

# Chapter 348

2007 EDITION

## Student Aid; Education Stability Fund; Planning

	<b>POLICY</b>		
348.005	Policy on student financial aid	348.370	Repayment of loans; interest; conditions; exemption
	<b>LOANS GENERALLY</b>	348.390	Rural Medical Education Loan Fund; sources; use
348.010	Higher Education Student Loan Fund; investments		<b>SPEECH-LANGUAGE PATHOLOGIST GRANTS AND STIPENDS</b>
348.040	Definitions for ORS 348.040 to 348.070	348.394	Definitions for ORS 348.394 to 348.406
348.050	Student loans from Common School Fund; terms and conditions; exceptions	348.398	Department of Education authority; grants; stipends; rules
348.070	List of suitable career schools	348.401	Grant eligibility; amount; employment requirement
348.090	Loans guaranteed by state agency; payment of interest	348.403	Stipend eligibility; amount
348.095	Reimbursement by commission for default losses	348.406	Speech-Language Pathologist Training Fund
348.105	Loan obligations enforceable against minor		<b>COMMUNITY SERVICE VOUCHER PROGRAM</b>
348.115	Student loans for nursing programs; terms and conditions	348.427	Voucher program established; amount; recipient eligibility
348.117	Repayment of loans for nursing program; grounds for deferral	348.429	Voucher amount limited; Oregon Student Assistance Commission duties; vouchers not personal income; rules
	<b>SCHOLARSHIPS AND GRANTS</b>	348.431	Tracking system
348.180	Definitions	348.433	Limitation on administrative expenditures
348.183	Legislative intent	348.436	Community Service Voucher Fund
348.186	Oregon Achievement Grant; qualifications; renewal		<b>COOPERATION BETWEEN OREGON UNIVERSITY SYSTEM AND COMMUNITY COLLEGES</b>
348.205	Oregon Opportunity Grant program	348.470	Legislative findings; cooperation between Oregon University System and community colleges
348.210	Scholarships at Eastern Oregon University; scholarships for certain foreign students		<b>ASPIRE PROGRAMS</b>
348.230	Scholastic grants at post-secondary institutions; qualified applicants; renewals	348.500	Purpose; goals
348.250	Procedure for awarding grants under ORS 348.230 and 348.260		<b>OREGON STUDENT ASSISTANCE COMMISSION (Administration)</b>
348.260	Oregon Opportunity Grant; amount; renewal	348.505	"Commission" and "financial aid" defined
348.265	Grants for students of Oregon Health and Science University	348.510	Oregon Student Assistance Commission; term; vacancy; confirmation; qualifications
348.270	Scholarships for children of public safety officers and former foster children	348.520	Duties
348.280	Determination of eligibility for scholarships under ORS 348.270; rules	348.530	Powers; rulemaking authority
348.282	Definitions	348.540	Officers of commission; quorum; meetings
348.283	Oregon Troops to Teachers program; rules	348.550	Compensation and expenses of commission members
348.290	Financial aid to study barbering, hairdressing, manicure and esthetics	348.560	Staff; office space
	<b>RURAL MEDICAL EDUCATION LOANS</b>	348.563	Authority of Oregon Student Assistance Commission to require fingerprints
348.310	Loans for medical study; rules	348.570	Funds and accounts created
348.320	Eligibility for loans; application; written agreement	348.580	Agreements with community foundations
348.330	Amount of loans	348.590	Continuous appropriation of certain funds
348.340	Cost-sharing community loan fund program; repayment; exception	348.592	Loan cancellation insurance
348.350	Cost-sharing hospital loan fund program; limitation; admission to family practice programs		(Degrees)
348.360	Renewal of loans	348.594	Definitions for ORS 348.594 to 348.615

## EDUCATION AND CULTURE

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348.596	Purpose of ORS 348.594 to 348.615		<b>EDUCATION STABILITY FUND</b>
348.597	Applicability of ORS 348.594 to 348.615		(Generally)
348.599	Office of Degree Authorization	348.696	Education Stability Fund; investment; earnings
348.601	Office of Degree Authorization Account		(Oregon Growth Account)
348.603	Duties of commission relating to degree authorization and nondegree programs; approval of new post-secondary program or location; rules; fees	348.701	Definitions for ORS 348.701 to 348.710
348.604	Exemption from ORS 348.594 to 348.615	348.702	Oregon Growth Account
348.605	Restrictions and duties of exempted schools	348.703	Management and investment of moneys in account; reporting requirement; contracts for investment advice and other services
348.606	Conferring or offering of degree before approval obtained prohibited; fees; rules	348.704	Allocation, withdrawal and transfer of assets in account
348.607	Fee for exemption application; rules; prohibition on requirements for religious exemption	348.706	Oregon Resource and Technology Development Subaccount
348.608	Certification by exempt school; suspension or revocation of exemption; appeal	348.707	Oregon Growth Account Board; members; terms; compensation; powers and duties
348.609	Representation of possession of academic degree; complaints; civil penalties; rules; fees	348.710	Confidentiality of records, communications and information
348.612	Revocation of approval; hearing		(Oregon Education Fund)
348.615	Appeal procedure	348.716	Oregon Education Fund; use; payment of education lottery bonds
	(Scholarship Program Tax Credit)		<b>OREGON 529 COLLEGE SAVINGS NETWORK</b>
348.616	Minimum criteria for certification of employer program; rules	348.841	Definitions for ORS 348.841 to 348.873
348.618	Requirements for program certification application; acceptance and rejection of application	348.844	Policy on higher education qualified tuition savings program
348.621	Requirements for tax credit certification application	348.849	Oregon 529 College Savings Board; membership
	(Alternative Student Loan Program)	348.853	Board powers and duties; establishment of network; rules
348.625	Definitions for ORS 348.570 and 348.625 to 348.695	348.856	Oregon 529 College Savings Network Fund
348.630	Eligible recipients; limitations; credit check	348.857	Network participation; contribution limitations; fees
348.635	Establishment of loan terms and conditions	348.860	Right to direct investment of contributions or earnings; liability for loss
348.640	Administration of loans by private lenders; repayment to state; risk of loss	348.863	Prohibitions and limitations on accounts
348.655	Issuance of revenue bonds; amount; interest tax exempt	348.867	Designated beneficiary of account; confidentiality of account information
348.660	Determination to issue revenue bonds; duties of State Treasurer; factors to consider	348.869	State interest in contributions and earnings
348.665	Laws governing issuance of bonds; powers of State Treasurer	348.870	Account withdrawals; rules; report
348.670	Administrative expenses	348.873	Report to Governor and Legislative Assembly
348.675	Refunding of bonds		<b>COORDINATION OF STATE AGENCIES</b>
348.680	Validity of bonds	348.890	Joint Boards of Education; meeting; implementation of agreements
348.685	Covenants in actions authorizing bonds; contents		(Temporary provisions relating to statewide articulation and transfer system are compiled as notes following ORS 348.890)
348.690	Liability of state for bonds	348.900	Needs assessment for health care occupations; evaluation of health care education programs
348.695	Rights and remedies of bondholders and trustees		<b>EDUCATION COMMISSION OF THE STATES</b>
			<b>PENALTIES</b>
		348.992	Criminal penalty

**POLICY****348.005 Policy on student financial aid.**

(1) The Legislative Assembly finds that:

(a) The State of Oregon can achieve its full economic and social potential only if all Oregonians have the opportunity to contribute to the full extent of their capabilities and only when financial barriers to their educational goals are removed;

(b) All Oregonians who meet the appropriate admissions requirements should be able to attend any community college, state institution of higher education or independent not-for-profit institution of post-secondary education regardless of individual economic or social circumstances;

(c) The interests of this state are best served when public subsidies supporting college students are distributed fairly, equitably and consciously to ensure maximum access and choice for all Oregonians at the least cost to the taxpayers;

(d) Need-based student financial aid is an effective, efficient and essential means of assisting Oregonians who are unable to afford the full cost of higher education;

(e) Student financial aid allows Oregonians with limited resources to select academic programs based on their interests, aptitudes and career goals;

(f) Student financial aid encourages and permits capable and promising Oregonians to persist in their education and training within this state; and

(g) By assisting Oregonians in this manner, student financial aid contributes to the quality of life of each Oregonian and to the social, cultural and economic well-being of all Oregonians.

(2) It is the intention of the Legislative Assembly to establish financial assistance programs to enable qualified Oregonians who need student aid to obtain post-secondary education in Oregon's community colleges, state institutions of higher education or independent not-for-profit institutions of post-secondary education. [1993 c.239 §1; 2005 c.22 §242]

**LOANS GENERALLY**

**348.010 Higher Education Student Loan Fund; investments.** (1) The Department of Higher Education shall maintain with the State Treasurer a fund separate and distinct from the General Fund known as the Higher Education Student Loan Fund, which shall consist of:

(a) All moneys made available to the State Board of Higher Education for student loan purposes by state appropriations and by the federal government under terms of the

National Defense Education Act of 1958 and amendments thereto, and under terms of the Health Professions Educational Assistance Act of 1963 and the Nurses Training Act of 1964 and amendments thereto;

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

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

(d) Earnings from investments of the Higher Education Student Loan Fund.

(2) All moneys in the Higher Education Student Loan Fund are continuously appropriated to the Department of Higher Education for the purpose of granting student loans under the terms established by the National Defense Education Act of 1958 and amendments thereto, under terms of the Health Professions Educational Assistance Act of 1963 and the Nurses Training Act of 1964 and amendments thereto.

(3) The repayment in whole or part of any student loan made under terms of the National Defense Education Act of 1958 and amendments thereto, under terms of the Health Professions Educational Assistance Act of 1963 and the Nurses Training Act of 1964 and amendments thereto, shall be made pursuant to the provisions of the applicable federal statutes and repayment to the Higher Education Student Loan Fund shall be made in accordance with applicable federal statutes.

(4) Funds in the Higher Education Student Loan Fund not needed for student loans may be invested by the State Treasurer as other public funds are invested under ORS 293.701 to 293.820. The State Treasurer shall credit to the Higher Education Student Loan Fund any interest or other income derived from such investment. [Formerly 351.570; 1987 c.102 §1; 1999 c.311 §4; 2005 c.22 §243]

**348.040 Definitions for ORS 348.040 to 348.070.** As used in ORS 348.040 to 348.070, unless the context requires otherwise:

(1) "Commission" means the Oregon Student Assistance Commission.

(2) "Eligible student" means a person who is a resident of this state, as determined by the Oregon Student Assistance Commission, at the time of application for a loan under ORS 348.040 to 348.070:

(a) Who is enrolled in or has applied for enrollment in a qualified school;

(b) Who has demonstrated a satisfactory level of achievement in the high school or other school on the record of which the application for enrollment is based or in which the applicant is enrolled; and

(c) Who can show the necessity for financial assistance in order to continue the applicant's education.

(3) "Qualified school" means a school within this state which is a:

(a) Four-year, nonprofit, generally accredited institution of higher education;

(b) Accredited public or private community college or education center, or one recognized by a state educational agency;

(c) Career school that is approved by the Superintendent of Public Instruction;

(d) Medical or dental program offered by the Oregon Health and Science University;

(e) Veterinary program offered by Oregon State University; or

(f) Institution which is, in the opinion of the commission, comparable to such institutions, colleges, centers or schools.

(4) When the commission certifies that the course is not available within this state, a qualified school may include an institution, college, center or school not located in this state. [1965 c.532 §1; 1977 c.762 §6; 1981 c.324 §2; 1995 c.343 §33; 1999 c.704 §9]

**348.050 Student loans from Common School Fund; terms and conditions; exceptions.** (1) Upon approval of the loan application of an eligible student by the Oregon Student Assistance Commission, the Department of State Lands may loan an amount from the Common School Fund to the student in compliance with ORS 348.040 to 348.070. The loan shall be evidenced by a written obligation but no additional security shall be required. Notwithstanding any provision in this section, the department may require cosigners on the loans.

(2) Loans granted under ORS 348.040 to 348.070 to eligible students by the department shall:

(a) Not exceed \$1,000 in a single academic year to an undergraduate student.

(b) Not exceed \$4,000 in a single academic year to a graduate or professional student.

(c) Not exceed \$16,000 for all loans made to a student under ORS 348.040 to 348.070.

(3) Payment of interest shall be as follows:

(a) Medical and dental student borrowers at the Oregon Health and Science University and veterinary student borrowers at Oregon State University shall be assessed at least six percent interest per annum on the unpaid balance from the date of the note. Interest payments by these borrowers shall be deferred until they cease to be enrolled. During the interest deferment period, the Oregon Student Assistance Commission shall pay the

department the negotiated rate of interest on an annual basis. The borrower shall reimburse the Oregon Student Assistance Commission for these interest payments as provided in subsection (4) of this section. These borrowers shall commence direct payment of accruing interest to the department at the time they cease to be enrolled.

(b) All other borrowers are required to pay at least seven percent interest per annum on the unpaid balance from the date of the loan as provided in subsection (4) of this section.

(c) The Oregon Student Assistance Commission shall pay annually to the department a maximum of three percent per annum on the unpaid balance of all medical, dental and veterinary student borrower loans. The rate of this special payment may vary annually and will be negotiated by the Oregon Student Assistance Commission and the department.

(d) The interest rates to be charged the borrower for the school year as stated in paragraphs (a) and (b) of this subsection shall be negotiated by the department and the Oregon Student Assistance Commission.

(4)(a) Repayment of the principal and accruing and deferred interest on loans shall be commenced not later than 12 months after the student's graduation or other termination of the student's education.

(b) Notwithstanding any other provision of this section, medical, dental and veterinary student borrowers who enter approved post-graduate study programs shall commence repayment of the principal and the accruing and deferred interest on loans no later than 12 months following the completion of the post-graduate study program or 60 months, whichever is sooner.

(c) Repayment shall be completed in a maximum of 120 months from the time repayment is commenced. However, nothing in this section is intended to prevent repayment without penalty at an earlier date than provided in this section or to prohibit the department, with the consent of the Oregon Student Assistance Commission, from extending the repayment period to a date other than permitted by this subsection.

(5) Notwithstanding any other provision of this section, the department may loan an amount from the Common School Fund to a student under guaranteed programs authorized by the Higher Education Act of 1965, as amended, commonly known as the Guaranteed Student Loan Program and the Parent's Loans for Undergraduate Students Program. Neither the limitations on amounts set forth in subsection (2) of this section nor the subsidies authorized by subsection (3) of this section apply to such loans. ORS 327.484

does not apply to such loans. [1965 c.532 §2; 1969 c.573 §3; 1977 c.725 §1; 1977 c.762 §7; 1981 c.324 §1; 1983 c.483 §1]

**348.060** [1965 c.532 §3; repealed by 1971 c.577 §3]

**348.070 List of suitable career schools.**

To assist the Oregon Student Assistance Commission and the Department of State Lands in determining the qualification of schools, the Superintendent of Public Instruction shall maintain a listing of career schools offering professional and technical training that meets the occupational needs of the student. [1965 c.532 §4; 1995 c.343 §34]

**348.080** [1965 c.532 §10; repealed by 1967 c.477 §5]

**348.090 Loans guaranteed by state agency; payment of interest.** In addition to and not in lieu of student loans authorized pursuant to ORS 348.040 to 348.070, the Department of State Lands may make loans to students who are Oregon residents if the loans are guaranteed by a state agency. The terms, conditions and rates of interest of such loans may be determined by the department so as to take advantage of any federal statute providing for full or partial payment of interest on such loans. [1967 c.477 §4]

**348.095 Reimbursement by commission for default losses.** From funds available therefor, the Oregon Student Assistance Commission shall reimburse the Department of State Lands for any loss resulting from default of a student loan under ORS 348.040 to 348.070. Funds appropriated under ORS 348.050 to pay interest to the department on loans to medical, dental and veterinary students shall also be available to reimburse the department for any loss resulting from default of a student loan under ORS 348.040 to 348.070. [1977 c.762 §10; 1987 c.130 §1]

**348.105 Loan obligations enforceable against minor.** (1) As used in this section:

(a) "Educational institution" means any post-secondary educational institution that is approved or accredited by the Northwest Association of Schools and Colleges, by its regional equivalent or by the appropriate official, department or agency of the state or nation in which the institution is located, and that is:

- (A) A four-year college or university;
- (B) A junior college or community college; or
- (C) A technical, professional or career school.

(b) "Educational loan" means a loan or other aid or assistance for the purpose of furthering the obligor's education at an educational institution.

(c) "Person" means an individual, corporation, government or governmental subdivision or agency, business trust, estate, trust,

partnership or association, or any other legal entity.

(2) Notwithstanding any other provision of law, any written obligation made by any minor in consideration of an educational loan received by the minor from any person shall be as valid and binding as if the minor had, at the time of making and executing the obligation, attained the age of majority, but only if prior to the making of the educational loan an educational institution has certified in writing to the person making the educational loan that the minor is enrolled, or has been accepted for enrollment, in the educational institution.

(3) Any obligation mentioned in subsection (2) of this section may be enforced in any action or proceeding against such person in the name of the person and shall be valid, insofar as the issue of age is concerned, without the consent thereto of the parent or guardian of such person. Such person may not disaffirm the obligation because of age nor may such person interpose in any action or proceeding arising out of the educational loan the defense that the borrower is, or was, at the time of making or executing the obligation, a minor.

(4) Any parent or legal guardian who did not consent to guarantee or otherwise ensure performance of the obligation mentioned in subsection (2) of this section shall not be liable for payment of such obligation. [Formerly 348.805; 1977 c.725 §2; 1995 c.343 §35; 2005 c.22 §244]

**348.115 Student loans for nursing programs; terms and conditions.** (1) In addition to any other financial aid provided by law, the Oregon Student Assistance Commission, pursuant to rule, may award loans to a qualified resident of this state upon the resident's acceptance and entry into a baccalaureate or associate degree nursing program at a post-secondary institution in Oregon. The loans may be forgiven upon fulfillment of the requirements of subsection (4) of this section.

(2) The loans authorized by subsection (1) of this section:

(a) Shall be made based on achievement, ability, need and motivation;

(b) Shall be made on an annual basis subject to renewal upon satisfactory performance for the duration of the nursing program; and

(c) Shall be made in annual amounts not to exceed 50 percent of the sum of tuition, fees and room and board for each participating student.

(3) Priority in awarding loans shall be given to:

(a) A resident employed in the health care field at the time of application; and

(b) A resident who agrees to practice in an area where there is a critical shortage of nurses, as determined annually by the Oregon State Board of Nursing in consultation with the Office of Rural Health.

(4) The resident receiving a loan under this section must agree to practice nursing at least half-time in an area described in subsection (3)(b) of this section or in an area of specialty that is underserved for one calendar year for each academic year for which the loan is received. If the resident does not fulfill the practice requirement within five years of graduation, the amount received shall be considered a loan, repayable as provided in ORS 348.117, for each year for which the practice requirement is not met. [1991 c.947 §16; 1993 c.765 §51; 1999 c.704 §10; 2001 c.599 §4]

**Note:** 348.115 is repealed July 1, 2012. See section 8, chapter 599, Oregon Laws 2001.

**348.117 Repayment of loans for nursing program; grounds for deferral.** (1) Student borrowers under ORS 348.115 shall be required to pay at least seven percent interest per annum on the unpaid balance from the date of the loan as provided in subsection (5) of this section.

(2) Repayment of the principal and accruing and deferred interest on loans shall be commenced not later than 12 months after the student's completion of the nursing program or other termination of the student's education.

(3) Repayment of loans shall be deferred upon application therefor for up to three years during which:

(a) The student borrower is enrolled as at least a half-time student in a subsequent nursing program leading to a nursing degree higher than that attained in the initial program; or

(b) The student borrower shows inability to locate suitable employment.

(4) Repayment commences under the usual terms if the student borrower ceases to be employed as a nurse in this state before completing the practice requirements set forth in ORS 348.115 (4).

(5) Repayment shall be completed in a maximum of 120 months from the time repayment is commenced. However, nothing in this subsection is intended to prevent repayment without penalty at an earlier date than provided in this subsection or to prohibit the Oregon Student Assistance Commission from extending the repayment period to a date other than specified by this subsection.

(6) A student who borrows under ORS 348.115 shall have 100 percent of principal and accrued interest on loans under this section, ORS 348.115, 353.450, 442.470,

442.520, 442.550 to 442.570 and 656.256 canceled if it can be documented that, within five years of graduation:

(a) The student has completed one calendar year of full-time employment as a nurse in the State of Oregon for each academic year in which a loan was received; or

(b) The student has completed two calendar years of half-time employment as a nurse in the State of Oregon for each academic year in which a loan was received.

(7) A student who borrows under this section, ORS 348.115, 353.450, 442.470, 442.520, 442.550 to 442.570 and 656.256 and completes at least one calendar year of the practice obligation described in subsection (6) of this section shall have the amount of principal and accrued interest on loans under this section, ORS 348.115, 353.450, 442.470, 442.520, 442.550 to 442.570 and 656.256 canceled for each calendar year of qualifying practice that is:

(a) For full-time practice, equal to the principal and accrued interest on the loan borrowed for the comparable academic year of award; or

(b) For half-time practice, equal to half of the principal and accrued interest on the loan borrowed for the comparable academic year of the award.

(8) Repayment of any remaining principal and interest shall be waived upon the death or total and permanent disability of the student borrower. [1991 c.947 §17; 2001 c.599 §5]

**Note:** 348.117 is repealed July 1, 2012. See section 8, chapter 599, Oregon Laws 2001.

**348.120** [1987 c.896 §§24, 28; 1993 c.45 §283; renumbered 329.757 in 1993]

**348.125** [1987 c.896 §25; 1991 c.67 §89; 1993 c.45 §284; renumbered 329.765 in 1993]

**348.130** [1987 c.896 §26; 1989 c.159 §1; renumbered 329.775 in 1993]

**348.135** [1987 c.896 §27; 1993 c.45 §285; renumbered 329.780 in 1993]

## SCHOLARSHIPS AND GRANTS

**348.180 Definitions.** As used in this section and ORS 348.183, 348.186, 348.205, 348.230, 348.250 and 348.260:

(1) "Cost of education" includes but is not limited to, tuition, fees and living expenses.

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

(a) A state institution under the direction of the State Board of Higher Education;

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

(c) The Oregon Health and Science University; or

(d) An Oregon-based, generally accredited, not-for-profit institution of higher education.

(3) "Qualified student" means any resident student who plans to attend an eligible post-secondary institution and who:

(a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;

(b) Is enrolled in an eligible program as defined by rule of the Oregon Student Assistance Commission; and

(c) Is making satisfactory academic progress as defined by rule of the commission. [1999 c.1070 §3; 2001 c.321 §1; 2007 c.802 §1]

**Note:** The amendments to 348.180 by section 1, chapter 802, Oregon Laws 2007, first apply to the 2008-2009 academic year. See section 7, chapter 802, Oregon Laws 2007 (second note under 348.180). The text that applies prior to the 2008-2009 academic year is set forth for the user's convenience.

**348.180.** As used in this section and ORS 348.183, 348.186, 348.230, 348.250 and 348.260:

(1) "Cost of education" includes but is not limited to, tuition, fees and living expenses.

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

(a) A state institution under the direction of the State Board of Higher Education;

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

(c) The Oregon Health and Science University; or

(d) An Oregon-based, generally accredited, not-for-profit institution of higher education.

(3) "Financial need" means that the financial capacity of both the student and the student's family to contribute to the cost of the student's education is not adequate to meet the total cost of education for any term, according to a system of need analysis approved by the Oregon Student Assistance Commission.

(4) "Qualified student" means any resident student who plans to attend an eligible post-secondary institution and who:

(a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;

(b) Is enrolled in an eligible program as defined by rule of the Oregon Student Assistance Commission; and

(c) Is making satisfactory academic progress as defined by rule of the Oregon Student Assistance Commission.

**Note:** Section 7, chapter 802, Oregon Laws 2007, provides:

**Sec. 7.** (1) The amendments to ORS 348.180, 348.183, 348.205 and 348.260 by sections 1 to 4 of this 2007 Act apply to qualified students who:

(a) Attend an eligible post-secondary institution for the first time on or after July 1, 2008.

(b) Did not continuously attend an eligible post-secondary institution prior to the 2008-2009 academic year.

(c) Attend an eligible post-secondary institution on or after July 1, 2011.

(2)(a) A qualified student who continuously attends an eligible post-secondary institution as at least a half-time student and attended that eligible post-secondary institution during the 2007-2008 academic year shall receive student assistance for the 2008-2009, 2009-2010 and 2010-2011 academic years based on whichever of the fol-

lowing would grant the student the greater amount of student assistance:

(A) ORS 348.180, 348.205 and 348.260 as set forth in the 2005 Edition of Oregon Revised Statutes; or

(B) ORS 348.180, 348.183, 348.205 and 348.260, as amended by sections 1 to 4 of this 2007 Act.

(b) A qualified student who continuously attends one or more eligible post-secondary institutions as at least a half-time student and attended more than one of those eligible post-secondary institutions during the 2007-2008 academic year shall receive student assistance for the 2008-2009, 2009-2010 and 2010-2011 academic years based on whichever of the following would grant the student the greater amount of student assistance:

(A) ORS 348.180, 348.205 and 348.260, as set forth in the 2005 Edition of Oregon Revised Statutes; or

(B) ORS 348.180, 348.183, 348.205 and 348.260, as amended by sections 1 to 4 of this 2007 Act.

(c) This subsection applies only to students who remain qualified as defined by rule of the Oregon Student Assistance Commission. [2007 c.802 §7]

**348.183 Legislative intent.** The Legislative Assembly recognizes:

(1) That an investment in educational opportunities for all Oregonians is an investment in a strong and stable economy and greater personal opportunities;

(2) That the single largest barrier to attending an institution of higher education is lack of finances;

(3) That keeping higher education affordable requires a shared effort and partnership by students, family, the federal government, state government and private philanthropy;

(4) The broad and diverse range of quality post-secondary educational services provided by Oregon's institutions of higher education, including Oregon's community colleges, state institutions and independent not-for-profit institutions of higher education; and

(5) The positive effects on Oregon's citizens, families and economy of encouraging talented and hardworking students to stay in Oregon to pursue a post-secondary education. [1999 c.1070 §2; 2007 c.802 §2; 2007 c.858 §38]

**Note:** The amendments to 348.183 by section 2, chapter 802, Oregon Laws 2007, and section 38, chapter 858, Oregon Laws 2007, first apply to the 2008-2009 academic year. See section 7, chapter 802, Oregon Laws 2007 (second note under 348.180), and section 41, chapter 858, Oregon Laws 2007. The text that applies prior to the 2008-2009 academic year is set forth for the user's convenience.

**348.183.** (1) The Legislative Assembly recognizes:

(a) That an investment in educational opportunities for all Oregonians is an investment in a strong and stable economy and greater personal opportunities;

(b) That the single largest barrier to attending an institution of higher education is lack of finances;

(c) The broad and diverse range of quality post-secondary educational services provided by Oregon's institutions of higher education, including Oregon's community colleges, state institutions and independent not-for-profit institutions of higher education; and

(d) The positive effects on Oregon's citizens, families and economy of encouraging talented and

hardworking students to stay in Oregon to pursue a post-secondary education.

(2) It is the intent of the Legislative Assembly to:

(a) Empower students who have achieved a Certificate of Initial Mastery with the ability to attend an Oregon institution of higher education; and

(b) Reward all Oregon students who have achieved a Certificate of Initial Mastery or a comparable level of academic merit in Oregon schools with the opportunity and the necessary funding to attend an Oregon institution of higher education.

**348.186 Oregon Achievement Grant; qualifications; renewal.** (1) In addition to any other form of student financial aid authorized by law, the Oregon Student Assistance Commission shall award, to the extent funds are made available, an Oregon Achievement Grant to any qualified student who:

(a) Commences at least half-time study toward a degree at the eligible post-secondary institution within three years of high school graduation; and

(b) While a resident of Oregon, has scored at or above a level on a nationally recognized college admissions test as determined by the Oregon Student Assistance Commission.

(2) Any qualified student receiving an Oregon Achievement Grant under subsection (1) of this section must use the grant for the purpose of study in an eligible program, as defined by rule of the Oregon Student Assistance Commission, at an eligible post-secondary institution.

(3) The Oregon Student Assistance Commission may not award an Oregon Achievement Grant to a qualified student who is enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(4) Each Oregon Achievement Grant shall be renewed yearly provided that the recipient has maintained satisfactory progress toward a first associate or baccalaureate degree as determined by the Oregon Student Assistance Commission.

(5) Notwithstanding subsection (4) of this section, no Oregon Achievement Grant shall be renewed after a qualified student has reached the number of credit hours required to graduate with a baccalaureate degree at the institution the student is attending. [1999 c.1070 §4; 2001 c.321 §2; 2007 c.858 §39]

**Note:** The amendments to 348.186 by section 39, chapter 858, Oregon Laws 2007, first apply to the 2008-2009 school year. See section 41, chapter 858, Oregon Laws 2007. The text that applies prior to the 2008-2009 school year is set forth for the user's convenience.

**348.186.** (1) In addition to any other form of student financial aid authorized by law, the Oregon Student Assistance Commission shall award, to the extent funds are made available, an Oregon Achievement Grant to any qualified student who:

(a) Commences at least half-time study toward a degree at the eligible post-secondary institution within three years of high school graduation; and

(b) Has received a Certificate of Initial Mastery or, while a resident of Oregon, has scored at or above a level on a nationally recognized college admissions test as determined by the Oregon Student Assistance Commission.

(2) Any qualified student receiving an Oregon Achievement Grant under subsection (1) of this section must use the grant for the purpose of study in an eligible program, as defined by rule of the Oregon Student Assistance Commission, at an eligible post-secondary institution.

(3) The Oregon Student Assistance Commission may not award an Oregon Achievement Grant to a qualified student who is enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(4) Each Oregon Achievement Grant shall be renewed yearly provided that the recipient has maintained satisfactory progress toward a first associate or baccalaureate degree as determined by the Oregon Student Assistance Commission.

(5) Notwithstanding subsection (4) of this section, no Oregon Achievement Grant shall be renewed after a qualified student has reached the number of credit hours required to graduate with a baccalaureate degree at the institution the student is attending.

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

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

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

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

(b) For a student attending an institution under the direction of the State Board of Higher Education, the average cost of education of attending an institution under the direction of the board;

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

(d) For a student attending the Oregon Health and Science University or a four-year Oregon-based, generally accredited, not-for-profit institution of higher education, the average cost of education of attending an institution under the direction of the board.

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

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

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

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

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

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

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

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

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

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

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

(c) In determining the amount of the state share, the commission shall consider the total amount available to award as grants to all qualified students. If the commission must reduce the amount of the state share under this paragraph, the commission may not reduce the amount of the state share awarded to students in the low income range in a greater proportion than the amount that the state share for students in other income ranges is reduced. [1971 c.735 §1; 1999 c.1070 §8; 2001 c.321 §8; 2007 c.802 §3]

**Note:** The amendments to 348.205 by section 3, chapter 802, Oregon Laws 2007, first apply to the

2008-2009 academic year. See section 7, chapter 802, Oregon Laws 2007 (second note under 348.180). The text that applies prior to the 2008-2009 academic year is set forth for the user's convenience.

**348.205.** It is the intention of the Legislative Assembly to establish the Oregon Opportunity Grant program. Oregon Opportunity Grants awarded under this program shall be a uniform percentage of the student's financial need as determined in ORS 348.260 (1)(b).

**Note:** Sections 8 and 9, chapter 802, Oregon Laws 2007, provide:

**Sec. 8.** (1) The Oregon Student Assistance Commission shall establish a Shared Responsibility Steering Committee to provide advice to the commission on the implementation of the changes to the Oregon Opportunity Grant program by the amendments to ORS 348.180, 348.183, 348.205 and 348.260 by sections 1 to 4 of this 2007 Act. The committee shall consist of 12 members appointed as follows:

(a) The President of the Senate shall appoint one member from among the members of the Senate.

(b) The Speaker of the House of Representatives shall appoint one member from among the members of the House of Representatives.

(c) The commission shall appoint representatives of the following:

(A) Oregon Independent Colleges Association;

(B) Oregon Student Association;

(C) A financial aid professional who is employed by a state institution of higher education within the Oregon University System;

(D) A financial aid professional who is employed by a community college; and

(E) A financial aid professional who is employed by a private institution of higher education.

(d) The Governor shall appoint a representative of the Office of the Governor.

(e) The Director of the Oregon Department of Administrative Services shall appoint a representative of the Budget and Management Division.

(f) The Chancellor of the Oregon University System shall appoint a representative.

(g) The Commissioner for Community College Services shall appoint a representative of the Department of Community Colleges and Workforce Development.

(h) The president of the Oregon Health and Science University shall appoint a representative of the university.

(2) The committee shall:

(a) Analyze the risks involved in implementing the amendments to ORS 348.180, 348.183, 348.205 and 348.260 by sections 1 to 4 of this 2007 Act;

(b) Make recommendations to the commission on strategies for prevention and mitigation of those risks;

(c) Make recommendations to the commission on the management of moneys available to be awarded as Oregon Opportunity Grants; and

(d) Review and make recommendations on the implementation methodology and timetable for:

(A) The system for awarding grants;

(B) The adoption of rules necessary for implementation of the changes; and

(C) Communication outreach about changes to the grant program.

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

(4) Official action by the committee requires the approval of a majority of the members of the committee.

(5) The committee shall elect one of its members to serve as chairperson.

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

(7) The committee shall meet at times and places specified by the call of the chairperson or of a majority of the members of the task force.

(8) The committee may adopt rules necessary for the operation of the task force.

(9) The commission shall provide staff support to the committee.

(10) Members of the committee who are not members of the Legislative Assembly are not entitled to compensation or reimbursement for actual and necessary travel and other expenses from the commission.

(11) All agencies of state government, as defined in ORS 174.111, and the Oregon Health and Science University are directed to assist the committee in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the committee consider necessary to perform their duties. [2007 c.802 §8]

**Sec. 9.** Section 8 of this 2007 Act is repealed on January 2, 2012. [2007 c.802 §9]

**348.210 Scholarships at Eastern Oregon University; scholarships for certain foreign students.** (1) In addition to any other scholarships provided by law, the Oregon Student Assistance Commission may award scholarships at Eastern Oregon University to resident undergraduate students applying for enrollment in the university or who are pursuing courses therein. The number of students who receive scholarships under this subsection may not exceed two and one-half percent of the number of students who are enrolled at the university. The scholarships shall be awarded upon the basis of a record of high intellectual standing and department in the school or institution where the applicant has received or is receiving preparatory training, the necessity for financial assistance and other qualifications of such nature that the awarding of scholarships will operate not only to the advantage of the applicant but to the people of Oregon. A scholarship awarded under this subsection may not exceed in value the amount of the tuition and other fees, including the fees that are levied against the recipient of the scholarship by the State Board of Higher Education at the university.

(2) The commission may award tuition and fee-exempting scholarships to students from foreign nations who are enrolled in state institutions of higher education. A student may not receive a scholarship under this subsection that exceeds the amount of tuition and fees owed by the student.

(3) The value of scholarships awarded each year under subsection (2) of this section may not exceed in aggregate an amount equal to 10 percent of the amount of tuition and fees paid in the preceding year to the Department of Higher Education by students enrolled in state institutions of higher education who were not Oregon residents. [Formerly 351.120 and then 351.605; 1967 c.530 §6; 1971 c.735 §2; 1973 c.721 §1; 1997 c.11 §8; 2005 c.22 §245]

**348.220** [Formerly 351.610; 1967 c.530 §7; repealed by 1971 c.735 §10]

**348.230 Scholastic grants at post-secondary institutions; qualified applicants; renewals.** (1) In addition to any other financial aid provided by law, the Oregon Student Assistance Commission may award to qualified residents of this state scholastic grants in any eligible post-secondary institution.

(2) A qualified applicant is one who has an achievement of high intellectual standing and department in the school or institution on the records of which the application is based, and who demonstrates, to the satisfaction of the commission, that the applicant has superior capacity to profit by post-high-school education.

(3) If the recipient of a grant under this section meets the standards for renewal of that grant, the grant may be renewed, upon application of the recipient, until the recipient has received a total of four undergraduate years under this section or until the recipient has completed an undergraduate course of study, whichever is less.

(4) Nothing in subsection (3) of this section shall be construed to mean that the commission may not increase or reduce the amount of the grant upon application for renewal.

(5) No grant shall be made to any student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education. [Formerly 351.620; 1971 c.735 §3; 1973 c.721 §2; 1977 c.725 §3; 1989 c.845 §1; 2001 c.321 §3]

**348.240** [Formerly 351.625; repealed by 1971 c.735 §10]

**348.250 Procedure for awarding grants under ORS 348.230 and 348.260.** (1) Grants established under ORS 348.230 and 348.260 shall be awarded by the Oregon Student Assistance Commission in the manner provided in this section.

(2) Persons interested in obtaining a grant established under ORS 348.230 and 348.260 may apply to the commission for a grant.

(3) The commission shall screen or cause to be screened the applications and shall determine for each available grant the person best qualified to receive that grant. A quali-

fied applicant is eligible to receive a grant established under ORS 348.230 and 348.260 if:

(a) The applicant's financial need is such that in the opinion of the commission financial aid is warranted; and

(b) The applicant plans to be a student at the eligible post-secondary institution where the grant is to be used.

(4) The commission shall not discriminate for or against any applicant for a grant.

(5) Nothing in ORS 348.210 to 348.260, 348.505 to 348.615, 348.696 and 348.992 shall be construed to require any institution to admit a grant recipient or to attempt to control or influence the policies of the institution.

(6) Whenever funds are not available to award grants to all qualified students, the commission shall give priority to applicants who are or plan to be full-time students at the eligible post-secondary institution where the grant is to be used. A student shall be considered to be a full-time student if the combination of credit hours at more than one eligible post-secondary institution equals full-time attendance, according to the institution disbursing the grant funds.

(7) As used in this section, "discriminate" has the meaning given "discrimination" in ORS 659.850. [Formerly 351.630; 1973 c.721 §3; 1977 c.725 §4; 1993 c.45 §286; 1997 c.203 §1; 1997 c.524 §4; 2001 c.321 §4]

**348.260 Oregon Opportunity Grant; amount; renewal.** (1) In addition to any other form of student financial aid authorized by law, the Oregon Student Assistance Commission may award Oregon Opportunity Grants to qualified students.

(2) The amount of a grant shall equal the state share of a qualified student's cost of education as determined by the commission under ORS 348.205.

(3) Grant funds necessary to meet matching requirements for federal funds under the Leveraging Educational Assistance Partnership Program and Special Leveraging Educational Assistance Partnership Program of the United States Department of Education may also be used to award grants to qualified students in any eligible post-secondary institution approved by the commission.

(4) Grants may be awarded under this section to qualified students enrolled for any term, including summer term. The commission may prescribe a specific date by which a student must apply to the commission to qualify for a grant only if the commission determines that the total amount available to award as the state share to all qualified students is not sufficient to cover the total

state share amount scheduled to be awarded to all students.

(5) If a qualified student receiving a grant under this section meets the standards for renewal of the grant, the grant may be renewed upon application until the qualified student has received the equivalent of four full-time undergraduate years of grant funding for an eligible program as defined by the commission.

(6) A qualified student who receives a grant under this section must attend the eligible post-secondary institution upon which the grant application is based unless the commission authorizes the grant to be used at a different eligible post-secondary institution. A qualified student who receives a grant under this section may attend more than one eligible post-secondary institution if the grant application was based on the qualified student attending more than one eligible post-secondary institution.

(7) The commission may not make a grant to any qualified student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education. [1971 c.735 §4; 1973 c.721 §4; 1977 c.725 §5; 1977 c.762 §8; 1987 c.175 §1; 1989 c.845 §2; 1993 c.820 §1; 1997 c.203 §2; 1999 c.1070 §11; 2001 c.321 §§5,6; 2007 c.802 §4]

**Note:** The amendments to 348.260 by section 4, chapter 802, Oregon Laws 2007, first apply to the 2008-2009 academic year. See section 7, chapter 802, Oregon Laws 2007 (second note under 348.180). The text that applies prior to the 2008-2009 academic year is set forth for the user's convenience.

**348.260.** (1)(a) In addition to any other form of student financial aid authorized by law, the Oregon Student Assistance Commission may award Oregon Opportunity Grants, to the extent funds are made available, to qualified students who have financial need.

(b) Eligibility, financial need and the amount of an Oregon Opportunity Grant shall be determined annually by the Oregon Student Assistance Commission in consultation with representatives from the educational sectors. In determining these factors, the Oregon Student Assistance Commission shall take into consideration available state funds, available federal funds, the cost of education at the eligible post-secondary institutions and the family's ability to contribute.

(c) Grant funds necessary to meet matching requirements for federal funds under the Leveraging Educational Assistance Partnership Program and Special Leveraging Educational Assistance Partnership Program of the United States Department of Education may also be used to award grants to qualified students in any eligible post-secondary institution approved by the Oregon Student Assistance Commission.

(2) Oregon Opportunity Grants may be awarded under this section to qualified students enrolled for any term, including summer term.

(3) If a qualified student receiving an Oregon Opportunity Grant under this section meets the standards for renewal of the grant, the grant may be renewed upon application until the qualified student has received the total of four undergraduate years of study in an eligible program as defined by the Oregon Student Assistance Commission.

(4) A qualified student who receives an Oregon Opportunity Grant under this section must attend the

institution, college or school upon which the grant application is based unless the Oregon Student Assistance Commission authorizes the grant to be used at a different institution, college or school. A qualified student who receives a grant under this section may attend more than one institution, college or school if the grant application was based on the qualified student attending more than one institution, college or school.

(5) No Oregon Opportunity Grant shall be made to any qualified student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(6) No Oregon Opportunity Grant awarded under this section shall exceed 50 percent of the qualified student's financial need as determined by the Oregon Student Assistance Commission.

**348.265 Grants for students of Oregon Health and Science University.** (1) In addition to any other form of student financial aid authorized by law, the Oregon Student Assistance Commission may award grants to qualified residents of this state who are enrolled in the professional medical, nursing or dental programs at the Oregon Health and Science University.

(2) A qualified applicant for a grant under this section is one who plans to attend the Oregon Health and Science University but whose financial capacity and that of the applicant's family to contribute to the educational costs are not adequate to meet such costs, as determined by the Oregon Student Assistance Commission.

(3) Grants may be received by a student each year of attendance depending on the continuing need of the student for such grant.

(4) No grant awarded under this section shall exceed the amount of the difference between the award year tuition and fees assessed and the tuition and fees assessed for that program in the academic year 1976-1977. [1977 c.762 §9; 1989 c.845 §4]

**348.270 Scholarships for children of public safety officers and former foster children.** (1) In addition to any other scholarships provided by law, the Oregon Student Assistance Commission shall award scholarships in any state institution under the State Board of Higher Education, in the Oregon Health and Science University, in any community college operated under ORS chapter 341, or in any Oregon-based regionally accredited independent institution, to any student applying for enrollment or who is enrolled therein, who is:

(a) The natural child, adopted child or stepchild of any public safety officer who, in the line of duty, was killed or so disabled, as determined by the Oregon Student Assistance Commission, that the income of the public safety officer is less than that earned by public safety officers performing duties comparable to those performed at the highest

rank or grade attained by the public safety officer; or

(b) A former foster child who enrolls in an institution of higher education as an undergraduate student not later than three years from the date the student was removed from the care of the Department of Human Services, the date the student graduated from high school or the date the student received the equivalent of a high school diploma, whichever date is earliest.

(2) Scholarships awarded under this section to students who are dependents of public safety officers or who are former foster children shall equal the amount of tuition and all fees levied by the institution against the recipient of the scholarship. However, scholarships awarded to students who attend independent institutions shall not exceed the amount of tuition and all fees levied by the University of Oregon.

(3) If the student who is the dependent of a deceased public safety officer continues to remain enrolled in a state institution of higher education or a community college or an independent institution within the State of Oregon, the student shall be entitled to renewal of the scholarship until the student has received the equivalent of four years of undergraduate education and four years of post-graduate education.

(4) If the student who is a former foster child or who is the dependent of a public safety officer with a disability continues to remain enrolled in a state institution of higher education or a community college or an independent institution within the State of Oregon, the student shall be entitled to renewal of the scholarship until the student has received the equivalent of four years of undergraduate education.

(5) The Oregon Student Assistance Commission may require proof of the student's relationship to a public safety officer described in subsection (1) of this section or proof that the student is a former foster child.

(6) As used in this section:

(a) "Former foster child" means an individual who, for a total of 12 or more months while between the ages of 16 and 21, was a ward of the court pursuant to ORS 419B.100 (1)(b) to (e) and in the legal custody of the Department of Human Services for out-of-home placement.

(b) "Public safety officer" means:

(A) A firefighter or police officer as those terms are defined in ORS 237.610.

(B) A member of the Oregon State Police. [1973 c.784 §1; 1977 c.725 §6; 1995 c.162 §70; 1997 c.515 §1; 2001 c.730 §1; 2007 c.70 §146]

**348.280 Determination of eligibility for scholarships under ORS 348.270; rules.** The Oregon Student Assistance Commission shall:

(1) Determine which students are eligible to receive scholarships under ORS 348.270.

(2) Grant the appropriate scholarships under ORS 348.270.

(3) Make necessary rules for application and distribution of the benefits available under ORS 348.270 and this section.

(4) Establish rules and procedures necessary to carry out the provisions of ORS 348.270 and this section, including but not limited to the usual and customary rules for analyzing financial need.

(5) In awarding scholarships pursuant to its authority under ORS 348.520, give priority to students who are eligible to receive scholarships under ORS 348.270. [1973 c.784 §§2,3; 1997 c.515 §2; 2007 c.71 §95]

**348.282 Definitions.** As used in this section and ORS 348.283:

(1) “Armed Forces of the United States” means:

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

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

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

(2) “Public post-secondary institution” means:

(a) A state institution under the direction of the State Board of Higher Education; and

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

(3) “Veteran” means a person who served on active duty with the Armed Forces of the United States and was discharged or released from active duty with other than a dishonorable discharge. [2005 c.831 §8]

**Note:** 348.282 and 348.283 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 348 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

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

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

(b) Is a resident of Oregon; and

(c) Agrees to teach:

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

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

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

(3) The commission shall adopt rules necessary for the implementation and administration of this section in consultation with the Department of Education and the Department of Higher Education. [2005 c.831 §9]

**Note:** See note under 348.282.

**348.290 Financial aid to study barbering, hairdressing, manicure and esthetics.**

The Oregon Student Assistance Commission shall apply the interest on the amount transferred to the Oregon Student Assistance Fund under section 4, chapter 377, Oregon Laws 1985, to provide financial aid, as defined in ORS 348.505, to students to study barbering, hairdressing, manicure and esthetics at eligible post-secondary schools. [1985 c.377 §3; 1987 c.31 §19; 2005 c.117 §13]

**Note:** Legislative Counsel has substituted “Oregon Student Assistance Fund” for “State Scholarship Commission Fund” in 348.290 pursuant to section 4, chapter 704, Oregon Laws 1999.

**348.300** [1973 c.791 §1; repealed by 1977 c.725 §8]

**348.305** [1969 c.624 §1; repealed by 1971 c.735 §10]

## RURAL MEDICAL EDUCATION LOANS

**348.310 Loans for medical study; rules.**

(1) The Oregon Student Assistance Commission is authorized to make loans to all qualified applicants, from the fund created in ORS 348.390 (1), to assist in financing the cost of a program of study leading to the degree of Doctor of Medicine or to the degree of Doctor of Osteopathic Medicine.

(2) The Oregon Student Assistance Commission shall:

(a) Develop criteria for the preparation of applications and procedures for the submission, evaluation, priority selection and award of loans provided for in ORS 348.310 to 348.390;

(b) Determine the number and amount of loans and loan renewals; and

(c) Adopt such rules as may be necessary to implement ORS 348.310 to 348.390. [1979 c.532 §2]

**348.315** [1969 c.624 §2; repealed by 1971 c.735 §10]

**348.320 Eligibility for loans; application; written agreement.** (1) A person shall be eligible for a loan under ORS 348.310 to 348.390 if the person is:

(a) A bona fide resident of this state;

(b) Accepted for enrollment, or is a student in good standing in the professional medical program at an accredited medical school located in the United States or in an accredited school of osteopathic medicine;

(c) As a result of personal financial resources, unable to pursue a program of study in the absence of a loan or would be unable to do so without great hardship; and

(d) Desirous of practicing medicine in a rural community in this state, and in an area which meets the qualifications of a medical shortage area.

(2) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall apply to the Oregon Student Assistance Commission.

(3) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall agree in writing to practice medicine in a medical shortage area as defined by the Director of Human Services, for a period equal to the period covered by the loan, but no less than two years. [1979 c.532 §4; 1987 c.660 §17]

**348.325** [1969 c.624 §3; repealed by 1971 c.735 §10]

**348.330 Amount of loans.** In addition to any other financial aid provided by law, the Oregon Student Assistance Commission may grant loans in the following amounts:

(1) Persons in their first or second year of study, or the equivalent thereof, are eligible for an amount not to exceed \$5,000 per academic year.

(2) Persons in their third or fourth year of study, or the equivalent thereof, are eligible for an amount not to exceed \$7,500 per academic year. [1979 c.532 §5]

**348.335** [1969 c.624 §4; repealed by 1971 c.735 §10]

**348.340 Cost-sharing community loan fund program; repayment; exception.** (1) The Oregon Student Assistance Commission is further authorized to establish and administer cost-sharing loan fund programs which provide for assistance, in conjunction with community agencies or organizations, selected and approved by the commission in a rural community in the state having a population of fewer than 7,500 persons. Participation in such a program shall be on a matching funds basis between the Rural Medical Education Loan Fund and the approved community agency and shall fund the

educational costs, fees and charges of a specific, eligible student, who shall be approved by the participating community and the Oregon Student Assistance Commission.

(2) Funds provided from the Rural Medical Education Loan Fund under subsection (1) of this section shall not exceed 75 percent of the total amount calculated to be necessary to fund one person for one year, in an approved school as determined by the Oregon Student Assistance Commission.

(3) The eligibility requirements for persons participating in the program established in subsection (1) of this section shall be the same as the requirements for eligibility in the loan program under ORS 348.320.

(4) Upon completion of the program of study and training for licensure, the person receiving funds under this section shall not be required to repay such funds if the person practices medicine in the community providing the matching funds. The person shall practice medicine one year for each year that funds were provided, but in no event shall the person practice less than two years. [1979 c.532 §8]

**348.345** [1969 c.624 §5; repealed by 1971 c.735 §10]

**348.350 Cost-sharing hospital loan fund program; limitation; admission to family practice programs.** (1) The Oregon Student Assistance Commission is authorized to establish and administer a cost-sharing program to train intern and residency physicians as may be arranged by contract with an accredited training hospital within this state. The cost sharing shall be limited to general practice internships and family practice residencies. The commission may pay up to \$18,000 to an institution for each intern or resident position which is reserved for training students who are planning to enter medical practice in rural areas.

(2) Funds for programs established under subsection (1) of this section shall be paid from the Rural Medical Education Loan Fund.

(3) No money appropriated under this section shall be used for any program at the Oregon Health and Science University. The center shall be required to give priority admissions to recipients under ORS 348.310 to 348.390 in its family practice residency programs. [1979 c.532 §10]

**348.355** [1969 c.624 §6; repealed by 1971 c.735 §10]

**348.360 Renewal of loans.** Each loan granted under ORS 348.330 and 348.340 is renewable annually. The Oregon Student Assistance Commission shall renew the loans upon application by the recipient when the commission finds that the applicant has successfully completed the required work for the preceding academic year and is a student in

good standing, is a resident of this state and is in a financial condition that warrants the continuation of such aid. [1979 c.532 §6]

**348.365** [1969 c.624 §8; repealed by 1971 c.735 §10]

**348.370 Repayment of loans; interest; conditions; exemption.** (1) Persons receiving funds under ORS 348.310 to 348.390 shall not be required to repay the funds if the person practices medicine in a rural community in this state having a population of fewer than 7,500 persons and which meets the qualifications of a medical shortage area.

(2) The fund recipient shall practice medicine in the area designated under subsection (1) of this section at the rate of one year for each year the funds were provided to that recipient, but in no event shall any recipient practice medicine in an area less than two years.

(3) Any person receiving funds under ORS 348.310 to 348.390 who fails to complete the course of study, shall be required to repay the amount received to the Rural Medical Education Loan Fund. Ten percent interest shall be charged on the unpaid balance, accrued from the date the loan was granted.

(4) Any person receiving funds under ORS 348.310 to 348.390 who completes the course of study and requirements for licensure but fails to fulfill the obligations required by the loan, shall repay the amount received to the Rural Medical Education Loan Fund. Ten percent interest shall be charged on the unpaid balance, accrued from the date the loan was granted. Additionally, a penalty fee, equal to 25 percent of the total amount of funds received shall be assessed against the person. No interest shall accrue on the penalty.

(5) Any funds received by the Rural Medical Education Loan Fund under subsections (3) to (6) of this section shall be used by the Oregon Student Assistance Commission for the purpose of carrying out the provisions of ORS 348.310 to 348.390.

(6) The Oregon Student Assistance Commission may waive any interest or penalty assessed under subsections (3) to (6) of this section in case of undue hardship. [1979 c.532 §§7,9]

**348.375** [1969 c.624 §9; repealed by 1971 c.735 §10]

**348.380** [1979 c.532 §3; 1987 c.660 §18; repealed by 1993 c.742 §34]

**348.390 Rural Medical Education Loan Fund; sources; use.** (1) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Rural Medical Education Loan Fund, which may be invested in the same manner as the Oregon Student Assistance Fund. This fund may receive funds from state and pri-

vate sources for the purpose of making loans to student residents of this state who are determined to be eligible to receive funds under ORS 348.310 to 348.390. Interest earned by the fund shall be credited to the fund.

(2) All funds for and relating to loans received by the Oregon Student Assistance Commission, including repayments, interest and penalties, for the Rural Medical Education Loan Fund, except moneys appropriated from the State Treasury for a specified period of time, are continuously appropriated to the Rural Medical Education Loan Fund for the purposes for which the fund was created. [1979 c.532 §§1,12; 1989 c.966 §31]

**348.393** [1995 c.179 §2; repealed by 2007 c.426 §7]

### SPEECH-LANGUAGE PATHOLOGIST GRANTS AND STIPENDS

**348.394 Definitions for ORS 348.394 to 348.406.** As used in ORS 348.394 to 348.406:

(1) "Eligible post-secondary institution" means:

(a) A state institution under the direction of the State Board of Higher Education listed in ORS 352.002;

(b) A community college as defined in ORS 341.005; or

(c) A generally accredited, not-for-profit institution of higher education.

(2) "Participant" means a student who receives a grant under ORS 348.401. [2007 c.839 §21]

**Note:** 348.394 to 348.406 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 348 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**348.395** [1995 c.179 §4; repealed by 2007 c.426 §7]

**348.397** [1995 c.179 §5; 1997 c.174 §1; repealed by 2007 c.426 §7]

**348.398 Department of Education authority; grants; stipends; rules.** (1) The Department of Education shall establish a program to increase the number of speech-language pathologists and speech-language pathology assistants in Oregon.

(2) Through the program the department may award:

(a) Grants to students studying to become licensed speech-language pathologists or certified speech-language pathology assistants as provided in ORS 348.401; and

(b) Stipends to licensed speech-language pathologists who are employed by education service districts or school districts and provide training to participants.

(3) The State Board of Education may adopt any rules necessary for the adminis-

tration of ORS 348.394 to 348.406. [2007 c.839 §22]

**Note:** See note under 348.394.

**348.399** [1995 c.179 §7; 1997 c.174 §2; repealed by 2007 c.426 §7]

**348.401 Grant eligibility; amount; employment requirement.** (1) To be eligible for participation in the program under ORS 348.394 to 348.406, a student must:

(a) Be registered as a student in an eligible post-secondary institution;

(b) Agree to receive training as a student under the supervision of a staff person employed by an education service district or a school district;

(c) Agree to be employed in Oregon for a minimum of two years as a speech-language pathologist or speech-language pathology assistant within the education service district where the participant received training as a student;

(d) Agree to pay back any amount received by the participant as a grant if the participant does not meet the employment requirement of the program; and

(e) Meet other requirements placed on the participant by the Department of Education.

(2) The Department of Education shall award to each participant selected by the department for participation in the program:

(a) A grant in an amount that is up to \$2,000 per academic year for participants who are registered in programs to become speech-language pathology assistants; and

(b) A grant in an amount that is up to \$9,000 per academic year for participants who are registered in programs to become speech-language pathologists.

(3) Notwithstanding subsection (2) of this section, a participant may not receive a grant under this section that is in an amount that is greater than the tuition costs of the participant.

(4) A participant shall complete the employment requirement specified under subsection (1) of this section not later than three years after the date the participant graduates from the program. The department may grant a participant additional time to complete the employment requirement as follows:

(a) For the period of enrollment if a participant returns to school on a full-time basis in any course of study at an eligible post-secondary institution; and

(b) For a period determined by the State Board of Education for other reasons allowed by the board.

(5) If a participant does not meet the employment requirement, the participant must pay back any amount received by the participant as a grant under the program. The department shall deposit any moneys received under this subsection in the Speech-Language Pathologist Training Fund. [2007 c.839 §23]

**Note:** See note under 348.394.

**348.403 Stipend eligibility; amount.** (1) The Department of Education may award stipends to licensed speech-language pathologists who are employed by education service districts or school districts and who provide training to participants.

(2) The department may award to a licensed speech-language pathologist:

(a) A stipend in an amount that may be up to \$400 per participant for providing training to the participant to become a licensed speech-language pathologist.

(b) A stipend in an amount that may be up to \$200 per participant for providing training to the participant to become a certified speech-language pathology assistant. [2007 c.839 §24]

**Note:** See note under 348.394.

**348.405** [1989 c.227 §2; 1993 c.322 §1; 1999 c.704 §11; repealed by 2007 c.426 §7]

**348.406 Speech-Language Pathologist Training Fund.** (1) The Speech-Language Pathologist Training Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Speech-Language Pathologist Training Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Department of Education for the purpose of awarding grants and stipends under ORS 348.394 to 348.406.

(2) The department may seek grants and donations to provide funding for the program. The department shall deposit any moneys received under this subsection in the fund. [2007 c.839 §25]

**Note:** See note under 348.394.

**348.410** [1989 c.227 §1; 1993 c.322 §2; 1999 c.704 §12; repealed by 2007 c.426 §7]

**348.415** [1989 c.227 §§3,4,8; 1993 c.322 §3; repealed by 2007 c.426 §7]

**348.420** [1989 c.227 §§5,7,9; 1993 c.322 §4; repealed by 2007 c.426 §7]

**348.425** [1989 c.227 §6; repealed by 2007 c.426 §7]

## COMMUNITY SERVICE VOUCHER PROGRAM

**348.427 Voucher program established; amount; recipient eligibility.** (1) To encourage community service participation among students in institutions of higher education, there is established a higher educa-

tion community service voucher program within the Oregon Student Assistance Commission. The commission shall allocate the amount available to it for the purposes under ORS 348.427 to 348.436 by awarding the institution's share of the amount to each institution of higher education in this state that is eligible for or whose students are eligible for financial aid under Title IV, Part B, of the Higher Education Act of 1965 as amended. The institution's share shall be based on the proportion of its enrollment of full-time students to the enrollment of full-time students in all institutions of higher education in this state.

(2) An institution of higher education in this state that receives an amount under subsection (1) of this section shall award amounts from the institution's share to various academic departments in the institution. Vouchers awarded to eligible voucher recipients shall be in \$35 denominations for each eight hours of eligible community service. Priority shall be given to otherwise eligible applicants who have applied previously but not been awarded a place in the voucher program.

(3) In order to be eligible, a voucher recipient must perform approved services for at least 20 hours per week in one term for a state or local government entity or a non-profit social service agency recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code of 1986. However, a voucher recipient shall not be assigned duties that are performed by a public employee if the assignment would displace the public employee. A voucher recipient may be assigned within the institution to assist in maintaining the program authorized by ORS 348.427 to 348.436.

(4) A voucher recipient is eligible for the voucher awards for only one term as an undergraduate student. In addition to the vouchers, the recipient shall receive graded academic credit to be determined by the institution. However, participation in the program does not replace any practicum or internship required for a degree. [1993 c.765 §40; 1999 c.704 §13]

**348.429 Voucher amount limited; Oregon Student Assistance Commission duties; vouchers not personal income; rules.** (1) In addition to any other student assistance provided by the law, the Oregon Student Assistance Commission shall award vouchers to eligible students participating in the program.

(2) The total of all vouchers earned by a student under this section in one term shall not exceed an amount equal to the average tuition and associated fees charged annually

to full-time resident undergraduate students by institutions under the jurisdiction of the State Board of Higher Education.

(3) Vouchers shall be provided in \$35 denominations for each eight hours of eligible community service.

(4) The commission shall:

(a) Determine and approve which community service organizations and services within the programs of such organizations are eligible for participation in the program.

(b) Accept the students that the institutions consider eligible for vouchers under ORS 348.427 to 348.436.

(c) Provide payment for vouchers presented by the program students at eligible institutions.

(d) Establish procedures necessary to carry out the provisions of ORS 348.427 to 348.436, including adopting necessary rules.

(5) Funds received in redemption of the vouchers granted pursuant to ORS 348.427 to 348.436 shall not be considered personal income for the purposes of ORS 316.037.

(6) The vouchers authorized by ORS 348.427 to 348.436 shall first become available when funds are available therefor from sources other than the General Fund, as determined by the commission. [1993 c.765 §41]

**348.431 Tracking system.** Each institution of higher education participating in this program shall develop a tracking system for the program authorized under ORS 348.427 to 348.436. The tracking system shall include, but not be limited to:

(1) The number of eligible students participating in the program;

(2) The number of students applying for participation in the program;

(3) The community service organizations and governmental agencies participating in the program; and

(4) The amount of funds allocated to each academic area under the program. [1993 c.765 §42(1)]

**348.433 Limitation on administrative expenditures.** (1) No more than five percent of the funds available for purposes of ORS 348.427 to 348.436 shall be used by the state for the administrative expenditures of the program. Administrative expenditures do not include premiums paid for workers' compensation benefits.

(2) An institution of higher education may use an amount not to exceed four percent of the funds available under ORS 348.427 to 348.436 to meet its expenses in administering the program. [1993 c.765 §43]

**348.436 Community Service Voucher Fund.** There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Community Service Voucher Fund, which may be invested in the same manner as the Oregon Student Assistance Fund. This fund may receive moneys from federal, state or private sources for the purpose of providing payment for the redemption of vouchers authorized by ORS 348.427 to 348.436 and for the administration of the community service voucher program. This fund, including the interest earnings thereon, if any, is continuously appropriated to the Oregon Student Assistance Commission for those purposes for which such funds were provided to or received or collected by the commission. [1999 c.243 §2]

**348.450** [1978 c.1 §1; 1995 c.343 §36; renumbered 344.257 in 1995]

**348.460** [1978 c.1 §2; 1995 c.343 §37; renumbered 344.259 in 1995]

#### COOPERATION BETWEEN OREGON UNIVERSITY SYSTEM AND COMMUNITY COLLEGES

**348.470 Legislative findings; cooperation between Oregon University System and community colleges.** The Legislative Assembly finds and declares that:

(1) It is the policy of this state to encourage cooperation between the Oregon University System and community colleges on issues affecting students who transfer between the two segments; and

(2) All unnecessary obstacles that restrict student transfer opportunities between the two segments shall be eliminated. [1987 c.375 §1]

#### ASPIRE PROGRAMS

**348.500 Purpose; goals.** (1) The Oregon Student Assistance Commission may establish Access to Student Assistance Programs in Reach of Everyone (ASPIRE) to provide information about financial aid and education and training options beyond high school to students in Oregon secondary schools. The goals of the programs are to:

(a) Provide mentoring and resources to help students access education and training beyond high school;

(b) Help high schools build a sustainable community of volunteer mentors; and

(c) Educate students and families about the scholarship application process and other options for paying for post-secondary education.

(2) The programs shall bring together students, school staff, community volunteers and parents to help students overcome obstacles to their continuing education. The

programs may provide training, technical assistance and other resources to Oregon high schools on how to establish a volunteer-based program. Adult volunteers who are trained through the program may provide mentoring, training and encouragement to students about post-secondary options and financial aid. [2007 c.293 §2]

#### OREGON STUDENT ASSISTANCE COMMISSION

##### (Administration)

**348.505 "Commission" and "financial aid" defined.** As used in ORS 348.500 to 348.695:

(1) "Commission" means the Oregon Student Assistance Commission.

(2) "Financial aid" includes loans, grants, scholarships, work opportunities and other forms of financial aid to assist students in completing their post-high-school education. [1967 c.430 §2; 1997 c.652 §33; 1999 c.704 §14; 2007 c.426 §1]

**348.510 Oregon Student Assistance Commission; term; vacancy; confirmation; qualifications.** (1) There is created an Oregon Student Assistance Commission consisting of seven members, appointed by the Governor.

(2) The term of office of a member of the commission is four years, except that the term for a student member shall be two years, and, after confirmation of the appointment by the Senate, the member shall serve at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor to succeed the member whose term is expiring. A successor appointed for a full term shall assume commission member duties on July 1 following the appointment. A member is eligible for reappointment. A student member is limited to reappointment to one two-year term. In case of a vacancy on the commission for any cause, except where the vacancy is caused by the normal expiration of a member's term, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) The appointment of a member of the commission is subject to confirmation by the Senate in the manner provided in ORS 171.562 and 171.565.

(4) Two members of the commission shall be students at institutions of higher education or community colleges in Oregon at the time of appointment, with the duly organized and recognized entities of student government at each institution of higher education or community college submitting the name of one student to the Governor to assist the Governor in making the appointments.

Other members of the commission shall be citizens of the state chosen for their knowledge of and interest in education, but these other members shall not be persons employed by any institution of higher education or community college located in the state. [Formerly 351.635; 1967 c.430 §3; 1969 c.695 §5; 1975 c.151 §1; 1977 c.725 §7; 1985 c.565 §61; 1995 c.120 §1; 1999 c.704 §1]

**348.520 Duties.** The Oregon Student Assistance Commission shall:

(1) Make available to qualified persons financial aid from financial sources available to the commission.

(2) Determine qualifications of persons to receive financial aid.

(3) Maintain reports and records on persons applying for and receiving financial aid from the commission.

(4) Withhold any financial aid if the recipient thereof fails to maintain the standards established for receipt of that aid.

(5) Recommend to the Legislative Assembly not less than once every biennium matters relating to the establishment, administration, modification, transfer, reduction or cancellation of financial aid.

(6) Prior to implementing changes to the Oregon Opportunity Grant program, report to the Legislative Assembly or the Emergency Board any proposed change:

(a) That increases or decreases the total amount awarded as Oregon Opportunity Grants that was approved as part of the budget enacted by the Legislative Assembly for the commission; and

(b) To the methodology used to determine the student share, family share or state share under ORS 348.205.

(7) Encourage the establishment of financial aid programs by private agencies.

(8) Collect and disseminate information pertaining to all types of available financial aid.

(9) Review the administrative practices and evaluate the effectiveness of all public and private post-secondary financial aid programs in Oregon.

(10) Disburse state appropriations for financial aid in such a manner as to maximize its role in cooperative coordination of financial aid programs. [Formerly 351.640; 1967 c.430 §4; 1973 c.815 §4; 1997 c.652 §34; 2007 c.802 §5]

**348.530 Powers; rulemaking authority.** The Oregon Student Assistance Commission may:

(1) Negotiate for and contract with private and governmental agencies for the establishment of financial aid programs.

(2) Receive gifts of any type, including gifts of stock and real property, for the purpose of establishing, continuing and increasing financial aid.

(3) Administer any form of financial aid submitted to and accepted for administration by the commission.

(4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and other reasonable expenses, including refund of overpayment of fees, which are related to and necessary for making and protecting guaranteed loans and recovering moneys and loans and management of property acquired in connection with such loans.

(5) Sue and be sued.

(6) Pursuant to ORS chapter 183, adopt such rules as may be necessary to carry out the provisions of ORS 348.040 to 348.280, 348.500 to 348.695 and 348.992.

(7) Cooperatively coordinate all types of financial aid activities.

(8) Establish a State of Oregon scholar program to recognize students with outstanding academic achievement and other demonstrated attributes. The students will not necessarily receive financial aid.

(9) Guarantee loans by eligible lending institutions to students who are enrolled or accepted for enrollment at any eligible institution and parents of those students, under the provisions of the Higher Education Act of 1965 as amended.

(10) Deny financial aid to any student owing a refund or in default on financial aid previously made available to that student.

(11) Establish and implement any program permitted under federal law to guaranty agencies, including administrative garnishment and wage withholding under Public Law 102-164, section 605. [Formerly 351.645; 1967 c.430 §5; 1973 c.721 §5; 1977 c.725 §9; 1981 c.209 §1; 1987 c.48 §1; 1995 c.179 §8; 1997 c.652 §35; 2003 c.360 §1; 2007 c.426 §2]

**Note:** The amendments to 348.530 by section 2, chapter 360, Oregon Laws 2003, become operative June 30, 2009, and apply to loans that are disbursed on or after June 30, 2009. See sections 3 and 7, chapter 360, Oregon Laws 2003. The text that is operative on and after June 30, 2009, including amendments by section 3, chapter 426, Oregon Laws 2007, is set forth for the user's convenience.

**348.530.** The Oregon Student Assistance Commission may:

(1) Negotiate for and contract with private and governmental agencies for the establishment of financial aid programs.

(2) Receive gifts of any type, including gifts of stock and real property, for the purpose of establishing, continuing and increasing financial aid.

(3) Administer any form of financial aid submitted to and accepted for administration by the commission.

(4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and other reasonable expenses, including refund of overpayment of fees, which are related to and necessary for making and protecting guaranteed loans and recovering moneys and loans and management of property acquired in connection with such loans.

(5) Sue and be sued.

(6) Pursuant to ORS chapter 183, adopt such rules as may be necessary to carry out the provisions of ORS 348.040 to 348.280, 348.500 to 348.695 and 348.992.

(7) Cooperatively coordinate all types of financial aid activities.

(8) Establish a State of Oregon scholar program to recognize students with outstanding academic achievement and other demonstrated attributes. The students will not necessarily receive financial aid.

(9) Guarantee loans by eligible lending institutions to student residents of the State of Oregon who are enrolled or accepted for enrollment at any eligible institution, nonresident students enrolled or accepted for enrollment in an institution of higher education or community college in Oregon, and parents of those students, under the provisions of the Higher Education Act of 1965 as amended.

(10) Deny financial aid to any student owing a refund or in default on financial aid previously made available to that student.

(11) Establish and implement any program permitted under federal law to guaranty agencies, including administrative garnishment and wage withholding under Public Law 102-164, section 605.

**348.540 Officers of commission; quorum; meetings.** (1) The Oregon Student Assistance Commission shall select one of its members as chairperson, and another as vice chairperson, for such terms and with such powers and duties necessary for the performance of the functions of such offices as the commission shall determine.

(2) A majority of the commission constitutes a quorum for the transaction of business.

(3) The commission shall meet at the call of the chairperson or of a majority of the members of the commission. [Formerly 351.650]

**348.550 Compensation and expenses of commission members.** A member of the Oregon Student Assistance Commission is entitled to compensation and expenses as provided in ORS 292.495. [Formerly 351.655; 1969 c.314 §24]

**348.560 Staff; office space.** Subject to any applicable provisions of the State Personnel Relations Law, the Oregon Student Assistance Commission may employ and fix the compensation of any employees it deems necessary for the effective conduct of the work under its charge. The commission may also arrange with the Oregon University System for use of staff and office space under the jurisdiction of the Oregon University System. [Formerly 351.660]

**348.563 Authority of Oregon Student Assistance Commission to require fingerprints.** For the purpose of requesting a state or nationwide criminal records check under ORS 181.534, the Oregon Student Assistance Commission may require the fingerprints of a person who:

(1)(a) Is employed or applying for employment by the commission; or

(b) Provides services or seeks to provide services to the commission as a contractor or volunteer; and

(2) Is, or will be, working or providing services in a position:

(a) In which the person has direct access to facilities where students reside or to persons under 18 years of age, elderly persons or persons with disabilities;

(b) In which the person 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) In which the person 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; or

(d) That has payroll functions or in which the person has responsibility for receiving, receipting or depositing money or negotiable instruments, for billing, collections or other financial transactions or for purchasing or selling property or has access to property held in trust or to private property in the temporary custody of the state. [2005 c.730 §70]

**Note:** 348.563 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 348 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**348.570 Funds and accounts created.**

(1) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Oregon Student Assistance Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of the expenses of the Oregon Student Assistance Commission in carrying out the purposes of ORS 348.210 to 348.250, 348.505 to 348.615, 348.696 and 348.992. Interest earned by the fund shall be credited to the fund.

(2) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Alternative Student Loan Program Fund for investment as provided by ORS 293.701 to

293.820 and for the payment of expenses of the commission in carrying out the purposes of ORS 348.625 to 348.695. This fund, including the interest earnings on the fund, if any, is continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission.

(3)(a) There is established in the General Fund an account to be known as the Nursing Services Account. Funds in the account shall be used for the payment of expenses of the Nursing Services Program created in ORS 442.540.

(b) The account shall consist of:

(A) Funds appropriated to the Oregon Student Assistance Commission for deposit into the account;

(B) Collections and penalties received by the commission under ORS 442.545; and

(C) Any donations or grants received by the commission for purposes of the Nursing Services Program.

(c) Any funds in the account that are not expended in any biennium shall be retained in the account and may be expended in the next biennium.

(4) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Former Foster Youth Scholarship Fund. Moneys received from appropriations, donations and grants shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Student Assistance Commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.270 (1)(b). Interest earned by the fund shall be credited to the fund.

(5) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the ASPIRE Program Fund. Moneys received from donations and grants shall be credited to the ASPIRE Program Fund. Moneys in the fund are continuously appropriated to the Oregon Student Assistance Commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.500. Interest earned by the fund shall be credited to the fund. [Formerly 351.665; 1967 c.335 §41; 1967 c.430 §§6, 7; 1969 c.573 §4; 1975 c.520 §5; 1977 c.725 §10; 1981 c.209 §2; 1983 c.639 §1; 1987 c.48 §2; 1987 c.842 §18; 1989 c.966 §32; 1997 c.524 §5; 1999 c.704 §3; 2001 c.599 §6; 2001 c.730 §2; 2003 c.360 §§4,5; 2007 c.293 §§3,4; 2007 c.426 §§4,5]

**348.575** [1969 c.573 §2; 1983 c.639 §2; 1985 c.565 §62; repealed by 2007 c.426 §7]

**348.580 Agreements with community foundations.** (1) Subject to the terms of the governing instruments and applicable law,

the Oregon Student Assistance Commission may enter into agreements with one or more community foundations in Oregon to assume the management of the privately funded student aid programs of the commission. The commission may transfer to the community foundation any or all gifts or scholarship grants received by the commission from any private donor.

(2) All gifts or scholarship grant funds received by the commission that are not transferred to community foundations pursuant to subsection (1) of this section shall be placed in the hands of the State Treasurer, who is designated as the custodian thereof and who may hold, in the manner provided by law, the principal and interest on the gifts and grants. Funds may be withdrawn periodically by the commission to provide for administrative expenditures and make payments upon scholarships awarded by the commission.

(3) As used in this section, "community foundation" means an organization that is:

(a) A community trust or foundation within the meaning of section 170 of the Internal Revenue Code of 1986 and section 1.170A-9(e)(10) of the Treasury Regulations thereunder;

(b) Exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986; and

(c) Not a private foundation within the meaning of section 509 of the Internal Revenue Code of 1986. [Formerly 351.670; 1967 c.335 §42; 1987 c.394 §6; 1993 c.258 §1; 1995 c.12 §5; 1997 c.524 §1]

**348.590 Continuous appropriation of certain funds.** All funds for and relating to student aid programs received by the Oregon Student Assistance Commission pursuant to federal grant or from any other source, except moneys appropriated from the State Treasury for a specified period of time, hereby are continuously appropriated to the commission for the purposes for which such funds were provided and received by the commission. [Formerly 351.672; 1987 c.394 §7]

**348.592 Loan cancellation insurance.**

(1) The Oregon Student Assistance Commission may obtain loan cancellation insurance for any person holding a loan under this section and ORS 348.505 to 348.530 and 348.570.

(2) Such insurance shall insure the life of the student who borrows under this section and ORS 348.505 to 348.530 and 348.570 for the amount of the principal and interest due on the loan and the State of Oregon shall be named as the beneficiary. If the borrower dies before repaying the loan, the insurance shall be used to pay the balance

of the loan and the commission shall issue a satisfaction of the obligation.

(3) The Oregon Department of Administrative Services shall procure bids for the purchasing of insurance in compliance with the laws governing the purchase and furnishing of services to state agencies. [Formerly 348.620]

**Note:** 348.592 was added to and made a part of 348.500 to 348.695 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

### (Degrees)

**348.594 Definitions for ORS 348.594 to 348.615.** As used in ORS 348.594 to 348.615:

(1)(a) "Diploma mill" means:

(A) A school against which a court or public body, as defined in ORS 174.109, has issued a ruling or finding, after due process procedures, that the school has engaged in dishonest, fraudulent or deceptive practices related to the award of degrees, academic standards or student learning requirements; or

(B) An entity without legal authority as a school to issue degrees valid as credentials in the jurisdiction that authorizes issuance of degrees.

(b) "Diploma mill" does not include:

(A) A school operating legally under ORS 348.604; or

(B) A school that is actively seeking and able to show evidence of reasonable progress toward regional accreditation with one of the regional post-secondary accrediting bodies recognized by the United States Department of Education.

(2) "School" means a person, organization, school or institution of learning that confers or offers to confer an academic degree upon a person or to provide academic credit applicable to a degree. [1997 c.652 §8; 1999 c.59 §93; 2005 c.546 §8; 2007 c.325 §1]

**348.596 Purpose of ORS 348.594 to 348.615.** It is the purpose of ORS 348.594 to 348.615 to provide for the protection of the citizens of Oregon and their post-secondary schools by ensuring the quality of higher education and preserving the integrity of an academic degree as a public credential. [1997 c.652 §9; 1999 c.59 §94]

**348.597 Applicability of ORS 348.594 to 348.615.** ORS 348.594 to 348.615 do not apply to:

- (1) An Oregon community college;
- (2) A state institution of higher education within the Oregon University System;
- (3) The Oregon Health and Science University;

(4) A school that has conferred degrees under the same control for five years in Oregon from at least one operationally separate unit accredited as a separate institution by a regional accrediting association or its national successor;

(5) A school that, on the date preceding July 15, 2005, was a school described in ORS 348.594 (2)(d); or

(6) A school that is exempt from ORS 348.594 to 348.615 under ORS 348.604. [2005 c.546 §1; 2007 c.325 §4]

**Note:** 348.597, 348.604, 348.605, 348.607 and 348.608 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 348 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**348.599 Office of Degree Authorization.** The Office of Degree Authorization is created within the Oregon Student Assistance Commission. The commission shall appoint an administrator of the office. [1997 c.652 §7; 1999 c.704 §15]

**348.600** [Formerly 351.675; repealed by 1977 c.725 §11]

**348.601 Office of Degree Authorization Account.** The Office of Degree Authorization Account is established separate and distinct from the General Fund. All moneys received by the office, other than appropriations from the General Fund, shall be deposited into the account and are continuously appropriated to the Oregon Student Assistance Commission to carry out the duties, functions and powers of the office. [2003 c.674 §5]

**348.603 Duties of commission relating to degree authorization and nondegree programs; approval of new post-secondary program or location; rules; fees.** (1) The Oregon Student Assistance Commission, through the Office of Degree Authorization, shall:

- (a) Authorize approved schools to offer academic degree programs;
- (b) Authorize approved degree-granting schools to offer nondegree programs leading to a certificate or diploma;
- (c) Validate claims of degree possession;
- (d) Terminate substandard or fraudulent degree activities;
- (e) Terminate activities of diploma mills operating in or from Oregon;
- (f) Except as provided in subsection (4) of this section, terminate the operation in or from Oregon of post-secondary accrediting bodies that are not recognized by the United States Department of Education or by the commission; and
- (g) Review proposed new publicly funded post-secondary programs and locations.

(2)(a) Following review of a proposed new publicly funded post-secondary program or location, the commission shall recommend resolution to the appropriate governing boards and mediate between the boards to seek a negotiated resolution if:

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

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

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

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

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

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

(4) Subsection (1)(f) of this section does not apply to a body the role of which is to accredit schools that offer only associate, bachelor's or master's degrees with titles in theology or religious occupations or, if the schools also offer doctoral degrees, offer doctoral degrees only in theology or religious occupations that have been approved by a federally recognized accrediting organization. [1997 c.652 §10; 2001 c.454 §2; 2003 c.674 §1; 2007 c.325 §2]

**348.604 Exemption from ORS 348.594 to 348.615.** Upon application from a school, as defined in ORS 348.594, the Oregon Student Assistance Commission, through the

Office of Degree Authorization, shall grant an exemption from ORS 348.594 to 348.615 to the school if the school:

(1) Is, or is operated by, a nonprofit corporation;

(2) Offers only associate, bachelor's or master's degrees with titles in theology or religious occupations, or, if the school also offers doctoral degrees, offers doctoral degrees in theology or religious occupations that have been approved by a federally recognized accrediting organization;

(3) Teaches students with faculty members who:

(a) Hold degrees:

(A) From a school that, at the time of the conferral of the degrees, was accredited by a federally recognized accrediting organization, held an exemption under this section, or was a school described in ORS 348.594 (2)(d) on the date preceding July 15, 2005;

(B) That are at least one level above the degree level of the program in which the faculty members teach or that are the terminal degrees in the field in which the faculty members teach; and

(C) That are not honorary degrees; or

(b) Possess sufficient compensatory qualifications to substitute for academic degrees in the fields in which the faculty members teach;

(4) Offers a curriculum:

(a) Of a duration and level that is comparable to the curriculums offered by schools that are not exempt under this section; and

(b) That, with higher degrees, increases the difficulty of the work expected of students;

(5) Requires students to complete academic assignments and to demonstrate learning appropriate to the curriculum;

(6) Awards credit toward degrees proportionate to the work done by students;

(7) Offers admission:

(a) To a student:

(A) With a high school diploma or an equivalent credential; or

(B) Who completed the equivalent of a high school education through home study; and

(b) Based on evidence that the student can reasonably expect to complete a degree and benefit from the education offered;

(8) Provides or arranges for faculty members and students to have access to information that supports instruction and stimulates research or independent study in all areas of the curriculum;

(9) Provides accurate and appropriate credit transcripts to students of the school and accurate and appropriate diplomas to graduates of the school;

(10) Charges tuition by the credit hour or other fixed rate for instruction during an academic term and does not charge tuition or fees for the award of a degree or charge a single fee for an entire degree program;

(11) Provides the oversight required by the commission through the office over a faculty member or administrator who has:

(a) Been convicted of a felony; or

(b) Violated a state or federal law related to the operation of a school;

(12) Provides facilities that permit private communication between faculty members and students;

(13) Provides a number of faculty members that is adequate for the number of students enrolled;

(14) Provides clear and accurate information to students about the school's expectations of students in the school's courses;

(15) Ensures that a student who is pursuing a degree is making continuous progress toward the degree;

(16) Before a student enrolls in the school, informs the student that a school to which the student might transfer retains the discretion whether to accept the transfer of credits earned at the school;

(17) Provides official transcripts of faculty members to the office; and

(18) Pays the fee imposed by ORS 348.607. [2005 c.546 §2]

**Note:** See note under 348.597.

**348.605 Restrictions and duties of exempt schools.** (1) A school that obtains an exemption under ORS 348.604 or that, on the date preceding July 15, 2005, was a school described in ORS 348.594 (2)(d) may not:

(a) Award more than 25 percent of the credit toward a degree for noninstructional activities, such as challenge examinations and professional or life experiences;

(b) Represent that the school is:

(A) Approved by the State of Oregon; or

(B) Accredited by an organization unless the organization is recognized as an accreditor by the United States Department of Education; or

(c) Pay a faculty member a commission or otherwise base a faculty member's compensation on the faculty member's recruitment of students to the school.

(2) A school that obtains an exemption under ORS 348.604 or that, on the date pre-

ceding July 15, 2005, was a school described in ORS 348.594 (2)(d) shall:

(a) Preserve official transcripts for all faculty members and students;

(b) Notify the Office of Degree Authorization if a faculty member or administrator at the school has:

(A) Been convicted of a felony; or

(B) Violated a state or federal law related to the operation of a school;

(c) Place in any course catalog that is available to students or to the public a notice that states: "(Name of school) has been granted exempt status by the State of Oregon to offer theological and/or religious occupations degrees.";

(d) If the school closes, return to students tuition payments for the current term on a prorated basis;

(e) If the school provides placement services to a student, describe the placement services clearly and accurately to the student and avoid giving unrealistic expectations of placement to the student; and

(f) If an administrator claims to possess an academic degree:

(A) Ensure that the administrator possesses the academic degree that the administrator claims to possess; and

(B) Require that the degree is from a school that, at the time of the conferral of the degree, was accredited by a federally recognized accrediting organization, held an exemption under this section, or was a school described in ORS 348.594 (2)(d) on the date preceding July 15, 2005. [2005 c.546 §3]

**Note:** See note under 348.597.

**348.606 Conferring or offering of degree before approval obtained prohibited; fees; rules.** (1) A school may not confer or offer to confer any academic degree upon a person, or provide services purporting to lead to a degree in whole or in part, without first obtaining approval from the Oregon Student Assistance Commission through the Office of Degree Authorization. The commission shall adopt by rule standards and procedures for the approval of schools.

(2)(a) The commission, by rule, may impose a fee on any school applying for approval to confer or offer to confer a degree upon a person or to provide academic credit applicable to a degree. The fee is nonrefundable.

(b) The amount of the fee shall be established to recover designated expenses incurred by the commission in carrying out the administration of ORS 348.594 to 348.615, and may not exceed the following amounts adjusted for inflation annually, beginning on

July 1, 2007, pursuant to the increase, if any, from the preceding year in the U.S. City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor:

- (A) For a doctoral degree, \$5,500.
- (B) For a master's degree, \$4,150.
- (C) For a bachelor's degree, \$4,150.
- (D) For an associate degree, \$2,750.
- (E) For a certificate or for any partial degree program, \$1,000.

(c) In addition to the base fee described in paragraph (b) of this subsection, the commission may assess the actual costs related to the use of experts to evaluate programs leading to professional licensure by the state, if such costs exceed 10 percent of the base fee.

(d) Any fees collected under this subsection shall be deposited in the Office of Degree Authorization Account established under ORS 348.601. [1997 c.652 §11; 1999 c.59 §95; 2003 c.674 §2; 2005 c.546 §9; 2007 c.325 §3]

**348.607 Fee for exemption application; rules; prohibition on requirements for religious exemption.** (1) The Oregon Student Assistance Commission may, by rule, impose a fee on a school that applies for an exemption under ORS 348.604. The amount of the fee may not exceed the lesser of:

(a) The actual cost to the commission of determining the school's compliance with the requirements for an exemption under ORS 348.604; or

(b) Fifty percent of the fee that the commission would impose on the school under ORS 348.606 (2) if the school were applying for approval to offer a bachelor's degree.

(2) Except as provided in ORS 348.604 or 348.608 or section 6, chapter 546, Oregon Laws 2005, the commission may not impose requirements for a religious exemption from ORS 348.594 to 348.615. [2005 c.546 §4; 2007 c.325 §5]

**Note:** See note under 348.597.

**348.608 Certification by exempt school; suspension or revocation of exemption; appeal.** (1) Each year, on a date prescribed by the Office of Degree Authorization, a school that obtains an exemption under ORS 348.604 or a school that, on the date preceding July 15, 2005, was a school described in ORS 348.594 (2)(d), shall submit to the office a statement that reads: "(Name of School) hereby certifies that the school remains in compliance with all conditions for a religious exemption from ORS 348.594 to 348.615."

(2) A school that obtains an exemption under ORS 348.604 or a school that, on the

date preceding July 15, 2005, was a school described in ORS 348.594 (2)(d) remains exempt unless the office suspends or revokes the exemption.

(3) The office may suspend or revoke an exemption if:

(a) After the notice and opportunity to cure provided in subsection (4) of this section, a school fails to provide the statement required by subsection (1) of this section;

(b) The office has received a complaint from a student or former student of the school that the school is failing to comply with a condition for exemption under ORS 348.604, the office determines that the complaint is valid, the school has been provided with notice and opportunity to cure as required by subsection (4) of this section and the school fails to comply with the condition listed in the notice; or

(c) After the notice and opportunity to cure provided in subsection (4) of this section, a school is in violation of ORS 348.605.

(4) The Oregon Student Assistance Commission, through the office, shall provide notice of and 90 days to cure a school's:

(a) Failure to provide the statement required by subsection (1) of this section;

(b) Failure to maintain compliance with a condition for exemption under ORS 348.604 if the office has received a complaint from a student or former student of the school that the school is failing to comply with a condition for exemption under ORS 348.604 and the office has determined the complaint is valid; or

(c) Violation of ORS 348.605.

(5) A school may appeal the denial, suspension or revocation of an exemption to the commission.

(6) A school may appeal to the commission the office's decision that a faculty member does not possess sufficient compensatory qualifications to substitute for an academic degree in the field in which the faculty member teaches.

(7) The commission shall conduct an appeal under this section as a contested case under ORS chapter 183.

(8)(a) If a school appeals the denial, suspension or revocation of an exemption and the commission upholds the denial, suspension or revocation, the commission shall provide the school 90 days to cure the grounds for the denial, suspension or revocation. If the school does not cure the grounds for the denial, suspension or revocation within 90 days after the commission upholds the denial, suspension or revocation, then the denial, suspension or revocation becomes

effective 90 days after the issuance of the decision on the appeal by the commission.

(b) If a school does not appeal the denial, suspension or revocation of an exemption to the commission and the school does not cure the grounds for the denial, suspension or revocation within the period of time to appeal the decision to the commission, then the denial, suspension or revocation becomes effective upon the expiration of the period of time to appeal. [2005 c.546 §5]

**Note:** See note under 348.597.

**348.609 Representation of possession of academic degree; complaints; civil penalties; rules; fees.** (1) A person who has been warned by the Oregon Student Assistance Commission, through the Office of Degree Authorization, to cease and desist may not claim or represent that the person possesses any academic degree unless the degree has been awarded to or conferred upon the person by a school that:

(a) Has accreditation recognized by the United States Department of Education or the foreign equivalent of such accreditation;

(b) Has been approved by the Oregon Student Assistance Commission through the Office of Degree Authorization to offer and confer degrees in Oregon;

(c) Is described in ORS 348.597; or

(d) Is located in the United States and has been found by the commission to meet standards of academic quality comparable to those of an institution located in the United States that has accreditation, recognized by the United States Department of Education, to offer degrees of the type and level claimed by the person.

(2)(a) A person who has been awarded a degree from a school other than a school described in subsection (1) of this section may claim or represent that the person possesses an academic degree if the claim or representation is accompanied by a disclaimer that states: "(Name of school) does not have accreditation recognized by the United States Department of Education and has not been approved by the Office of Degree Authorization."

(b) The disclaimer shall be made in any resume, letterhead, business card, announcement or advertisement in which the person is claiming or representing to have an academic degree from a school that does not meet the requirements of subsection (1) of this section.

(c) This subsection does not alter any requirement for obtaining a license, admission into a school, teaching or employment or for other areas in which a degree from an accredited school is required.

(3) The Oregon Student Assistance Commission shall adopt, by rule, standards and procedures for responding to complaints about degree claims and for validation of degree claims. Failure of a person to provide documentation of a claimed degree shall be prima facie evidence that the claim of such person to such degree is a violation of this section.

(4) The Oregon Student Assistance Commission, by rule, may impose a fee on any school or person requesting validation of degree claims. The amount of the fee shall be established to recover designated expenses incurred by the commission in carrying out the administration of ORS 348.594 to 348.615. Any fees collected under this subsection shall be deposited in the Office of Degree Authorization Account established under ORS 348.601.

(5)(a) The Oregon Student Assistance Commission, through the Office of Degree Authorization, may cause a civil suit to be instituted in the circuit court for legal or equitable remedies, including injunctive relief, to ensure compliance with this section. The commission may recover attorney fees and court costs for any such action.

(b) The commission shall adopt a schedule of civil penalties for violations of this section. A civil penalty shall not exceed \$1,000 per violation.

(c) In addition to any action or penalty provided by law, any person who violates this section shall incur a civil penalty in an amount prescribed by the schedule adopted by the commission. Any civil penalty imposed under this subsection shall be imposed in the manner provided in ORS 183.745. All penalties recovered under this subsection shall be paid into the State Treasury and credited to the General Fund.

(6) The provisions of this section do not apply to a person who is a graduate of a veterinary college, or a veterinary department of a university or college, of good standing and repute, as determined by the Oregon State Veterinary Medical Examining Board. [1997 c.652 §12; 2001 c.454 §1; 2003 c.674 §3; 2005 c.196 §4; 2005 c.546 §10a]

**348.610** [1967 c.430 §8; repealed by 1971 c.577 §3]

**348.612 Revocation of approval; hearing.** The Oregon Student Assistance Commission may revoke or suspend any approval given to a school under ORS 348.606 for proper cause after a hearing. Such hearing shall be held only after the school has been given 20 days' notice in writing of the time and place of such hearing. Hearings shall be held in accordance with the rules of the commission adopted under ORS 348.530. [1997 c.652 §13]

**348.615 Appeal procedure.** If the Oregon Student Assistance Commission refuses to grant approval to a school to confer degrees or revokes the approval to confer degrees, the refusal or revocation shall be subject to the right of review by an action brought in the circuit court of the county in which the school is located. Such review shall be tried as an action not triable by right to a jury. [1997 c.652 §14]

**(Scholarship Program Tax Credit)**

**348.616 Minimum criteria for certification of employer program; rules.** (1) The Oregon Student Assistance Commission shall develop and adopt rules that provide the minimum criteria that an employer must meet in order for the employer's scholarship program for employees and dependents to be certified as eligible for the employee and dependent scholarship program tax credit provided under ORS 348.621. The commission shall adopt rules to determine:

(a) The types of educational programs, institutions and expenses related to the programs and institutions for which scholarships may be offered to employees and dependents, and scholarship moneys expended on their behalf;

(b) The types of employees and dependents to whom scholarships must be offered;

(c) The minimum and maximum annual dollar amounts of a scholarship that would be a qualified scholarship under ORS 315.237;

(d) The minimum annual number of hours of instruction that a scholarship beneficiary must commit to in order to be eligible for a scholarship; and

(e) Such other requirements as the commission may provide.

(2) An employer must employ at least four full-time equivalent employees but no more than 250 employees in order to be certified as eligible for the employee and dependent scholarship program tax credit under ORS 348.621.

(3) An employer seeking to claim the tax credit provided under ORS 315.237 must apply to the Oregon Student Assistance Commission for both employee and dependent scholarship program certification under ORS 348.618 and tax credit certification under ORS 348.621. [2001 c.475 §§2,4]

**348.618 Requirements for program certification application; acceptance and rejection of application.** (1) An application for employee and dependent scholarship program certification shall be filed by the employer establishing the program. The application shall be filed with the Oregon Student Assistance Commission at least

three months prior to the close of the first tax year for which a tax credit under ORS 315.237 will be claimed.

(2) The application shall be filed on a form prescribed by the commission and shall contain the information required by the commission, including:

(a) The date on which the proposed employee and dependent scholarship program will first be available to the employer's employees and their dependents;

(b) The total number of employees of the employer;

(c) The total number of employees who will be eligible, or whose dependents will be eligible, to participate in the program;

(d) The criteria to be used by the employer in determining the eligibility of an employee or an employee's dependent for a scholarship under the program; and

(e) The annual limit, if any, on the amount of funds to be used for scholarships under the program.

(3) The commission shall certify an application that describes an employee and dependent scholarship program that is in compliance with the rules adopted by the commission under ORS 348.616 (1) and (2), if made by an employer that meets the employment requirements of ORS 348.616 (1) and (2).

(4) The commission shall certify or reject an application within 60 days of receipt of the application and shall notify the employer of the commission's determination.

(5) An employer whose application has been rejected by the commission shall be afforded an opportunity to amend the application to address the commission's objections to the original application.

(6) In the case of an employer whose proposed employee and dependent scholarship program has been certified by the commission, the commission shall send a letter of program certification to the employer. The letter of program certification shall set forth or incorporate by reference the statements made in the application being certified.

(7) A letter of program certification issued under this section shall remain valid until the employer changes the terms of eligibility for a scholarship under the program, changes the minimum or maximum amount of a scholarship under the program or ceases to be an employer. [2001 c.475 §5]

**348.620** [1967 c.430 §9; 1971 c.577 §2; renumbered 348.592 in 1997]

**348.621 Requirements for tax credit certification application.** (1) An application for tax credit certification shall be filed by an employer that has obtained program cer-

tification under ORS 348.618 or that has applied for program certification and is awaiting such certification by the Oregon Student Assistance Commission.

(2) The application for tax credit certification shall be filed by the employer with the commission. The application shall be filed at the time prescribed by the commission, but no later than October 1 of the calendar year in which begins the tax year for which a credit under ORS 315.237 will be claimed.

(3) The application shall be filed on a form prescribed by the commission and shall contain the information required by the commission, including the amount of scholarship moneys the employer has provided or intends to provide to employees or dependents during the calendar year for which tax credit certification is being sought and the number of employees employed by the employer for the calendar year.

(4) The commission shall consider applications in the chronological order in which the applications are received and shall approve applications to the extent the amount set forth in the application, when added to the total amount already certified by the commission for the calendar year under this section, does not exceed \$1 million.

(5) An employer may not receive tax credit certification:

(a) For an amount that is greater than \$1 million;

(b) If the employer employs fewer than four full-time equivalent employees for the calendar year; or

(c) If the employer employs more than 250 employees for the calendar year.

(6) The commission shall send written notice of the amount of the tax credit certification, or written notice that no amount is being certified, to the employer and to the Department of Revenue within 60 days of the date an application is filed under this section.

(7) The employer shall keep the written certification in the employer's records for at least five years and shall furnish the certification to the Department of Revenue if requested. [2001 c.475 §6]

#### (Alternative Student Loan Program)

**348.625 Definitions for ORS 348.570 and 348.625 to 348.695.** As used in ORS 348.570 and 348.625 to 348.695:

(1) "Alternative student loan program" means a program established by the Oregon Student Assistance Commission to fund loans to eligible students, or to qualifying parents of eligible students, to help meet expenses of eligible students of attending post-secondary educational institutions; provided, however, that alternative student loan program loans may be made only to students who have applied for student financial aid under Title IV, Part B of the Higher Education Act of 1965, as amended, and have received information on their eligibility for programs under that Act, or the parents of students who have made such application and received such information.

(2) "Eligible student" means a student enrolled in an eligible post-secondary educational institution located in Oregon or a student who is an Oregon resident and who is enrolled in an eligible post-secondary educational institution located outside of Oregon. The commission shall determine, among other things, what constitutes enrollment and which post-secondary educational institutions are eligible institutions under the alternative student loan program.

(3) "Lender" means an insured institution as defined in ORS 706.008 that is authorized to do business in Oregon and which has entered into an agreement with the commission to originate, service and administer alternative student loans in the manner authorized by ORS 348.570 and 348.625 to 348.695. [1987 c.842 §2; 1989 c.131 §1; 1997 c.631 §464; 1999 c.59 §96; 1999 c.704 §16]

**348.630 Eligible recipients; limitations; credit check.** (1) Loans may be made under the alternative student loan program to an eligible student or to a parent of an eligible student.

(2) Loans made under the alternative student loan program shall not exceed the eligible costs of education as determined by the Oregon Student Assistance Commission, minus other financial aid received, or \$10,000, whichever is less, for any eligible student during a single calendar year. Total loans made for any eligible student under the alternative student loan program shall not exceed \$40,000.

(3) Under the alternative student loan program, borrowers shall undergo a credit check by the lender or by the commission and shall be creditworthy or provide a creditworthy cosigner. [1987 c.842 §3]

**348.635 Establishment of loan terms and conditions.** In consultation with private sector lenders, the Oregon Student Assistance Commission shall establish the terms and conditions, including but not limited to maturities and repayment provisions, of student loans for which the commission shall provide funding. The commission may also set standards of academic achievement which borrowers must maintain to receive loans. [1987 c.842 §4]

**348.640 Administration of loans by private lenders; repayment to state; risk of loss.** (1) The Oregon Student Assistance Commission shall provide funding to lenders pursuant to contracts which shall provide, among other things, the terms and conditions under which private sector lenders, using funding made available by the commission, shall originate, service and administer loans pursuant to the alternative student loan program. Lenders shall receive and process loan applications from borrowers, perform credit analysis, approve or deny loan requests, and for loans which are approved, originate, document, administer and service such loans. The commission shall make provision for payment to lenders of the reasonable costs of origination, servicing and administration of loans. Payment may be made directly by borrowers or by the commission, as the commission may determine.

(2) Loans shall be structured in such a manner that anticipated payments of principal and interest shall permit timely repayment of the revenue bonds to be issued by the State of Oregon pursuant to ORS 348.570 and 348.625 to 348.695. As a condition of participation in the alternative student loan program by private sector lenders, the commission shall procure from each such lender a guarantee or letter of credit insuring that the commission shall receive full and timely repayment of principal of and interest due on loans originated, serviced and administered by the lender. The commission shall provide by contract for payment by the commission or by borrowers, as the commission may determine, of the reasonable costs of such guarantees or letters of credit. It is the intention of ORS 348.570 and 348.625 to 348.695 that participating private sector lenders, not the commission, shall bear the entire risk of loss, nontimely repayment or nonpayment of alternative student loan program loans. [1987 c.842 §5]

**348.645** [1987 c.842 §7; repealed by 2007 c.426 §7]

**348.650** [1987 c.842 §6; repealed by 2007 c.426 §7]

**348.655 Issuance of revenue bonds; amount; interest tax exempt.** In consultation with the Oregon Student Assistance Commission, the State Treasurer may issue revenue bonds in an amount not to exceed

\$30 million annually, the proceeds of which shall be used to provide funding for loans to be made pursuant to the alternative student loan program. Interest on the bonds shall be exempt from personal income taxation by the State of Oregon. [1987 c.842 §8]

**348.660 Determination to issue revenue bonds; duties of State Treasurer; factors to consider.** (1) If the State Treasurer, in consultation with the Oregon Student Assistance Commission, determines that revenue bonds should be issued under ORS 348.570 and 348.625 to 348.695:

(a) The State Treasurer, in consultation with the commission, may authorize and issue in the name of the State of Oregon revenue bonds secured by revenues from repayment of loans to finance or refinance in whole or part the costs of the loan program. Refunding bonds may be issued to refinance such revenue bonds.

(b) The State Treasurer, in consultation with the commission, shall designate the underwriter, trustee and bond counsel and enter into appropriate agreements with each to carry out the provisions of ORS 348.570 and 348.625 to 348.695.

(2) Any trustee designated by the State Treasurer, in consultation with the commission, must agree to furnish financial statements and audit reports for each bond issue.

(3) In determining whether to issue revenue bonds under ORS 348.570 and 348.625 to 348.695, the State Treasurer, in consultation with the commission, shall consider:

(a) The bond market for the types of bonds proposed for issuance.

(b) The terms and conditions of the proposed issue.

(c) Such other relevant factors as the State Treasurer, in consultation with the commission, considers necessary to protect the financial integrity of the state. [1987 c.842 §§9,10]

**348.665 Laws governing issuance of bonds; powers of State Treasurer.** Bonds authorized under ORS 348.570 and 348.625 to 348.695 shall be issued in accordance with the provisions of ORS chapter 286A. The State Treasurer, in consultation with the Oregon Student Assistance Commission, may establish special accounts or subaccounts in the Alternative Student Loan Program Fund created by ORS 348.570 and may pledge the assets or the revenues, or any portion thereof, of the alternative student loan program. [1987 c.842 §11; 2007 c.783 §143]

**348.670 Administrative expenses.** The administrative expenses of the State Treasurer and the Oregon Student Assistance Commission shall be charged against bond

proceeds or repayment revenues. [1987 c.842 §12]

**348.675 Refunding of bonds.** The State Treasurer, in consultation with the Oregon Student Assistance Commission, shall have the power, whenever refunding is considered expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured. The refunding bonds may be exchanged for bonds to be refunded and the proceeds applied to the purchase, redemption or payment of such bonds. [1987 c.842 §13]

**348.680 Validity of bonds.** The validity of bonds issued under ORS 348.570 and 348.625 to 348.695 shall not be dependent on nor be affected by the validity or regularity of any proceeding relating to the loans for which the bonds are issued. The official action authorizing such bonds may provide that the bonds shall contain a recital that they are issued pursuant to ORS 348.570 and 348.625 to 348.695 and such recital shall be conclusive evidence of their validity and of the regularity of their issuance. [1987 c.842 §14]

**348.685 Covenants in actions authorizing bonds; contents.** The official action authorizing the issuance of bonds under ORS 348.570 and 348.625 to 348.695 may contain covenants, notwithstanding that such covenants may limit the exercises of powers conferred by ORS 348.570 and 348.625 to 348.695 in the following respects and in such other respects as the state, acting through the State Treasurer, in consultation with the Oregon Student Assistance Commission, or the designee thereof may decide:

(1) The use and disposition of the revenues from repayment;

(2) The creation and maintenance of special accounts or subaccounts in the Alternative Student Loan Program Fund created by ORS 348.570 and the regulation, use and disposition thereof;

(3) The purpose or purposes to which the proceeds of sale of bonds may be applied and the use and disposition of such proceeds;

(4) The events of default and the rights and liabilities arising thereon and the terms and conditions upon which the holders of any bonds may bring any suit or action on such bonds or on any coupons appurtenant thereto;

(5) The issuance of other or additional bonds or instruments payable from or constituting a charge against the revenues from repayment;

(6) The keeping of books of account and the inspection and audit thereof;

(7) The terms and conditions upon which any or all of the bonds shall become or may

be declared due before maturity and the terms and conditions upon which such declaration and its consequences may be waived;

(8) The rights, liabilities, powers and duties arising upon the breach of any covenants, conditions or obligations;

(9) The appointing of and vesting in a trustee or trustees of the right to hold or dispose of any funds, accounts, revenues or assets of the alternative student loan program, to receive or assign any pledge thereof or to enforce any covenants made to secure or to pay the bonds, the powers and duties of such trustee or trustees, and the limitation of the liabilities of the trustee or trustees;

(10) The terms and conditions upon which the holder or holders of the bonds, or the holders of any proportion or percentage of them, may enforce any covenants made under ORS 348.570 and 348.625 to 348.695; and

(11) A procedure by which the terms of any official action authorizing bonds or of any other contract with bondholders, including but not limited to an indenture of trust or similar instrument, may be amended or abrogated, and the amount of bonds the holders of which may consent thereto, and the manner in which such consent may be given. [1987 c.842 §15]

**348.690 Liability of state for bonds.** (1) Revenue bonds issued under ORS 348.570 and 348.625 to 348.695:

(a) Shall not be payable from nor charged upon any funds other than the revenue pledged to the payment thereof, except as provided in this section, nor shall the state be subject to any liability thereon. No holder or holders of such bonds shall ever have the right to compel any exercise of the taxing power of the state to pay any such bonds or the interest thereon, nor to enforce payment thereof against any property of the state.

(b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the state other than the Alternative Student Loan Program Fund created by ORS 348.570, any account or subaccount thereof or student loans, if any, owned or acquired by the Oregon Student Assistance Commission pursuant to the alternative student loan program.

(2) Each bond issued under ORS 348.570 and 348.625 to 348.695 shall recite in substance that the bond, including interest thereon, is payable solely from the revenue pledged to the payment thereof. No such bond shall constitute a debt of the state or a lending of the credit of the state within the meaning of any constitutional or statutory limitation. However, nothing in ORS 348.570

and 348.625 to 348.695 is intended to impair the rights of holders of bonds to enforce covenants made for the security thereof as provided in ORS 348.685. [1987 c.842 §16]

**348.695 Rights and remedies of bondholders and trustees.** Subject to any contractual limitation binding upon the holders of any issue of revenue bonds, or a trustee therefor, including but not limited to the restriction of the exercise of any remedy to a specified proportion or percentage of such holders, any holder of bonds, or any trustee therefor, for the equal benefit and protection of all bondholders similarly situated, may:

(1) By action or proceeding for legal or equitable remedies, enforce their rights against the state and any of its officers, agents and employees, and may require and compel the state or any such officers, agents or employees to perform and carry out duties and obligations under ORS 348.570 and 348.625 to 348.695 and covenants and agreements with bondholders;

(2) By action, require the state to account as if it were the trustee of an express trust;

(3) By action, enjoin any acts or things which may be unlawful or in violation of the right of the bondholders;

(4) Bring action upon the bonds; and

(5) Exercise any right or remedy conferred by ORS 348.570 and 348.625 to 348.695 without exhausting and without regard to any other right or remedy conferred by ORS 348.570 and 348.625 to 348.695 or any other law of this state, none of which rights and remedies is intended to be exclusive of any other, and each is cumulative and in addition to every other right and remedy. [1987 c.842 §17]

## EDUCATION STABILITY FUND

### (Generally)

**348.696 Education Stability Fund; investment; earnings.** Pursuant to section 4 (4)(d), Article XV of the Oregon Constitution, the Education Stability Fund is established separate and distinct from the General Fund. Except for earnings on moneys in the school capital matching subaccount, moneys in the fund shall be invested as provided in ORS 293.701 to 293.790. All declared earnings on moneys in the fund shall be transferred and are appropriated continuously as follows:

(1) All declared earnings from the Oregon Growth Account to the Oregon Commercialized Research Fund created in ORS 284.725;

(2) 75 percent of all declared earnings not described in subsection (1) of this section to

the Oregon Education Fund established by ORS 348.716; and

(3) 25 percent of all declared earnings not described in subsection (1) of this section to the Oregon Student Assistance Commission for the Oregon Opportunity Grant program under ORS 348.260. [1995 c.12 §2; 1997 c.524 §2; 1997 c.612 §11; 1999 c.44 §§26,27; 1999 c.704 §§17,18; 1999 c.1070 §§13,14; 2001 c.920 §12; 2001 c.922 §§27,28; 2002 s.s.3 c.6 §§2,3; 2005 c.22 §§246,247; 2005 c.748 §§19,20]

**348.699** [1995 c.12 §6; repealed by 1997 c.524 §6]

### (Oregon Growth Account)

**348.701 Definitions for ORS 348.701 to 348.710.** As used in ORS 348.701 to 348.710:

(1) "Board" means the Oregon Growth Account Board established in ORS 348.707.

(2) "Emerging growth business" means an individual or group of individuals or a new or small company, including but not limited to any new or small partnership, limited liability company, corporation, firm, association or other entity, that has the capacity, upon obtaining appropriate capital, to generate significant high skill, high wage employment.

(3) "Management company" includes an individual or group of individuals, firm, association, limited partnership, partnership, corporation or other investment company.

(4) "Seed capital" means financing that is provided for the initial phases, including the first phase, of development, refinement and commercialization of a technology, product, process or innovation, including but not limited to facilitating technology transfers related to academic research, discoveries or developments for the purpose of commercialization of a technology, product, process or innovation. [1995 c.811 §5(5); 1997 c.323 §1; 1999 c.42 §3; 1999 c.54 §1; 2001 c.52 §1; 2001 c.922 §1; 2005 c.835 §25; 2007 c.172 §1]

**348.702 Oregon Growth Account.** (1) There is created within the Education Stability Fund the Oregon Growth Account, to which shall be credited, in the manner provided in subsection (2) of this section, 10 percent of the funds transferred under section 4, Article XV of the Oregon Constitution, from the Administrative Services Economic Development Fund to the Education Stability Fund. Separate records shall be maintained for moneys in the Oregon Growth Account that are available for the purposes specified in subsection (5) of this section. The account may be credited with unrestricted appropriations, gifts, donations, grants or contract proceeds from any source, with investments or funds from any source and with returns on investments made from the account.

(2) The Oregon Department of Administrative Services may credit to the Oregon Growth Account from the first funds transferred in a fiscal year to the Education Stability Fund under section 4, Article XV of the Oregon Constitution, an amount up to the amount the department estimates to be 10 percent of the funds required to be transferred to the Education Stability Fund for that fiscal year.

(3) If at the end of the fiscal year the amount credited to the Oregon Growth Account under subsection (2) of this section is less than or greater than 10 percent of the amount required to be transferred under section 4, Article XV of the Oregon Constitution, to the Education Stability Fund, the amount credited to the Oregon Growth Account shall be adjusted in one of the following ways:

(a) The amount credited to the account in the following fiscal year may be adjusted;

(b) Any excess may be transferred from the Oregon Growth Account to the Education Stability Fund; or

(c) Any shortage may be transferred from the Education Stability Fund to the Oregon Growth Account from funds available for that purpose.

(4) Adjustments required by subsection (3) of this section shall be made without consideration of any interest or other earnings that have accrued during the fiscal year.

(5) The purpose of the Oregon Growth Account is to earn returns for the Education Stability Fund by making investments in or by providing seed capital for emerging growth businesses.

(6) The investment of funds in the Oregon Growth Account shall be governed by the Oregon Growth Account Board. [1995 c.811 §§3,4; 1997 c.323 §2; 2001 c.922 §2; 2002 s.s.3 c.6 §4; 2003 c.14 §154; 2003 c.606 §6; 2005 c.835 §32; 2007 c.71 §96; 2007 c.172 §2]

**348.703 Management and investment of moneys in account; reporting requirement; contracts for investment advice and other services.** (1) The Oregon Growth Account Board shall contract with one or more management companies to manage and invest the moneys in the Oregon Growth Account. For purposes of this subsection, a contract with a management company may consist of:

(a) A partnership agreement under which the Oregon Growth Account Board is the limited partner and the management company is the general partner; or

(b) Another form of payment or profit-sharing arrangement under which the Oregon Growth Account Board may receive payment or another form of return in ex-

change for its investment in an emerging growth business.

(2) The provisions of ORS 293.726 do not apply to those assets of the Education Stability Fund that are held in the Oregon Growth Account. The limitations of ORS 293.726 (6) shall be calculated based only on the balance of the Education Stability Fund that does not include the Oregon Growth Account.

(3) A management company selected to manage the Oregon Growth Account shall manage the moneys in the account, subject to investment policies established by the State Treasurer and the investment directives or strategies of the Oregon Growth Account Board, with the care, skill and diligence that a prudent investor acting in a similar capacity and familiar with such investments would use in managing and investing a similar account. The management company shall invest in Oregon an amount that is at least equal to the amount of the principal transferred from the Oregon Growth Account to the management company for investment.

(4) The contract between the board and a management company to manage the Oregon Growth Account and the functions performed under the contract are not subject to the State Personnel Relations Law or ORS 279.835 to 279.855 or ORS chapter 279A or 279B.

(5) Notwithstanding ORS 348.702 (5), a management company selected to manage the Oregon Growth Account may maintain a portion of the moneys allocated to the account under ORS 348.702 (1) in short-term securities in investments other than those specified in ORS 348.702 (5) during such times as a management company is seeking investments that meet the requirements of ORS 348.702 (5).

(6) The State Treasurer shall annually submit a report to the Governor and to the Legislative Assembly on the investment of moneys in the Oregon Growth Account. The report required by this subsection shall include a summary of the amount of money invested by industrial sector or business classification, by region of this state, by size of investment and by type of investment.

(7) The State Treasurer shall provide to other state agencies any reports on the investment of moneys in the Oregon Growth Account that are necessary to fulfill audit, financial, investment or other reporting requirements to which the Education Stability Fund is subject by law or standard accounting principles.

(8) The office of the State Treasurer shall provide staff to the board.

(9) There is continuously appropriated to the board from the Oregon Growth Account those amounts necessary to meet the expenses of the board and the State Treasurer in carrying out the operations of the Oregon Growth Account and the duties of the board and the State Treasurer. The cost to the office of the State Treasurer of providing staff to the board shall be deducted from those amounts paid to the State Treasurer pursuant to ORS 293.718 as reimbursement for expenses incurred as investment officer for the Education Stability Fund.

(10) The board may enter into contracts for the provision of investment advice or other services that the board deems reasonable and necessary to fulfill the duties of the board. The State Treasurer may enter into contracts for the provision of investment advice or other services that the State Treasurer deems reasonable and necessary to fulfill the duties of the State Treasurer with respect to the Oregon Growth Account. Such contracts are not subject to the State Personnel Relations Law or ORS 279.835 to 279.855 or ORS chapter 279A or 279B. [1995 c.811 §5(1) to (4); 1997 c.323 §5; 1999 c.42 §4; 2001 c.52 §2; 2001 c.922 §3; 2002 s.s.3 c.6 §5; 2003 c.606 §7; 2003 c.794 §258; 2007 c.172 §3]

**348.704 Allocation, withdrawal and transfer of assets in account.** The Oregon Growth Account Board may allocate to, withdraw from or transfer from the Oregon Resource and Technology Development Subaccount and the balance of the Oregon Growth Account such moneys, investments, returns or other assets or amounts the board determines necessary or desirable to further the purpose set forth in ORS 348.702. [2001 c.922 §8]

**348.705** [Formerly 351.265; 1987 c.880 §1; repealed by 1997 c.652 §63]

**348.706 Oregon Resource and Technology Development Subaccount.** (1) There is created within the Oregon Growth Account the Oregon Resource and Technology Development Subaccount. Separate records shall be maintained for moneys in the subaccount. Subject to investment policies established by the State Treasurer and investment directives or strategies of the Oregon Growth Account Board, moneys in the subaccount shall be used to make seed capital investments in emerging growth businesses.

(2) The board may allocate such amounts from the subaccount as the board determines appropriate for seed capital investments. [2001 c.922 §7; 2005 c.835 §33; 2007 c.172 §4]

**348.707 Oregon Growth Account Board; members; terms; compensation; powers and duties.** (1) There is established an Oregon Growth Account Board consisting of:

(a) The State Treasurer or the treasurer's designated representative, who shall be the chairperson of the board.

(b) Three members appointed by the Governor from a list of candidates recommended by the State Treasurer who are qualified by training and experience in the field of venture capital and emerging growth businesses in Oregon.

(c) Three members from the general public appointed by the Governor from a list of candidates recommended by the State Treasurer.

(2) The term of office of each board member appointed by the Governor is three years. However, each member, except the State Treasurer or the treasurer's designated representative, shall serve at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) A member of the board may receive reimbursement of expenses under ORS 292.495 (2), but shall not receive compensation under ORS 292.495 (1) or otherwise for participation as a board member.

(4) The State Treasurer may establish investment policies for the Oregon Growth Account. The investment policies may include, but are not limited to:

(a) The reinvestment of the principal of the account after an original investment;

(b) The reinvestment of returns from an original investment;

(c) The retention of amounts for unfunded commitments owed to a management company;

(d) The determination of when and how earnings are calculated and declared available from the account on behalf of the Education Stability Fund; and

(e) Other policies that the State Treasurer determines may increase the total earnings of the account over time.

(5) Subject to investment policies established for moneys in the account by the State Treasurer, the board shall have authority to approve or direct specific investments or strategies for the investment of moneys in the Oregon Growth Account and to make investments directly, without the use of a management company, in any form or manner that would be lawful for a private corporation having similar intent. In addition, the board may:

(a) Acquire, own, hold, dispose of and encumber real or personal property of any

nature, both tangible and intangible, or any interest in property, and exercise or acquire any rights in property necessary or desirable to protect or secure any investments in which the account has an interest;

(b) Trade, buy or sell securities;

(c) Own, possess, take license in and grant license to patents, copyrights, proprietary processes and other intellectual property, and negotiate and enter into contracts and establish charges for the use of such patents, copyrights, proprietary processes and other intellectual property; and

(d) Exercise any other powers necessary or desirable for the operation and functioning of the account within the purposes authorized in ORS 348.702.

(6) When performing the board's duties, the board shall exercise the care, skill and diligence that a prudent investor acting in a similar capacity and familiar with such investments would use in managing and investing a similar account.

(7) The State Treasurer shall report on the development of the policies described in subsection (4) of this section to the legislative interim committees on trade and economic development and government finance and tax policy. [1997 c.323 §3; 2001 c.52 §3; 2001 c.922 §4; 2002 s.s.3 c.6 §7]

**348.710 Confidentiality of records, communications and information.** (1) The following records, communications and information furnished under ORS 348.701 to 348.710 shall be confidential and maintained as such, unless the person providing the information expressly agrees in writing that such information may be disclosed:

(a) Personal financial statements;

(b) Financial statements of applicants;

(c) Customer lists;

(d) Information of an applicant pertaining to litigation to which the applicant is a party if the complaint has been filed or, if the complaint has not been filed, if the applicant shows that such litigation is reasonably likely to occur;

(e) Production, sales and cost data; and

(f) Marketing strategy information that relates to an applicant's plan to address specific markets or the applicant's strategy regarding specific competitors, or both.

(2) The confidentiality provided by subsection (1)(d) of this section does not apply to concluded litigation. Nothing in subsection (1)(d) of this section limits any right granted by discovery statutes to a party to litigation or potential litigation. [1999 c.42 §6]

**348.715** [Formerly 351.270; 1982 s.s.1 c.20 §4; 1985 c.555 §17; 1987 c.880 §2; 1991 c.667 §15; repealed by 1997 c.652 §63]

### (Oregon Education Fund)

**348.716 Oregon Education Fund; use; payment of education lottery bonds.** The Oregon Education Fund is established in the State Treasury, separate and distinct from the General Fund. Moneys in the Oregon Education Fund are continuously appropriated to the Oregon Department of Administrative Services for public education and education lottery bond debt service. Seventy-five percent of the declared earnings of the Education Stability Fund as described in ORS 348.696 (2) shall be transferred monthly to the Oregon Education Fund as directed by the Director of the Oregon Department of Administrative Services. Investment earnings on amounts in the Oregon Education Fund shall be credited to the Oregon Education Fund. The Legislative Assembly may, but shall be under no legal obligation to, allocate and appropriate amounts in the Oregon Education Fund to pay education lottery bonds. The Director of the Oregon Department of Administrative Services may specify when during any fiscal year amounts shall be transferred from the Oregon Education Fund to be used for public education or education lottery bonds. [1999 c.44 §8; 2001 c.536 §10; 2002 s.s.3 c.6 §§8,8a]

**Note:** 348.716 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 348 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**348.725** [1975 c.553 §3; 1987 c.880 §3; repealed by 1991 c.667 §17]

**348.735** [Formerly 351.275; repealed by 1987 c.880 §19]

**348.745** [Formerly 351.280; repealed by 1987 c.880 §19]

**348.755** [Formerly 351.285; 1987 c.880 §4; repealed by 1997 c.652 §63]

**348.765** [Amended by 1987 c.880 §5; repealed by 1997 c.652 §63]

**348.785** [Formerly 351.297; 1987 c.880 §6; repealed by 1991 c.667 §17]

**348.795** [Formerly 351.298; 1987 c.880 §7; repealed by 1991 c.667 §17]

**348.805** [1969 c.182 §1; 1971 c.577 §1; renumbered 348.105]

**348.815** [Formerly 351.301; repealed by 1991 c.667 §17]

**348.825** [Formerly 351.302; 1987 c.880 §8; repealed by 1991 c.667 §17]

**348.830** [1979 c.308 §2; 1987 c.880 §9; repealed by 1997 c.652 §63]

**348.835** [Formerly 351.710; 1979 c.308 §3; 1981 c.167 §1; 1987 c.880 §10; 1995 c.119 §1; repealed by 1997 c.652 §63]

**348.840** [1982 s.s.1 c.20 §2; 1987 c.880 §11; repealed by 1997 c.652 §63]

**OREGON 529 COLLEGE SAVINGS  
NETWORK**

**348.841 Definitions for ORS 348.841 to 348.873.** As used in ORS 348.841 to 348.873:

(1) "Account" means an individual account established in accordance with ORS 348.841 to 348.873.

(2) "Account owner" means the person who has the right to withdraw funds from the account. The account owner may also be the designated beneficiary of the account.

(3) "Board" means the Oregon 529 College Savings Board established under ORS 348.849.

(4) "Designated beneficiary" means, except as provided in ORS 348.867, the individual designated at the time the account is opened as having the right to receive a qualified withdrawal for the payment of qualified higher education expenses, or if the designated beneficiary is replaced in accordance with ORS 348.867, the replacement.

(5) "Financial institution" means a bank, a commercial bank, a national bank, a savings bank, a savings and loan, a thrift institution, a credit union, an insurance company, a trust company, a mutual fund, an investment firm or other similar entity authorized to do business in this state.

(6) "Higher education institution" means an eligible education institution as defined in section 529(e)(5) of the Internal Revenue Code.

(7) "Internal Revenue Code" means the federal Internal Revenue Code.

(8) "Member of the family" shall have the same meaning as contained in section 529(e) of the Internal Revenue Code.

(9) "Network" means the Oregon 529 College Savings Network established under ORS 348.841 to 348.873.

(10) "Nonqualified withdrawal" means a withdrawal from an account that is not a qualified withdrawal.

(11) "Qualified higher education expenses" means tuition and other permitted expenses as set forth in section 529(e) of the Internal Revenue Code for the enrollment or attendance of a designated beneficiary at a higher education institution.

(12) "Qualified withdrawal" means a withdrawal made as prescribed under ORS 348.870 and made:

(a) From an account to pay the qualified higher education expenses of the designated beneficiary;

(b) As the result of the death or disability of the designated beneficiary;

(c) As the result of a scholarship, allowance or payment described in section 135(d)(1)(A), (B) or (C) of the Internal Revenue Code that is received by the designated beneficiary, but only to the extent of the amount of the scholarship, allowance or payment; or

(d) As a rollover or change in the designated beneficiary described in ORS 348.867. [1999 c.746 §1; 2001 c.12 §1; 2003 c.280 §6; 2007 c.843 §12]

**Note:** 348.841 to 348.873 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 348 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**348.844 Policy on higher education qualified tuition savings program.** It is the intent of the Legislative Assembly, in enacting ORS 348.841 to 348.873, to create a higher education qualified tuition savings program called the Oregon 529 College Savings Network:

(1) That increases the ability of families and individuals to save for higher education.

(2) In which the earnings on contributions of network participants are exempt from state income taxation.

(3) That utilizes the private sector to administer and invest the contributions to the network under the guidance of the Oregon 529 College Savings Board.

(4) In which the contributions and earnings are held by the network in trust for the benefit of designated beneficiaries and account owners for the uses and purposes set forth in ORS 348.841 to 348.873, and for no other benefit, use or purpose. [1999 c.746 §2; 2001 c.12 §2; 2003 c.280 §7]

**Note:** See note under 348.841.

**348.845** [Formerly 351.720; 1987 c.880 §12; repealed by 1997 c.652 §63]

**348.849 Oregon 529 College Savings Board; membership.** (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, who shall serve as the board chairperson;

(b) A member of the State Board of Higher Education, to be selected by the State Board of Higher Education;

(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)(a) The board member who is a member of the State Board of Higher Education

shall serve at the pleasure of the State Board of Higher Education but may not serve on the board following the end of the member's term on the State Board of Higher Education.

(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.

(4) The State Treasurer and the Department of Higher Education shall provide staff and assistance to the board in the administration of the Oregon 529 College Savings Network as directed by the board.

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

(6) A majority of the members of the board constitutes a quorum for the transaction of business. [1999 c.746 §3; 2003 c.280 §8]

**Note:** See note under 348.841.

**348.853 Board powers and duties; establishment of network; rules.** The Oregon 529 College Savings Board shall have the following powers, duties, and functions:

(1) To establish, develop, implement and maintain the Oregon 529 College Savings Network in a manner consistent with ORS 348.841 to 348.873 and section 529 of the Internal Revenue Code and to obtain the benefits of section 529 of the Internal Revenue Code for the network and its participants.

(2) To adopt rules for the general administration of the network, to administer ORS 348.841 to 348.873 and to ensure the network's compliance with section 529 of the Internal Revenue Code.

(3) To maintain, invest and reinvest the funds contributed into the network consistent with the investment restrictions established by the board. The investment restrictions shall be consistent with the objectives of the network, and the board shall exercise the judgment and care then prevailing that persons of prudence, discretion and intelligence exercise in the management of their own affairs with due regard to the probable income and level of risk from certain types of investments of money, in accordance with the policies established by the board.

(4) To make and enter into any and all contracts, agreements or arrangements, and to retain, employ and contract for the services of private and public financial institutions, depositories, consultants, investment advisors or managers and third-party plan administrators and for research, technical and other services necessary or desirable for

carrying out the purposes of ORS 348.841 to 348.873.

(5) To accept donations or receive funds for the purpose of providing scholarships, grants and other incentives to account owners, potential account owners and their designated beneficiaries or furthering any of the purposes of ORS 348.841 to 348.873.

(6) To encourage increased participation in the network by awarding scholarships or grants, providing or making available other incentives to account owners or potential account owners and their designated beneficiaries, or entering into promotional arrangements with third parties as the board deems desirable. [1999 c.746 §5; 2003 c.280 §9; 2005 c.297 §1]

**Note:** See note under 348.841.

**348.855** [Formerly 351.730; 1979 c.284 §139; 1987 c.880 §13; repealed by 1997 c.652 §63]

**348.856 Oregon 529 College Savings Network Fund.** (1) The Oregon 529 College Savings Network Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon 529 College Savings Network Fund shall be credited to the fund. All moneys credited to the Oregon 529 College Savings Network Fund are continuously appropriated to the Oregon 529 College Savings Board for the purposes of ORS 348.841 to 348.873.

(2) The Oregon 529 College Savings Network Fund shall consist of:

(a) Moneys appropriated to the fund by the Legislative Assembly;

(b) Moneys transferred to the fund from the federal government, other state agencies or local governments;

(c) Moneys from the payment of fees and the payment of other moneys due the board;

(d) Any gifts or donations made to the State of Oregon for deposit in the fund; and

(e) Earnings on moneys in the fund.

(3) The board may use the moneys in the fund to pay the administrative costs and expenses of the board and the Oregon 529 College Savings Network, to provide or make available scholarships, grants and other incentives to account owners, potential account owners and their designated beneficiaries or to further any other purpose of ORS 348.841 to 348.873. [2003 c.280 §22; 2005 c.297 §2]

**Note:** See note under 348.841.

**348.857 Network participation; contribution limitations; fees.** (1) An account owner may establish an account by making an initial contribution to the Oregon 529 College Savings Network in the name of the designated beneficiary. Once a contribution is made it becomes part of the network and

subject to the provisions of ORS 348.841 to 348.873.

(2) Any person may make a contribution to an account once an account is opened.

(3) Contributions to an account shall be made only in cash.

(4) Total contributions to all accounts established on behalf of a particular beneficiary may not exceed those reasonably necessary to provide for the qualified higher education expenses of the designated beneficiary. The Oregon 529 College Savings Board shall establish maximum contribution limits applicable to network accounts and shall require the provision of any information from the account owner and the designated beneficiary that the board deems necessary to establish these limits.

(5) Separate records and accounting shall be required for each account and reports shall be made no less frequently than annually to the account owner.

(6) The board may collect application, account or administrative fees to defray the costs of the network. [1999 c.746 §6; 2001 c.12 §5; 2003 c.280 §10]

**Note:** See note under 348.841.

**348.860 Right to direct investment of contributions or earnings; liability for loss.** (1) Except as permitted in section 529 of the Internal Revenue Code, no person other than the Oregon 529 College Savings Board or a financial institution in which Oregon 529 College Savings Network funds have been invested shall have the right to direct the investment of any contributions to or earnings from the network.

(2) The network, the board, each board member and the State of Oregon may not insure any account or guarantee any rate of return or any interest rate on any contribution. The network, the board, each board member and the State of Oregon may not be liable for any loss incurred by any person as a result of participating in the network.

(3) The board, in the exercise of its sole discretion and without liability, may remove the network's funds from any financial institution and reinvest the funds in a similar or different investment alternative at another financial institution pursuant to a contract, agreement or arrangement entered into under ORS 348.853 (4). [1999 c.746 §7; 2003 c.280 §11]

**Note:** See note under 348.841.

**348.863 Prohibitions and limitations on accounts.** (1) An account and any interest in an account may not be assignable or pledged or otherwise used to secure or obtain a loan or other advancement.

(2) The right of a designated beneficiary to the payment of qualified higher education

expenses or of an account owner to a withdrawal, payments and withdrawals made in exercise of those rights and moneys or property held within an account shall be exempt from garnishment and may not be subject to execution, attachment or any other process or to the operation of any bankruptcy or insolvency law.

(3) A refund of a qualified educational expense payment may not be paid by a higher education institution directly to the designated beneficiary or to the account owner. Any refund of qualified tuition expenses owed by a higher education institution on account of an overpayment of educational expenses must be refunded to the Oregon 529 College Savings Network for credit to an account of the designated beneficiary.

(4) A qualified withdrawal that is used to pay for qualified higher education expenses must be paid as prescribed by section 529 of the Internal Revenue Code and rules adopted by the Oregon 529 College Savings Board. [1999 c.746 §8; 2001 c.12 §6; 2003 c.280 §12]

**Note:** See note under 348.841.

**348.865** [Formerly 351.740; repealed by 1997 c.652 §63]

**348.867 Designated beneficiary of account; confidentiality of account information.** (1) An account owner shall have the right at any time to change the designated beneficiary of an account to another individual who is a member of the family of the former designated beneficiary.

(2) An account owner shall have the right at any time to direct that all or a portion of an account be transferred to the account of another designated beneficiary who is a member of the family of the former designated beneficiary.

(3) The right to change the designated beneficiary or to transfer between accounts contained in subsections (1) and (2) of this section may be denied if, under rules adopted by the Oregon 529 College Savings Board, the exercise of the right would result in either excess contributions to an account or the exercise of impermissible investment direction by the account owner.

(4) Individual account information, including but not limited to names, addresses, telephone numbers, personal identification information, amounts contributed and earnings on amounts contributed, is confidential and must be maintained as confidential:

(a) Except to the extent necessary to administer the Oregon 529 College Savings Network in a manner consistent with ORS 348.841 to 348.873, Oregon tax laws and the Internal Revenue Code; or

(b) Unless the person who provides the information or is the subject of the informa-

tion expressly agrees in writing that the information may be disclosed. [1999 c.746 §9; 2001 c.12 §7; 2003 c.280 §13]

**Note:** See note under 348.841.

**348.869 State interest in contributions and earnings.** The State of Oregon has no proprietary interest in the contributions or earnings of the Oregon 529 College Savings Network. Except as otherwise provided by law, the Oregon 529 College Savings Board is the trustee of the contributions and earnings. [2001 c.12 §4; 2003 c.280 §14]

**Note:** See note under 348.841.

**348.870 Account withdrawals; rules; report.** (1) Withdrawal from an account may be made as prescribed by the rules adopted by the Oregon 529 College Savings Board.

(2) A financial institution shall report an account withdrawal during any calendar year to the account owner and the federal Internal Revenue Service. The report shall be made at the time and contain such information as required by law. [1999 c.746 §10; 2003 c.280 §15]

**Note:** See note under 348.841.

**348.873 Report to Governor and Legislative Assembly.** The Oregon 529 College Savings Board shall publish a biennial report to the Governor and the Legislative Assembly detailing the board's activities. The report shall be prepared on or before February 1 of each odd-numbered year. [1999 c.746 §11; 2003 c.280 §16]

**Note:** See note under 348.841.

**348.875** [Formerly 351.750; 1979 c.308 §4; 1987 c.880 §14; repealed by 1997 c.652 §63]

**348.885** [Formerly 351.760; 1979 c.308 §5; 1987 c.880 §15; repealed by 1997 c.652 §63]

## COORDINATION OF STATE AGENCIES

**348.890 Joint Boards of Education; meeting; implementation of agreements.**

(1) The State Board of Higher Education and the State Board of Education shall hold at least one meeting annually as the Joint Boards of Education for the purpose of coordinating their activities and reaching joint agreement on matters of education policy and opportunities of mutual interest to the two boards and to the populations served by the boards.

(2) Bylaws to be adopted by the members shall determine procedures for setting meeting dates, locations, chairperson rotation, agendas and staff support.

(3) The Joint Boards of Education shall provide policy direction to implement regional partnership proposals and any other joint program or activity approved by both boards.

(4) Notwithstanding ORS 351.070 (3)(c), the Department of Community Colleges and

Workforce Development and the Department of Higher Education may use appropriations from the General Fund to implement agreements approved by the Joint Boards of Education that provide direct aid to a student, or other incentives that encourage shared use of facilities, programs and other resources of state institutions of higher education and community colleges. [1977 c.306 §3; 1987 c.880 §16; 1997 c.249 §109; 1999 c.450 §1]

**Note:** Sections 1 to 3, chapter 636, Oregon Laws 2005, provide:

**Sec. 1. Statewide articulation and transfer system.** (1) Community colleges and state institutions of higher education within the Oregon University System shall cooperate in operating a statewide articulation and transfer system. The system must include the means for articulating lower-division general education credits, general elective credits and curriculum requirements for approved majors in order to allow students to transfer between community colleges and state institutions of higher education without losing credits that otherwise would be applicable toward a baccalaureate degree. The system must ensure that the post-secondary education needs of students statewide are met without unnecessary duplication of courses.

(2) In continuing to provide and improve upon an effective articulation and transfer framework for students in Oregon's post-secondary sectors, community colleges and state institutions of higher education shall:

(a) Revise the Associate of Arts Oregon Transfer Degree offered by community colleges;

(b) Develop specific degree pathways as deemed appropriate by state institutions of higher education and community colleges;

(c) Develop an outcome-based framework for articulation and transfer that is derived from a common understanding of the criteria for general education curricula;

(d) Develop a seamless transfer of credits for all level 100 and 200 general education courses;

(e) Implement a statewide course applicability system that permits students and advisers to query and view online credit transfer options and conduct online degree auditing;

(f) Develop uniform standards for awarding college credit for advanced placement test scores; and

(g) Expand early college programs for 11th and 12th graders who earn college credit and intend to pursue a certificate or associate or baccalaureate degree.

(3) In addition to the requirements of subsection (2) of this section, community colleges and state institutions of higher education may also implement other measures to create an effective articulation and transfer framework for students. [2005 c.636 §1]

**Sec. 2. Report on system.** (1) The Oregon University System and the Department of Community Colleges and Workforce Development shall submit a report of their progress on operating a statewide articulation and transfer system that meets statewide post-secondary education needs as required by section 1 of this 2005 Act to the Emergency Board and to the legislative interim committee on education prior to January 1, 2007, and a second progress report to the legislative interim committee on education prior to January 1, 2009. The reports shall include:

(a) A report on the progress of the Oregon Transfer Module as approved by the State Board of Higher Education and the State Board of Education; and

(b) Recommendations for statutory changes necessary to facilitate the transfer of students between post-secondary institutions.

(2) The Oregon University System and the Department of Community Colleges and Workforce Development shall report annually to the Joint Boards of Education on their progress on operating a statewide articulation and transfer system that meets statewide post-secondary education needs as required by section 1 of this 2005 Act. [2005 c.636 §2]

**Sec. 3.** Sections 1 and 2 of this 2005 Act are repealed on January 2, 2010. [2005 c.636 §3]

**348.900 Needs assessment for health care occupations; evaluation of health care education programs.** (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 Joint Boards of Education shall inform community colleges, state institutions of higher education within the Oregon University System, Oregon Health and Science University and health care industry employers of the identified statewide needs and invite the development of health care education programs that are responsive to those needs.

(3) When approving health care education programs, the State Board of Education, the State Board of Higher Education and the Oregon Health and Science University Board of Directors shall use the statewide needs assessment to evaluate whether a program fulfills statewide needs. If a board determines there is a statewide need, the board shall facilitate the:

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

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

(4) In the development and approval of health care education programs, community

colleges, state institutions of higher education, Oregon Health and Science University, the State Board of Education, the State Board of Higher Education 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 colleges, institutions, university and boards shall continue to provide and improve upon an effective articulation and transfer framework for students in Oregon's post-secondary sectors. [2005 c.202 §1]

**Note:** 348.900 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 348 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

## EDUCATION COMMISSION OF THE STATES

**348.950 Education Commission of the States; members; dues.** (1) If the state decides to participate in the activities of the Education Commission of the States, it may pay the appropriate dues. Other costs of membership may be paid from funds available therefor.

(2) The persons appointed to represent the state in activities of the commission shall be appointed as follows:

(a) Three by the Governor, to serve at the pleasure of the Governor.

(b) Two by the President of the Senate, who shall be members of the Senate, to serve at the pleasure of the President of the Senate and until the convening of the regular session of the Legislative Assembly next following the appointment who are entitled to payment of compensation and expense reimbursement under ORS 171.072, payable from funds appropriated to the Legislative Assembly.

(c) Two by the Speaker of the House of Representatives, who shall be members of the House of Representatives, to serve at the pleasure of the Speaker of the House and until the convening of the regular session of the Legislative Assembly next following the appointment who are entitled to payment of compensation and expense reimbursement under ORS 171.072, payable from funds appropriated to the Legislative Assembly. [Formerly 189.110; 1987 c.879 §13]

**PENALTIES**

**348.990** [Derived from 351.990; 1979 c.308 §6; repealed by 1997 c.652 §63]

**348.992 Criminal penalty.** Violation of any of the provisions of ORS 348.594 to 348.615 by any person individually or on behalf of an organization or group is a Class B misdemeanor. [1997 c.652 §15; 1999 c.59 §97]

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**CHAPTERS 349 AND 350****[Reserved for expansion]**