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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 assure 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 or independent not-for-profit institutions of higher education. [1993 c.239 §1]

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 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]

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 Division 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 division may require cosigners on the loans.

(2) Loans granted under ORS 348.040 to 348.070 to eligible students by the division 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 Division of State Lands 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 Division of State Lands 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 Division of State Lands 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 Division of State Lands.

(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 Division of State Lands 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 division, 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 Division of State Lands 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 Division 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 Division 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 division 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 Division 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 division on loans to medical, dental and veterinary students shall also be available to reimburse the division 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) "Person" means individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

(b) "Educational institution" means any post-secondary educational institution 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 which is:

(A) A four-year college or university;

(B) A junior college or community college; or

(C) A technical, professional or career school.

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

(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]

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 for ORS 348.180, 348.183, 348.186, 348.230, 348.250 and 348.260. 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.

[1999 c.1070 §3; 2001 c.321 §1]

348.183 Legislative intent. (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. [1999 c.1070 §2]

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) 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. [1999 c.1070 §4; 2001 c.321 §2]

348.205 Oregon Opportunity Grant program. 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). [1971 c.735 §1; 1999 c.1070 §8; 2001 c.321 §8]

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, not to exceed two and one-half percent of the enrollment therein, to resident undergraduate students applying for enrollment in the university or who are pursuing courses therein. The scholarships shall be awarded upon the basis of a record of high intellectual standing and deportment 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. No scholarships so awarded shall exceed in value the amount of the tuition and other fees, including the fees which 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 not exceeding the amount of tuition and all fees to students from foreign nations who are enrolled in state institutions of higher education.

(3) The value of scholarships awarded each year under subsection (2) of this section shall 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 therein 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]

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 deportment 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 qualified 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 qualifications and amount; renewal. (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. [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]

Note: Section 12, chapter 1070, Oregon Laws 1999, provides:

Sec. 12. Notwithstanding ORS 348.260 (1)(a) and (b), for the 2001-2003 biennium, the amount of an Oregon Opportunity Grant award for each qualified student at an eligible post-secondary institution shall be no less than what a qualified student would have received at the eligible post-secondary institution during the 2000-2001 school year, adjusted for inflation. [1999 c.1070 §12; 2001 c.321 §7]

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 deceased or disabled public safety officer 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, adopted or stepchild of any public safety officer who, in line of duty, was killed or so disabled, as determined by the Oregon Student Assistance Commission, that the income of the disabled 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 disabled parent; 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 the dependent of a disabled public safety officer or who is a former foster child 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 deceased or disabled 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]

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

(1) Determine which students are eligible beneficiaries.

(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, the Oregon Student Assistance Commission shall give priority to students who are eligible for scholarships under ORS 348.270. [1973 c.784 §§2, 3; 1997 c.515 §2]

348.290 Financial aid to study barbering, hairdressing, manicure and facial technology. 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 facial technology at eligible post-secondary schools. [1985 c.377 §3; 1987 c.31 §19]

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 private 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]

STUDENT LOAN DEFAULT

348.393 Declaration of default; notice; suspension of certificate or license. (1) The Oregon Student Assistance Commission may declare that a person is in default in repayment on a student loan guaranteed or insured by the Oregon Student Assistance Commission if the person is not paying in a satisfactory manner according to the repayment requirements of the United States Department of Education.

(2) The Oregon Student Assistance Commission shall notify any state agency, board or commission, including the Oregon State Bar, that has the power to issue and renew any license, certification or registration necessary to practice any profession or engage in any trade or calling that a person is in default in repayment of a student loan as determined under subsection (1) of this section if the commission has established a process for conducting database matches and notification procedures with the entity under ORS 348.395.

(3) Any entity notified under subsection (2) of this section shall not issue or renew or shall suspend a certificate or license or shall place the person on probation. Once so notified, no further administrative review or contested case proceeding within or by the issuing entity is required. [1995 c.179 §2]

348.395 Agreements to design and implement database matches and notification procedures. The Oregon Student Assistance Commission shall identify which entities referred to in ORS 348.393 it is feasible to enter into an agreement with to design and implement a process for conducting database matches and notification procedures for the purpose of complying with ORS 348.393. Any entity so identified by the commission shall enter into an agreement with the commission. [1995 c.179 §4]

348.397 Notices to borrower; challenging default status; notice to entities. (1) Upon purchase of a default claim loan from the lender, the Oregon Student Assistance Commission shall notify the defaulted student loan borrower in writing that failure to pay satisfactorily as determined under ORS 348.393 (1) may result in a refusal to issue or renew, a suspension or a placement on probation by any entity referred to in ORS 348.393. The notice shall provide the defaulted student loan borrower with an administrative process to challenge the default status of any loan and an opportunity to object to the collection of the debt according to the provisions of 34 C.F.R. 30.20 to 30.33 and 34 C.F.R. 682.410.

(2) If, after the initial notification, the borrower fails to enter into a repayment plan and repay satisfactorily, the Oregon Student Assistance Commission shall inform the borrower in writing on a regular basis for no less than 180 days of the consequences of failing to repay a student loan. The final notification letter shall allow the borrower 30 additional days to perform by paying or curing the amount delinquent, paying the balance in full or submitting an acceptable repayment plan to the commission through a debt consolidating agency registered pursuant to ORS 697.602 to 697.842 to avoid being reported to any entity referred to in ORS 348.393. If the borrower has not performed by the end of the final 30-day period, the Oregon Student Assistance Commission shall notify those entities with whom it has

established a process for conducting database matches and notification procedures under ORS 348.395 that the person is in default in repayment and is not paying in a satisfactory manner as determined under ORS 348.393 (1). [1995 c.179 §5; 1997 c.174 §1]

348.399 Prompt notice required if borrower no longer in default status; reinstatement of certificate or license. The Oregon Student Assistance Commission shall promptly notify any entity referred to in ORS 348.393 when a formerly reported student loan borrower is no longer in default status due to repayment in full, loan rehabilitation or some other action that discharges the borrower of responsibility for repayment or when the borrower achieves satisfactory repayment status as determined under ORS 348.397 (2). The issuing entity shall issue or reinstate the certificate or license of the student loan borrower within 30 days contingent upon the requirements of the entity. [1995 c.179 §7; 1997 c.174 §2]

VOLUNTEERS IN SERVICE TO OREGON VOUCHERS

348.405 Definitions for ORS 348.405 to 348.425. As used in ORS 348.405 to 348.425:

- (1) "Commission" means the Oregon Student Assistance Commission.
- (2) "Eligible institution" means any educational institution in Oregon certified as an eligible institution for student aid programs under Title IV, Part B, of the Higher Education Act of 1965 as amended, but only for undergraduate programs.
- (3) "Eligible voucher recipient" means any Oregon resident who:
 - (a) Is 14 to 19 years of age, inclusive;
 - (b) Completes community service work in human interaction activities within a nonprofit social service agency whose nonprofit status is verified; and
 - (c) Is enrolled in or plans to enroll in an eligible institution.
- (4) "Human interaction activities" means activities of social service agencies similar to, but not limited to, the provision of literacy education, family or parenting counseling, peer arbitration, victim advocacy, emergency hotline services, tutoring and mentoring, and assistance in Head Start programs with emphasis on programs aimed at drug-free teenagers.
- (5) "VISTO" means Volunteers in Service to Oregon. [1989 c.227 §2; 1993 c.322 §1; 1999 c.704 §11]

348.410 Volunteers in Service to Oregon voucher program. To encourage community service volunteerism among Oregon's youth 14 to 19 years of age inclusive, there is established a post-secondary education voucher program within the Oregon Student Assistance Commission that shall be known as Volunteers in Service to Oregon. [1989 c.227 §1; 1993 c.322 §2; 1999 c.704 §12]

348.415 Award of vouchers to eligible students; voucher characteristics; funds not personal income; when available; rules. (1) In addition to any other student assistance provided by law, the Oregon Student Assistance Commission shall award vouchers to eligible students participating in the VISTO program.

(2) The total of all vouchers earned by a VISTO volunteer under this section in any calendar year shall not exceed the amount equal to the average tuition and all fees charged annually by institutions under the State Board of Higher Education.

(3) Vouchers shall be provided in \$30 denominations and shall be awarded to a VISTO volunteer for each eight hours of eligible volunteer service.

(4) Any voucher awarded under the VISTO program shall expire on the 24th anniversary of the birthdate of the volunteer.

(5) The Oregon Student Assistance Commission shall:

- (a) Provide vouchers to eligible community service organizations.
- (b) Determine which community service organization and service within the programs of such organization are eligible for participation in the VISTO program.
- (c) Determine which volunteers are eligible.
- (d) Provide payment for vouchers presented by VISTO volunteers at eligible institutions.
- (e) Establish procedures necessary to carry out the provisions of ORS 348.405 to 348.425.
- (f) Adopt necessary rules for the program established by ORS 348.405 to 348.425.
- (6) The funds received in redemption of the vouchers granted pursuant to ORS 348.405 to 348.425 shall not be

considered personal income for the purposes of ORS 316.037.

(7) The vouchers authorized by ORS 348.405 to 348.425 shall first become available when funds are available therefor from sources other than the General Fund, as determined by the Oregon Student Assistance Commission. [1989 c.227 §§3,4,8; 1993 c.322 §3]

348.420 VISTO Fund; sources; uses; limit on administrative expenditures. (1) There is established in the State Treasury, separate and distinct from the General Fund, a fund to be known as the VISTO Fund which may be invested in the same manner as the Oregon Student Assistance Fund. The fund shall receive moneys from federal, state or private sources for the purpose of providing payments for redemption of VISTO vouchers, the administration of the VISTO program and grants made under ORS 348.260. The fund, including the interest earning thereon, if any, is continuously appropriated to the Oregon Student Assistance Commission for those purposes for which such funds were provided to, received or collected by the commission.

(2) No more than five percent of the funds available under subsection (1) of this section shall be used by the state for the administrative expenditures of the program established by ORS 348.405 to 438.425. Administrative expenditures do not include premiums paid for workers' compensation benefits.

(3) A county may use an amount not to exceed four percent of its allocation to meet its expenses in administering the program.

(4) The first priority of funds available under the program authorized by ORS 348.405 to 348.425 shall be for redemption of VISTO vouchers and the administration of the VISTO program. After meeting the demands for expenditures and fund reserves, excess funds may be used to supplement grants made under ORS 348.260. [1989 c.227 §§5, 7, 9; 1993 c.322 §4]

348.425 Report. The Oregon Student Assistance Commission shall report to the Legislative Assembly biennially on the progress of the VISTO program by submitting a report to the President of the Senate and the Speaker of the House of Representatives who shall refer the report to the appropriate substantive interim or standing committee. [1989 c.227 §6]

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 education 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 nonprofit 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 s.s. c.1 §1; 1995 c.343 §36; renumbered 344.257 in 1995]

348.460 [1978 s.s. 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]

OREGON STUDENT ASSISTANCE COMMISSION

(Administration)

348.505 “Commission” and “financial aid” defined. As used in ORS 348.393 to 348.399 and 348.505 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]

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

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

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

(9) 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]

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 183.310 to 183.550, adopt such rules as may be necessary to carry out the provisions of ORS 348.040 to 348.280, 348.393 to 348.399, 348.505 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. [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]

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]

348.570 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 Student Loan Guarantee Fund, which may be invested in the same manner as the Oregon Student Assistance Fund. This fund shall receive funds from federal, state or private sources for the purpose of guarantying payment of loans made 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 and for administrative expenses of guarantying loans. 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) 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.

(4)(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.

(5) 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. [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]

348.575 Crediting of late loan repayments. The amount of any loan payments that are paid after the Oregon Student Assistance Commission has disbursed funds from any guaranty funds under its jurisdiction to reimburse a lending institution which the lendee has failed to repay on time shall be credited to the guaranty funds or the Student Loan Guarantee Fund, from which the reimbursement was made. [1969 c.573 §2; 1983 c.639 §2; 1985 c.565 §62]

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 348.505 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 Definition of “school” for ORS 348.594 to 348.615. As used in ORS 348.594 to 348.615:

- (1) “School” includes 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.
 - (2) “School” does not include:
 - (a) An Oregon community college;
 - (b) A state institution of higher education within the Oregon University System;
 - (c) The Oregon Health and Science University; or
 - (d) A school that meets the criteria and procedures to obtain a religious exemption adopted by rule by the Oregon Student Assistance Commission and offers only degrees with approved titles in theology or religious occupations.
- [1997 c.652 §8; 1999 c.59 §93]

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]

348.599 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]

348.603 Duties of commission relating to degree authorization and nondegree programs; approval of new post-secondary program or location; rules. (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; and
- (e) 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 seemingly 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 cannot resolve the issue raised under paragraph (a) of this subsection, the commission shall have final authority for approval or disapproval of the program or location.

(c) 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. [1997 c.652 §10; 2001 c.454 §2]

348.606 Conferring or offering of degree before approval obtained prohibited; fee; rules. (1) No school shall 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) The commission shall substitute the standards adopted under subsection (1) of this section with private accreditation standards for 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, provided the school submits for arbitration by the commission any unresolved dispute in which a person alleges detrimental violation of a standard guaranteed by the accrediting association but which the association has declined to arbitrate.

(3) 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. 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. [1997 c.652 §11; 1999 c.59 §95]

348.609 Misrepresentation of possession of academic degree; complaints; civil penalties; rules. (1) No person who has been warned by the Oregon Student Assistance Commission, through the Office of Degree Authorization, to cease and desist shall 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 348.594 (2); 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) 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.

(3)(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 183.090. All penalties recovered under this subsection shall be paid into the State Treasury and credited to the General Fund. [1997 c.652 §12; 2001 c.454 §1]

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]

Note: Section 3, chapter 475, Oregon Laws 2001, provides:

Sec. 3. The Oregon Student Assistance Commission shall first adopt rules under section 2 of this 2001 Act [348.616 (1) and (2)] on or before March 15, 2002, and may amend the rules at any time thereafter. [2001 c.475 §3]

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 certification 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 Administration of loans if private lenders withdraw; rules. (1) In carrying out its duties under ORS 348.570 and 348.625 to 348.695 as to insure funding availability, the Oregon Student Assistance Commission may do the following in the event private lenders withdraw from the program:

(a) Act as the lender under the alternative student loan program or loan programs provided for by Title IV, Part B, of the Higher Education Act of 1965, as amended.

(b) Buy loans made privately under the alternative student loan program or loan programs provided for by Title IV, Part B, of the Higher Education Act of 1965, as amended.

(c) Contract with lenders or commercial loan servicers to collect loans which either the commission or the lender initially made.

(2) The commission may adopt rules by which to determine the eligibility of lending institutions to participate in the program and to fix the eligibility for loans under the program. [1987 c.842 §7]

348.650 Fees. The Oregon Student Assistance Commission shall be entitled to establish or receive fees and charges sufficient to recover the ongoing costs of providing funding and administering the alternative student loan program. [1987 c.842 §6]

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 Applicability of Uniform Revenue Bond Act; 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 288.805 to 288.945, and the State Treasurer, in consultation with the Oregon Student Assistance Commission, shall have and shall exercise all the powers of a public body, including, but not limited to, the power to establish special accounts or subaccounts in the Alternative Student Loan Program Fund created by ORS 348.570 and the power to pledge the assets or the revenues, or any portion thereof, of the alternative student loan program. [1987 c.842 §11]

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 ENDOWMENT FUND

(Generally)

348.696 Establishment; investment; earnings. The Education Endowment Fund is established separate and distinct from the General Fund. 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 appropriated continuously as follows:

- (1) All declared earnings from the Oregon Growth Account to the Higher Education Technology Transfer Fund established in ORS 351.691;
- (2) All declared earnings from the Higher Education Technology Transfer Account to the Department of Higher Education;
- (3) 75 percent of all declared earnings not described in subsection (1) or (2) of this section to the Oregon Education Fund established by ORS 348.716; and
- (4) 25 percent of all declared earnings not described in subsection (1) or (2) 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]

Note: The amendments to 348.696 by section 28, chapter 922, Oregon Laws 2001, become operative only if the Oregon Constitution is amended by a vote of the people as proposed by Senate Joint Resolution 17 (2001) in the primary election held on May 21, 2002. If Senate Joint Resolution 17 (2001) is approved by the people, the amendments become operative on July 1, 2011. See section 28, chapter 922, Oregon Laws 2001. The text that, if Senate Joint Resolution 17 (2001) is approved by the people, is operative on and after July 1, 2011, is set forth for the user's convenience.

348.696. The Education Endowment Fund is established separate and distinct from the General Fund. 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 appropriated continuously as follows:

- (1) All declared earnings from the Oregon Growth Account to the Higher Education Technology Transfer Fund established in ORS 351.691;
- (2) 75 percent of all declared earnings not described in subsection (1) of this section to the Oregon Education Fund established in 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.

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 a new or small company that has the capacity, upon obtaining appropriate capital, to generate significant high skill, high wage employment within one or more of the key industries, including those described in ORS 285B.280.

(3) “Management company” includes a person, limited partnership, partnership, corporation or other investment company.

(4) “Seed capital” means financing that is provided for the initial phases of development, refinement and commercialization of a 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 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]

348.702 Oregon Growth Account. (1) There is created within the Education Endowment Fund the Oregon Growth Account, to which shall be credited 10 percent of the funds transferred under section 4, Article XV, Oregon Constitution, from the Administrative Services Economic Development Fund to the Education Endowment Fund. Separate records shall be maintained for moneys in the Oregon Growth Account that are available for the purposes specified in subsection (2) of this section. The account may be credited with such 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 purpose of the Oregon Growth Account is to earn returns for the Education Endowment Fund by making investments in or to provide seed capital for emerging growth businesses in key industries.

(3) 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]

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 partnership agreement under which the Oregon Growth Account Board is the limited partner and the management company is the general partner.

(2) The provisions of ORS 293.726 do not apply to those assets of the Education Endowment 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 Endowment 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 chapter 279.

(5) Notwithstanding ORS 348.702 (2), 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 (2) during such times as a management company is seeking investments that meet the requirements of ORS 348.702 (2).

(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 Endowment 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 Endowment 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 chapter 279. [1995 c.811 §5(1) to (4); 1997 c.323 §5; 1999 c.42 §4; 2001 c.52 §2; 2001 c.922 §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 in key industries in Oregon.

(2) The board may allocate such amounts from the subaccount as the board determines appropriate for seed capital investments. [2001 c.922 §7]

Note: Section 9, chapter 922, Oregon Laws 2001, provides:

Sec. 9. Notwithstanding sections 7 (2) and 8 of this 2001 Act [348.704 and 348.706 (2)], the Oregon Growth Account Board shall allocate to the Oregon Resource and Technology Development Subaccount:

(1) Those assets transferred on the effective date of this 2001 Act [August 8, 2001] from the Oregon Resource and Technology Development Account under section 17 of this 2001 Act; and

(2) For the 2002-2003 fiscal year, the first \$4 million of the funds credited to the Oregon Growth Account under ORS 348.702 (1) from the funds transferred under section 4, Article XV, Oregon Constitution, from the Administrative Services Economic Development Fund to the Education Endowment Fund. [2001 c.922 §9]

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 Endowment 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]

Note: Section 5, chapter 922, Oregon Laws 2001, provides:

Sec. 5. Notwithstanding the amendments to ORS 348.707 by section 4 of this 2001 Act, the members of the Oregon Growth Account Board serving on the board on the effective date of this 2001 Act [August 8, 2001] shall continue to serve for the remainder of their terms. The State Treasurer shall designate which of the members serving on the board on the effective date of this 2001 Act are intended to meet the requirements of ORS 348.707 (1)(b) and (c), as amended by section 4 of this 2001 Act. [2001 c.922 §5]

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 net available earnings on amounts in all accounts of the Education Endowment Fund 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]

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 QUALIFIED TUITION SAVINGS PROGRAM

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

(1) “Account” means an individual trust account or savings 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 Qualified Tuition Savings Board.

(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, as amended and in effect for the tax year of

the taxpayer for whom the inclusion or exclusion of income from federal taxable income is being determined, in whole or part, under ORS 348.841 to 348.873.

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

(9) "Nonqualified withdrawal" means a withdrawal from an account that is not:

(a) A qualified withdrawal;

(b) A withdrawal made as the result of the death or disability of the designated beneficiary;

(c) A withdrawal made as the result of a scholarship, allowance or payment described in section 135(d)(1)(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) A rollover or change in the designated beneficiary described in ORS 348.867.

(10) "Program" means the Oregon Qualified Tuition Savings Program established under ORS 348.841 to 348.873.

(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 from an account to pay the qualified higher education expenses of the designated beneficiary, but only if the withdrawal is also made in accordance with the requirements of ORS 348.870. [1999 c.746 §1; 2001 c.12 §1]

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 tuition savings program. It is the intent of the Legislative Assembly, in enacting ORS 348.841 to 348.873, to create a higher education tuition savings program:

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

(2) In which the earnings on contributions of program participants are exempt from both federal and state income taxation until the moneys are withdrawn by the beneficiary for higher education expenses.

(3) In which qualified withdrawals are subject to tax at the rate applicable to the beneficiary's income bracket for both federal and state income tax purposes.

(4) That utilizes the private sector to administer and invest the contributions to the program under the guidance of the Oregon Qualified Tuition Savings Board.

(5) In which the contributions and earnings are held by the program 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]

Note: See note under 348.841.

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

348.849 Oregon Qualified Tuition Savings Board established; membership. (1) There is established the Oregon Qualified Tuition 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 Oregon Qualified Tuition Savings Board in the administration of the program 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]

Note: See note under 348.841.

348.853 Board powers and duties; establishment of program; rules. The Oregon Qualified Tuition Savings Board shall have the following powers, duties, and functions:

(1) To establish, develop, implement and maintain the Oregon Qualified Tuition Savings Program 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 program and its participants.

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

(3) To maintain, invest and reinvest the funds contributed into the program consistent with the investment restrictions established by the board. The investment restrictions shall be consistent with the objectives of the program, 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. [1999 c.746 §5]

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]

348.857 Program participation; contribution limitations; fees. (1) An account owner may establish an account by making an initial contribution to the Oregon Qualified Tuition Savings Program in the name of the designated beneficiary. Once a contribution is made it becomes part of the program 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, considering the return on contributions, the age and circumstances of the designated beneficiary, to provide for the qualified higher education expenses of the designated beneficiary. The board shall establish maximum contribution limits applicable to program accounts and shall require the provision of any information from the account owner and the designated beneficiary as is necessary to establish the limit as it relates to such account.

(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 and the designated beneficiary.

(6) The board may collect application, account or administrative fees to defray the costs of the program. [1999 c.746 §6; 2001 c.12 §5]

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 Qualified Tuition Savings Board or a financial institution in which Oregon Qualified Tuition Savings Program funds have been invested shall have the right to direct the investment of any contributions to or earnings from the program.

(2) The program, 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 program, 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 program.

(3) The board, in the exercise of its sole discretion and without liability, may remove the program'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]

Note: See note under 348.841.

348.863 Prohibitions and limitations on accounts; rules. (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 program for credit to the designated beneficiary's account.

(4) A qualified withdrawal that is used to pay for qualified higher education expenses must be paid as prescribed by rules adopted by the Oregon Qualified Tuition Savings Board. The board may by rule establish, among other matters:

(a) Requirements for proof that the moneys involved in a qualified withdrawal are to be used only to pay qualified higher education expenses;

(b) Procedures and conditions for qualified withdrawals; and

(c) The parties that may receive payment of moneys that are the subject of qualified withdrawals.

(5) Total contributions to all accounts established on behalf of a particular beneficiary in excess of those reasonably necessary to meet the designated beneficiary's qualified higher education expenses are prohibited. [1999 c.746 §8; 2001 c.12 §6]

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 beneficiary if the designated beneficiaries are members of the same family.

(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 Qualified Tuition 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 Qualified Tuition Savings Program 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 information expressly agrees in writing that the information may be disclosed. [1999 c.746 §9; 2001 c.12 §7]

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 Qualified Tuition Savings Program. Except as otherwise provided by law, the Oregon Qualified Tuition Savings Board is the trustee of the contributions and earnings. [2001 c.12 §4]

Note: See note under 348.841.

348.870 Account withdrawals; penalties. (1) Withdrawal from an account may be made on 30 days' written notice to the Oregon Qualified Tuition Savings Board, or on such shorter notice as the board may by rule provide. A withdrawal shall be designated as a qualified withdrawal or a nonqualified withdrawal, and the application shall provide such information and be made on such forms as the board shall find are necessary to enable the board to determine the nature of the withdrawal.

(2) An account withdrawal paid to or for the benefit of any person during any calendar year shall be reported to the person and the federal Internal Revenue Service. The report shall be made at the time and contain such information as required by law.

(3) The board shall establish a penalty, at the minimum amount necessary to satisfy the requirements of section 529 of the Internal Revenue Code, for a nonqualified withdrawal on the portion of the withdrawal that constitutes income under section 529 of the Internal Revenue Code.

(4) Penalties collected under this section may be used to defray the costs of the program. [1999 c.746 §10]

Note: See note under 348.841.

348.873 Report to Governor and Legislative Assembly. The Oregon Qualified Tuition 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]

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]

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]

CHAPTERS 349 AND 350

[Reserved for expansion]