

CHAPTER 840

AN ACT

SB 501

Relating to state financial administration; creating new provisions; amending ORS 291.278, 293.701, 336.431, 348.696, 357.195, 418.330, 418.335, 418.340, 461.559 and 471.810 and section 4, chapter 578, Oregon Laws 2013, section 3, chapter 20, Oregon Laws 2015 (Enrolled Senate Bill 605), section 2, chapter 459, Oregon Laws 2015 (Enrolled Senate Bill 779), and section 2, chapter 600, Oregon Laws 2015 (Enrolled Senate Bill 5520); repealing sections 7, 8 and 9, chapter 25, Oregon Laws 2015 (Enrolled House Bill 5017); and declaring an emergency.

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

**TASK FORCE ON THE CAPITAL
CONSTRUCTION BUDGET PROCESS**

SECTION 1. (1) The Task Force on the Capital Construction Budget Process is established. The task force shall consist of:

(a) The cochairs of the Joint Committee on Ways and Means;

(b) One member of the Senate appointed by the President of the Senate and who is a member of a different political party from the Senate cochair of the joint committee;

(c) One member of the House of Representatives appointed by the Speaker of the House of Representatives and who is a member of a different political party from the House cochair of the joint committee;

(d) The Legislative Fiscal Officer; and

(e) The Director of the Oregon Department of Administrative Services or a designee of the Director of the Oregon Department of Administrative Services.

(2) The task force shall:

(a) Create a current inventory of state-owned buildings, including a description of the condition of each building;

(b) Review existing statutory provisions governing the process of developing the capital construction portion of the state budget, including but not limited to provisions in ORS chapters 291 and 293;

(c) Identify current statutory provisions relating to the capital construction portion of the state budget that are outdated, are unnecessary or need modification;

(d) Identify new provisions that would aid in the development of the capital construction portion of the state budget;

(e) Identify and recommend a long-range process for determining and implementing future capital construction needs and priorities for this state;

(f) Identify and recommend a process for determining how capital construction budget requests relate to overall state budget priorities;

(g) Consider whether capital construction budgets should also include forecasts of the costs of operating and maintaining state buildings upon which capital construction moneys are spent; and

(h) Recommend a comprehensive package of statutory changes that will allow the Legislative Assembly to develop budgets for capital construction projects based on identified long-term goals, using an incremental process that is integrated into the overall state budget each biennium and that provides more transparency for the public.

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

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

(5) The cochairs of the Joint Committee on Ways and Means shall serve as chairpersons of the task force.

(6) If there is a vacancy for any cause in a position appointed by the President of the Senate or the Speaker of the House of Representatives, the appointing authority shall make an appointment to become immediately effective.

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

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

(9) Not later than October 15, 2016, the task force shall submit a report to the Legislative Assembly in the manner provided by ORS 192.245, and may include recommendations for legislation.

(10) The Legislative Administrator shall provide staff support to the task force.

(11) Members of the task force who are not members of the Legislative Assembly are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions of the task force shall be paid out of funds appropriated to the Legislative Administration Committee for purposes of the task force.

(12) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the task force consider necessary to perform their duties.

SECTION 2. Section 1 of this 2015 Act is repealed on the date of the convening of the 2017 regular session of the Legislative Assembly as specified in ORS 171.010.

SECTION 3. The task force established by section 1 of this 2015 Act is a continuation of the Task Force on the Capital Construction Budget Process established by section 1, chapter 716, Oregon Laws 2013, and not a new task force. The members appointed under section 1, chapter 716, Oregon Laws 2013, and serving on the date of the convening of the 2015 regular session of the Legislative Assembly shall continue to serve for purposes of the task force established under section 1 of this 2015 Act.

LEGISLATIVE BRANCH

SECTION 4. ORS 291.278 is amended to read:

291.278. (1) Upon completion of the determination by the Oregon Department of Administrative Services under ORS 291.274 and 291.276, the department shall:

(a) Transfer to the Legislative Fiscal Office Operating Fund, with appropriate notice to the State Treasurer, out of moneys appropriated to each state agency, the amount of [~~\$3 million~~] **\$4 million**; and

(b) After deducting the amounts specified in paragraph (a) of this subsection, transfer to the General Fund, with appropriate notice to the State Treasurer, out of moneys appropriated to each state agency, the amount of governmental service expenses certified for the agency.

(2) In the case of a state agency that collects or receives moneys for fees, fines, licenses or taxes not by law made a part of the General Fund available for general governmental purposes, if moneys available to such state agency are not sufficient to permit the transfers under subsection (1) of this section, the department shall notify the state agency of the amount certified with respect to the state agency under ORS 291.274 and 291.276, less any amount transferred out of moneys appropriated to such state agency under subsection (1) of this section. Thereafter, until such balance has been paid into the General Fund, 10 percent of all moneys collected or received by the state agency for fees, fines, licenses or taxes not by law made a part of the General Fund available for general governmental purposes shall be:

(a) Transferred by the department to and made a part of the General Fund available for general governmental purposes if such moneys are paid to the State Treasurer by the state agency; or

(b) Paid to the State Treasurer by the state agency receiving such moneys at the time when they are received by the state agency if such moneys are authorized by law to be kept and disbursed other than by and through the State Treasurer, and be credited by the State Treasurer to and made a part of the General Fund available for general governmental purposes.

(3) The transfers and payments to the Legislative Fiscal Office Operating Fund and the General Fund required by this section shall be made notwithstanding any law that appropriates such moneys or any of them to any other purposes, and such portion so paid and transferred is not subject to any special uses thereby provided.

SECTION 5. Section 4, chapter 578, Oregon Laws 2013, is amended to read:

Sec. 4. The amendments to ORS 171.072, 292.912 and 292.930 by sections 1 to 3 [*of this 2013 Act*], chapter 578, Oregon Laws 2013, apply to salaries established for biennia beginning on or after [*July 1, 2015*] **July 1, 2017**.

SECTION 6. If this 2015 Act does not become effective until after June 30, 2015, the amendments to section 4, chapter 578, Oregon Laws 2013, by section 5 of this 2015 Act shall be operative retroactively to that date, and the operation and effect of section 4, chapter 578, Oregon Laws 2013, as amended by section 5 of this 2015 Act, shall continue unaffected from June 30, 2015, to the effective date of this 2015 Act. Any otherwise lawful action taken or otherwise lawful obligation incurred under the authority of section 4, chapter 578, Oregon Laws 2013, as amended by section 5 of this 2015 Act, after June 30, 2015, and before the effective date of this 2015 Act, is ratified and approved.

SECRETARY OF STATE

SECTION 7. Notwithstanding ORS 56.041 and in addition to transfers required by ORS 56.041 (4), the amount of \$6,200,000 is transferred from the Operating Account to the General Fund for general governmental purposes. The transfer shall be made on June 15, 2017.

OREGON LIQUOR CONTROL COMMISSION

SECTION 8. ORS 471.810 is amended to read:

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

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

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

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

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

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

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

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

(5) Notwithstanding subsection (1) of this section, amounts to be distributed from the Oregon Liquor Control Commission Account that are attributable to a per bottle surcharge imposed by the Oregon Liquor Control Commission, shall be credited to the General Fund.

SECTION 8a. The amendments to ORS 471.810 by section 8 of this 2015 Act apply to moneys attributable to a per bottle surcharge collected or received by the Oregon Liquor Control Account on or after the effective date of this 2015 Act.

SECTION 9. Section 2, chapter 600, Oregon Laws 2015 (Enrolled Senate Bill 5520), is amended to read:

Sec. 2. For the biennium beginning July 1, 2015, expenditures by the Oregon Liquor Control Commission for liquor purchases [*and bank card fees*] are not limited.

SECTION 10. If House Bill 2041 becomes law, section 3, chapter 20, Oregon Laws 2015 (Enrolled Senate Bill 605), is amended to read:

Sec. 3. (1) Notwithstanding ORS 221.770, 471.805 and 471.810, for the biennium beginning July 1, 2013, and the biennium beginning July 1, 2015, the Oregon Liquor Control Commission may expend moneys in the Oregon Liquor Control Commission Account to pay any expenses incurred by the commission in implementing and carrying out sections 3 to 70, chapter 1, Oregon Laws 2015 [*(Control, Regulation and Taxation of Marijuana and Industrial Hemp Act)*]. Any expenditure made under this subsection is considered a loan and must be repaid from the Oregon Marijuana Account established by section 44, chapter 1, Oregon Laws 2015. Expenditures made under this subsection shall be made from moneys in the Oregon Liquor Control Commission Account before the distributions required by ORS 471.810 are made.

(2) Notwithstanding [*sections 43 and*] **section 44**, chapter 1, Oregon Laws 2015, not later than June 30, 2017, the [*commission*] **Department of Revenue** shall transfer from the Oregon Marijuana Account to the **commission for deposit in the Oregon Liquor Control Commission Account** an amount equal to the total amount expended by the commission under subsection (1) of this section plus two percent of the total amount expended. The [*commission*] **department** shall make the transfer required by this subsection before making any other withholding, distribution or expenditure from the Oregon Marijuana Account for purposes described in [*sections 43 and*] **section 44**, chapter 1, Oregon Laws 2015.

EMPLOYMENT DEPARTMENT

SECTION 11. Notwithstanding ORS 657.783, the amount of \$13 million is transferred from the Supplemental Employment Department Administration Fund to the General Fund for general governmental purposes. The transfer shall occur on May 1, 2017.

DEPARTMENT OF EDUCATION

SECTION 12. Sections 7, 8 and 9, chapter 25, Oregon Laws 2015 (Enrolled House Bill 5017), are repealed.

SECTION 13. ORS 336.431 is amended to read:

336.431. (1) **The Department of Education shall administer a Farm-to-School Grant Program as provided by this section.**

[(1)] (2) A school district may apply to the department [of Education for a grant to be used by the school district for one or more of the following purposes] **for a grant as follows:**

(a) [To reimburse] **As a noncompetitive grant to assist** the school district **with paying** for costs incurred by the school district to purchase [Oregon food products described in subsection (3) of this section] **food produced or processed in this state; or**

(b) **As a competitive grant** to fund food-based, agriculture-based and garden-based educational activities in the school [districts] **district.**

[(2)] *The Department of Education shall distribute grant moneys under this section in a manner that ensures that:*

[(a)] *At least 80 percent of the moneys distributed are used for reimbursements as described in subsection (1)(a) of this section; and*

[(b)] *At least 10 percent of the moneys distributed are used for the educational activities described in subsection (1)(b) of this section.*

(3)(a) **Based on a noncompetitive process, the department shall provide grants to school districts to assist in paying for costs incurred by the school district to purchase food produced or processed in this state. The amount of a grant awarded as provided by this subsection shall be determined by the department based on the number of lunches served by the school district during the previous school year under the United States Department of Agriculture's National School Lunch Program.**

[(3)(a)] (b) [If a school district receives any grant moneys under this section for reimbursements, the school district] **A school district that receives a grant under this subsection** shall use the moneys for the costs incurred by the school district to purchase [Oregon] food products that were:

(A) Purchased on or after the date the school district received [the moneys for the grant] **notification from the Department of Education of the amount to be distributed to the school district as provided by this subsection;**

(B) Produced or processed in [Oregon] **this state;** and

(C) Used [in] **for meals that are served as part of the United States Department of Agriculture's [National School Lunch Program] child nutrition programs.**

[(b)] *For Oregon food products that satisfy the requirements of paragraph (a) of this subsection, reimbursements shall be in an amount that equals the lesser of:*

[(A)] *The amount paid per meal by the school district to purchase the Oregon food products; or*

[(B)] *Fifteen cents for every school lunch that is served as part of the United States Department of Agriculture's National School Lunch Program and that uses Oregon food products.*

[(c)] *A school district that receives moneys for reimbursement as provided by paragraph (b) of this subsection:*

[(A)] *Must use the moneys to purchase foods produced or processed in Oregon; and*

[(B)] *May not use the moneys to supplant purchases of food products with federal moneys, but may use the moneys to pay for the difference in cost between food products that are of higher quality and food products that are allowed to be purchased with federal moneys.*

(4)(a) **Based on a competitive process, the department shall provide grants to school districts or nonprofit organizations, or commodity commissions or councils organized under ORS 576.051 to 576.455 or ORS chapter 577 or 578, to assist in paying the costs incurred to provide food-based, agriculture-based or garden-based educational activities in the school district.**

[(4)] (b) [If a school district receives any moneys under this section for educational activities, the school district] **An entity identified in paragraph (a) of this subsection that receives a grant under this subsection** shall use the moneys for costs directly associated with the educational activities, including staff time, travel costs and equipment purchased for the activities.

[(5)] *The Department of Education shall consult with the State Department of Agriculture to determine the recipients and amounts of grants awarded under this section.*

[(6)] *The Department of Education may award a grant to a school district under this section only if the school district can demonstrate that the school district:*

[(a)] *Has a program to purchase Oregon food products and a program to provide food-based, agriculture-based or garden-based educational activities; or*

[(b)] *Is developing the programs described in paragraph (a) of this subsection that the school district does not have at the time of application.*

[(7)] (c) When awarding grants under this [section,] **subsection,** preference shall be given to [school districts] **entities that propose educational activities that:**

[(a)] *Propose farm-to-school projects or school garden projects that:*

(A) Are well designed;

[(B)] *Incorporate positive changes in food purchasing;*

[(C)] (B) Promote healthy food activities;

[(D)] (C) Have clear educational objectives;

[(E)] (D) Involve parents or the community; [and]

[(F)] *Have high potential for job creation;*

(E) **Are connected to a school district's farm-to-school procurement activities; and**

(F) **Are culturally relevant to the students being served by the grant moneys.**

(d) **The department must ensure that the recipients of grants under this subsection:**

[(b)] (A) Represent a variety of **school** sizes and geographic locations; and

[(c)] (B) Serve a high percentage of children who qualify for free or reduced price school meals under the United States Department of Agriculture's National School Lunch Program.

[(8)] (5) The Department of Education shall consult with the State Department of Agriculture to:

(a) Develop rules and standards related to the grants awarded under this section.

(b) **Determine the recipients and amounts of grants awarded under this section.**

[(9)] (6) The Department of Education may expend for the administrative costs incurred under this section no more than two percent of all moneys received by the department for the grant program.

DEPARTMENT OF TRANSPORTATION

SECTION 14. (1) In addition to and not in lieu of any other allocation, there is allocated to Multnomah County, for the biennium beginning July 1, 2015, out of moneys described in section 5 (6), chapter 761, Oregon Laws 2015 (Enrolled House Bill 5040), the amount of \$3,900,000 which may be expended for the construction of operational improvements on Cornelius Pass Road.

(2) In addition to and not in lieu of any other allocation, there is allocated to Washington County, for the biennium beginning July 1, 2015, out of moneys described in section 5 (6), chapter 761, Oregon Laws 2015 (Enrolled House Bill 5040), the amount of \$5,000,000 which may be expended for the construction of safety improvement projects located on State Highway 47 at Verboort and Purdin Roads.

PUBLIC EMPLOYEES' BENEFIT BOARD

SECTION 15. Notwithstanding ORS 243.167, the amount of \$120,000,000 is transferred from the Public Employees' Revolving Fund to the General Fund for general governmental purposes. The transfer shall be made on May 1, 2017.

DEPARTMENT OF HUMAN SERVICES

SECTION 16. ORS 418.330 is amended to read: 418.330. (1) As used in this section:

(a) "Child" means:

(A) A person under 18 years of age;

(B) A person under 21 years of age if the Department of Human Services determines that the person has a mental or physical disability that warrants the continuation of assistance; or

(C) A person who has attained 18 years of age and:

(i) On whose behalf payments under this section were received prior to the person attaining 18 years

of age, provided the person was at least 16 years of age at the time the payments commenced;

(ii) Has not attained 21 years of age; and

(iii)(I) Is completing secondary education or a program leading to an equivalent credential;

(II) Is enrolled in an institution or program that provides post-secondary or vocational education;

(III) Is participating in a program or activity designed to promote, or remove barriers to, employment;

(IV) Is employed for at least 80 hours per month; or

(V) Is incapable of doing any of the activities described in sub-sub-subparagraphs (I) to (IV) of this sub-subparagraph due to a medical condition, which incapability is supported by regularly updated documentation.

(b) "Child-caring agency" means:

(A) A child-caring agency as defined in ORS 418.205; and

(B) For a child who has attained 18 years of age, an independent residence facility established or certified under ORS 418.475 in which the child resides as an enrollee in an independent living program.

(c) "Nonrecurring adoption or guardianship expenses" means reasonable and necessary adoption or guardianship fees, court costs, attorney fees and other expenses that are directly related to the adoption of, or establishment of a guardianship for, a child with special needs and that are not incurred in violation of state or federal law.

(2) The department may make payments to adoptive parents or guardians on behalf of a child placed for adoption or establishment of a guardianship by the department, or placed for adoption by an approved child-caring agency, when the department determines:

(a) The child has special needs because of an impediment to adoptive placement or establishment of a guardianship by reason of the child's physical or mental condition, race, age, or membership in a sibling group; or

(b) The adoptive family or guardian is capable of providing the permanent family relationships needed by the child in all respects other than financial, and the needs of the child are beyond the economic ability and resources of the family.

(3) Payments to subsidize adoptions or guardianships made under subsection (2) of this section:

(a) Shall include payment of nonrecurring adoption or guardianship expenses incurred by or on behalf of adoptive parents or guardians in connection with the adoption of, or establishment of a guardianship for, a child with special needs;

(b) May include, but are not limited to, the maintenance costs, medical and surgical expenses, and other costs incidental to the care, training and education of the child;

(c) May not exceed the cost of providing comparable assistance in foster care; and

(d) May not be made:

(A) For a child who has not attained 18 years of age, when the adoptive parents **or guardians** are no longer legally responsible for the support of the child; or

(B) When the child is no longer receiving any support from the adoptive parents **or guardians**.

(4) Adoptive parents **or guardians** receiving payments under subsection (2) of this section shall inform the department of circumstances that would make the adoptive parents **or guardians**:

(a) Ineligible to receive the payments; or

(b) Eligible to receive the payments in a different amount.

SECTION 17. ORS 418.335 is amended to read:

418.335. (1) Qualification for payments under ORS 418.330 must be determined by the Department of Human Services prior to the completion of the adoption **or guardianship** proceeding.

(2) The department shall set the amount of payments under ORS 418.330 through negotiations with the prospective adoptive parents **or guardians**, taking into consideration the circumstances of the prospective adoptive parents **or guardians** and the needs of the child.

(3) The department may change the amount of payments under ORS 418.330:

(a) Through renegotiation with the adoptive parents **or guardians**, based upon a showing that there has been a change in the circumstances of the adoptive parents **or guardians** or the needs of the child; or

(b) When the department has reduced or increased the amount of comparable assistance in foster care under ORS 418.647.

(4) The department may suspend or terminate payments when one or more of the following conditions exist:

(a) The child *[attains 18 years of age]* **no longer meets the definition of "child" under ORS 418.330.**

(b) The adoptive parents **or guardians** are no longer legally responsible for the support of the child.

(c) The child is no longer receiving any support from the adoptive parents **or guardians**.

(5) If a payment under ORS 418.330 is suspended or terminated for a reason not related to the age of the child **or because a guardianship has been vacated by the court**, the adoptive parents **or guardians** of the child may petition the department for a review of the case. The department shall afford the petitioner an opportunity for a hearing, which must be held in the county the petitioner elects.

SECTION 18. ORS 418.340 is amended to read:

418.340. The Department of Human Services shall make all necessary rules for payments to subsidize adoptions **or guardianships**.

STATE DEPARTMENT OF FISH AND WILDLIFE

SECTION 19. Section 2, chapter 459, Oregon Laws 2015 (Enrolled Senate Bill 779), is amended to read:

Sec. 2. Section 1, chapter 459, Oregon Laws 2015 (Enrolled Senate Bill 779), *[of this 2015 Act]* is repealed on January 2, *[2016]* 2017.

CONCILIATION AND MEDIATION SERVICES AND LAW LIBRARIES

SECTION 20. Notwithstanding section 8 (1), chapter 691, Oregon Laws 2015 (Enrolled Senate Bill 5514), the governing body of a county may, after consulting with the presiding judge of the circuit court, use up to one-half of the amount distributed to the county under section 8 (2), chapter 691, Oregon Laws 2015 (Enrolled Senate Bill 5514), for the purpose of providing conciliation and mediation services in circuit courts.

CONNECTING OREGON COMMUNITIES FUND

SECTION 21. The balance of the Connecting Oregon Communities Fund established by ORS 759.445, including the balances of the School Technology Account and the Public Access Account, is transferred to the General Fund for general governmental purposes.

OREGON EDUCATION FUND

SECTION 22. ORS 348.696 is amended to read: 348.696. (1) Pursuant to section 4 (4)(d), Article XV of the Oregon Constitution, the Education Stability Fund is established separate and distinct from the General Fund. Moneys in the Education Stability Fund shall be invested as provided in ORS 293.701 to 293.790. **Except as provided in subsection (2) of this section**, all declared earnings on moneys in the fund shall be transferred and are appropriated continuously as follows:

[(1)] (a) 75 percent to the Oregon Education Fund established by ORS 348.716; and

[(2)] (b) 25 percent to the Higher Education Coordinating Commission for the Oregon Opportunity Grant program under ORS 348.260.

(2) **If the Director of the Oregon Department of Administrative Services determines for any biennium that the amount to be transferred and appropriated continuously to the Oregon Education Fund under subsection (1)(a) of this section exceeds the amount needed to pay for public education and education lottery bond debt service in that biennium, the amount of the excess for that biennium shall be transferred and is appropriated continuously to the Higher Edu-**

ation Coordinating Commission for the Oregon Opportunity Grant program under ORS 348.260.

STATE LIBRARY DONATION FUND

SECTION 23. ORS 357.195, as amended by section 20, chapter 328, Oregon Laws 2015 (Enrolled House Bill 3523), is amended to read:

357.195. (1) The State Library Donation Fund is established in the State Treasury, separate and distinct from the General Fund. The following moneys shall be placed in the fund:

- (a) Gifts and donations to the State Library;
- (b) The interest, income, dividends or profits received on any property or funds of the State Library derived from gifts, legacies, devises, bequests, endowments or other donations;
- (c) Other interest earned by the fund; and
- (d) Any other moneys placed in the fund as provided by law.

(2) Moneys in the fund that are derived from profits, interest or other earnings traceable to a specific gift, legacy, devise, bequest, endowment or other donation shall be used in the same manner as the principal or corpus of the gift, legacy, devise, bequest, endowment or other donation.

(3) Moneys in the fund, including moneys in the Talking Book and Braille Library Endowment Fund subaccount if established pursuant to subsection (5) of this section, may, at the discretion of the State Library Board, be invested as provided in ORS 293.701 to 293.857.

[3] (4) The State Treasurer shall credit monthly to the fund any interest or other income derived from the fund or the investing thereof.

[4] (5) The [State Library] board may establish a Talking Book and Braille Library Endowment Fund as a subaccount of the State Library Donation Fund.

[5] (6) Moneys in the State Library Donation Fund are continuously appropriated to the State Library for use by, and support and maintenance of, the State Library. Claims against the fund shall be approved and warrants issued in the manner provided by law.

SECTION 24. ORS 293.701 is amended to read: 293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:

- (1) "Council" means the Oregon Investment Council.
- (2) "Investment funds" means:
 - (a) Public Employees Retirement Fund referred to in ORS 238.660;
 - (b) Industrial Accident Fund referred to in ORS 656.632;
 - (c) Consumer and Business Services Fund referred to in ORS 705.145;
 - (d) Employment Department Special Administrative Fund referred to in ORS 657.822;
 - (e) Insurance Fund referred to in ORS 278.425;

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

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

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

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

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

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

(L) World War II Veterans' Compensation Fund;

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

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

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

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

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

(r) Oregon University System Fund established by ORS 351.506 and the Higher Education Donation Fund established by ORS 351.130;

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

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

(u) Education Stability Fund established by ORS 348.696;

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

(w) Trust for Cultural Development Account established under ORS 359.405[.]; and

(x) The State Library Donation Fund and the Talking Book and Braille Library Endowment Fund subaccount established under ORS 357.195.

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

STATE TREASURER

SECTION 25. Notwithstanding ORS 173.240:

(1) The Legislative Counsel and the Legislative Fiscal Officer shall conduct a review of state law governing the investment by the State Treasurer of the funds of this state and of local and tribal governments. The purpose of the review is to:

(a) Identify deficiencies in current law; and

(b) Make recommendations to clarify, simplify, consolidate and update the existing statutory framework.

(2) For purposes of the review, the Legislative Counsel and the Legislative Fiscal Officer

may consult with the Department of Justice and the State Treasurer and any other officer or employee of this state or of any local or tribal government.

(3) The Legislative Counsel and the Legislative Fiscal Officer shall submit a report in the manner provided in ORS 192.245, and may include recommendations for legislation, to the Joint Committee on Ways and Means, or the Joint Interim Committee on Ways and Means, no later than December 31, 2016.

SECTION 26. Section 25 of this 2015 Act is repealed on January 2, 2017.

JUDICIAL SALARIES

SECTION 27. (1) Annual salaries of judges of the Supreme Court, the Court of Appeals, circuit courts and the Oregon Tax Court established under ORS 292.406, 292.411, 292.416 and 292.426 shall be adjusted to reflect the same percentage amount of any positive cost of living adjustment granted to employees in the management service in the executive department.

(2) The adjustment described in subsection (1) of this section shall occur at the same time that salaries of employees in the management service in the executive department are adjusted.

(3) As used in this section:

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

(b) "Management service" means the management service as provided in ORS 240.212.

SECTION 28. Section 27 of this 2015 Act applies to any positive cost of living adjustment granted to employees in the management service in the executive department on or after the effective date of this 2015 Act.

REVERSION OF LOTTERY ALLOCATIONS

SECTION 29. ORS 461.559 is amended to read: 461.559. (1) On December 31 in each odd-numbered year, all amounts remaining unspent by a state agency from statutory allocations made from the Administrative Services Economic Development Fund to that agency for the prior biennium shall revert to the Administrative Services Economic Development Fund.

(2) Subsection (1) of this section does not apply to allocations for **debt service**, capital construction, continuing contracts, contested claims or special allocations designated by legislative action.

HIGHER EDUCATION COORDINATING COMMISSION

SECTION 30. (1) Notwithstanding any law limiting tuition and mandatory enrollment fee increases at public universities listed in ORS 352.002, if a public university listed in ORS 352.002 increases either resident undergraduate tuition or mandatory enrollment fees by more than three percent for the 2016-2017 academic year, the public university must report the justification for the increase to the Higher Education Coordinating Commission and the Joint Committee on Ways and Means, or the Joint Interim Committee on Ways and Means.

(2) Subsection (1) of this section does not apply to public universities currently subject to existing financial agreements or plans with the Higher Education Coordinating Commission, or to four-year tuition guarantees or high cost, high demand degree programs that currently charge differential tuition.

(3) This section is repealed on December 31, 2018.

TRANSFERS

SECTION 31. Except as provided in sections 7, 11 and 15 of this 2015 Act, the transfers described in sections 7, 11, 15 and 21 of this 2015 Act shall be made on the effective date of this 2015 Act from moneys maintained, on the effective date of this 2015 Act, in the funds or accounts from which the transfers are made.

CAPTIONS

SECTION 32. The unit captions used in this 2015 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2015 Act.

EMERGENCY CLAUSE

SECTION 33. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Approved by the Governor August 12, 2015
Filed in the office of Secretary of State August 13, 2015
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