

House Bill 3058

Sponsored by Representative ACKERMAN; Representatives BARKER, GALIZIO, HOLVEY, HUNT, JENSON

SUMMARY

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

Creates State Board of Community Colleges to oversee Department of Community Colleges and Workforce Development. Transfers duties, functions and powers of State Board of Education related to community colleges to State Board of Community Colleges.

Becomes operative July 1, 2006.

A BILL FOR AN ACT

1
2 Relating to community colleges; creating new provisions; amending ORS 30.864, 244.050, 276.610,
3 276.612, 294.356, 326.011, 326.051, 326.075, 326.111, 326.310, 326.370, 326.375, 326.550, 326.589,
4 329.489, 329.950, 341.005, 341.009, 341.015, 341.019, 341.021, 341.024, 341.025, 341.039, 341.045,
5 341.055, 341.065, 341.076, 341.085, 341.095, 341.105, 341.115, 341.125, 341.290, 341.315, 341.317,
6 341.405, 341.420, 341.425, 341.455, 341.465, 341.527, 341.547, 341.565, 341.569, 341.573, 341.577,
7 341.579, 341.620, 341.626, 341.635, 341.933, 341.937, 344.070, 344.080, 344.090, 344.120, 344.259,
8 348.603, 348.890, 351.117, 351.647, 351.653, 433.283, 656.046, 659.850, 659.855, 660.157, 660.162,
9 660.167, 687.011, 815.080, 820.100, 820.110, 820.120, 820.130 and 820.150 and section 1, chapter 653,
10 Oregon Laws 1997, and sections 2 and 5, chapter 519, Oregon Laws 2001; and appropriating
11 money.

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

13 **SECTION 1. ORS 326.075, 326.370, 326.373, 326.375, 326.380, 326.382, 326.550 and 326.589 and**
14 **sections 2 to 5 of this 2005 Act are added to and made a part of ORS chapter 341.**

15 **SECTION 2. (1) There is established a State Board of Community Colleges consisting of**
16 **five members appointed by the Governor.**

17 **(2) The term of office of each member is four years, but a member serves at the pleasure**
18 **of the Governor. Before the expiration of the term of a member, the Governor shall appoint**
19 **a successor whose term begins on July 1 next following. A member is eligible for reappoint-**
20 **ment. If there is a vacancy for any cause, the Governor shall make an appointment to be-**
21 **come immediately effective for the unexpired term.**

22 **(3) The appointment of a member to the state board is subject to confirmation by the**
23 **Senate in the manner prescribed in ORS 171.562 and 171.565.**

24 **(4) A member of the state board is entitled to compensation and expenses as provided in**
25 **ORS 292.495.**

26 **SECTION 3. Notwithstanding the term of office specified by section 2 of this 2005 Act,**
27 **of the members first appointed to the State Board of Community Colleges:**

28 **(1) One shall serve for a term ending July 1, 2007.**

29 **(2) One shall serve for a term ending July 1, 2008.**

30 **(3) One shall serve for a term ending July 1, 2009.**

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

1 (4) Two shall serve for terms ending July 1, 2010.

2 **SECTION 4.** (1) The State Board of Community Colleges shall select one of its members
3 as chairperson and another as vice-chairperson, for such terms and with duties and powers
4 necessary for the performance of the functions of such offices as the state board determines.

5 (2) A majority of the members of the state board constitutes a quorum for the trans-
6 action of business.

7 (3) The state board shall meet at times and places specified by the call of the chairperson
8 or of a majority of the members of the state board.

9 **SECTION 5.** (1) In accordance with applicable provisions of ORS chapter 183, the State
10 Board of Community Colleges may adopt any rules necessary for the administration of the
11 laws that the state board and the Department of Community Colleges and Workforce De-
12 velopment are charged with administering.

13 (2) The state board, in consultation with the Education and Workforce Policy Advisor and
14 pursuant to ORS chapter 183, may adopt any rules necessary for the administration of laws
15 related to the federal Workforce Investment Act that the Department of Community Col-
16 leges and Workforce Development is charged with administering.

17 (3) The state board may apply for federal funds and accept and enter into any contracts
18 or agreements on behalf of the state for the receipt of such funds from the federal govern-
19 ment or its agencies for educational and workforce development purposes.

20 **SECTION 6.** ORS 326.011 is amended to read:

21 326.011. In establishing policy for the administration and operation of the public elementary and
22 secondary schools [*and public community colleges*] in the State of Oregon and in carrying out its
23 duties as prescribed by law, the State Board of Education shall consider the goals of modern edu-
24 cation, the requirements of a sound, comprehensive curriculum best suited to the needs of the stu-
25 dents and the public and any other factors consistent with the maintenance of a modern and
26 efficient elementary and secondary school system [*and community college program*].

27 **SECTION 7.** ORS 326.051 is amended to read:

28 326.051. Subject to ORS 417.300 and 417.305:

29 (1) In addition to such other duties as are prescribed by law and pursuant to the requirement
30 of ORS chapter 183, the State Board of Education shall:

31 (a) Establish state standards for public kindergartens and public elementary and secondary
32 schools consistent with the policies stated in ORS 326.011.

33 (b) Adopt rules for the general governance of public kindergartens and public elementary and
34 secondary schools [*and public community colleges*].

35 (c) Prescribe required or minimum courses of study.

36 (d) Adopt rules regarding school and interscholastic activities in accordance with standards es-
37 tablished pursuant to paragraph (f) of this subsection.

38 (e) Adopt rules that provide that no public elementary or secondary school shall discriminate
39 in determining participation in interscholastic activities. As used in this paragraph,
40 "discrimination" has the meaning given that term in ORS 659.850.

41 (f) Adopt standards applicable to voluntary organizations that administer interscholastic activ-
42 ities as provided in ORS 339.430.

43 (g) Adopt rules that will eliminate the use and purchase of elemental mercury, mercury com-
44 pounds and mercury-added instructional materials by public elementary and secondary schools.

45 (2) The State Board of Education may:

1 (a) Consistent with the laws of this state, accept money or property not otherwise provided for
 2 under paragraph (b) of this subsection, which is donated for the use or benefit of the public
 3 kindergartens and public elementary and secondary schools [*and public community colleges*] and use
 4 such money or property for the purpose for which it was donated. Until it is used, the board shall
 5 deposit any money received under this paragraph in a special fund with the State Treasurer as
 6 provided in ORS 293.265 to 293.275.

7 (b) Apply for federal funds and accept and enter into any contracts or agreements in behalf of
 8 the state for the receipt of such funds from the federal government or its agencies for educational
 9 purposes, including but not limited to any funds available for the school lunch program, for career
 10 education purposes, for professional technical educational purposes, for adult education, for man-
 11 power programs and any grants available to the state or its political subdivisions for general federal
 12 aid for public kindergartens and public elementary and secondary schools [*and public community*
 13 *colleges*] and their auxiliary services, improvement of teacher preparation, teacher salaries, con-
 14 struction of school buildings, administration of the Department of Education and any other educa-
 15 tional activities under the jurisdiction of the State Board of Education.

16 (c) Adopt rules to administer the United States Department of Agriculture’s National School
 17 Lunch Program and School Breakfast Program for public and private prekindergarten through grade
 18 12 schools and residential child care facilities.

19 *[(3) The State Board of Education shall provide a separate, identifiable place on its agenda six*
 20 *times a year for community college issues. The state board may also consider matters affecting com-*
 21 *munity colleges at any regular or special meeting.]*

22 **(3) The State Board of Education shall cooperate with the Education and Workforce**
 23 **Policy Advisor in developing a state comprehensive education plan and in reviewing the**
 24 **board’s programs and budget. The board shall submit in timely fashion to the advisor such**
 25 **data as appropriate in a form prescribed by the advisor.**

26 **SECTION 8.** ORS 326.075 is amended to read:

27 326.075. (1) The [*State Board of Education*] **State Board of Community Colleges** shall cooper-
 28 ate with the Education and Workforce Policy Advisor in [*the development of*] **developing** a state
 29 comprehensive education plan [*including elementary, secondary and community college education and*
 30 *in review of the board’s*] **and in reviewing the state board’s** programs and budget. The **state** board
 31 shall submit in timely fashion to the advisor such data as [*is*] **are** appropriate in a form prescribed
 32 by the advisor.

33 (2) The **state** board shall cooperate with the mediation process administered by the Oregon
 34 Student Assistance Commission pursuant to ORS 348.603 and, if a negotiated resolution cannot be
 35 reached by mediation, comply with the decisions of the commission regarding proposed new post-
 36 secondary programs and proposed new post-secondary locations.

37 **SECTION 9.** ORS 326.111 is amended to read:

38 326.111. (1) The Department of Education shall function under the direction and control of the
 39 State Board of Education with the Superintendent of Public Instruction serving as an administrative
 40 officer for public **elementary and secondary** school matters.

41 (2) The Department of Education shall consist of:

42 (a) Agencies and officers that are added by law to the Department of Education; and

43 (b) The administrative organizations and staffs required for the performance of the department’s
 44 functions.

45 (3) All administrative functions of the State Board of Education shall be exercised through the

1 Department of Education, and the department shall exercise all administrative functions of the state
 2 relating to supervision, management and control of schools not conferred by law on some other
 3 agency.

4 **SECTION 10.** ORS 326.310 is amended to read:

5 326.310. [*Except as provided by ORS 326.041, 326.051, 326.375, 341.005, 341.015, 341.440, 341.455,*
 6 *341.626, 341.655 and 341.933,*] The Superintendent of Public Instruction shall exercise, under the di-
 7 rection of the State Board of Education, a general superintendence of school officers and the public
 8 **elementary and secondary** schools. In carrying out the duties of office, the Superintendent of
 9 Public Instruction shall:

10 (1) Act as administrative officer of the State Board of Education.

11 (2) Act as executive head of the Department of Education and direct and supervise all activities
 12 of the department.

13 (3) Assist all district school boards and education service district boards in answering questions
 14 concerning the proper administration of the school laws, the rules of the State Board of Education
 15 and the ministerial duties of school officers and teachers. The decision of the superintendent shall
 16 guide school officers and teachers in the performance of their duties relating to the matters decided.
 17 The superintendent may submit any question to the State Board of Education which shall then de-
 18 cide the question.

19 (4) Obtain and compile such statistical information relative to the condition and operation of the
 20 public **elementary and secondary** schools as the superintendent or the state board may consider
 21 advisable for the advancement of education and for the information of the state board and the pub-
 22 lic.

23 (5) Appoint, subject to the State Personnel Relations Law and with the approval of the State
 24 Board of Education, such personnel as may be necessary for the performance of the duties of the
 25 office of the superintendent. The Superintendent of Public Instruction may designate one or more
 26 suitable persons to sign or countersign warrants, vouchers, certificates or other papers and docu-
 27 ments requiring the signature of the superintendent.

28 (6) Administer and supervise adult education programs in the public elementary and secondary
 29 schools.

30 (7) Perform such other functions as may be necessary to the performance of the duties of the
 31 superintendent.

32 **SECTION 11.** ORS 326.370 is amended to read:

33 326.370. [(1)] The Department of Community Colleges and Workforce Development shall function
 34 under the direction and control of the [*State Board of Education*] **State Board of Community**
 35 **Colleges** with the Commissioner for Community College Services serving as an administrative officer
 36 for community college **and workforce development** matters.

37 [(2) *The Department of Community Colleges and Workforce Development, in consultation with the*
 38 *Education and Workforce Policy Advisor and pursuant to ORS chapter 183, may adopt any rules*
 39 *necessary for the administration of laws related to the federal Workforce Investment Act that the de-*
 40 *partment is charged with administering.*]

41 **SECTION 12.** ORS 326.375 is amended to read:

42 326.375. (1) The [*State Board of Education*] **State Board of Community Colleges** shall appoint
 43 a Commissioner for Community College Services who shall serve at the pleasure of the **state** board.

44 (2) The commissioner shall be a person who by training and experience is well qualified to per-
 45 form the duties of the office and to assist in carrying out the functions of the **state** board under

1 ORS [326.041, 326.051, 326.375, 341.005, 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933]
 2 **chapter 341.**

3 (3) The commissioner shall:

4 (a) Be the executive head of the Department of Community Colleges and Workforce Develop-
 5 ment;

6 (b) Direct and supervise all activities of the Department of Community Colleges and Workforce
 7 Development;

8 (c) Hire staff, as authorized by the state board [*of Education*] to assist in carrying out the duties
 9 of the commissioner. The staff shall be considered employees of the Department of Community Col-
 10 leges and Workforce Development for purposes of ORS chapters 240 and 243; and

11 (d) Be responsible directly to the state board [*of Education*] for those duties enumerated in ORS
 12 chapter 341.

13 (4) The commissioner, with approval of the state board [*of Education*], shall be responsible for
 14 the representation of community college interests to the Governor, the Legislative Assembly, state
 15 agencies and others. The commissioner, with the approval of the state board, shall be responsible
 16 for submitting community college budget requests and budget reports for the Department of Com-
 17 munity Colleges and Workforce Development to the Legislative Assembly. [*The state board shall in-*
 18 *sure that the budget request for community colleges and for the Department of Community Colleges and*
 19 *Workforce Development are separate and distinct from its other requests to the Legislative Assembly.*]

20 **SECTION 13.** ORS 326.550 is amended to read:

21 326.550. (1) The Commissioner for Community College Services may issue General Educational
 22 Development (GED) certificates to persons who demonstrate satisfactory performance in tests pre-
 23 scribed under subsection (2) of this section or meet the requirements of any prescribed evaluative
 24 procedure.

25 (2) The [*State Board of Education*] **State Board of Community Colleges** by rule may prescribe
 26 tests and other appropriate evaluation procedures for the purposes of subsection (1) of this section
 27 and may establish age, residence and other relevant qualifications for applicants.

28 (3) The Department of Community Colleges and Workforce Development may utilize its person-
 29 nel and facilities for the administration of this section, and the state board [*of Education*] may es-
 30 tablish by rule a nonrefundable application fee. The fee may be waived by the state board [*of*
 31 *Education*] in case of hardship.

32 (4) Subject to prior approval of the Oregon Department of Administrative Services and a report
 33 to the Emergency Board prior to adopting the fee, the fee established under subsection (3) of this
 34 section [*shall*] **may** not exceed the cost of administering the program, as authorized by the Legisla-
 35 tive Assembly within the [*board's*] budget **of the State Board of Community Colleges**, as the
 36 budget may be modified by the Emergency Board.

37 (5) All moneys received under this section shall be deposited in the State Treasury to the credit
 38 of the Department of Community Colleges and Workforce Development and shall be used exclusively
 39 for administration of this section. The Department of Community Colleges and Workforce Develop-
 40 ment shall keep a record of all moneys deposited in such account. The record shall indicate by
 41 separate cumulative accounts the source from which the moneys are derived and the individual ac-
 42 tivity against which each withdrawal is charged.

43 (6) The Commissioner for Community College Services shall consult with the Superintendent of
 44 Public Instruction on all matters related to evaluation procedures used to measure equivalent
 45 achievement under this section. The superintendent is authorized to make independent recommen-

1 dations on evaluation procedures to the state board [*of Education*] in those cases where the super-
 2 intendent's judgment differs from that of the commissioner.

3 **SECTION 14.** ORS 326.589 is amended to read:

4 326.589. (1) A community college [*as defined in ORS 341.005*] may not disclose the Social Secu-
 5 rity number of a student who is attending the college.

6 (2) Subsection (1) of this section does not apply if the college discloses the Social Security
 7 number:

8 (a) At the request of a law enforcement agency or an agency providing support enforcement
 9 services under ORS 25.080;

10 (b) After obtaining written permission for the disclosure from the student to whom the number
 11 refers;

12 (c) In the payment of wages or benefits;

13 (d) In the payment or collection of taxes or of a debt owed by the student to whom the number
 14 refers; or

15 (e) For purposes of statistical analysis.

16 **SECTION 15.** ORS 341.005 is amended to read:

17 341.005. As used in this chapter, unless the context otherwise requires:

18 (1) "Academic year" means the year beginning July 1 of each year and ending June 30 of the
 19 following year running concurrently with the fiscal year.

20 (2) "Board" means the board of education of a community college district.

21 (3) "Board member" means a member of the board of education of a community college district.

22 (4) "Commissioner" means the Commissioner for Community College Services appointed under
 23 ORS 326.375.

24 (5) "Community college" means a public institution operated by a community college district for
 25 the purposes of providing courses of study limited to not more than two years' full-time attendance,
 26 with the exception of technical programs in which the curriculum may require more than two years
 27 of attendance but less than four years, and designed to meet the needs of a geographical area by
 28 providing educational services, including but not limited to professional technical education pro-
 29 grams or lower division collegiate programs.

30 (6) "Community college district" or "district" means a district formed under this chapter to op-
 31 erate one or more community colleges or to secure educational services available at a community
 32 college. "Community college district" includes a community college service district.

33 (7) "Full-time equivalent student" means a student or combination of several students who car-
 34 ries or carry among them, within a single academic year, a minimum number of clock hours of in-
 35 struction, in any program, to be specified by rule by the [*State Board of Education*] **State Board**
 36 **of Community Colleges**.

37 (8) "Operating expenses" means the sum of the expenditures of a community college district for
 38 administration, instruction, necessary student services, operation and maintenance of plant and fixed
 39 charges, as determined in accordance with the rules of the state board [*of Education*].

40 (9) "Paying agent and registrar" means the county treasurer or county fiscal officer of the
 41 county in which the chief administrative officer of the community college district maintains the ad-
 42 ministrative office.

43 (10) "Petitioning territory" means a community college district petitioning to have an area out-
 44 side the district included in the district or to have an area inside the district excluded from the
 45 district, or an area outside the district petitioning to be included within the district.

1 (11) "Principal county" means the county in which the chief administrative officer of the com-
 2 munity college district maintains the administrative office.

3 (12) "State board" means the [*State Board of Education*] **State Board of Community Colleges**
 4 **established in section 2 of this 2005 Act.**

5 **SECTION 16.** ORS 341.009 is amended to read:

6 341.009. The Legislative Assembly finds that:

7 (1) The community college is an educational institution which is intended to fill the institutional
 8 gap in education by offering broad, comprehensive programs in academic as well as professional
 9 technical subjects. It is primarily designed to provide associate or certificate degree programs for
 10 some, serve a transitional purpose for others who will continue baccalaureate or other college work,
 11 provide the ability to enter the workforce immediately and serve to determine future educational
 12 needs for other students. It can provide means for continuation of academic education, professional
 13 technical training or the attainment of entirely new skills as demands for old skills and old occu-
 14 pations are supplanted by new technologies. It may also provide the means to coordinate courses
 15 and programs with high schools to enhance the Certificate of Advanced Mastery and to accommo-
 16 date successful transition to college degree programs.

17 (2) Each community college should be so located as to be within commuting time of a substantial
 18 majority of its students. As an economical method of providing education close to the student's
 19 home, the community college should remain a commuting institution.

20 (3) The community college should establish its organizational patterns to maintain a unique
 21 quality of flexibility and the ability to change to meet changing needs.

22 (4) The community college is a post-high-school institution under the general supervision of the
 23 [*State Board of Education*] **State Board of Community Colleges**. It should not be a "starter" in-
 24 stitution intended to evolve into a four-year baccalaureate institution. It should be concerned with
 25 programs terminating before reaching the baccalaureate degree.

26 (5) The community college should continue to be prohibited by law from becoming a
 27 baccalaureate degree granting institution.

28 (6) Admission to the community college should be open to high school graduates or to non-high
 29 school graduates who can profit from the instruction offered.

30 (7) There should be close cooperation between those directing the community college program
 31 and those responsible for higher education, so that lower-division college transfer programs of the
 32 community college will provide adequate preparation for entering baccalaureate degree granting
 33 programs, and so that students will be able to transfer with a minimum of difficulty.

34 (8) The community college should offer as comprehensive a program as the needs and resources
 35 of the area which it serves dictate. Cost to student and quality of instruction in established private
 36 institutions should be among the factors in determining necessary duplication of effort.

37 (9) It should be the policy of the community college to open its facilities and make available its
 38 resources to the high schools of its area on a sound contractual basis, for appropriate secondary
 39 or transitional courses, either academic or professional technical, when it is within its ability to
 40 provide facilities and it is determined that the high school cannot or does not offer them.

41 (10) Programs designed to meet the needs of the area served should be based on the actual ed-
 42 ucational and service needs of the district. Specific professional technical courses should be related
 43 not only to the employment opportunities of the area but of the state and nation as well. Such de-
 44 termination should be made in consultation with representatives of labor, business, industry, agri-
 45 culture and other interested groups.

1 (11) The [*State Board of Education*] **state board** should be responsible for coordinating the
 2 community college program of the state and should have general supervisory responsibilities for that
 3 program. The [*State Board of Education*] **state board** should prepare estimates and make the re-
 4 quests for legislative appropriations for a reasonable and consistent basis of support and establish
 5 standards for the distribution of that support.

6 (12) The initiative for the establishment of new community colleges should come from the lo-
 7 calities to be served, as a response to demonstrated educational needs of an area. However, these
 8 localities must not only be willing to assume the responsibility for the institutions but must be able
 9 to provide resources needed for an adequate educational and service program.

10 (13) The governing board of the community college should be charged with the policy-making
 11 function. With respect to educational programming, the governing board should in cooperation with
 12 the [*State Board of Education*] **state board**:

13 (a) Identify educational needs of the district; and

14 (b) Bring together the resources necessary to meet the needs.

15 (14) The state should maintain a policy of substantial state participation in community college
 16 building costs and the maintenance of an adequate level of state support for operation. However,
 17 no state funds should be appropriated for buildings such as dormitories or athletic facilities for
 18 spectator sports. The district should provide a substantial portion of the funds for capital improve-
 19 ment as well as for operation of a community college.

20 (15) State appropriations for community colleges shall be made separately from those for other
 21 segments of education.

22 (16) The formula for the distribution of funds for operating costs should reflect the heavier op-
 23 erating costs and capital outlay for certain professional technical courses. Federal funds received
 24 for professional technical training, adult basic education, workforce development or other federal
 25 initiatives should be used for those purposes only and be distributed separately from funds appro-
 26 priated by the state and should be exempted from the computations of the present distribution for-
 27 mula for operating costs.

28 (17) The cost of education to the individual should be sufficiently low to permit students of
 29 low-income families to attend. This is particularly true of tuition costs. However, students should
 30 pay an amount sufficient to provide an incentive to profit from the instructional program offered.

31 (18) Any eligible Oregon resident should have the right to attend a community college even
 32 though not residing in a district operating one, subject to the right of the governing board to limit
 33 the size of classes and to give preference to students residing in the district. Local school districts
 34 and education service districts should have the authority to negotiate the terms and conditions with
 35 the governing boards for the enrollment of students residing in such areas.

36 **SECTION 17.** ORS 341.015 is amended to read:

37 341.015. The [*State Board of Education*] **State Board of Community Colleges** shall adopt
 38 guidelines for the orderly development and management of community college districts, including
 39 guidelines for personnel policy formulation, accounting procedures and student record keeping and
 40 privacy procedures.

41 **SECTION 18.** ORS 341.019 is amended to read:

42 341.019. (1) All areas within this state shall be served by a community college district. Such
 43 services may be provided either:

44 (a) Directly by formation of a community college district; or

45 (b) Indirectly by contract with an existing community college district.

1 (2) The Department of Community Colleges and Workforce Development shall fix responsibility
2 for serving each area that is not within a community college district. Where feasible, each area shall
3 be a whole county or a group of counties or that part of a county not already in a community col-
4 lege district.

5 (3) In order to obtain the services described in subsection (1)(b) of this section, residents of a
6 nondistrict area must indicate their interest in receiving services by requesting formation of a local
7 advisory committee and seeking the advice and counsel of the Department of Community Colleges
8 and Workforce Development.

9 (4) The [*State Board of Education*] **State Board of Community Colleges** by rule shall establish
10 standards for determining when there is sufficient interest among the residents of a nondistrict area
11 to warrant appointment of a local advisory committee.

12 (5) When the Department of Community Colleges and Workforce Development has made the de-
13 termination under subsection (4) of this section, the department and the interested residents of the
14 nondistrict area shall apply jointly to the governing body of the county for the appointment of a
15 local advisory committee.

16 (6) Upon application, the governing body of the county shall appoint a local advisory committee
17 and shall insure that the committee is broadly representative of the nondistrict area.

18 (7) If the nondistrict area involves two or more counties, the governing body of each county
19 shall appoint members to the local advisory committee in proportion to the number of county resi-
20 dents within the nondistrict area.

21 (8) The governing body of a county making appointments under subsection (6) or (7) of this
22 section shall not be obligated to fund any part of the budget described in ORS 341.021 (3).

23 (9) The duties of the local advisory committee shall include, but need not be limited to, advising
24 the officials of the community college district serving the nondistrict area on the educational needs
25 of the area.

26 (10) As used in ORS 341.019 to 341.022, "community college district" includes a community col-
27 lege service district.

28 **SECTION 19.** ORS 341.021 is amended to read:

29 341.021. (1) The Department of Community Colleges and Workforce Development shall invite
30 existing community college districts to submit proposals for the provision of service to an area that
31 has officially indicated its interest in receiving service.

32 (2) The responsibilities of the host community college district shall include:

33 (a) Preparing a written agreement for services to be provided to nondistrict areas using a format
34 specified by the Department of Community Colleges and Workforce Development; and

35 (b) Acting as the fiscal agent for agreements including establishing tuition and fees for services
36 offered under terms of an agreement.

37 (3) Agreements between the community college district and nondistrict entities as listed in ORS
38 341.315 shall include an annual budget setting forth both revenue and expenditures. The budget shall
39 be based upon the following conditions:

40 (a) Subject to ORS 341.022, eligible full-time equivalent student enrollment produced under the
41 agreement may be claimed for state reimbursement purposes by the community college district.
42 Such reimbursement shall come from the Community College Support Fund established in ORS
43 341.620 and shall be distributed as directed in ORS 341.626 and the rules of the [*State Board of*
44 *Education*] **State Board of Community Colleges**.

45 (b) A share of the budget shall be provided by those individuals or agencies receiving service

1 under this agreement as specified by rule of the [*State Board of Education*] **state board** adopted
 2 under ORS 341.024 (3).

3 (4) Agreements developed under this section shall be wholly supported by Community College
 4 Support Fund reimbursement, nondistrict student tuition and nondistrict resources.

5 **SECTION 20.** ORS 341.024 is amended to read:

6 341.024. The [*State Board of Education*] **State Board of Community Colleges** shall adopt rules
 7 to implement ORS 341.019 to 341.024. The rules shall provide:

- 8 (1) Standards for accepting proposals for service;
- 9 (2) Procedures providing the form of agreements and for recording them;
- 10 (3) Standards for cash and in-kind contributions by nondistrict areas;
- 11 (4) Standards as required by ORS 341.019 (4); and
- 12 (5) Other rules necessary to implement ORS 341.019 to 341.024.

13 **SECTION 21.** ORS 341.025 is amended to read:

14 341.025. (1) Whenever the electors registered in contiguous territory desire the formation of a
 15 community college district, they may sign a petition requesting the formation of such a district and
 16 present it to the [*State Board of Education*] **State Board of Community Colleges**.

17 (2) The petition must be substantially in the form established by the state board which shall
 18 furnish the petition form and:

- 19 (a) Must contain the minimum number of signatures fixed by the state board of 500, or 10 per-
 20 cent of the electors registered in each county or part of a county within the designated territory,
 21 whichever is the lesser;
- 22 (b) Must designate the boundaries of the territory to be included in the proposed district which
 23 may include all or part of the territory lying within the boundaries of a school district and may be
 24 located in more than one county;
- 25 (c) Must request that the territory be organized into a district;
- 26 (d) May specify or reserve the right to specify the location for the proposed community college
 27 or may request the state board to determine the location;
- 28 (e) Must specify the method of nomination and election of the board of education of the proposed
 29 district from among the methods described in ORS 341.327; and
- 30 (f) Must contain any other information required by rules of the state board.

31 **SECTION 22.** ORS 341.039 is amended to read:

32 341.039. (1) A petition submitted pursuant to ORS 341.025 may specify that the proposed district
 33 be organized as a community college service district. The formation of a community college service
 34 district shall comply with the provisions of ORS 341.025 to 341.125. A petition affecting a territory
 35 that, in the judgment of the Commissioner for Community College Services, will not generate an
 36 annual enrollment in excess of 1,000 full-time equivalent students after three years of operation shall
 37 be considered to be a petition for the formation of a community college service district.

38 (2) If formed, a community college service district shall in all respects be governed by the laws
 39 applicable to community college districts with the following exceptions:

- 40 (a) Notwithstanding ORS 341.675, community college service districts formed after July 1, 1997,
 41 may not incur bonded indebtedness for any purpose. This limitation shall not be construed to pro-
 42 hibit lease-purchase arrangements or other lawful forms of capital financing. A community college
 43 service district may hold and own buildings and grounds acquired through gifts or financing methods
 44 authorized by this section.
- 45 (b) The board of education for a community college service district shall annually review the

1 programs and services of the service district. This review shall have as its purpose a determination
 2 of which services can most effectively and economically be delivered directly and which services can
 3 best be delivered through contracting arrangements. The direct hiring of faculty and staff is ex-
 4 pressly permitted.

5 (3) After having been in operation for at least three years, a community college service district
 6 may submit to the electors of the district the question of whether the district shall operate as a
 7 community college district.

8 (4) Prior to submitting the question to the electors, the community college service district must
 9 have been in operation for three years, and must have secured the approval of the [*State Board of*
 10 *Education*] **State Board of Community Colleges** to hold the election. Before granting approval, the
 11 state board must find:

12 (a) The service district has acquired stability as demonstrated by a continuity of management,
 13 regularly adopted policies and procedures and adequate financial resources; and

14 (b) The service district has adopted a sound comprehensive plan that sets out the district's in-
 15 structional and capital plans for five years.

16 **SECTION 23.** ORS 341.045 is amended to read:

17 341.045. (1) The [*State Board of Education*] **State Board of Community Colleges** shall examine
 18 the petition to determine whether it is complete. If the petition is complete and if formation of the
 19 district is consistent with the overall plan for all education in the state, the state board shall
 20 undertake a study of the feasibility of a community college in the geographical area proposed by the
 21 petition, including but not limited to:

22 (a) Educational needs of the area.

23 (b) Potential enrollment levels.

24 (c) The rate of operating taxes that is required to meet the local share of operating and capital
 25 expenses and that would, if adopted, be the district's permanent rate limit for operating taxes, in-
 26 cluding whether the proposed rate bears a reasonable relationship to the permanent rate limit of
 27 operating community college districts of similar size and circumstance to the proposed new district.
 28 If the proposed rate is substantially below the rate of similar operating districts, the feasibility study
 29 shall explicitly detail how the proposed new district intends to provide a comprehensive community
 30 college program.

31 (d) Relationship of the proposed district to the overall plan for all education in the state.

32 (e) Boundaries of the proposed district.

33 (f) The appropriateness of the proposed name of the community college district or the community
 34 college, if a name is proposed, in order to determine that the proposed name is not misleading,
 35 confusing or grossly inappropriate.

36 (2) Upon completion of its study, the state board shall set a date for a public hearing on the
 37 petition and study and shall give notice of the hearing in the manner provided in ORS 341.357.

38 (3) The notice of hearing shall state:

39 (a) A study has been conducted on a proposed district.

40 (b) The boundaries of the proposed district.

41 (c) Whether the proposed community college district specifies providing its courses through
 42 contract with agencies authorized to enter into such contracts.

43 (d) The time and place set for the hearing on the petition.

44 **SECTION 24.** ORS 341.055 is amended to read:

45 341.055. (1) At the time designated in the notice, the [*State Board of Education*] **State Board**

1 **of Community Colleges** or its authorized representative shall conduct a public hearing on the study
2 and may adjourn the hearing from time to time. The state board may alter the boundaries set forth
3 in the petition submitted under ORS 341.025 to include all territory the residents of which will be
4 materially benefited by formation of the community college district as determined by its study. The
5 state board *[shall]* **may** not modify the boundaries of the district as set forth in the petition so as
6 to exclude from the district any territory the residents of which will be materially benefited by
7 formation of the district, nor may there be included in the proposed district any territory the resi-
8 dents of which will not be materially benefited.

9 (2) If the **state** board concludes that any territory has been improperly included or omitted from
10 the proposed community college district and that electors within the included or omitted territory
11 have not appeared at the hearing, the **state** board shall continue further hearing on the study and
12 shall order notice given to the nonappearing electors requiring them to appear and show cause why
13 their territory should not be excluded or included in the proposed district. The notice shall be given
14 either in the same manner as notice of the original hearing was given or by personal service on each
15 nonappearing elector. If notice is given by personal service, such service shall be made at least 10
16 days prior to the date fixed for the hearing.

17 **SECTION 25.** ORS 341.065 is amended to read:

18 341.065. If, in the opinion of the *[State Board of Education]* **State Board of Community Col-**
19 **leges**, the study and the testimony presented at the hearing or hearings held under ORS 341.055
20 indicate that the formation of a community college district as petitioned is not warranted under the
21 policies set forth by ORS 341.009, the state board shall order dismissal of the petition. An appeal
22 from this order may be taken within 60 days in the manner provided in ORS 183.480.

23 **SECTION 26.** ORS 341.076 is amended to read:

24 341.076. (1) If, upon final hearing of the study under ORS 341.055, the *[State Board of*
25 *Education]* **State Board of Community Colleges** approves formation of a community college dis-
26 trict, with boundaries either as originally presented or as altered pursuant to the hearing, the state
27 board shall make its recommendation to the Legislative Assembly in an order describing the exterior
28 boundaries and the zone boundaries for the election of members of the board of education of the
29 community college district, if any. An appeal from the recommendation may be taken within 60 days
30 in the manner provided in ORS 183.480. If no appeal from this recommendation is filed within 60
31 days after the date of the recommendation, the recommendation becomes final.

32 (2) If an appeal is filed, the recommendation becomes final on the date the recommendation is
33 affirmed by the court. However, if the recommendation is not affirmed, the state board may not
34 submit its recommendation to the Legislative Assembly but may reconsider the conclusions of its
35 study and if the state board revises those conclusions, the state board may set a date for a new
36 hearing.

37 (3) Upon receipt of the final recommendation, the Legislative Assembly shall approve or disap-
38 prove the recommendation. If the recommendation is approved, an election under ORS 341.085 shall
39 be held. If the recommendation is disapproved, the state board may revise its recommendation and
40 resubmit a final recommendation to the Legislative Assembly but not sooner than 60 days after the
41 action of disapproval was taken.

42 **SECTION 27.** ORS 341.085 is amended to read:

43 341.085. (1) An election for the purpose of presenting the question of formation of a district and
44 establishing a permanent rate limit for operating taxes and the boundaries of the zones, if the zones
45 were recommended by the *[State Board of Education]* **State Board of Community Colleges**, shall

1 be held to submit the question to the electors registered in the proposed district designated in the
 2 recommendation of the state board. The election shall be held not sooner than the 90th day after
 3 the effective date of the appropriation required by ORS 341.102. The election date shall be uniform
 4 throughout the proposed district, and shall be set by the state board on a date specified in ORS
 5 255.345. However, if the question of establishing a permanent rate limit for operating taxes is to be
 6 submitted, the election must be held on the same date as the next primary election or the next
 7 general election, as determined by the state board.

8 (2) ORS chapter 255 and ORS 250.035 and 250.036 govern the notice and conduct of an election
 9 under this section. The state board shall be the district elections authority for an election conducted
 10 under this section. Notwithstanding ORS 255.305, the state board shall pay the expenses incurred
 11 for the election.

12 (3) An elector registered in a precinct or in the portion of a precinct which is located within
 13 the boundaries of the proposed district may vote on any matter arising at the election under sub-
 14 section (1) of this section.

15 **SECTION 28.** ORS 341.095 is amended to read:

16 341.095. (1) The [*State Board of Education*] **State Board of Community Colleges** shall include
 17 as a part of the election called for formation of a district the question of a permanent rate limit for
 18 operating taxes to finance the district's share of operating and capital expenses. The rate limit shall
 19 be specified by the state board as a result of its study and the hearing held under ORS 341.055. The
 20 state board may also include the question of incurring indebtedness to pay organizational expenses
 21 of the district between the time the district is approved and the first budget is adopted. If the
 22 question of incurring indebtedness is approved, the district may borrow money on its negotiable,
 23 short-term, promissory notes in an aggregate amount not to exceed the limit approved at the
 24 election and may, notwithstanding ORS 294.326, expend such money without the preparation and
 25 adoption of a budget.

26 (2) In preparing its first budget, the board of the district shall provide for the repayment of the
 27 indebtedness incurred for organizational expenses under subsection (1) of this section.

28 **SECTION 29.** ORS 341.105 is amended to read:

29 341.105. When at the request of the [*State Board of Education*] **State Board of Community**
 30 **Colleges** the county clerk of the principal county, in consultation with county clerks of the affected
 31 counties, prepares a list or lists of names and addresses of the electors registered in the proposed
 32 district, the Department of Community Colleges and Workforce Development is authorized to pay
 33 the charge as determined under ORS 255.305.

34 **SECTION 30.** ORS 341.115 is amended to read:

35 341.115. (1) If the vote is in favor of the formation of the community college district and estab-
 36 lishes a permanent rate limit for operating taxes for the district, the [*State Board of Education*]
 37 **State Board of Community Colleges:**

38 (a) Shall proclaim not later than the second regular meeting of the state board following the
 39 **state** board's determination from the election results that a community college district has been
 40 formed; and

41 (b) Shall furnish any affected county assessor with a copy of the proclamation.

42 (2) If the location of the community college or zone boundaries are specified on the ballot, and
 43 the vote favors formation, the state board shall include such location and boundaries in its procla-
 44 mation.

45 (3) If the vote is in favor of the formation of a community college district but opposed to a

1 permanent rate limit at the rate submitted, the district shall not be formed.

2 **SECTION 31.** ORS 341.125 is amended to read:

3 341.125. (1) The first board of education of a district shall be elected at the same election as the
 4 election at which votes are cast for the formation of the district. Nominations for the board of ed-
 5 ucation positions to be filled by nomination and election at-large shall be made by petition request-
 6 ing that such person's name be placed on the ballot and signed with the signatures of at least 50
 7 electors registered in the proposed district. If the district has been zoned and the position is to be
 8 filled by nomination or election by zone, the petition shall be signed by at least 25 electors regis-
 9 tered in the zone. The petition shall be presented to the [*State Board of Education*] **State Board**
 10 **of Community Colleges** at least 70 days prior to the election. Upon receipt of petitions [*which*]
 11 **that** comply with applicable law, the state board shall cause the names of such nominees to be
 12 placed upon the ballot.

13 (2) Seven members shall be elected to the first board, to serve terms of four and two years re-
 14 spectively in accordance with the number of votes each receives with the three members receiving
 15 the largest number of votes serving the four-year terms. The terms of office of the members of the
 16 first board shall be computed from the date of June 30 subsequent to the date of their election, but
 17 the members shall take office immediately following the election. If for any reason a district is not
 18 formed, the election of board members for that proposed district is void.

19 (3) If the district has been zoned, the state board shall designate the positions to be nominated
 20 or elected by zone and shall specify the length of the term to be served by each member of the first
 21 board elected by zone.

22 (4) If the election is at large, the length of the term of office of members of the first board
 23 elected shall be determined in accordance with the number of votes each receives in the election.
 24 Those receiving the highest number of votes may serve the four-year terms, subject to any term
 25 designations made by the state board under subsection (3) of this section.

26 **SECTION 32.** ORS 341.290 is amended to read:

27 341.290. The board of education of a community college district shall be responsible for the
 28 general supervision and control of any and all community colleges operated by the district. Con-
 29 sistent with any applicable rules of the [*State Board of Education*] **State Board of Community**
 30 **Colleges**, the board may:

31 (1) Subject to ORS chapters 238 and 238A, employ administrative officers, professional personnel
 32 and other employees, define their duties, terms and conditions of employment and prescribe com-
 33 pensation therefor, pursuant to ORS 243.650 to 243.782.

34 (2) Enact rules for the government of the community college, including professional personnel
 35 and other employees thereof and students therein.

36 (3) Prescribe the educational program.

37 (4) Control use of and access to the grounds, buildings, books, equipment and other property of
 38 the district.

39 (5) Acquire, receive, hold, control, convey, sell, manage, operate, lease, lease-purchase, lend, in-
 40 vest, improve and develop any and all property of whatever nature given to or appropriated for the
 41 use, support or benefit of any activity under the control of the board, according to the terms and
 42 conditions of such gift or appropriation.

43 (6) Purchase real property upon a contractual basis when the period of time allowed for payment
 44 under the contract does not exceed 30 years.

45 (7) Fix standards of admission to the community college, prescribe and collect tuition for ad-

1 mission to the community college, including fixing different tuition rates for students who reside in
2 the district, students who do not reside in the district but are residents of the state and students
3 who do not reside in the state.

4 (8) Prescribe and collect fees and expend funds so raised for special programs and services for
5 the students and for programs for the cultural and physical development of the students.

6 (9) Provide and disseminate to the public information relating to the program, operation and fi-
7 nances of the community college.

8 (10) Establish or contract for advisory and consultant services.

9 (11) Take, hold and dispose of mortgages on real and personal property acquired by way of gift
10 or arising out of transactions entered into in accordance with the powers, duties and authority of
11 the board and institute, maintain and participate in suits and actions and other judicial proceedings
12 in the name of the district for the foreclosure of such mortgages.

13 (12) Maintain programs, services and facilities, and, in connection therewith, cooperate and en-
14 ter into agreements with any person or public or private agency.

15 (13) Provide student services including health, guidance, counseling and placement services, and
16 contract therefor.

17 (14) Join appropriate associations and pay any required dues therefor from resources of the
18 district.

19 (15) Apply for federal funds and accept and enter into any contracts or agreements for the re-
20 ceipt of such funds from the federal government or its agencies for educational purposes.

21 (16) Exercise any other power, duty or responsibility necessary to carry out the functions under
22 this section or required by law.

23 (17) Prescribe rules for the use and access to public records of the district that are consistent
24 with ORS 192.420, and education records of students under applicable state and federal law and
25 rules of the [*State Board of Education*] **state board**. Whenever a student has attained 18 years of
26 age or is attending an institution of post-secondary education, the permission or consent required
27 of and the rights accorded to a parent of the student regarding education records shall thereafter
28 be required of and accorded to only the student. However, faculty records relating to matters such
29 as conduct, personal and academic evaluations, disciplinary actions, if any, and other personal
30 matters shall not be made available to public inspection for any purpose except with the consent
31 of the person who is the subject of the record or upon order of a court of competent jurisdiction.

32 (18) Enter into contracts for the receipt of cash or property, or both, and establish annuities
33 pursuant to ORS 731.704 to 731.724; and, commit, appropriate, authorize and budget for the payment
34 of or other disposition of general funds to pay, in whole or in part, sums due under an annuity
35 agreement, and to provide the necessary funding for reserves or other trust funds pursuant to ORS
36 731.716.

37 (19) Encourage gifts to the district by faithfully devoting the proceeds of such gifts to the dis-
38 trict purposes for which intended.

39 (20) Build, furnish, equip, repair, lease, purchase and raze facilities; and locate, buy and acquire
40 lands for all district purposes. Financing may be by any prudent method including but not limited
41 to loans, contract purchase or lease. Leases authorized by this section include lease-purchase
42 agreements whereunder the district may acquire ownership of the leased property at a nominal
43 price. Such financing agreements may be for a term of up to 30 years except for lease arrangements
44 which may be for a term of up to 50 years.

45 (21) Participate in an educational consortium with public and private institutions that offer up-

1 per division and graduate instruction. Community colleges engaged in such consortiums may expend
 2 money, provide facilities and assign staff to assist those institutions offering upper division and
 3 graduate instruction.

4 (22) Enter into contracts of insurance or medical and hospital service contracts or may operate
 5 a self-insurance program as provided in ORS 341.312.

6 **SECTION 33.** ORS 341.315 is amended to read:

7 341.315. Any school district, education service district, institution of higher education, county,
 8 municipality or private organization may contract with a community college district to provide ser-
 9 vices of an educational nature that are subject to the approval of the [*State Board of Education*]
 10 **State Board of Community Colleges.**

11 **SECTION 34.** ORS 341.317 is amended to read:

12 341.317. (1) Reimbursement from the Community College Support Fund established in ORS
 13 341.620 may be made available to community colleges that deliver educational services to inmates
 14 confined to the state-operated correctional facilities and to locally operated correctional facilities.
 15 Such reimbursement shall be distributed as directed in ORS 341.626 and the rules of the [*State Board*
 16 *of Education*] **State Board of Community Colleges.**

17 (2) The [*State Board of Education*] **state board** shall review and approve services to correctional
 18 institutions at least once biennially.

19 (3) The enrollment limitation, as provided by ORS 341.022, does not apply to persons receiving
 20 services under this section.

21 (4) Reimbursement from the Community College Support Fund established in ORS 341.620 may
 22 not be made available to community colleges for delivering educational services to inmates confined
 23 in federal prisons. Neither shall local property taxes be used to support such services. A host com-
 24 munity college shall support such services through a contractual arrangement with the federal
 25 government.

26 **SECTION 35.** ORS 341.405 is amended to read:

27 341.405. Upon approval of the [*State Board of Education*] **State Board of Community**
 28 **Colleges**, a community college may be established by a community college district in which all the
 29 requirements for formation of the district are met and for which adequate building space, library
 30 and suitable laboratory or shop space for the courses to be offered are available or will be available
 31 before classes begin.

32 **SECTION 36.** ORS 341.420 is amended to read:

33 341.420. (1)(a) Subject to the requirements of subsection (2) of this section, the name of any
 34 community college district or community college may be changed by resolution of the district board
 35 of education. The district board shall submit the proposed name change to the [*State Board of Ed-*
 36 *ucation*] **State Board of Community Colleges** for its approval or disapproval. If the proposed name
 37 change is approved by the state board, it shall be submitted to a public hearing in the district. If
 38 the state board disapproves the proposed name change, the district board may rescind its resolution
 39 or revise it to reflect a different name which must be submitted to the state board for its approval
 40 or disapproval.

41 (b) If the proposed name is approved by the state board, notice of the hearing shall be given as
 42 provided in ORS 341.357. The proposed change shall take effect 21 days after the final adjournment
 43 of the public hearing unless a remonstrance is filed under subsection (2) of this section.

44 (2) If a remonstrance to the proposed name change is filed with the district board within 20 days
 45 after the final adjournment of the public hearing under subsection (1) of this section, the district

1 board must submit the question of the proposed name change to the electors of the district unless
 2 the board rescinds its resolution. The remonstrance must be signed by at least five percent or at
 3 least 50, whichever is less, of the electors of the district. The proposed name change shall be sub-
 4 mitted to the electors at the regular school election next following adoption of the resolution.

5 (3) If the majority of votes cast at the election favor the change, it shall take effect upon the
 6 canvass and return of the vote. If the majority of votes cast oppose the change, it shall not take
 7 effect.

8 **SECTION 37.** ORS 341.425 is amended to read:

9 341.425. (1) Before an educational program is commenced at any community college, the board
 10 of education of a community college district shall apply to the [*State Board of Education*] **State**
 11 **Board of Community Colleges** for permission to commence the program. After the first year of the
 12 program, course additions, deletions or changes must be presented to the [*State Board of*
 13 *Education*] **state board** or a representative of the Department of Community Colleges and
 14 Workforce Development authorized to act for the state board for approval.

15 (2) Until the community college becomes accredited by the Northwest Association of Schools
 16 and Colleges or its successor, the community college shall contract with an accredited community
 17 college for its instructional services, including curricula, to ensure its courses carry accreditation
 18 and are acceptable for transfer.

19 (3) After reviewing the contractual agreement between the nonaccredited and the accredited
 20 colleges and after suggesting any modifications in the proposed program of studies, the [*State Board*
 21 *of Education*] **state board** shall approve or disapprove the application of a district.

22 **SECTION 38.** ORS 341.455 is amended to read:

23 341.455. (1) A community college may give credit for courses or programs taken in a career
 24 school. The courses or programs for which credit may be given must meet the standards adopted
 25 by the [*State Board of Education*] **State Board of Community Colleges** under ORS 345.325, must
 26 be taken at a career school domiciled in this state and must be approved for credit by the Com-
 27 missioner for Community College Services.

28 (2) A community college may charge a transcribing fee to a student for courses taken at a ca-
 29 reer school and accepted by the community college under subsection (1) of this section. Such a fee
 30 is to be set by the board and is to be consistent with other student fees.

31 (3) Time spent by students on such courses shall not be considered as clock hours of instruction
 32 in determining full-time equivalency for purposes of ORS 341.626.

33 **SECTION 39.** ORS 341.465 is amended to read:

34 341.465. The board of a district operating a community college, upon approval of the [*State*
 35 *Board of Education*] **State Board of Community Colleges**, may award certificates and associate
 36 degrees indicating satisfactory completion of a course of study offered by the community college.

37 **SECTION 40.** ORS 341.527 is amended to read:

38 341.527. (1) Community colleges in Oregon shall admit students from other states at the same
 39 tuition rate assessed against Oregon residents who are residents of the community college district
 40 if:

41 (a) The state in which the student resides agrees to pay and pays its per capita state aid for
 42 comparable students in the state to the community college;

43 (b) The state in which the students reside agrees to permit and permits one-for-one full-time
 44 enrollment exchange arrangements that allow an equal number of Oregon residents to be admitted
 45 to community colleges or comparable institutions in the state at the same tuition rate assessed

1 against residents of the state and community colleges or comparable institutions in the state in
2 which the students reside agree to admit and admit approved Oregon residents without assessing
3 nonresident tuition; or

4 (c) The board of the community college determines out-of-state residents are essential to pro-
5 viding the critical mass to offer programs that would otherwise be unavailable to Oregon residents.

6 (2) The Department of Community Colleges and Workforce Development shall enter into agree-
7 ments with such other states as are willing to agree to the provisions of this section to establish
8 reimbursement procedures or one-for-one exchange procedures.

9 (3) In cases described in subsection (1)(a) of this section, the Department of Community Colleges
10 and Workforce Development shall pay from funds available therefor to the state that agrees to pay
11 and does pay its per capita state aid to eligible Oregon community colleges to the credit of the
12 community college or comparable institution educating the Oregon resident an amount equal to the
13 amount that would be available under ORS 341.626 if the Oregon resident were enrolled in a com-
14 munity college in this state. From these same funds, the Department of Community Colleges and
15 Workforce Development shall pay to the Oregon community colleges admitting approved one-for-one
16 exchange students as provided by subsection (1)(b) of this section, from other states, an amount
17 equal to the amount that would be available under ORS 341.626 as if the enrolled one-for-one stu-
18 dents were Oregon residents. The Department of Community Colleges and Workforce Development
19 shall not reimburse Oregon community colleges who admit students from other states under sub-
20 section (1)(c) of this section.

21 (4) If a state that has entered into the agreement to pay the per capita state aid to eligible
22 Oregon community colleges as described in subsections (1) and (2) of this section does not make any
23 payment agreed to, the agreement terminates after the affected community college notifies the [*State*
24 *Board of Education*] **State Board of Community Colleges** of the lack of payment. The termination
25 is effective 30 days after the state board notifies the appropriate agency of the other state that the
26 agreement is terminated if no payment is received by the end of the academic period for which tui-
27 tion is assessed and no payment is received at that time. The agreement may be reinstated by mu-
28 tual consent of the parties.

29 (5) The [*State Board of Education*] **state board** shall adopt rules governing attendance in com-
30 munity colleges or comparable institutions in other states for purposes of the reimbursement au-
31 thorized under subsections (1) and (2) of this section to assure that Oregon residents shall not be
32 the object of such reimbursement if they can obtain the same education within the state without
33 undue hardship.

34 **SECTION 41.** ORS 341.547 is amended to read:

35 341.547. (1) Each community college board shall give an individual, written notice of reasonable
36 assurance of continued employment to all employees who are to perform services in the same or a
37 similar capacity during a subsequent academic year or term or in the period immediately following
38 a recess period. Such notice shall be given by May 30 of each year for employees employed as of
39 that date and as of the date of hire for employees employed subsequent to May 30.

40 (2) No liability shall accrue from failure to give the notice required by subsection (1) of this
41 section or from the timing or contents thereof on the part of the community college board. How-
42 ever, the [*State Board of Education*] **State Board of Community Colleges** shall enforce the pro-
43 visions of subsection (1) of this section.

44 (3) Faculty members on annual or indefinite tenure, classified staff members on regular status
45 and management service employees are considered to have been given notice for the purposes of this

1 section.

2 **SECTION 42.** ORS 341.565 is amended to read:

3 341.565. (1) The [*State Board of Education*] **State Board of Community Colleges** shall consti-
 4 tute the boundary board for making any changes in the boundaries of community college districts.
 5 The state board on its own motion or on petition from a petitioning territory may propose changes
 6 in the boundaries of a community college district. The state board must find that the proposed
 7 change will have no substantially adverse effect upon the ability of the affected districts to provide
 8 and continue their programs and is not made solely for tax advantages to property owners in the
 9 district or area affected by the proposed change. The state board may submit the question of a
 10 boundary change to a vote of the electors of the territories affected by the boundary change. The
 11 election must be held on the same day in both of the affected territories.

12 (2) A petition shall be in a form prescribed by the state board and must contain such information
 13 as the state board may require. The petition shall contain a minimum number of signatures as fixed
 14 by the state board.

15 (3) Before any order changing boundaries of an existing district is entered, the state board shall
 16 set dates for a public hearing in the area to be included in the district or excluded from the district
 17 by the proposed boundary change and in the case of annexation of new territory in the principal
 18 town of the existing district and shall give notice in the manner required in ORS 341.357. At the
 19 time set in the notice, the state board or its authorized representative shall conduct a public hearing
 20 on the motion or petition and may adjourn the hearing from time to time.

21 (4) If, upon final hearing, the state board approves the motion or petition or affirms the vote of
 22 the electors of the affected territories, the state board shall make an order describing the revised
 23 boundaries of the district. The order becomes final when the order is approved by the Legislative
 24 Assembly. If the order is not approved, the state board may revise the order and resubmit the order
 25 to the Legislative Assembly but not sooner than 60 days after the action of disapproval was taken.

26 (5) Any division of assets and liabilities required by a change in the boundaries of a district
 27 shall be made pursuant to ORS 341.573.

28 (6) When the boundaries of a district are changed, if the final order of the state board or an
 29 election held under ORS 341.569:

30 (a) Occurs between July 1 and March 31, inclusive, the change takes effect on the June 30 fol-
 31 lowing the final order or election favoring the change.

32 (b) Occurs between April 1 and June 30, inclusive, the change takes effect on the June 30 of the
 33 following year.

34 (7) For purposes of ad valorem taxation, a boundary change must be filed in final approved form
 35 with the county assessor and the Department of Revenue as provided in ORS 308.225.

36 **SECTION 43.** ORS 341.569 is amended to read:

37 341.569. (1) The [*State Board of Education*] **State Board of Community Colleges** shall submit
 38 the question of a proposed boundary change to a vote if:

39 (a) The state board enters the order to revise the boundaries of a community college district;

40 (b) A remonstrance is filed with the state board within 20 days after the date on which the
 41 hearing under ORS 341.565 is adjourned finally;

42 (c) The remonstrance is signed by at least five percent of the electors or at least 500 of the
 43 electors, whichever is less, in:

44 (A) An area to be included in the district or excluded from the district by the proposed boundary
 45 change; or

1 (B) The existing community college district; and

2 (d) The area to be included in the district is not surrounded by the territory of a single com-
 3 munity college district.

4 (2) When necessary under subsection (1) of this section, the question shall be submitted to the
 5 electors of the area or district filing a remonstrance or in both if remonstrances meeting the re-
 6 quirements of subsection (1) of this section are filed from both.

7 (3) If the proposed boundary change is defeated, the same or a substantially similar change may
 8 not be considered until at least 12 months have elapsed from the date of the election at which the
 9 change was defeated. If the vote is favorable in the area or district from which a remonstrance was
 10 filed, the state board shall declare the change effective on the date determined under ORS 341.565.

11 **SECTION 44.** ORS 341.573 is amended to read:

12 341.573. (1) When changes in district boundaries are made by the detachment of territory or an
 13 annexation of territory and another community college district is affected, the boards of the districts
 14 shall make an equitable division of the then existing assets and liabilities between the districts af-
 15 fected by such change and provide the manner of consummating the division.

16 (2) In case of failure to agree within 20 days from the time of such change, the matter shall be
 17 decided by a board of arbitrators. The board of arbitrators shall consist of one member appointed
 18 by each of the boards of the affected districts and an additional member appointed by the other
 19 appointees.

20 (3) In the event any such board fails to appoint an arbitrator within 30 days, the [*State Board*
 21 *of Education*] **State Board of Community Colleges** shall appoint such arbitrator. In the event the
 22 arbitrators selected fail to appoint the additional arbitrator within 30 days after the appointment
 23 of the arbitrator last appointed, the [*State Board of Education*] **state board** shall notify the judge
 24 senior in service of the circuit court of the principal county. Within 10 days after receiving such
 25 notice, the judge shall appoint one additional arbitrator.

26 (4) Each member of the board of arbitrators shall be entitled to the sum of \$100 per day for each
 27 day's service, and necessary expenses, while serving in the official capacity of the member. Ex-
 28 penses thus incurred shall be equally apportioned among the districts concerned.

29 (5) A party to an arbitration under this section may seek confirmation, vacation, modification
 30 or correction of the arbitrator's decision as provided in ORS 36.700, 36.705 and 36.710. A court may
 31 vacate an award only if there is a basis to vacate the award described in ORS 36.705 (1)(a) to (d).
 32 The court may modify or correct an award only for the grounds given in ORS 36.710.

33 (6) Assets include all property and moneys belonging to the district at the time of division. Li-
 34 abilities include all debts for which the respective districts in their corporate capacities are liable
 35 at the time of division. In determining the assets, property shall be estimated at its fair value. The
 36 assets and liabilities shall be divided between the districts in proportion to the last assessed value
 37 of the real and personal property. The district retaining the real property shall pay the other dis-
 38 tricts concerned such sums as are determined in accordance with the provisions of this section. All
 39 funds to be apportioned during the current fiscal year, after such division, shall be made in pro-
 40 portion to the number of persons in each district according to the latest federal census.

41 **SECTION 45.** ORS 341.577 is amended to read:

42 341.577. (1) Notwithstanding any other provision of this chapter, when the new territory annexed
 43 to an existing community college district is greater in population than the original territory, based
 44 upon the latest federal census, the provisions of this section shall govern the community college
 45 district for a period of not less than 10 years after the effective date of the boundary change.

1 (2) Program access and facilities for students shall be maintained in the original territory for a
 2 period of not less than 20 years while programs and facilities for students are developed in the new
 3 territory.

4 (3)(a) After the approval by the electors of both the original territory and the new territory of
 5 the boundary change, the mode of election of board members shall be changed as provided in this
 6 subsection. The term of office of a board member shall be four years. Electors of each of the seven
 7 zones shall elect a board member.

8 (b) No later than the 90th day after the boundary change election under ORS 341.579 (1), five
 9 zones for the new territory shall be established by the [*State Board of Education*] **State Board of**
 10 **Community Colleges**.

11 (c) No later than June 30, two zones for the original territory shall be established by the [*State*
 12 *Board of Education*] **state board** before the election of the first director to either zone as provided
 13 in this subsection.

14 (d) Zones shall be established with the boundaries exclusively within the original territory or
 15 exclusively within the new territory, and with the zones as nearly equal in population as is feasible
 16 according to the latest federal census.

17 (e) An elector may sign a petition of nomination and may vote only for a candidate from the
 18 zone in which the elector resides.

19 (f) The four-year terms of office pertaining to the five numbered zones of the original territory
 20 shall continue until the regularly scheduled June 30 termination date of each expires. A board
 21 member shall be nominated and elected in the same numbered zone in the new territory at the
 22 regular district election immediately preceding the June 30 date, and the director from that zone
 23 shall take office on the July 1 following the date of election.

24 (g) Board members nominated and elected to office by zone in the original territory, and any
 25 person elected or appointed to fill any vacancy in such office, shall continue to hold office until the
 26 expiration of the board member's term.

27 (h)(A) The two at-large board positions in the original territory shall become the two zoned po-
 28 sitions of the original territory after that June 30 on which the last zone of the original territory
 29 no longer is in effect.

30 (B) At that time, the directors in office in the two at-large board positions in the original ter-
 31 ritory shall each be assigned that zone in which each resides, if both reside in separate zones.

32 (C) If the two directors reside in the same zone, then that director elected by the greater num-
 33 ber of votes between the two directors at large shall hold the board position for the territory of the
 34 zone in which the director resided at the date of election, and the other director shall hold the board
 35 position of the other zone.

36 (D) Such board members shall continue in office until their respective terms of at-large election
 37 expire, provided any vacancy occurring in a board member's office before the expiration of such
 38 term shall be filled until expiration by appointment by the board of a resident of the board member's
 39 zone.

40 (4) The board shall appoint an advisory committee of seven members, including three from the
 41 original territory and three from the new territory. The board shall appoint a seventh, at-large
 42 member from a list of persons nominated by the advisory committee. The at-large member shall be
 43 the chairperson. The advisory committee members shall be appointed, and may be reappointed, for
 44 terms of three years, and the terms shall be staggered so that approximately one-third of the terms
 45 of the members end each year. The board shall give deliberative consideration to all recommen-

1 dations of the advisory committee concerning policy related to district organization, educational
2 services and facilities in regard to both the original territory and the new territory.

3 (5) Subject to ORS 294.336, members of the advisory committee shall be appointed to the com-
4 munity college district budget committee. The community college district budget committee shall
5 review and recommend budgets established and delineated by territory based on revenues and re-
6 sources available.

7 (6) The chief administrative officer of the district shall maintain the administrative office of the
8 district in the original territory.

9 (7) Collective bargaining shall be maintained uniformly across the original territory and new
10 territory.

11 (8) After receiving any recommendation of the advisory committee, the board may continue one
12 or more of the provisions of subsections (1) and (3) to (7) of this section in effect for an indefinite
13 period after the expiration of the 10-year period referred to in subsection (1) of this section.

14 (9) The original territory shall remain liable for the existing debt of the community college dis-
15 trict payable from ad valorem property taxes levied specifically for the payment of such indebt-
16 edness.

17 **SECTION 46.** ORS 341.579 is amended to read:

18 341.579. (1) The [*State Board of Education*] **State Board of Community Colleges** shall submit
19 the question of any boundary change pertaining to a community college district subject to ORS
20 341.577 to a vote of the electors held the same day in both the original territory and the new ter-
21 ritory.

22 (2) If the proposed boundary change is defeated in either territory, the same or a substantially
23 similar change shall not be considered until at least 12 months have elapsed from the date of the
24 election at which the proposed change was defeated. If the vote is favorable in both the original
25 territory and the new territory, and subject to determination by the state board that there is a
26 legislative appropriation to the Community College Support Fund established in ORS 341.620 to
27 support the new district resulting from the boundary change at a level commensurate with support
28 for other community college districts, then the state board shall declare the change effective on the
29 date determined under ORS 341.565. Implementation of the state board's order shall take place only
30 if the funds needed to accommodate the impact of annexation on other local education districts are
31 appropriated specifically for that purpose by the Legislative Assembly or allocated by the Emer-
32 gency Board.

33 **SECTION 47.** ORS 341.620 is amended to read:

34 341.620. There is established a Community College Support Fund in the General Fund. **The**
35 **moneys in the Community College Support Fund are appropriated continuously to the De-**
36 **partment of Community Colleges and Workforce Development for distribution to community**
37 **college districts and community college service districts under ORS 341.626.**

38 **SECTION 48.** ORS 341.626 is amended to read:

39 341.626. (1) Subject to rules adopted by the [*State Board of Education*] **State Board of Com-**
40 **munity Colleges** and to ORS 291.232 to 291.260, the Commissioner for Community College Services
41 shall distribute state aid to each community college district and community college service district.

42 (2) The rules adopted by the [*State Board of Education*] **state board** shall provide:

43 (a) No state aid for hobby and recreation classes;

44 (b) Procedures for proper and accurate record keeping;

45 (c) Procedures that will insure reasonable year to year stability in the delivery of appropriated

1 moneys to the colleges; and

2 (d) Procedures to insure that the full state appropriation is delivered to the colleges.

3 (3) Upon compliance with the rules adopted by the [*State Board of Education*] **state board**, the
 4 commissioner shall, as soon as practicable following the receipt of required reports from the dis-
 5 tricts, prepare, certify and transmit to the Oregon Department of Administrative Services the names
 6 and the amounts due each district. The Oregon Department of Administrative Services shall audit
 7 the amounts certified by the commissioner and draw its warrants on the State Treasury payable out
 8 of the [*General Fund*] **Community College Support Fund** to the districts.

9 **SECTION 49.** ORS 341.635 is amended to read:

10 341.635. (1) In determining the amount of apportionment to the community college from the
 11 [*General Fund*] **Community College Support Fund** under ORS 341.626, tuition and fees allowed for
 12 scholarships authorized by ORS 341.485 shall be considered as paid by the student.

13 (2) The district shall include the high school student attending the community college in deter-
 14 mining the number of equivalent full-time students in classes for purposes of ORS 341.626 and other
 15 laws governing the distribution of state and federal funds to such colleges.

16 **SECTION 50.** ORS 341.933 is amended to read:

17 341.933. The [*State Board of Education*] **State Board of Community Colleges** shall adopt by
 18 rule standards governing the distribution of state funds to community college districts for capital
 19 construction projects. The standards shall include, but need not be limited to, the following pro-
 20 visions:

21 (1) [*No*] State funds [*shall*] **may not** be used for the construction of student or faculty housing,
 22 facilities for spectators at athletic events, recreational facilities, student health facilities or nonin-
 23 structional portions of student centers; and

24 (2) State funds shall be matched by substantial contributions from nonstate sources, which may
 25 include tuition, property taxes, bond issues, gifts and grants.

26 **SECTION 51.** ORS 341.937 is amended to read:

27 341.937. In preparing budget requests for each biennium beginning on and after July 1, 1993,
 28 after consultation with the community colleges and their respective representatives of the disabled
 29 community at the colleges, the [*State Board of Education*] **State Board of Community Colleges**
 30 shall include amounts for capital improvements that will be applied to the substantial reduction and
 31 eventual elimination of barriers to access by disabled persons.

32 **SECTION 52.** ORS 30.864 is amended to read:

33 30.864. (1) Any person claiming to be aggrieved by the reckless disclosure of personally iden-
 34 tifiable information from a student's education records as prohibited by rules of the State Board of
 35 Education, **the State Board of Community Colleges** or the State Board of Higher Education may
 36 file a civil action in circuit court for equitable relief or, subject to the terms and conditions of ORS
 37 30.265 to 30.300, for damages, or both. The court may order such other relief as may be appropriate.

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

40 (3) In an action brought under this section, the court may allow the prevailing party costs, dis-
 41 bursements and reasonable attorney fees.

42 **SECTION 53.** ORS 244.050 is amended to read:

43 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
 44 Government Standards and Practices Commission a verified statement of economic interest as re-
 45 quired under this chapter:

1 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the
 2 Bureau of Labor and Industries, Superintendent of Public Instruction, district attorneys and mem-
 3 bers of the Legislative Assembly.

4 (b) Any judicial officer, including justices of the peace and municipal judges, except municipal
 5 judges in those cities where a majority of the votes cast in the subject city in the 1974 general
 6 election was in opposition to the ballot measure provided for in section 10, chapter 68, Oregon Laws
 7 1974 (special session), and except any pro tem judicial officer who does not otherwise serve as a
 8 judicial officer.

9 (c) Any candidate for an office designated in paragraph (a) or (b) of this subsection.

10 (d) The Deputy Attorney General.

11 (e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the
 12 Secretary of the Senate and the Chief Clerk of the House of Representatives.

13 (f) The Chancellor and Vice Chancellors of the Oregon University System and the president and
 14 vice presidents, or their administrative equivalents, in each institution under the jurisdiction of the
 15 State Board of Higher Education.

16 (g) The following state officers:

17 (A) Adjutant General.

18 (B) Director of Agriculture.

19 (C) Manager of State Accident Insurance Fund Corporation.

20 (D) Water Resources Director.

21 (E) Director of Department of Environmental Quality.

22 (F) Director of Oregon Department of Administrative Services.

23 (G) Director of the Oregon State Fair and Exposition Center.

24 (H) State Fish and Wildlife Director.

25 (I) State Forester.

26 (J) State Geologist.

27 (K) Director of Human Services.

28 (L) Director of the Department of Consumer and Business Services.

29 (M) Director of the Department of State Lands.

30 (N) State Librarian.

31 (O) Administrator of Oregon Liquor Control Commission.

32 (P) Superintendent of State Police.

33 (Q) Director of the Public Employees Retirement System.

34 (R) Director of Department of Revenue.

35 (S) Director of Transportation.

36 (T) Public Utility Commissioner.

37 (U) Director of Veterans' Affairs.

38 (V) Executive Director of Oregon Government Standards and Practices Commission.

39 (W) Director of the State Department of Energy.

40 (X) Director and each assistant director of the Oregon State Lottery.

41 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.

42 (i) Every elected city or county official except elected officials in those cities or counties where
 43 a majority of votes cast in the subject city or county in any election on the issue of filing statements
 44 of economic interest under this chapter was in opposition.

45 (j) Every member of a city or county planning, zoning or development commission except such

1 members in those cities or counties where a majority of votes cast in the subject city or county at
 2 any election on the issue of filing statements of economic interest under this chapter was in oppo-
 3 sition to the ballot measure provided for in section 10, chapter 68, Oregon Laws 1974 (special ses-
 4 sion).

5 (k) The chief executive officer of a city or county who performs the duties of manager or prin-
 6 cipal administrator of the city or county except such employees in those cities or counties where a
 7 majority of votes cast in the subject city or county in an election on the issue of filing statements
 8 of economic interest under this chapter was in opposition.

9 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.

10 (m) Every member of a governing body of a metropolitan service district and the executive of-
 11 ficer thereof.

12 (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.

13 (o) The chief administrative officer and the financial officer of each common and union high
 14 school district, education service district and community college district.

15 (p) Every member of the following state boards and commissions:

16 (A) Capitol Planning Commission.

17 (B) Board of Geologic and Mineral Industries.

18 (C) Oregon Economic and Community Development Commission.

19 (D) State Board of Education.

20 (E) Environmental Quality Commission.

21 (F) Fish and Wildlife Commission of the State of Oregon.

22 (G) State Board of Forestry.

23 (H) Oregon Government Standards and Practices Commission.

24 (I) Oregon Health Policy Commission.

25 (J) State Board of Higher Education.

26 (K) Oregon Investment Council.

27 (L) Land Conservation and Development Commission.

28 (M) Oregon Liquor Control Commission.

29 (N) Oregon Short Term Fund Board.

30 (O) State Marine Board.

31 (P) Mass transit district boards.

32 (Q) Energy Facility Siting Council.

33 (R) Board of Commissioners of the Port of Portland.

34 (S) Employment Relations Board.

35 (T) Public Employees Retirement Board.

36 (U) Oregon Racing Commission.

37 (V) Oregon Transportation Commission.

38 (W) Wage and Hour Commission.

39 (X) Water Resources Commission.

40 (Y) Workers' Compensation Board.

41 (Z) Oregon Facilities Authority.

42 (AA) Oregon State Lottery Commission.

43 (BB) Pacific Northwest Electric Power and Conservation Planning Council.

44 (CC) Columbia River Gorge Commission.

45 (DD) Oregon Health and Science University Board of Directors.

1 **(EE) State Board of Community Colleges.**

2 (q) The following officers of the State Treasury:

3 (A) Chief Deputy State Treasurer.

4 (B) Executive Assistant to the State Treasurer.

5 (C) Director of the Investment Division.

6 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
7 and 777.915 to 777.953.

8 (2) By April 15 next after the date an appointment takes effect, every appointed public official
9 on a board or commission listed in subsection (1) of this section shall file with the commission a
10 statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

11 (3) By April 15 next after the filing date for the primary election, each candidate for elective
12 public office described in subsection (1) of this section shall file with the commission a statement
13 of economic interest as required under ORS 244.060, 244.070 and 244.090.

14 (4) Within 30 days after the filing date for the general election, each candidate for elective
15 public office described in subsection (1) of this section who was not a candidate in the preceding
16 primary election shall file with the commission a statement of economic interest as required under
17 ORS 244.060, 244.070 and 244.090.

18 (5) The Legislative Assembly shall maintain a continuing review of the operation of this chapter
19 and from time to time may add to or delete from the list of boards and commissions in subsections
20 (1) to (3) of this section as in the judgment of the Legislative Assembly is consistent with the pur-
21 poses of this chapter.

22 (6) Subsections (1) to (5) of this section apply only to persons who are incumbent, elected or
23 appointed officials as of April 15 and to persons who are candidates for office on April 15. Those
24 sections also apply to persons who do not become candidates until 30 days after the filing date for
25 the statewide general election.

26 (7)(a) Failure to file the statement required by this section subjects a person to a civil penalty
27 that may be imposed as specified in ORS 183.745, but the enforcement of this subsection does not
28 require the Oregon Government Standards and Practices Commission to follow the procedures in
29 ORS 244.260 before finding that a violation of this section has occurred.

30 (b) Failure to file the required statement in timely fashion shall be prima facie evidence of a
31 violation of this section.

32 (c) If within five days after the date on which the statement is to be filed under this section the
33 statement has not been received by the commission, the commission shall notify the public official
34 and give the public official not less than 15 days to comply with the requirements of this section.
35 If the public official fails to comply by the date set by the commission, the commission may impose
36 a civil penalty of \$5 for each day the statement is late beyond the date fixed by the commission.
37 The maximum penalty that may be accrued under this section is \$1,000.

38 (d) A civil penalty imposed under this subsection is in addition to and not in lieu of sanctions
39 that may be imposed under ORS 244.380.

40 **SECTION 54.** ORS 276.610 is amended to read:

41 276.610. There is established a fund in the State Treasury to be known as the State Building
42 Fund which shall be used for the construction, alteration and repair of buildings required for use
43 of institutions and activities under the jurisdiction of the Department of Corrections, **the** Depart-
44 ment of Human Services, [or] the State Board of Education, [and] **the State Board of Community**
45 **Colleges or** the State Board of Higher Education and for the furnishing and equipping of buildings

1 so constructed, altered or repaired.

2 **SECTION 55.** ORS 276.612 is amended to read:

3 276.612. The Department of Corrections, **the** Department of Human Services, [*and*] the State
4 Board of Education, **the State Board of Community Colleges and the State Board of Higher**
5 **Education** each shall determine the buildings to be constructed, altered, repaired, furnished and
6 equipped for the use of institutions and activities under their respective jurisdictions. [*The State*
7 *Board of Higher Education shall determine the buildings to be constructed, altered, repaired, furnished*
8 *and equipped for the use of institutions or activities under its jurisdiction.*]

9 **SECTION 56.** ORS 294.356 is amended to read:

10 294.356. (1) Each school district[,] **and** each education service district [*and each community col-*
11 *lege district*] shall prepare its estimates of expenditures required by ORS 294.352 in accordance with
12 the classification of revenue and expenditure accounts prescribed by rules of the State Board of
13 Education with the approval of the Department of Revenue. **Each community college district shall**
14 **prepare its estimates of expenditures required by ORS 294.352 in accordance with the classi-**
15 **fication of revenue and expenditure accounts prescribed by rules of the State Board of**
16 **Community Colleges with the approval of the Department of Revenue.** The Department of Re-
17 venue shall be responsible for determining compliance.

18 (2) The term “organizational unit” shall not apply to hospitals, school districts, education ser-
19 vice districts and community colleges in preparing estimates of expenditures under ORS 294.352 or
20 making appropriations under ORS 294.435. The term “organizational unit” shall not apply to hospi-
21 tals in preparing the budget summary required by ORS 294.416.

22 (3) Notwithstanding ORS 294.352 (5), each municipal corporation which operates a public utility
23 or hospital shall prepare its estimates for such operations in accordance with the generally accepted
24 system of accounts for such operation or in accordance with the general system of accounts con-
25 tained in ORS 294.311 to 294.520.

26 **SECTION 57.** ORS 329.489 is amended to read:

27 329.489. (1) Within the State of Oregon’s kindergarten through grade 12 education system, pro-
28 ficiency for students in American Sign Language shall be in accordance with rules adopted by the
29 State Board of Education pursuant to ORS chapter 329 and any other applicable state or federal law.

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

31 (a) Coordinate with the State Board of Higher Education, **the State Board of Community**
32 **Colleges** and the Oregon State School for the Deaf to develop curricula for American Sign Language
33 courses;

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

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

38 **SECTION 58.** ORS 329.950 is amended to read:

39 329.950. (1) Pursuant to rules adopted by the [*State Board of Education*] **State Board of Com-**
40 **munity Colleges**, the Department of Community Colleges and Workforce Development shall provide
41 for a statewide literacy “hotline” for literacy program referrals and for the statewide coordination
42 of literacy programs pursuant to ORS 344.760 and 344.765.

43 (2) Gifts and grants for the support of the literacy hotline shall be deposited with and adminis-
44 tered by a nonprofit organization selected by the Commissioner for Community College Services. The
45 nonprofit organization that is selected must show a history of similar experience with fiduciary re-

1 sponibilities.

2 (3) The Department of Community Colleges and Workforce Development may contract with any
3 public body or nonprofit organization to accomplish the purposes of this section.

4 **SECTION 59.** ORS 344.070 is amended to read:

5 344.070. (1) The Oregon Department of Administrative Services may draw warrants upon any
6 state fund to which federal funds for training or education have been credited, in payment of
7 vouchers approved by the Superintendent of Public Instruction [*or the Commissioner for Community*
8 *College Services*] pursuant to rules of the State Board of Education, in favor of school districts[,]
9 **and** education service districts [*and community college districts*], for such sums, not exceeding
10 \$100,000 for a single district in the aggregate, as the State Board of **Education**, by rule, shall de-
11 termine.

12 **(2) The Oregon Department of Administrative Services may draw warrants upon any**
13 **state fund to which federal funds for training or education have been credited, in payment**
14 **of vouchers approved by the Commissioner for Community College Services pursuant to rules**
15 **of the State Board of Community Colleges, in favor of community college districts, for such**
16 **sums, not exceeding \$100,000 for a single district in the aggregate, as the State Board of**
17 **Community Colleges, by rule, shall determine.**

18 (3) The warrants, upon delivery thereof to the districts, shall constitute advances from state
19 funds to enable the districts more readily to effectuate the purposes set forth in any federal law or
20 regulation pertaining to professional technical education or other education or training sponsored
21 by the federal government.

22 [(2)] (4) The districts to which moneys are advanced shall be responsible for the full repayment
23 to the state of all sums advanced. The advances are not within any limitation upon indebtedness
24 prescribed by law for districts. The moneys advanced to districts shall not exceed in the aggregate
25 the moneys to the credit of the state fund from which they are paid, and shall constitute advances
26 to the recipient district in anticipation of verified vouchers to be supplied therefor. The advances
27 are to be used as revolving funds for the payment of the costs of professional technical training
28 programs. The advances shall be made only in those cases in which the federal government defrays
29 all or part of the cost of such programs.

30 **SECTION 60.** ORS 344.080 is amended to read:

31 344.080. (1) All reimbursement vouchers for claims paid from the revolving funds mentioned in
32 ORS 344.070 shall be approved by the Superintendent of Public Instruction **pursuant to rules of**
33 **the State Board of Education** or the Commissioner for Community College Services pursuant to
34 rules of the [*State Board of Education*] **State Board of Community Colleges**. When vouchers are
35 so approved, warrants covering the same shall be drawn by the Oregon Department of Administra-
36 tive Services, payable from the appropriate fund, and be used to reimburse the revolving funds.

37 (2) The districts receiving such advances shall maintain their accounts and records so as to
38 disclose at all times the true status of the unpaid vouchers issued for the reimbursement of the
39 funds, the district warrants drawn against the funds advanced and the balances to the credit thereof.

40 (3) The revolving funds and accounts shall be subject to examination and audit by the state in
41 the manner provided by law for other state funds and accounts. The State Board of Education **or**
42 **the State Board of Community Colleges** may require an audit of the revolving accounts and shall
43 take proper precautions as to the safety of, and accountability for, all funds advanced.

44 (4) The State Board of Education **or the State Board of Community Colleges** may require the
45 filing with [*it*] **the board** of a bond of a corporate surety duly licensed to transact business in this

1 state to insure the proper handling of and responsibility for any funds advanced. The bond shall be
 2 cumulative and supplemental to fidelity insurance coverage already held by the district concerned.
 3 The state may have recourse to any and all fidelity bonds of clerks or other financial officers of the
 4 district to protect such advances.

5 **SECTION 61.** ORS 344.090 is amended to read:

6 344.090. When it appears to the Superintendent of Public Instruction or the Commissioner for
 7 Community College Services that the training and educational programs for which funds are ad-
 8 vanced under ORS 344.070 have been completed, or that the need for such advances or revolving
 9 funds no longer exists, or that the sums advanced are not being properly handled or accounted for,
 10 the superintendent or commissioner may require that all or part of the amounts advanced to any
 11 district shall be returned, with any interest earned, to the state funds or accounts from which the
 12 amounts originally were withdrawn. Upon receipt of notification from the superintendent or com-
 13 missioner that funds advanced are to be returned, the district concerned shall immediately repay the
 14 same to the State Treasurer, for credit to the proper fund or account. To the extent that funds ad-
 15 vanced are so repaid, security or protection theretofore required by the State Board of Education
 16 **or the State Board of Community Colleges** under ORS 344.080 (4) to insure the safety of such
 17 funds may be released.

18 **SECTION 62.** ORS 344.120 is amended to read:

19 344.120. All lawfully incurred claims duly approved pursuant to rules of the State Board of Ed-
 20 ucation **or the State Board of Community Colleges**, including all claims to be paid from the
 21 moneys received by the state from the federal government for professional technical education pur-
 22 poses and for which the State Treasurer is custodian shall be paid as provided in ORS 293.295 to
 23 293.462. The Oregon Department of Administrative Services shall draw warrants on the State
 24 Treasurer in payment thereof out of the proper appropriations or funds.

25 **SECTION 63.** ORS 344.259 is amended to read:

26 344.259. (1) The State Board of Education shall coordinate continuing education in lower divi-
 27 sion, developmental, adult self-improvement, professional and technical education for agencies under
 28 its regulatory authority. **The State Board of Community Colleges shall coordinate continuing**
 29 **education in community colleges.** The State Board of Higher Education shall coordinate continu-
 30 ing education in upper division and graduate education for institutions under its jurisdiction.

31 (2) When significantly adverse impact is alleged by one or more of the agencies listed in this
 32 subsection, the affected parties jointly shall provide for written agreements. These agreements shall
 33 allocate responsibility for planning and providing continuing education or off-campus instruction in
 34 specific areas or by specific types. The agencies are:

35 (a) The State Board of Education.

36 (b) The State Board of Higher Education.

37 **(c) The State Board of Community Colleges.**

38 [(c)] **(d)** Community college districts.

39 [(d)] **(e)** Independent colleges.

40 [(e)] **(f)** Proprietary schools.

41 (3) In the event the affected parties fail to reach a written agreement within 120 days following
 42 receipt of written notice of the allegation, either party may request the Education and Workforce
 43 Policy Advisor to review and to recommend resolution.

44 (4) Nothing in this section prohibits the offering of upper division or graduate programs within
 45 30 miles of the campus of the Department of Higher Education institution offering the program, or

1 the offering of lower division programs within 30 miles of the campus offering the program in areas
 2 outside a community college district. Such programs are entitled to the same college credit and fi-
 3 nancial support as programs offered on the campus of the institution.

4 **SECTION 64.** ORS 348.603 is amended to read:

5 348.603. (1) The Oregon Student Assistance Commission, through the Office of Degree Authori-
 6 zation, shall:

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

8 (b) Authorize approved degree-granting schools to offer nondegree programs leading to a certifi-
 9 cate or diploma;

10 (c) Validate claims of degree possession;

11 (d) Terminate substandard or fraudulent degree activities; and

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

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

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

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

19 (b) If the boards do not resolve the issue raised under paragraph (a) of this subsection within
 20 90 days of the date when the issue was recommended to the boards for mediation, the commission
 21 shall have final authority for approval or disapproval of the program or location. If the boards do
 22 not resolve the issue, the commission shall approve or disapprove the program or location within
 23 180 days of the date when the review began.

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

26 (d) The commission shall establish by rule a fair and neutral decision-making process in con-
 27 sultation with representatives designated by the State Board of Education, **the State Board of**
 28 **Community Colleges**, the State Board of Higher Education, associations representing Oregon in-
 29 dependent colleges, associations representing Oregon career colleges, and the governing boards of
 30 otherwise unrepresented post-secondary schools.

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

36 **SECTION 65.** ORS 348.890 is amended to read:

37 348.890. (1) The State Board of Higher Education, **the State Board of Community Colleges**
 38 and the State Board of Education shall hold at least one meeting annually as the Joint [*Boards*]
 39 **Board** of Education for the purpose of coordinating their activities and reaching joint agreement
 40 on matters of education policy and opportunities of mutual interest to the [*two*] **three** boards and
 41 to the populations served by the boards.

42 (2) Bylaws to be adopted by the members shall determine procedures for setting meeting dates,
 43 locations, chairperson rotation, agendas and staff support.

44 (3) The Joint [*Boards*] **Board** of Education shall provide policy direction to implement regional
 45 partnership proposals and any other joint program or activity approved by [*both*] **the** boards.

1 (4) Notwithstanding ORS 351.070 (3)(c), the Department of Community Colleges and Workforce
 2 Development and the Department of Higher Education may use appropriations from the General
 3 Fund to implement agreements approved by the Joint [*Boards*] **Board** of Education that provide di-
 4 rect aid to a student, or other incentives that encourage shared use of facilities, programs and other
 5 resources of state institutions of higher education and community colleges.

6 **SECTION 66.** Section 1, chapter 653, Oregon Laws 1997, is amended to read:

7 **Sec. 1.** The State Board of Higher Education shall:

8 (1) Continue development of accountability and performance measures with indicators in broad
 9 goal areas, including but not limited to:

- 10 (a) Enhancing existing quality;
- 11 (b) Expanding access;
- 12 (c) Maintaining reasonable cost-effectiveness; and
- 13 (d) Ensuring employability.

14 (2) Continue development of a proficiency-based admission standards system that aligns with
 15 school reform requirements for kindergarten through grade 12 under ORS chapter 329 in order to
 16 improve student performance and better articulate expectations of student learning among the edu-
 17 cational sectors.

18 (3) Continue experimentation with and implementation of various accelerated baccalaureate de-
 19 gree models at state institutions of higher education in applicable programs. The models may include
 20 but need not be limited to early entry and post-secondary options and models that are jointly de-
 21 veloped with the State Board of Education **and the State Board of Community Colleges**.

22 (4) Continue development of strategies to provide the broadest possible access to educational
 23 services for both on-campus and off-campus learners by using technology as well as traditional
 24 options.

25 (5) Continue to work with businesses, industries and agencies to offer increased opportunities
 26 for students to participate in internships, practica and service learning experiences. The **State**
 27 **Board of Higher Education** shall continue to explore faculty internship opportunities with busi-
 28 nesses, industries and agencies.

29 (6) Continue to work with the [*State Board of Education*] **State Board of Community Colleges**
 30 to develop policies and procedures that ensure maximum transfer of academic credits between
 31 community colleges and state institutions of higher education.

32 **SECTION 67.** ORS 351.117 is amended to read:

33 351.117. (1) If the State Board of Higher Education determines that enrollment is sufficient to
 34 make an American Sign Language class economically viable and if qualified instructors are avail-
 35 able, the board may offer to students courses for credit in American Sign Language at any institu-
 36 tion of higher education within the Oregon University System. Such courses shall satisfy any second
 37 language elective requirement.

38 (2) The State Board of Higher Education is encouraged [*to continue*] to:

- 39 (a) Coordinate with the State Board of Education, **the State Board of Community Colleges**
 40 and the Oregon State School for the Deaf to develop curricula for American Sign Language courses;
- 41 (b) Implement programs to locate and prepare qualified teachers and interpreters of American
 42 Sign Language; and
- 43 (c) Assist institutions of higher education in identifying local and regional needs and resources
 44 available for American Sign Language courses.

45 **SECTION 68.** ORS 351.647 is amended to read:

1 351.647. The Legislative Assembly finds that:

2 (1) It is in the interest of this state and its people that Oregon residents have access to the
3 post-secondary institutions in the Northwest which best provide for the educational needs of those
4 students;

5 (2) The people of Oregon and their post-secondary institutions benefit through the provision of
6 access to Oregon colleges and universities for students from the state of Washington and from the
7 enhanced economic and cultural well-being of the northwest region;

8 (3) The state should reduce or eliminate the nonresident tuition barriers which might exist be-
9 tween the states of Oregon and Washington to restrict or inhibit enrollment of residents of one of
10 these states in a community college or public college or university in the other state;

11 (4) The general policy statement on reduction of admission and tuition barriers between the
12 states of Oregon and Washington shall not apply to students at the Oregon Health and Science
13 University, where enrollment priority shall continue to be given to qualified Oregon residents; and

14 (5) The State Board of Higher Education and the [*State Board of Education*] **State Board of**
15 **Community Colleges** shall develop plans to carry out the intent of this policy within the appro-
16 priations available, and shall report to the appropriate legislative review agency before implement-
17 ing the plan.

18 **SECTION 69.** ORS 351.653 is amended to read:

19 351.653. (1) In addition to any interstate agreements entered into under ORS 351.647, the Gov-
20 ernor shall encourage interstate agreements with Washington, Idaho and California. Such agree-
21 ments shall be in accordance with ORS 190.410 to 190.440 and shall:

22 (a) Provide for full-time equivalent reimbursement to this state for any students from another
23 state who enroll in an Oregon public post-secondary institution pursuant to the agreement;

24 (b) Provide that only students who reside in counties that share a common border with this state
25 may participate in any program developed pursuant to such an agreement; and

26 (c) Provide that the county government or other similar county-wide public organization of any
27 county involved in the agreement shall provide or arrange to provide a portion of the costs of at-
28 tendance for participating students.

29 (2) Any public post-secondary institution entering into an interstate agreement under this sec-
30 tion shall send a copy of the agreement to the Governor and the [*State Board of Education*] **State**
31 **Board of Community Colleges**.

32 (3) The provisions of this section shall not apply to interstate agreements entered into pursuant
33 to ORS 351.647.

34 **SECTION 70.** Section 2, chapter 519, Oregon Laws 2001, is amended to read:

35 **Sec. 2.** (1) The Oregon Council for Knowledge and Economic Development is established.

36 (2) The council shall consist of the following members:

37 (a) The Governor shall appoint the following members who shall also be members of the private
38 sector and who shall have experience in a science or technology based industry or experience in
39 private sector venture or angel capital:

40 (A) One member shall be a member of the State Board of Higher Education;

41 (B) One member shall be a member of the Oregon Economic and Community Development
42 Commission;

43 (C) One member shall be a member of the State Board of Education;

44 (D) One member shall be a member of a governing board of a private and independent institution
45 of higher education as defined in ORS 352.720;

1 (E) One member shall be a member of the Oregon Health and Science University Board of Di-
2 rectors;

3 **(F) One member shall be a member of the State Board of Community Colleges;** and

4 ~~[(F)]~~ (G) Five members shall have experience in matters related to the duties of the council
5 under section 5, **chapter 519, Oregon Laws 2001** *[of this 2001 Act]*.

6 (b) The State Treasurer.

7 (c) Two members who are members of the House of Representatives, appointed by the Speaker
8 of the House of Representatives.

9 (d) Two members who are members of the Senate, appointed by the President of the Senate.

10 (e) The following persons, or their authorized representatives, shall serve as ex officio, nonvot-
11 ing members of the council:

12 (A) The Chancellor of the Oregon University System;

13 (B) The Commissioner for Community College Services;

14 (C) The president of the State Board of Higher Education;

15 (D) The presiding officer of the Oregon Economic and Community Development Commission;

16 (E) The chairperson of the State Board of Education;

17 **(F) The chairperson of the State Board of Community Colleges;** and

18 ~~[(F)]~~ (G) An executive officer of an association representing private and independent institutions
19 of higher education, as defined in ORS 352.720, who shall be appointed by the Governor.

20 (3) The Governor shall appoint the chairperson of the council from among the members ap-
21 pointed under subsection ~~[(2)(a)(F)]~~ **(2)(a)(G)** of this section.

22 (4) The term of office of each member is three years, but a member serves at the pleasure of the
23 appointing authority. Before the expiration of the term of a member, the appointing authority shall
24 appoint a successor whose term begins on July 1 next following. A member is eligible for reap-
25 pointment. If there is a vacancy for any cause, the appointing authority shall make an appointment
26 to become immediately effective for the remainder of the unexpired term.

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

29 (6) The council shall meet at least once every quarter during each fiscal year at a place, day
30 and hour determined by the chairperson. The council shall also meet at other times and places
31 specified by the call of the chairperson or by written request of a majority of the voting members
32 of the council.

33 (7) The council may establish committees and delegate to such committees such duties as the
34 members consider desirable.

35 (8) A nonlegislative member of the council is entitled to compensation and expenses as provided
36 in ORS 292.495 (2) and (3). The compensation and expenses of a nonlegislative member of the
37 council who is employed full-time in public service shall be paid by the member's full-time employer.
38 A legislative member of the council is entitled to payment of compensation and expense reimburse-
39 ment under ORS 171.072, payable from funds appropriated to the Legislative Assembly.

40 **SECTION 71.** Section 5, chapter 519, Oregon Laws 2001, as amended by section 14, chapter 920,
41 Oregon Laws 2001, and section 25, chapter 922, Oregon Laws 2001, is amended to read:

42 **Sec. 5.** (1) The Oregon Council for Knowledge and Economic Development shall advise the
43 Governor, the Legislative Assembly, the State Board of Higher Education, **the State Board of**
44 **Community Colleges**, the State Board of Education, the Oregon Economic and Community Devel-
45 opment Commission, the Oregon Growth Account Board and the Higher Education Technology

1 Transfer Fund Board in matters pertaining to knowledge based economic development in Oregon and
 2 the collaboration of Oregon's higher education, business, industry and capital resources to promote
 3 the following:

4 (a) High quality research and development;

5 (b) Private-public models for sharing profit and intellectual property;

6 (c) The transfer and commercialization of technology and knowledge from higher education to
 7 the private sector;

8 (d) A technologically skilled workforce; and

9 (e) Capital resources for investment in and commercialization of technology developed by higher
 10 education or other research institutions, including but not limited to national labs and health care
 11 related research entities.

12 (2) Prior to December 31, 2002, the council shall provide a progress report to the Governor and
 13 to the appropriate interim legislative committees regarding the status of the council's mission. The
 14 progress report shall also provide recommendations about:

15 (a) Increasing high quality research and development in this state;

16 (b) Developing successful models for intellectual property and profit-sharing;

17 (c) Increasing the transfer and commercialization of technology and knowledge;

18 (d) Providing sufficient capital for investment in and commercialization of technology developed
 19 by higher education institutions or other research institutions, including but not limited to public,
 20 private and university foundations;

21 (e) Promoting the development of a technologically skilled workforce;

22 (f) Reviewing the performance of existing programs that support technology transfer and
 23 commercialization in Oregon, including but not limited to utilization of federal programs and fund-
 24 ing;

25 (g) Reviewing the performance and utilization of philanthropic programs and funding that sup-
 26 port technology and commercialization in Oregon, including but not limited to public, private and
 27 university foundations; and

28 (h) Continuing the council past its sunset date.

29 (3) In addition to the report required by subsection (2) of this section, the council may also
 30 provide reports to the Governor and to the Legislative Assembly as the council determines neces-
 31 sary.

32 (4) All legislation recommended by official action of the council must indicate that it is intro-
 33 duced at the request of the council. Such legislation shall be prepared in time for presession filing
 34 pursuant to ORS 171.130.

35 **SECTION 72.** ORS 433.283 is amended to read:

36 433.283. (1) The Department of Human Services may require each community college to require
 37 that students involved in clinical experiences in allied health programs, practicum experiences in
 38 education and child care programs and membership on intercollegiate sports teams have current
 39 immunizations for measles prior to each student's participation. The requirement shall apply only
 40 to those students born on or after January 1, 1957.

41 (2) The [*State Board of Education*] **State Board of Community Colleges** by rule shall define
 42 clinical experiences in allied health programs, practicum experiences in education and child care
 43 programs and membership on intercollegiate sports teams at the community colleges. The Depart-
 44 ment of Human Services by rule shall establish immunization schedules and may further limit the
 45 students and programs to which the requirement applies. Each community college shall develop

1 procedures to implement and maintain this requirement.

2 (3) The Department of Human Services may conduct validation surveys to insure compliance
3 with this section. Community colleges shall be required to keep immunization records only while the
4 student is involved in the program.

5 **SECTION 73.** ORS 656.046 is amended to read:

6 656.046. (1) All persons registered at a college and participating as unpaid trainees in a work
7 experience program who are subject to the direction of noncollege-employed supervisors, and those
8 trainees participating in college directed professional education projects, are considered workers of
9 the college subject to this chapter for purposes of this section. However, trainees who are covered
10 by the Federal Employees Compensation Act shall not be subject to the provisions of this section.

11 (2) A college conducting a work experience program or college directed professional education
12 project shall submit a written statement to the insurer, or in the case of self-insurers, to the Di-
13 rector of the Department of Consumer and Business Services, that includes a description of the work
14 to be performed by such persons and an estimate of the total number of persons enrolled in the
15 program or project.

16 (3) Persons covered under this section are entitled to the benefits of this chapter. However, such
17 persons are not entitled to benefits under ORS 656.210 or 656.212. They are entitled to such benefits
18 if injured as provided in ORS 656.156 and 656.202 while performing any duties arising out of and in
19 the course of their participation in the work experience program or college directed professional
20 education project, provided the duties being performed are among those:

21 (a) Described on the application of the college; and

22 (b) Required of similar full-time paid employees.

23 (4) The filing of claims for benefits under this section is the exclusive remedy of a trainee or a
24 beneficiary of the trainee for injuries compensable under this chapter against the state, its political
25 subdivisions, the college district board, members, officers and employees of the board or any em-
26 ployer, regardless of negligence.

27 (5) A college may elect to make trainees subject to this chapter for college directed professional
28 education projects not enumerated in subsection (8) of this section or for work experience programs
29 under the direction of college-employed supervisors by filing a written request with the insurer of
30 the college, or in the case of self-insured colleges, with the director. Coverage under such election
31 shall become effective no sooner than the date of receipt by the insurer. The coverage request shall
32 include a description of the work to be performed and an estimate of the number of participating
33 trainees. The insurer or director shall accept a request that meets the criteria of this section.

34 (6) The provisions of this section shall be inapplicable to any trainee who has earned wages for
35 such employment.

36 (7) As used in this section, "college" means any community college district or community college
37 service district as defined in ORS chapter 341.

38 (8) As used in this section, "college directed professional education project" means an assigned
39 on-campus or off-campus project that is a component of a program approved by the college board
40 or the operating procedures of the [State Board of Education] **State Board of Community Colleges**
41 and involves work that provides practical experience beyond the initial instruction and demon-
42 stration phases, performed outside of the college classroom or laboratory environment and requiring
43 substantial hands-on participation by trainees. Such projects are further limited to logging,
44 silvicultural thinning, slash burning, fire fighting, stream enhancement, woodcutting, reforestation,
45 tree surgery, construction, printing and manufacturing involving formed metals.

1 **SECTION 74.** ORS 659.850 is amended to read:

2 659.850. (1) As used in this section, “discrimination” means any act that unreasonably differen-
3 tiates treatment, intended or unintended, or any act that is fair in form but discriminatory in oper-
4 ation, either of which is based on age, disability, national origin, race, marital status, religion or sex.

5 (2) No person in Oregon shall be subjected to discrimination in any public elementary, secondary
6 or community college education program or service, school or interschool activity or in any higher
7 education program or service, school or interschool activity where the program, service, school or
8 activity is financed in whole or in part by moneys appropriated by the Legislative Assembly.

9 (3) The State Board of Education, **the State Board of Community Colleges** and the State
10 Board of Higher Education shall *[establish]* **adopt** rules necessary to insure compliance with sub-
11 section (2) of this section in the manner required by ORS chapter 183.

12 **SECTION 75.** ORS 659.855 is amended to read:

13 659.855. (1) Any public elementary or secondary school determined by the Superintendent of
14 Public Instruction *[or any community college determined by the Commissioner for Community College*
15 *Services]* to be in noncompliance with provisions of ORS 659.850 and this section shall be subject to
16 appropriate sanctions, which may include withholding of all or part of state funding, as established
17 by rule of the State Board of Education.

18 **(2) Any community college determined by the Commissioner for Community College**
19 **Services to be in noncompliance with provisions of ORS 659.850 and this section shall be**
20 **subject to appropriate sanctions, which may include withholding of all or part of state fund-**
21 **ing, as established by rule of the State Board of Community Colleges.**

22 ~~[(2)]~~ (3) Any public institution of higher education determined by the Chancellor of the Oregon
23 University System to be in noncompliance with provisions of ORS 659.850 and this section shall be
24 subject to appropriate sanctions, which may include withholding of all or part of state funding, as
25 established by rule of the State Board of Higher Education.

26 ~~[(3)]~~ (4) Any public charter school determined by the sponsor of the school or the Superinten-
27 dent of Public Instruction to be in noncompliance with the provisions of ORS 659.850 and this sec-
28 tion shall be subject to appropriate sanctions, which may include the withholding of all or part of
29 state funding by the sponsor or superintendent, as established by rule of the State Board of Educa-
30 tion.

31 **SECTION 76.** ORS 660.157 is amended to read:

32 660.157. (1) Each state joint committee, with the prior approval of the State Apprenticeship and
33 Training Council, shall prescribe a standard course of study, developed from a trade analysis, for
34 the trade, craft or industrial occupation over which the committee exercises jurisdiction. Each such
35 course of study shall include instructional objectives and an outline of course content for related
36 instruction and manipulative instruction in the classroom. The prescribed course shall also provide
37 for evaluation procedures and instruments for measuring performance. For all programs in
38 apprenticeable occupations a minimum of 144 hours of related instruction per year is recommended.

39 (2) Except as provided in subsection (3) of this section, no course of study for the instruction
40 of apprentices or trainees that has not been prescribed pursuant to subsection (1) of this section
41 may be implemented under this chapter.

42 (3) Notwithstanding subsections (1) and (2) of this section, any course of study for the instruc-
43 tion of apprentices or trainees may be implemented under this chapter where such course of study:

44 (a) Involves instruction in any trades or crafts where the industry will provide the facilities for
45 training;

1 (b) Prepares apprentices and trainees in any trades or crafts;

2 (c) Requires expert instructors to meet the level of skill and training required by the industry;

3 (d) Is substantially equivalent to the standard course prescribed under subsection (1) of this
4 section; and

5 (e) Is supervised by a local joint committee or by a joint industry trust fund committee.

6 (4) Where a course of study meets the requirements of subsection (3) of this section, such course
7 shall be approved:

8 (a) By the state joint committee; and

9 (b) By the [*State Board of Education*] **State Board of Community Colleges** for apprenticeship
10 training credit and toward community college associate degrees.

11 (5) Operation of a course of study under subsection (3) of this section shall be the responsibility
12 of the recognized local apprenticeship committee or local industry trust fund or recognized local
13 employee organization. Such local committee, trust or organization may prescribe criteria for en-
14 rollment into the course of study.

15 **SECTION 77.** ORS 660.162 is amended to read:

16 660.162. The [*State Board of Education*] **State Board of Community Colleges**, in cooperation
17 with the State Apprenticeship and Training Council and the appropriate state joint committee, by
18 rule shall adopt policies, standards and programs to carry out the provisions of ORS 660.002. Such
19 policies, standards or programs may involve any of the following matters:

20 (1) Development of courses of study for apprentices and trainees in the trade, craft or industrial
21 occupation over which the committee exercises jurisdiction.

22 (2) Operation of related instruction classes by district school boards and in courses implemented
23 under ORS 660.157 (3).

24 (3) Development of uniform standards covering occupational qualifications and teacher training
25 requirements for instructors.

26 (4) Preservice and inservice training for instructors.

27 (5) Evaluation procedures for determining credit for apprenticeship training toward community
28 college associate degrees.

29 (6) Defining procedures for granting credit for work experience to instructors, skilled craftsmen
30 or journeymen toward the requirements of a community college associate degree.

31 **SECTION 78.** ORS 660.167 is amended to read:

32 660.167. The State Apprenticeship and Training Council, in cooperation with the [*State Board*
33 *of Education*] **State Board of Community Colleges**, shall adopt policies regarding:

34 (1) Evaluation procedures relating to the determination of apprenticeship credit for work expe-
35 rience, education and training.

36 (2) Procedures for demonstrating the level of achievement required in any area of related in-
37 struction, including but not limited to taking a qualifying examination of the course content.

38 **SECTION 79.** ORS 687.011 is amended to read:

39 687.011. As used in ORS 687.011 to 687.250, 687.895 and 687.991:

40 (1) "Board" means the State Board of Massage Therapists.

41 (2) "Certified class" means a class that is approved by the board and is offered:

42 (a) By a person or institution licensed as a career school under ORS 345.010 to 345.450;

43 (b) By a community college and approved by the [*State Board of Education*] **State Board of**
44 **Community Colleges**; or

45 (c) In another state and licensed or approved by the appropriate agency in that state.

1 (3) "Fraud or misrepresentation" means knowingly giving misinformation or a false impression
2 through the intentional misstatement of, concealment of or failure to make known a material fact
3 or by other means.

4 (4) "Manual" means the use of the hands or the feet, or both, or any part of the body in the
5 performance of massage.

6 (5) "Massage" or "massage therapy" means the use on the human body of pressure, friction,
7 stroking, tapping or kneading, vibration or stretching by manual or mechanical means or gymnas-
8 tics, with or without appliances such as vibrators, infrared heat, sun lamps and external baths, and
9 with or without lubricants such as salts, powders, liquids or creams for the purpose of, but not
10 limited to, maintaining good health and establishing and maintaining good physical condition.

11 (6) "Massage therapist" means a person licensed under ORS 687.011 to 687.250, 687.895 and
12 687.991 to practice massage.

13 (7) "Practice of massage" means the performance of massage:

14 (a) For purposes other than sexual contact, as defined in ORS 167.002 (5); and

15 (b) For compensation.

16 (8) "Preceptor" means a licensed massage therapist who contracts with an approved school or
17 program of massage to provide direct on-site clinical supervision of a massage student enrolled in
18 a certified class.

19 (9) "Supervision" means:

20 (a) The process of overseeing and directing the training of massage students as set forth in rules
21 of the **State Board of Massage Therapists**;

22 (b) The process of overseeing and directing a licensee being disciplined by the board; or

23 (c) Voluntary consultation with, and education of, less experienced licensed massage therapists
24 or practitioners in related fields.

25 (10) "Treatment" means the selection, application and practice of massage or massage therapy
26 essential to the effective execution and management of a plan of care.

27 (11) "Unprofessional or dishonorable conduct" means a behavior, practice or condition that is
28 contrary to the ethical standards adopted by the board.

29 **SECTION 80.** ORS 815.080 is amended to read:

30 815.080. (1) A person commits the offense of providing a safety belt, harness equipment or a child
31 safety system that does not comply with standards if the person does any of the following:

32 (a) Sells or offers for sale a new motor vehicle that is not equipped with safety belts, safety
33 harnesses or child safety systems that comply with and are installed in compliance with the rules
34 adopted by the Department of Transportation under ORS 815.055. This paragraph applies only to
35 motor vehicles that are primarily designed for transportation of individuals and that have seating
36 for one or more passengers side-by-side with the operator. This paragraph requires only that the
37 vehicle be equipped with one seat belt or harness for the operator and one for at least one of the
38 passengers seated beside the operator.

39 (b) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other
40 device for attaching or securing safety belts, safety harnesses or child safety system if the belt,
41 harness, child safety system, anchor or device does not comply with the rules adopted by the de-
42 partment under ORS 815.055. This paragraph applies only to belts, harnesses, child safety systems,
43 anchors or devices for use or installation on a vehicle that is primarily designed for transportation
44 of individuals.

45 (c) Sells or offers for sale any safety belt, safety harness, child safety system, anchor or other

1 device for attaching or securing safety belts, safety harnesses or child safety systems if the belt,
 2 harness, child safety system, anchor or device is not marked as required under federal safety stan-
 3 dards and if the mark is not legible when the belt, harness, child safety system, anchor or other
 4 device is used or installed on a vehicle. This paragraph applies only to belts, harnesses, child safety
 5 systems, anchors or devices for use or installation on a vehicle that is primarily designed for
 6 transportation of individuals.

7 (d) Installs any safety belt, safety harness, child safety system, anchor or other device for at-
 8 taching or securing safety belts, safety harnesses or child safety systems on a vehicle that is pri-
 9 marily designed for the transportation of individuals except in compliance with rules adopted by the
 10 department under ORS 815.055.

11 (2) This section does not apply to school buses or school activity vehicles that are subject to
 12 equipment standards adopted by the State Board of Education, **the State Board of Community**
 13 **Colleges** or the State Board of Higher Education under ORS 820.100.

14 (3) The offense described in this section, providing a safety belt, harness equipment or a child
 15 safety system that does not comply with standards, is a Class C traffic violation.

16 **SECTION 81.** ORS 820.100 is amended to read:

17 820.100. (1) The State Board of Education shall adopt and enforce such reasonable standards
 18 relating to school bus and school activity vehicle construction and school bus and school activity
 19 vehicle equipment as the board deems necessary for safe and economical operation.

20 **(2) The State Board of Community Colleges may adopt and enforce separate rules of the**
 21 **type described under this section for school buses and school activity vehicles that are under**
 22 **its jurisdiction.**

23 [(2)] (3) The State Board of Higher Education may adopt and enforce separate rules of the type
 24 described under this section for school buses and school activity vehicles that are under its juris-
 25 diction.

26 [(3)] (4) The State Board of Education shall adopt and enforce standards for school bus stop
 27 arms authorized by ORS 820.105.

28 [(4)] (5) Rules adopted under this section:

29 (a) Must be consistent with requirements established by statute or by rule adopted under stat-
 30 utory authority that relate to the same subject.

31 (b) Shall be consistent with minimum uniform national standards, if such standards exist.

32 (c) May include different requirements for different classes or types of school buses or school
 33 activity vehicles.

34 (d) May include any exemptions determined appropriate under ORS 820.150.

35 **SECTION 82.** ORS 820.110 is amended to read:

36 820.110. (1) The State Board of Education shall adopt and enforce rules to establish requirements
 37 of operation, qualifications or special training of drivers and special accident reports for school
 38 buses and school activity vehicles.

39 **(2) The State Board of Community Colleges may adopt and enforce separate rules of the**
 40 **type described under this section for school buses and school activity vehicles that are under**
 41 **its jurisdiction.**

42 [(2)] (3) The State Board of Higher Education may adopt and enforce separate rules of the type
 43 described under this section for school buses and school activity vehicles that are under its juris-
 44 diction.

45 [(3)] (4) The rules adopted under this section:

1 (a) Are subject to ORS 820.190 and 820.200 and to any other statute or regulation relating to
 2 the operation of vehicles, qualifications of drivers and accident reports.

3 (b) Must be consistent with requirements established by statute or by rule adopted under stat-
 4 utory authority that relate to the same subject.

5 (c) May include different requirements for different classes or types of school buses or school
 6 activity vehicles.

7 (d) May include any exemptions determined appropriate under ORS 820.150.

8 **SECTION 83.** ORS 820.120 is amended to read:

9 820.120. (1) The State Board of Education shall adopt and enforce rules to provide for the in-
 10 spection of school buses and school activity vehicles to assure that the vehicles are in compliance
 11 with requirements under rules established under ORS 820.100 and 820.110, as applicable, and that
 12 the vehicles are safe for operation. The rules may include intervals of inspections.

13 **(2) The State Board of Community Colleges may adopt and enforce separate rules of the**
 14 **type described under this section for school buses and school activity vehicles that are under**
 15 **its jurisdiction.**

16 [(2)] (3) The State Board of Higher Education may adopt and enforce separate rules of the type
 17 described under this section for school buses and school activity vehicles that are under its juris-
 18 diction.

19 [(3)] (4) The rules adopted under this section:

20 (a) Are subject to any other statute or regulation relating to the safety of vehicles for operation
 21 and the inspection of vehicles.

22 (b) May include different requirements for different classes or types of school buses or school
 23 activity vehicles.

24 (c) May include any exemptions determined appropriate under ORS 820.150.

25 **SECTION 84.** ORS 820.130 is amended to read:

26 820.130. The Department of Transportation shall issue registration for a school bus when noti-
 27 fied that the vehicle conforms to applicable rules under ORS 820.100 to 820.120 and that the vehicle
 28 is safe for operation on the highways. Notification required by this section shall be from:

29 (1) The State Board of Education or its authorized representative regarding vehicles under its
 30 regulatory authority.

31 **(2) The State Board of Community Colleges or its authorized representative regarding**
 32 **vehicles under its jurisdiction.**

33 [(2)] (3) The State Board of Higher Education or its authorized representative regarding vehicles
 34 under its jurisdiction.

35 **SECTION 85.** ORS 820.150 is amended to read:

36 820.150. (1) The State Board of Education, by rule, may establish classes or types of vehicles
 37 that are not considered school buses or school activity vehicles for purposes of the Oregon Vehicle
 38 Code or classes of school buses or school activity vehicles that are not subject to regulation under
 39 the Oregon Vehicle Code either partially or completely.

40 **(2) The State Board of Community Colleges may adopt separate rules of the type de-**
 41 **scribed under this section for vehicles that are under its jurisdiction.**

42 [(2)] (3) The State Board of Higher Education may adopt separate rules of the type described
 43 under this section for vehicles that are under its jurisdiction.

44 [(3)] (4) Rules adopted under this section are subject to the following:

45 (a) Any exemption, either partial or total, established under this section may be based upon

1 passenger capacity, on limited use or on any other basis the State Board of Education, **the State**
 2 **Board of Community Colleges** or the State Board of Higher Education considers appropriate.

3 (b) No exemption, either partial or total, shall be established under this section for any vehicle
 4 that is marked with or displays the words “school bus.”

5 (c) Any vehicle determined not to be a school bus under this section is not a school bus within
 6 the definition established under ORS 801.460. Partial exemptions established for vehicles under this
 7 section may include removal of the vehicle from any provisions relating to school buses under the
 8 vehicle code.

9 (d) Any vehicle determined not to be a school activity vehicle under this section is not a school
 10 activity vehicle within the definition established under ORS 801.455. Partial exemptions established
 11 for vehicles under this section may include removal of the vehicle from any provisions relating to
 12 school activity vehicles under the vehicle code.

13 (e) In considering any rules under this section, the boards shall consider the need to assure
 14 student safety.

15 **SECTION 86. The duties, functions and powers of the State Board of Education relating**
 16 **to community colleges are imposed upon, transferred to and vested in the State Board of**
 17 **Community Colleges.**

18 **SECTION 87. (1) The State Board of Education shall:**

19 (a) **Deliver to the State Board of Community Colleges all records and property within the**
 20 **jurisdiction of the State Board of Education that relate to the duties, functions and powers**
 21 **transferred by section 86 of this 2005 Act; and**

22 (b) **Transfer to the State Board of Community Colleges those employees engaged prima-**
 23 **rially in the exercise of the duties, functions and powers transferred by section 86 of this 2005**
 24 **Act.**

25 (2) **The State Board of Community Colleges shall take possession of the records and**
 26 **property, and shall take charge of the employees and employ them in the exercise of the**
 27 **duties, functions and powers transferred by section 86 of this 2005 Act, without reduction**
 28 **of compensation but subject to change or termination of employment or compensation as**
 29 **provided by law.**

30 (3) **The Governor shall resolve any dispute between the State Board of Education and the**
 31 **State Board of Community Colleges relating to transfers of records, property and employees**
 32 **under this section, and the Governor’s decision is final.**

33 **SECTION 88. (1) The unexpended balances of amounts authorized to be expended by the**
 34 **State Board of Education for the biennium beginning July 1, 2005, from revenues dedicated,**
 35 **continuously appropriated, appropriated or otherwise made available for the purpose of ad-**
 36 **ministering and enforcing the duties, functions and powers transferred by section 86 of this**
 37 **2005 Act are appropriated and transferred to and are available for expenditure by the State**
 38 **Board of Community Colleges for the biennium beginning July 1, 2005, for the purpose of**
 39 **administering and enforcing the duties, functions and powers transferred by section 86 of**
 40 **this 2005 Act.**

41 (2) **The expenditure classifications, if any, established by Acts authorizing or limiting**
 42 **expenditures by the State Board of Education remain applicable to expenditures by the State**
 43 **Board of Community Colleges under this section.**

44 **SECTION 89. The transfer of duties, functions and powers to the State Board of Com-**
 45 **munity Colleges by section 86 of this 2005 Act does not affect any action, proceeding or**

1 prosecution involving or with respect to such duties, functions and powers begun before and
2 pending at the time of the transfer, except that the State Board of Community Colleges is
3 substituted for the State Board of Education in the action, proceeding or prosecution.

4 **SECTION 90.** (1) Nothing in sections 86 to 92 of this 2005 Act relieves a person of a li-
5 ability, duty or obligation accruing under or with respect to the duties, functions and powers
6 transferred by section 86 of this 2005 Act. The State Board of Community Colleges may
7 undertake the collection or enforcement of any such liability, duty or obligation.

8 (2) The rights and obligations of the State Board of Education legally incurred under
9 contracts, leases and business transactions executed, entered into or begun before the op-
10 erative date of section 86 of this 2005 Act accruing under or with respect to the duties,
11 functions and powers transferred by section 86 of this 2005 Act are transferred to the State
12 Board of Community Colleges. For the purpose of succession to these rights and obligations,
13 the State Board of Community Colleges is a continuation of the State Board of Education
14 and not a new authority.

15 **SECTION 91.** Notwithstanding the transfer of duties, functions and powers by section 86
16 of this 2005 Act, the rules of the State Board of Education with respect to such duties,
17 functions or powers that are in effect on the operative date of section 86 of this 2005 Act
18 continue in effect until superseded or repealed by rules of the State Board of Community
19 Colleges. References in such rules of the State Board of Education to the State Board of
20 Education or an officer or employee of the State Board of Education are considered to be
21 references to the State Board of Community Colleges or an officer or employee of the State
22 Board of Community Colleges.

23 **SECTION 92.** Whenever, in any uncodified law or resolution of the Legislative Assembly
24 or in any rule, document, record or proceeding authorized by the Legislative Assembly, in
25 the context of the duties, functions and powers transferred by section 86 of this 2005 Act,
26 reference is made to the State Board of Education, or an officer or employee of the State
27 Board of Education, whose duties, functions or powers are transferred by section 86 of this
28 2005 Act, the reference is considered to be a reference to the State Board of Community
29 Colleges or an officer or employee of the State Board of Community Colleges who by this 2005
30 Act is charged with carrying out such duties, functions and powers.

31 **SECTION 93.** For the purpose of harmonizing and clarifying statute sections published
32 in Oregon Revised Statutes, the Legislative Counsel may substitute for words designating the
33 "State Board of Education," wherever they occur in ORS chapter 341, other words designat-
34 ing the "State Board of Community Colleges."

35 **SECTION 94.** The transfer of duties, functions, powers, records, property, employees and
36 moneys by sections 86, 87 and 88 of this 2005 Act does not become operative until the State
37 Board of Community Colleges has been appointed and has qualified. Until then, the State
38 Board of Education shall continue to perform the duties and functions, exercise the powers
39 and have charge of the records, property, employees and moneys.

40 **SECTION 95.** Except as otherwise specifically provided in section 94 of this 2005 Act,
41 sections 1 to 5 and 86 to 94 of this 2005 Act and the amendments to statutes and session law
42 by sections 6 to 85 of this 2005 Act become operative on July 1, 2006.

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