of the** public universities listed in ORS 352.002, or that are within the authority of the governing board of any private institution of higher education.

SECTION 237. If both House Bill 2411 and House Bill 2412 become law, ORS 342.147, as amended by sections 14 and 41, chapter ____, Oregon Laws 2015 (Enrolled House Bill 2411), is amended to read:

342.147. (1)(a) The Teacher Standards and Practices Commission shall establish by rule standards for approval of educator preparation providers and educator preparation programs.

(b) Standards for approval of an educator preparation program for early childhood education, elementary education, special education or reading must require that the program provide instruc-

tion on dyslexia and that the instruction be consistent with the knowledge and practice standards of an international organization on dyslexia.

(2) The Teacher Standards and Practices Commission shall establish rules that allow approved educator preparation programs leading to graduate degrees to commence prior to the candidate's completion of baccalaureate degree requirements and that allow the combined use of undergraduate and graduate level course work in achieving program completion.

(3) Whenever any educator preparation provider or educator preparation program is denied approved status or has such status withdrawn, the denial or withdrawal must be treated as a contested case under ORS chapter 183.

(4) Nothing in this section is intended to grant to the Teacher Standards and Practices Commission any authority relating to granting degrees or establishing degree requirements that are within the authority of [the State Board of Higher Education,] the Higher Education Coordinating Commission or any of the public universities listed in ORS 352.002, or that are within the authority of the governing board of any private institution of higher education.

SECTION 238. If House Bill 2411 and House Bill 2412 and House Bill 3069 become law, ORS 342.147, as amended by sections 106 and 236 of this 2015 Act, is amended to read:

342.147. (1)(a) The Teacher Standards and Practices Commission shall establish by rule standards for approval of educator preparation providers and educator preparation programs.

(b) Standards for approval of an educator preparation program for early childhood education, elementary education, special education or reading must require that the program provide instruction on dyslexia and that the instruction be consistent with the knowledge and practice standards of an international organization on dyslexia.

(2) The commission shall adopt rules that:

(a) Require approved educator preparation programs to demonstrate that candidates enrolled in the programs receive training to provide instruction that enables students to meet or exceed third-grade reading standards and become proficient readers by the end of the third grade, as designated by the State Board of Education. For the purposes of this paragraph:

(A) An approved educator preparation program may make the demonstration through course curriculum, approved textbooks or other program requirements.

(B) An approved educator preparation program that is unable to make the demonstration shall develop a plan to meet the requirement within one year and shall report to the commission on the progress of implementing that plan.

[2] (b) [The Teacher Standards and Practices Commission shall establish rules that] Allow approved educator preparation programs leading to graduate degrees to commence prior to the candidate's completion of baccalaureate degree requirements and [that allow the combined use of] **to combine** undergraduate and graduate level course work in achieving program completion.

(3) Whenever any educator preparation provider or educator preparation program is denied approved status or has such status withdrawn, the denial or withdrawal must be treated as a contested case under ORS chapter 183.

(4) Nothing in this section is intended to grant to the Teacher Standards and Practices Commission any authority relating to granting degrees or establishing degree requirements that are within the authority of the Higher Education Coordinating Commission or any of the public universities listed in ORS 352.002, or that are within the authority of the governing board of any private institution of higher education.

SECTION 239. If House Bill 2411 and House Bill 2412 and House Bill 3069 become law, ORS 342.147, as amended by sections 14, 41 and 42, chapter ___, Oregon Laws 2015 (Enrolled House Bill 2411), is amended to read:

342.147. (1)(a) The Teacher Standards and Practices Commission shall establish by rule standards for approval of educator preparation providers and educator preparation programs.

(b) Standards for approval of an educator preparation program for early childhood education, elementary education, special education or reading must require that the program provide instruc-

tion on dyslexia and that the instruction be consistent with the knowledge and practice standards of an international organization on dyslexia.

(2) The commission shall adopt rules that:

(a) Require approved educator preparation programs to demonstrate that candidates enrolled in the programs receive training to provide instruction that enables students to meet or exceed third-grade reading standards and become proficient readers by the end of the third grade, as designated by the State Board of Education. For the purposes of this paragraph:

(A) An approved educator preparation program may make the demonstration through course curriculum, approved textbooks or other program requirements.

(B) An approved educator preparation program that is unable to make the demonstration shall develop a plan to meet the requirement within one year and shall report to the commission on the progress of implementing that plan.

(b) Allow approved educator preparation programs leading to graduate degrees to commence prior to the candidate's completion of baccalaureate degree requirements and to combine undergraduate and graduate level course work in achieving program completion.

(3) Whenever any educator preparation provider or educator preparation program is denied approved status or has such status withdrawn, the denial or withdrawal must be treated as a contested case under ORS chapter 183.

(4) Nothing in this section is intended to grant to the Teacher Standards and Practices Commission any authority relating to granting degrees or establishing degree requirements that are within the authority of [*the State Board of Higher Education,*] the Higher Education Coordinating Commission or any of the public universities listed in ORS 352.002, or that are within the authority of the governing board of any private institution of higher education.

SECTION 240. If House Bill 3303 becomes law, section 20, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303) (amending ORS 351.070), is repealed.

SECTION 241. If House Bill 3303 becomes law, section 29, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303), is amended to read:

Sec. 29. The amendments to ORS 184.404, 200.005, 200.025, 200.035, 200.045, 200.055, 200.065, 200.075, 200.090, 200.110, 200.120, 279A.105, 279A.110, 279A.142, 279C.110, 279C.836, 285B.740, 286A.615, 293.796, [351.070,] 353.130 and 470.560 and section 18, chapter 4, Oregon Laws 2013, by sections 1 to 19 and 21 to 23, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303), [*of this 2015 Act*] and the repeal of ORS 200.100 by section 24, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303), [*of this 2015 Act*] apply to:

(1) Public contracts that a contracting agency advertises or otherwise solicits or, if the contracting agency does not advertise or solicit the public contract, to public contracts into which the contracting agency enters on or after the operative date specified in section 30, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303) [*of this 2015 Act*];

(2) Decisions that the Oregon Business Development Department makes on and after the operative date specified in section 30, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303), [*of this 2015 Act*] to approve, deny, revoke or refuse to renew a certification as a disadvantaged business enterprise, a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns or an emerging small business;

(3) Investigations that the department or a contracting agency conducts on or after the operative date specified in section 30, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303) [*of this 2015 Act*]; and

(4) A contracting agency's decision on or after the operative date specified in section 30, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303), [*of this 2015 Act*] to suspend an enterprise's or business's right to submit a bid or proposal for a public contract.

SECTION 242. If House Bill 3303 becomes law, section 30, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303), is amended to read:

Sec. 30. (1) The amendments to ORS 184.404, 200.005, 200.025, 200.035, 200.045, 200.055, 200.065, 200.075, 200.090, 200.110, 200.120, 279A.105, 279A.110, 279A.142, 279C.110, 279C.836, 285B.740,

286A.615, 293.796, [351.070,] 353.130 and 470.560 and section 18, chapter 4, Oregon Laws 2013, by sections 1 to **19 and 21 to 23, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303)**, [of this 2015 Act] and the repeal of ORS 200.100 by section 24, **chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303)**, [of this 2015 Act] become operative on January 1, 2016.

(2) The Attorney General, the Director of the Oregon Department of Administrative Services, the Director of Transportation, the Director of the Oregon Business Development Department and a contracting agency that adopts rules under ORS 279A.065 may adopt rules and take any other action before the operative date specified in subsection (1) of this section that is necessary to enable the Attorney General, the director or the contracting agency to exercise, on or after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the Attorney General, the director or the contracting agency by the amendments to ORS 184.404, 200.005, 200.025, 200.035, 200.045, 200.055, 200.065, 200.075, 200.090, 200.110, 200.120, 279A.105, 279A.110, 279A.142, 279C.110, 279C.836, 285B.740, 286A.615, 293.796, [351.070,] 353.130 and 470.560 and section 18, chapter 4, Oregon Laws 2013, by sections 1 to **19 and 21 to 23, chapter 565, Oregon Laws 2015 (Enrolled House Bill 3303)** [of this 2015 Act].

SECTION 243. If House Bill 2411 becomes law, section 32, chapter __, Oregon Laws 2015 (Enrolled House Bill 2411) (amending ORS 351.115), is repealed.

SECTION 244. If House Bill 2412 becomes law, section 51, chapter 245, Oregon Laws 2015 (Enrolled House Bill 2412) (amending ORS 351.115), is repealed.

SECTION 245. If Senate Bill 215 becomes law, sections 98 and 99 of this 2015 Act (both amending ORS 326.500) are repealed and ORS 326.500, as amended by sections 4 and 6, chapter 739, Oregon Laws 2013, and section 16, chapter __, Oregon Laws 2015 (Enrolled Senate Bill 215), is amended to read:

326.500. (1) The STEM Investment Council is established. The council shall function under the direction and control of the Chief Education Office.

(2)(a) The council is established for the purpose of assisting the Superintendent of Public Instruction, the Commissioner for Community College Services and the [*Chancellor of the Oregon University System*] **executive director of the Higher Education Coordinating Commission** in jointly developing and overseeing a long-term strategy that advances the following educational goals related to science, technology, engineering and mathematics:

(A) Double the percentage of students in 4th and 8th grades who are proficient or advanced in mathematics and science, as determined using a nationally representative assessment of students' knowledge in mathematics and science; and

(B) Double the number of students who earn a post-secondary degree requiring proficiency in science, technology, engineering or mathematics.

(b) Achievement of the goals described in paragraph (a) of this subsection shall be determined based on a comparison between the 2014-2015 school year or academic year and the 2024-2025 school year or academic year.

(3) To advance the educational goals described in subsection (2) of this section, the council shall make recommendations to:

(a) The Superintendent of Public Instruction regarding the administration of the STEM Investment Grant Program established in ORS 327.380; and

(b) The Superintendent of Public Instruction, the Commissioner for Community College Services and the [*Chancellor of the Oregon University System*] **executive director of the Higher Education Coordinating Commission** regarding other investments in science, technology, engineering and mathematics that are made or overseen by the Chief Education Office.

(4) The council consists of nine members from the private sector who are jointly appointed by the Superintendent of Public Instruction, the Commissioner for Community College Services and the [*Chancellor of the Oregon University System*] **executive director of the Higher Education Coordinating Commission** and serve at the pleasure of the superintendent, commissioner and [*chancellor*] **executive director**.

(5) To aid and advise the council in the performance of the council's duties, the council:

(a) Shall recruit educators and administrators from kindergarten through grade 12 and from post-secondary education to be nonvoting advisory members of the council;

(b) May recruit nonvoting advisory members to the council who are in addition to the members identified in paragraph (a) of this subsection; and

(c) May establish advisory and technical committees that the council considers necessary.

(6)(a) The Superintendent of Public Instruction, the Commissioner for Community College Services and the [*Chancellor of the Oregon University System*] **executive director of the Higher Education Coordinating Commission** shall jointly appoint a council director. The council director shall serve at the pleasure of the superintendent, commissioner and [*chancellor*] **executive director**.

(b) Except as otherwise directed by the Superintendent of Public Instruction, the Commissioner for Community College Services and the [*Chancellor of the Oregon University System*] **executive director of the Higher Education Coordinating Commission**, the activities of the council shall be directed and supervised by the council director.

(7) Members of the council are not entitled to compensation or reimbursement for expenses and serve as volunteers of the council.

(8) The council shall submit an annual report to the Chief Education Office and the Legislative Assembly on the progress made toward achieving the goals described in subsection (2) of this section and the distribution of funds under the STEM Investment Grant Program.

SECTION 246. If Senate Bill 777 becomes law, section 114 of this 2015 Act (amending ORS 348.849) is repealed.

SECTION 246a. If Senate Bill 215 becomes law, section 222 of this 2015 Act (amending section 11, chapter 519, Oregon Laws 2011) is repealed.

OPERATIVE DATES

SECTION 247. Sections 2, 3, 5 to 7, 220 and 221 of this 2015 Act, the amendments to statutes and session laws by sections 1, 8 to 161, 164 to 219, 222 and 223 of this 2015 Act and the repeal of statutes and session laws by section 4 of this 2015 Act become operative on July 1, 2015.

SECTION 248. If Senate Bill 215 becomes law, section 247 of this 2015 Act is amended to read:

Sec. 247. Sections 2, 3, 5 to 7, 220 and 221 of this 2015 Act, the amendments to statutes and session laws by sections 1, 8 to 161, 164 to 219[, 222] and 223 of this 2015 Act and the repeal of statutes and session laws by section 4 of this 2015 Act become operative on July 1, 2015.

SECTION 249. If House Bill 3303 becomes law, the amendments to ORS 200.025 by section 224 of this 2015 Act become operative January 1, 2016.

SECTION 250. If House Bill 3524 does not become law, the amendments to ORS 270.100 by section 226 of this 2015 Act become operative January 1, 2016.

SECTION 251. If House Bill 3524 becomes law, the amendments to ORS 270.100 by section 228 of this 2015 Act become operative January 1, 2016.

SECTION 252. The amendments to ORS 273.785 by section 230 of this 2015 Act become operative January 1, 2016.

SECTION 253. If House Bill 2412 becomes law and House Bill 2411 does not become law, the amendments to ORS 342.147 by sections 232 and 233 of this 2015 Act become operative January 1, 2016.

SECTION 254. If both House Bill 2411 and House Bill 2412 become law, the amendments to ORS 342.147 by section 236 of this 2015 Act become operative January 1, 2016.

SECTION 255. If both House Bill 2412 and House Bill 3069 become law and House Bill 2411 does not become law, the amendments to ORS 342.147 by section 234 of this 2015 Act become operative July 1, 2016.

SECTION 256. If House Bill 2411 and House Bill 2412 and House Bill 3069 become law, the amendments to ORS 342.147 by section 238 of this 2015 Act become operative July 1, 2016.

UNIT CAPTIONS

SECTION 257. The unit captions used in this 2015 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 2015 Act.

EMERGENCY CLAUSE

SECTION 258. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Passed by Senate June 24, 2015

Received by Governor:

Repassed by Senate July 3, 2015

.....M,....., 2015

Approved:

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Lori L. Brocker, Secretary of Senate

.....M,....., 2015

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Peter Courtney, President of Senate

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Kate Brown, Governor

Passed by House July 1, 2015

Filed in Office of Secretary of State:

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Tina Kotek, Speaker of House

.....M,....., 2015

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Jeanne P. Atkins, Secretary of State